BANXA HOLDINGS INC

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED 31 MARCH 2022

DATED: 30 May 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS

*This Management's Discussion and Analysis ("**MD&A**") is current as of 30 May 2022 and presents an analysis of the financial condition of Banxa Holdings Inc and its subsidiaries (collectively referred to as "Banxa", "**BNXA**" or the "**Company**") as at and for the three and nine months ended 31 March 2022 compared with the corresponding periods in the prior year. This MD&A should be read in conjunction with the Company's interim condensed consolidated financial statements and the related notes thereto for the three and nine months ended 31 March 2022.*

This MD&A is the responsibility of management, and was approved by the Board of Directors after receiving the recommendation of the Company's Audit Committee.

Unless otherwise noted or the context indicates otherwise "we", "us", "our", the "Company" or "BNXA" refer to Banxa Holdings Inc. and its subsidiaries. The Company presents its consolidated financial statements in Australian dollars. Amounts in this MD&A are stated in Australian dollars unless otherwise indicated.

The Company's continuous disclosure materials, including interim filings, audited consolidated financial statement and annual information form can be found on SEDAR at www.sedar.com and on the Company's website at http://www.banxa.com/ .

Caution Regarding Forward-Looking Statements

This MD&A contains forward-looking statements that relate to the Company's current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "outlook", "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict" or "likely", or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to the Company's expectations regarding its revenue, expenses and operations, key performance indicators, provision for loan losses (net of recoveries), anticipated cash needs and its need for additional financing, funding costs, ability to extend or refinance any outstanding amounts under the Company's credit facilities, ability to protect, maintain and enforce its intellectual property, plans for and timing of expansion of its product and services, future growth plans, ability to attract new members and develop and maintain existing customers, ability to attract and retain personnel, expectations with respect to advancement of its product offering, competitive position and the regulatory environment in which the Company operates, anticipated trends and challenges in the Company's business and the markets in which it operates, third-party claims of infringement or violation of, or other conflicts with, intellectual property rights, the resolution of any legal matters, and the acceptance by the Company's consumers and the marketplace of new technologies and solutions.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward- looking statements. Given these risks, uncertainties and assumptions, any investors or users of this document should not place undue reliance on these forward-looking statements.

Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors that are discussed in greater detail in the "Risk Factors" section of the Company's current annual information form available at www.sedar.com which risk factors are incorporated herein by reference.

The forward-looking statements made in this MD&A relate only to events or information as of the date of this MD&A and are expressly qualified in their entirety by this cautionary statement. Except as required by law, we do not assume any obligation to update or revise any of these forward-looking statements to reflect events or circumstances after the date of this MD&A, including the occurrence of unanticipated events. A reader should review this MD&A with the understanding that our actual future results may be materially different from what we expect.

Company Overview

Formerly known as A-Labs Capital I Corp, BANXA Holdings Inc is a continuation of the business activities of BTC Holdings Pty Ltd. Banxa is an Australian/European/North American based payment service provider (PSP) and Reg-tech company focused on bridging the gap between traditional "mass market" legacy financial institutions and processes and the digital asset space. The Company commenced operations in March 2014 as a bitcoin miner and B2C business, before moving the business model into payment infrastructure and compliance systems to facilitate fiat/cash (currencies such as USD, AUD and CAD) to digital asset conversions with a focus on B2B business.

The Company has a payment gateway infrastructure that includes online payments across multiple currencies and payment types. With both global and local payment options, BANXA is also able to offer those payment and compliance rails to major crypto industry players. Global exchanges and wallets can utilize BANXA's B2B platform to offer their users a fast and reliant fiat to crypto conversion service (and vice versa) within our partner's platforms. They benefit from the extensive groundwork in countries where Banxa is represented in and compliance with local laws and international Anti Money Laundering / Know Your Client (AML/KYC) standards. This service allows our partners to focus on their crypto currency business without touching payments and fiat currency.

BANXA has built a strong position in the Australian market and, since the acquisition of EUIV in June 2020, has been focusing on international expansion and the exploitation of new growth markets.

The Company focuses on acting as a gateway between the traditional fiat currencies and cryptocurrencies, rather than competing with traditional open book cryptocurrency exchanges which facilitate crypto to crypto trading.

The irreversible nature of cryptocurrency transactions presents a unique challenge for platforms aiming to on-board users via traditional reversible fiat payment rails. This challenge is further increased by Anti-Money Laundering regulation coalescing globally to enforce consistent requirements for companies providing fiat-to-crypto and crypto-to-fiat conversion services.

BANXA earns revenue from the sale of crypto-currencies (fiat off-ramp services), commission fees and spread (fiat on-ramp services). It is therefore a "flow" based business, similar to international forex companies such as PayPal, TransferWise or Ant Financial and Australian forex company OFX. For consumers, the company has pioneered offering payments for its services at physical point of sale payment locations through its partnerships with Australia Post (approximately 4,500 post offices.

BANXA, through its subsidiary Global Internet Ventures Pty Ltd, is a registered digital currency exchange provider with the Australian Transaction Reports and Analysis Centre (AUSTRAC), the peak government body for oversighting financial transaction compliance in Australia. BANXA's European subsidiaries are also registered in The Netherlands and Lithuania as well as with Fintrac in Canada.

BANXA's technology platform utilises Machine Learning and Liquidity Management, conducts Anti-Money Laundering (AML) and Know Your Customer (KYC) checks on all its customers and is in compliance with the local laws of the jurisdictions in which it operates.

B2B – FIAT Aggregator to the Digital Asset Industry

BANXA offers a conversion widget/API product to third parties who require fiat on- and off-ramps, allowing the Company to embed its product deeply into the crypto ecosystem. We stand out from competitors by offering B2B clients a variety of payment methods, currencies, managed AML compliance and crypto-chargeback expertise.

Overheads associated with providing fiat-to-crypto services are high for a single exchange, but by implementing economies of scale, BANXA is able to reduce marginal costs of these overheads and allow consumers to seamlessly switch between fiat and crypto at a small cost. Our fiat-to-crypto gateway addresses an existing market gap, and we believe that our conversion widget will be a key enabler for more adoption and continued growth.

BANXA further combines payment infrastructure, fraud detection and mitigation and regulatory compliance into a single product, which increases our clients' addressable market and reduces their customer acquisition cost. We protect our clients from chargebacks and are able to process conversion requests in as little as a few minutes depending on the selected payment method and individual compliance requirements.

(Expressed in Australian Dollars)

Non-IFRS Financial Measures – Adjusted EBITDA

This MD&A references adjusted EBITDA, which is a non-IFRS financial measure. Adjusted EBITDA is not a recognized measure under IFRS, has no standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to adjusted EBITDA presented by other companies. Rather, it is provided as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, adjusted EBITDA should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS.

We use non-IFRS financial measures to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. We believe that securities analysts, investors, and other interested parties frequently use non-IFRS financial measures in the evaluation of issuers. There are certain limitations related to the use of non-IFRS financial measures versus their nearest IFRS equivalents. Investors are encouraged to review our financial statements and disclosures in their entirety and are cautioned not to put undue reliance on any non-IFRS financial measure and view it in conjunction with the most comparable IFRS financial measures. In evaluating non-IFRS financial measures, you should be aware that in the future we will continue to incur expenses similar to those adjusted in non-IFRS financial measures.

Adjusted EBITDA is a non-IFRS financial measure that we calculate as net loss before tax excluding depreciation and amortization expense, share based compensation expense, unrealized loss on inventory, finance expense, realized/unrealized gain on fair value of deposits, loss on fair value of derivative, and listing expenses. Adjusted EBITDA is used by management to understand and evaluate the performance and trends of the Company's operations. The following table shows a reconciliation of adjusted EBITDA to net loss before tax, the most comparable IFRS financial measure, for the three and nine months ended 31 March 2022 and 2021:

	Three months ended 31 March 2022	Three months ended 31 March 2021	**Nine months ended 31 March 2022**	Nine months ended 31 March 2021
Loss before tax	**$ (4,934,044)**	$ (171,497)	**$ (8,512,013)**	$ (1,079,542)
Amortization and depreciation	**117,452**	9,243	**313,022**	25,418
Realised loss (gain) on fair value of deposits	**4,865**	(380,364)	**(1,250,135)**	(2,744,986)
(Gain) loss on fair value of derivative liability	**(48)**	-	**136,818**	-
Share based compensation expense	**677,490**	1,117,860	**2,412,094**	1,218,501
Finance expense	**27,306**	399,123	**278,710**	580,826
Listing expense	**-**	-	**-**	2,690,513
Adjusted EBITDA	**$ (4,106,979)**	$ 974,365	**$ (6,621,504)**	$ 690,730

(Expressed in Australian Dollars)

Financial Performance Review

Revenue Recognition

In presenting the revenues of the group, the Company's accounting revenue recognition policy makes a distinction between:

- Principal revenues (control of inventory, therefore risk, therefore 100% of the sale transaction is treated as revenue) classified as 'off-ramping' services; and
- Agency transactions (no effective control of inventory, different risk profile, as Company is acting as agent only the net amount of the transaction is considered revenue) classified as 'on ramping' services.

Revenue

Total revenues decreased by $4,527,380 to $16,487,557 during the three months ended 31 March 2022 from $21,014,937 for the three months ended 31 March 2021 due to the changing mix of agency and principle; and increased by $28,114,113 to $56,528,331 during the nine months ended 31 March 2022 from $28,414,218 for the nine months ended 31 March 2021. That's a decrease of 22% for the three months ended 31 March 2022 and an increase of 99% for the nine months respectively.

The following table shows the breakdown of the different components of revenue for the periods discussed:

	Three months ended 31 March 2022	Three months ended 31 March 2021	**Nine months ended 31 March 2022**	Nine months ended 31 March 2021
Sale of cryptocurrencies "Principal" or "Off-Ramping services"	**$ 2,147,352**	$ 7,697,795	**$ 3,637,372**	$ 11,620,433
Integration revenue	**(13,857)**	36,429	**(24,965)**	146,616
Commissions and spread from services "Agency" or "On-Ramping services"	**14,354,062**	13,280,713	**52,915,924**	16,647,169
Total revenue	**$ 16,487,557**	$ 21,014,937	**$ 56,528,331**	$ 28,414,218

The following table shows revenue by geographical regions:

	Three months ended 31 March 2022	Three months ended 31 March 2021	**Nine months ended 31 March 2022**	Nine months ended 31 March 2021
Australia	**$ 1,913,001**	$ 9,864,611	**$ 7,506,019**	$ 12,966,126
North America	**717,317**	1,981,291	**2,196,063**	1,981,291
Europe	**13,857,239**	9,169,035	**48,826,249**	13,466,801
Total revenue	**$ 16,487,557**	$ 21,014,937	**$ 56,528,331**	$ 28,414,218

(Expressed in Australian Dollars)

Risk Management and Critical Accounting Estimates

The current outbreak of COVID-19, and any future emergence and spread of similar pathogens, could have a material adverse effect on global and local economic and business conditions, which may adversely impact our business and our results of operations as well as the operations of contractors and service providers. The overall economic impacts of COVID-19 could include an impact on our ability to obtain debt and equity financing or potential future decreases in revenue or the profitability of our ongoing operations. The extent of the impact that this pandemic may have on the local and worldwide economies and the Company's business is currently highly uncertain and difficult to predict. Accordingly, there is a higher level of uncertainty with respect to management's judgements and estimates at this time, particularly as it relates to the measurement of allowance for loan losses and fair valuation of our investment portfolio. We will continue to revisit our judgements and estimates where appropriate in future reporting periods as economic conditions surrounding the COVID-19 pandemic continue to evolve.

Results of Operations

The following table sets forth a summary of our results of operations for the three and nine months ended 31 March 2022 and 2021:

	Three months ended 31 March 2022	Three months ended 31 March 2021	**Nine months ended 31 March 2022**	Nine months ended 31 March 2021
	$	$	**$**	$
REVENUE				
Revenue	**16,487,557**	21,014,937	**56,528,331**	28,414,218
Cost of sales	**9,924,626**	14,964,362	**34,259,479**	20,207,677
Gross profit	**6,562,931**	6,050,575	**22,268,852**	8,206,541
Operating expenses				
Salary expense	**6,358,035**	1,816,034	**15,617,719**	3,767,449
Amortization and depreciation	**117,452**	9,243	**313,022**	25,418
Share based compensation	**677,490**	1,117,860	**2,412,094**	1,218,501
General, administration and other	**2,068,669**	3,091,475	**7,424,680**	4,621,621
Total operating expenses	**9,221,646**	6,034,612	**25,767,516**	9,632,989
Income (Loss) from operations before other items and income taxes	**2,658,715**	15,963	**(3,498,664)**	(1,426,448)
Other items				
Realised gain / (loss) on FV of deposits	**(4,865)**	380,364	**1,250,135**	2,744,986
Other income	**448**	415,510	**234,358**	672,436
Foreign exchange gains/ (losses)	**(2,243,654)**	(584,211)	**(6,082,314)**	200,823
Gain / (loss) on fair value of derivative liability	**48**	-	**(136,818)**	-
Finance expense	**(27,306)**	(399,123)	**(278,710)**	(580,826)
Listing expense	**-**	-	**-**	(2,690,513)
Total other items	**(2,275,329)**	(187,460)	**(5,013,349)**	346,906
Loss before tax	**(4,934,044)**	(171,497)	**(8,512,013)**	(1,079,542)

(Expressed in Australian Dollars)

Income tax (expense)/benefit	**(251,926)**	(1,200,000)	**86,137**	(1,200,000)
Net loss for the period	**(5,185,970)**	(1,371,497)	**(8,425,876)**	(2,279,542)
Other comprehensive income/ (loss)				
Items that may be reclassified to profit or loss				
Foreign currency translation	**17,271**	(366,841)	**114,407**	(410,710)
Total other comprehensive income/ (loss)	**17,271**	(366,841)	**114,407**	(410,710)
Total comprehensive loss for the period	**(5,168,699)**	(1,738,338)	**(8,311,469)**	(2,690,252)

Key Income Statement Components

Revenue from sale of goods and services

The following table summarizes total revenue and breakdown by percent for the three months ended 31 March 2022 and 2021:

	Three months ended 31 March 2022		Three months ended 31 March 2021		**% Change**	
	$ Value of revenue stream	**% of total revenue**	$ Value of revenue stream	% of total revenue	**$ Value of revenue stream**	**% of total revenue**
Sale of cryptocurrencies "Principal" or "Off-Ramping services"	**$ 2,147,352**	**13.0%**	$ 7,697,795	36.6%	**(72.1%)**	**(23.6%)**
Integration revenue	**(13,857)**	**(0.1%)**	36,429	0.2%	**(138.0%)**	**(0.3%)**
Commissions and spread from services "Agency" or "On-Ramping" services)	**14,354,062**	**87.1%**	13,280,713	63.2%	**8.1%**	**23.9%**
Total revenue	**$ 16,487,557**	**100%**	$ 21,014,937	100%	**(21.5%)**	

The following table summarizes total revenue and breakdown by percent for the nine months ended 31 March 2022 and 2021:

	Nine months ended 31 March 2022		Nine months ended 31 March 2021		**% Change**	
	$ Value of revenue stream	**% of total revenue**	$ Value of revenue stream	% of total revenue	**$ Value of revenue stream**	**% of total revenue**
Sale of cryptocurrencies "Principal" or "Off-Ramping services"	**$ 3,637,372**	**6.4%**	$ 11,620,433	40.9%	**(68.4%)**	**(34.4%)**
Integration revenue	**(24,965)**	**0.0%**	146,616	0.5%	**(117.0%)**	**(0.6%)**
Commissions and spread from services "Agency" or "On-Ramping" services)	**52,915,924**	**93.6%**	16,647,169	58.6%	**217.9%**	**35.0%**
Total revenue	**$ 56,528,331**	**100%**	$ 28,414,218	100%	**98.9%**	

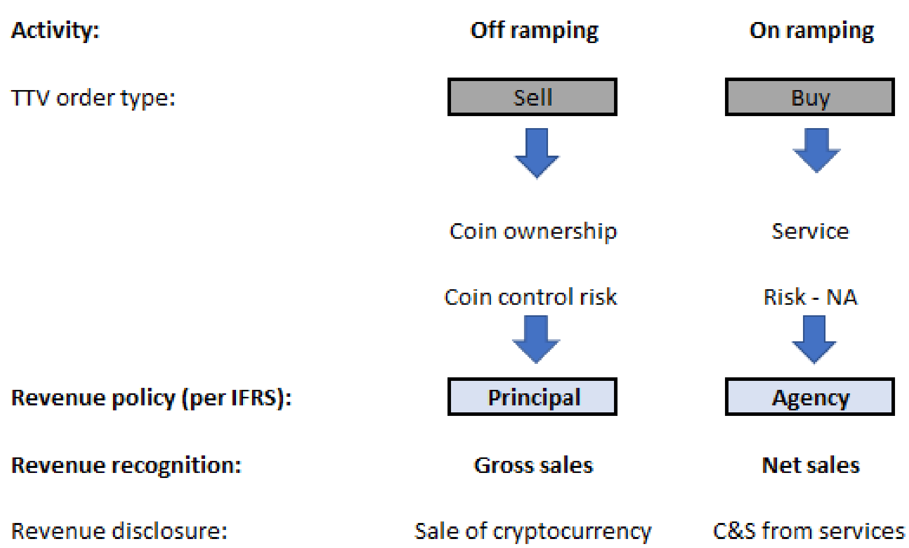
(Expressed in Australian Dollars)

Commissions and spread from services – represents revenues from BNXA's business on an "Agency basis" or "On-Ramping services".

Sale of cryptocurrencies - represents revenues from BNXA's business operations on a "Principal basis" or "Off-Ramping services".

Integration revenue - represents revenues from setup fees charged to partners.

An analysis of the funds flow which illustrates the difference between Principal and Agency transactions.



Cost of sales and services

The following table summarizes the cost of revenue for the three and nine months ended 31 March 2022 and 2021:

	Three months ended 31 March 2022	Three months ended 31 March 2021	**% Change**	**Nine months ended 31 March 2022**	Nine months ended 31 March 2021	**% Change**
Cost of sales and services	$ **9,924,626**	$ 14,964,362	**(33.7%)**	**34,259,479**	20,207,677	**69.5%**
% of total revenue	**60.2%**	71.2%		**60.6%**	71.1%	

Movements in the percentage cost of sales achieved between periods are impacted by the sales mix between agency (net sales) and principal (gross sales). Cost of sales and services for the three months ended 31 March 2022 improved from 71.2% for the prior year period to 60.2% of total revenue and for the nine months, an improvement from 71.1% for the prior year period to 60.6% could be observed. Management considers the net "take rate" (refer below) a more meaningful measure of operating performance.

(Expressed in Australian Dollars)

Gross margin and net take rate

The following table summarizes the gross margin for the three and nine months ended 31 March 2022 and 2021 (TTV represents Total Transaction Value):

	Three months ended 31 March 2022	Three months ended 31 March 2021	**% Change**	**Nine months ended 31 March 2022**	Nine months ended 31 March 2021	**% Change**
	$	$		$	$	
TTV	357,257,392	201,284,050	**77.5%**	1,205,432,644	396,484,050	**204.0%**
Revenue	**16,487,557**	21,014,937	**(21.5%)**	**56,528,331**	28,414,218	**98.9%**
% of TTV	**4.6%**	10.4%		**4.7%**	7.2%	
Gross margin	**6,562,931**	6,050,575	**8.5%**	**22,268,852**	8,206,541	**171.4%**
% of TTV – "net take rate"	**1.8%**	3.0%		**1.8%**	2.1%	

Gross margin as a percentage of TTV, ("net take rate"), has increased by approximately by 171.4% from the nine months ended 31 March 2021 to 2022. Following the nine months ended 31 March 2022, management identified a number of operational improvements which helped optimize the results achieved.

Operating expenses

The following table provides the operating expenses for the three and nine months ended 31 March 2022 and 2021:

	Three months ended 31 March 2022	Three months ended 31 March 2021	**% Change**	**Nine months ended 31 March 2022**	Nine months ended 31 March 2021	**% Change**
Salary expenses	**$ 6,358,035**	$ 1,816,034	**250%**	**$ 15,617,719**	$ 3,767,449	**315%**
Amortization and depreciation	**117,452**	9,243	**1171%**	**313,022**	25,418	**1131%**
Share based compensation	**677,490**	1,117,860	**(39%)**	**2,412,094**	1,218,501	**98%**
General, administration, and other	**2,068,669**	3,091,475	**(33%)**	**7,424,680**	4,621,621	**61%**
Total operating expenses	**$ 9,221,646**	$ 6,034,612	**53%**	**$ 25,767,516**	$ 9,632,989	**167%**
% of total revenue	**55.9%**	28.7%		**45.6%**	33.9%	

Amortization and depreciation

Amortization and depreciation expense relates to computer hardware and right of use assets. During the period ended 31 March 2022, the Company entered into a new lease agreement that caused the increase in depreciation expense compared to the period ended 31 March 2021. Depreciation of right of use assets included buildings of $205,034 (2021 - $Nil) and leasehold improvements of $53,267 (2021 - $Nil).

(Expressed in Australian Dollars)

Salary expenses

Due to the growth of the Company and its team, salary expenses increased by 250% or $4,542,001 to $6,358,035 for the three months ended 31 March 2022 from $1,816,034 for the three months ended 31 March 2021. Salary expenses increased by 315% or $11,850,270 to $15,617,719 during the nine months ended 31 March 2022 from $3,767,449 for the nine months ended 31 March 2021. As at 31 March 2022 the Company had 218 employees.

General, administration, and other

The following table summarizes the general, administration, and other expenses for the three and nine months ended 31 March 2022 and 2021:

	Three months ended 31 March 2022	Three months ended 31 March 2021	**% Change**	**Nine months ended 31 March 2022**	Nine months ended 31 March 2021	**% Change**
Bank charges	**$ 42,640**	$ 107,639	**(60%)**	**$ 80,904**	$ 174,435	**(54%)**
Chargeback expenses*	**(244,925)**	1,962,861	**(112%)**	**1,488,962**	2,281,289	**(35%)**
Rental expenses relating to operating leases	**37,835**	48,917	**(23%)**	**112,685**	93,844	**20%**
Travel	**197,051**	24,494	**704%**	**264,082**	44,054	**499%**
Software development expenses	**395,870**	236,375	**67%**	**1,400,217**	437,174	**220%**
Legal, accounting, consulting	**563,582**	387,224	**46%**	**1,310,665**	1,117,663	**17%**
Marketing and advertising	**397,442**	17,147	**2218%**	**1,095,331**	34,906	**3038%**
Security audit	**-**	32,200	**(100%)**	**19,740**	74,200	**(73%)**
Investor relations	**409,438**	138,264	**196%**	**915,069**	157,969	**479%**
TSX costs	**47,627**	93,909	**(49%)**	**146,808**	93,909	**56%**
Donations	**19,500**	-	**100%**	**44,500**	-	**100%**
Other	**202,609**	42,445	**377%**	**545,717**	112,178	**386%**
Total general and administration expenses	**$ 2,068,669**	$ 3,091,475	**(33%)**	**$ 7,424,680**	$ 4,621,621	**61%**
% of total revenue	**12.5%**	14.7%		**13.1%**	16.3%	
% of TTV	**0.6%**	1.5%		**0.6%**	1.2%	

*chargeback expenses include a 31 March 2022 provision of $592,021.

(Expressed in Australian Dollars)

Other Items

The following table provides a breakdown of other income and (expenses) by type for the three and nine months ended 31 March 2022 and 2021:

	Three months ended 31 March 2022	Three months ended 31 March 2021	**% Change**	**Nine months ended 31 March 2022**	Nine months ended 31 March 2021	**% Change**
Realized gain (loss) on fair value of deposits	**$ (4,865)**	$ 380,364	**(101%)**	**$ 1,250,135**	$ 2,744,986	**(54%)**
Gain (loss) on fair value of derivative liability	**48**	-	**NA**	**(136,818)**	-	**NA**
Other income	**448**	415,510	**(100%)**	**234,358**	672,436	**(65%)**
Foreign exchange gains (losses)	**(2,243,654)**	(584,211)	**284%**	**(6,082,314)**	200,823	**(3129%)**
Finance expense	**(27,306)**	(399,123)	**(93%)**	**(278,710)**	(580,826)	**(52%)**
Listing expenses	**-**	-	**-**	**-**	(2,690,513)	**(100%)**
Total other items	**$ (2,275,329)**	$ (187,460)	**1114%**	**$ (5,013,349))**	$ 346,906	**(1545%)**
% of total revenue	**(13.8%)**	(0.9%)		**(8.9%)**	1.2%	
% of TTV	**(0.6%)**	(0.1%)		**(0.4%)**	0.1%	

The major item included in Other Items is a foreign exchange loss of $6,082,314. The following points are noted:

- Banxa's reporting currency is Australian dollars. Significant revenues are earned in Euros and Canadian dollars – both of which strengthened against the Australian dollar during the period; and
- The total foreign exchange loss during the nine months period was 0.50% of total transaction volume.

Other Items for the year ended 30 June 2021 include an unrealized loss on fair value re-measurement of deposits of $975,829 relating to Litecoin deposits. During the nine months period, the Litecoin price strengthened and the Company realised a $1,250,135 gain after disposing of the Litecoin holding.

(Expressed in Australian Dollars)

Selected Quarterly Information

	Quarter ending 31.03.22	Quarter ending 31.12.21	Quarter ending 30.09.21	Quarter ending 30.06.21	Quarter ending 31.03.21
	$	$	$	$	$
Total revenue	**16,487,557**	27,971,537	12,069,237	17,556,440	21,014,937
(Loss) / income from operations before other items and income tax	**(2,658,715)**	1,530,498	(2,370,449)	3,076,675	15,963
Net loss after tax	**(4,934,044)**	(1,895,620)	(1,344,287)	(3,548,574)	(1,371,497)
Comprehensive loss	**(5,168,699)**	(1,959,001)	(1,183,770)	(2,681,005)	(1,738,338)
Basic and diluted loss per common share	**(0.11)**	(0.04)	(0.03)	(0.09)	(0.03)

Key Quarterly Trends

Total revenue has increased during last quarter primarily due to the significant increase in Bitcoin prices accompanied by higher trading activity.

Banxa's has delivered increasing transactions volumes each quarter, and over the last quarter it has delivered a Loss from Operations of $4.9m compared to an Income from Operations of $1.5m in the preceding quarter.

Key Balance Sheet Components

The following table provides some highlights from the Company's balance sheet as at 31 March 2022 and 30 June 2021:

	31 March 2022	30 June 2021
	$	$
Cash	**10,820,548**	18,615,803
Trade and other receivables	**2,710,559**	1,849,294
Inventories	**452,766**	45,311
Deposits	**4,979,596**	3,653,138
Right of use assets	**1,239,417**	-
Total assets	**22,174,972**	24,896,093
Trade and other payables	**3,831,191**	3,815,872
Borrowings	**1,965**	444,869
Derivate liability	**-**	1,127,457
Lease liabilities	**1,262,644**	-
Total liabilities	**6,710,171**	5,962,373

Total assets decreased by $2,721,121 during the nine months ended 31 March 2022, driven primarily by decrease in the cash during the period. Total liabilities increased by $747,798 during the nine months ended 31 March 2022, driven primarily by increased lease liabilities.

Trade and other receivables

The following table provides a breakdown of trade and other receivables as at 31 March 2022 and 30 June 2021:

	31 March 2022	30 June 2021
Payment gateway receivables	**$ 3,022,233**	$ 2,106,798
Allowance for chargeback expenses	**(592,021)**	(432,246)
GST receivable	**160,958**	125,163
Sundry receivable denominated in USD Tether	**117,509**	-
Other	**1,880**	49,579
Total trade and other receivables	**$ 2,710,559**	$ 1,849,294

Total trade and other receivables increased by $861,265 during the nine months ended 31 March 2022.

Inventory

The following table provides a breakdown of inventory as at 31 March 2022 and 30 June 2021:

	31 March 2022	30 June 2021
Crypto currency held for resale	**$ 452,766**	$ 45,311
Total Inventory	**$ 452,766**	$ 45,311

Crypto currency and liquidity inventories are measured at fair value less cost to sell in accordance with the Company's accounting policy for crypto currencies and in accordance with IAS 2 Inventories.

	31 March 2022		30 June 2021	
	Number of coins held	**Value**	Number of coins held	Value
		$		$
Bitcoin	**4.00**	**243,386**	0.969	45,311
Ethereum	**41.41**	**209,380**	Nil	-
Total inventory		**452,766**		45,311

Deposits

Deposits are comprised of digital currencies and fiat held at exchanges or with custodians. Management considers this fair value to be a Level 2 input under IFRS 13 Fair Value Measurement fair value hierarchy as the price on this source represents an average of quoted prices on multiple digital currency exchanges. The Company is relying on the data available to be an accurate representation of the closing price for the digital currency.

(Expressed in Australian Dollars)

The following table provides a breakdown of deposits as at 31 March 2022 and 30 June 2021:

	31 March 2022		30 June 2021	
	Number of coins held	**Value**	Number of coins held	Value
		$		$
Digital and fiat currencies held at exchanges or with custodian				
LTC	**-**	**-**	17,171.18	3,308,007
Link	**-**	**-**	1,615.45	40,509
BNB	**-**	**-**	288.48	111,791
ETH	**-**	**-**	1.68	4,768
Cash deposits	**N/A**	**1,507,340**	N/A	50,150
Tether deposits	**N/A**	**3,726,515**	N/A	147,810
Total digital and fiat currencies held at exchanges or with custodians		**5,233,855**		3,663,035
Provision for collectability		**(254,259)**		(9,897)
Net deposits		**4,979,596**		3,653,138

Deposits with trading exchanges are made to facilitate the Company's ability to transact more efficiently at various trading volumes. Deposits with trading exchanges held in crypto currency are measured at fair value less cost to sell, in accordance with the Company's accounting policy for crypto currencies and in accordance with IAS 2 Inventories.

Trade and other payables

The following table provides a breakdown of trade and other payables as at 31 March 2022 and 30 June 2021:

	As at 31 March 2022	As at 30 June 2021
	$	$
Trade payables	**767,567**	1,273,927
Other payables and accruals	**1,050,361**	1,686,031
Provision for staff bonuses	**948,557**	-
Accrued interest	**-**	13,460
Employee withholdings payable	**964,706**	424,265
Provision for legal settlements`	**100,000**	418,189
Total trade and other payables	**3,831,191**	3,815,872

Borrowings

The following table provides a breakdown of borrowings as at 31 March 2022 and 30 June 2021:

	As at 31 March 2022	As at 30 June 2021
	$	$
Credit card	**-**	74,934
Convertible notes	**1,965**	369,935
Total short-term borrowings	**1,965**	444,869

During the nine-month period ending 31 March 2022, Global Internet Ventures Pty Ltd ("GIV"), a Company subsidiary, entered into loan agreements with each of Apollo Capital Management Pty Ltd ("Apollo") and Carosa Corporation BV ("CCBV"), pursuant to which Apollo and CCBV agree to provide GIV with a revolving credit facility in the principal sums of up to $4,000,000 and $2,000,000 respectively. The revolving credit facility with Apollo accrues interest at the rate of 30% per annum and the revolving credit facility with CCBV accrues interest at the rate of 10% per annum. Both facilities are in place until 30 November 2024.

The Company is not issuing any securities, paying any bonus, commission, or finder's fees in connection with the loans and the loans are not convertible, directly or indirectly, into equity or voting securities of the Company or a subsidiary of the Company. Loans made under the agreements are unsecured and are repayable at any time without penalty. Apollo and CCBV are affiliated companies of the Company's Chairman, Domenic Carosa. Accordingly, entering into the loan agreements constitute a related party transaction, together with any interest payments made in respect of the loans.

In January 2022, Global Internet Ventures Pty Ltd ("GIV") entered into a loan agreement with Maple Finance Protocol Pty Ltd trading as Orthogonal Trading ("Maple Finance"), pursuant to which Maple Finance will provide GIV with an unsecured revolving credit facility in amounts specified in loan confirmation drawdowns delivered from time to time in accordance with the loan agreement. Pursuant to the first loan confirmation, Maple Finance will advance GIV the principal sum of up to USD $5 million, denominated in USD Coin (USDC) stablecoin cryptocurrency. The credit facility with Maple Finance accrues interest at the rate of 12.25% per annum and matures 30 days from the advance date. The Company is not issuing any securities, paying any bonus, commission, or finder's fees in connection with the credit facility. The credit facility is not convertible, directly or indirectly, into equity or voting securities of the Company or a subsidiary of the Company.

Related Party Transactions

All related party transactions were measured at the amount of consideration established and agreed to bythe related parties. All amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

(a) Renumeration of directors and key management personnel of the Company for the three and nine months ended 31 March 2022 and 2021 was as follows:

(Expressed in Australian Dollars)

	Three months ended 31 Mar 2022	Three months ended 31 Mar 2021	**Nine months ended 31 Mar 2022**	Nine months ended 31 Mar 2021
	$	$	**$**	$
Salaries	**857,372**	350,709	**1,986,384**	824,514
Consulting fees including reimbursements at cost	**108,422**	144,094	**327,062**	403,571
Director fees	**84,565**	81,788	**295,077**	153,788
Share-based compensation	**345,636**	778,503	**1,148,011**	852,856
Total Remuneration	**1,395,995**	1,355,094	**3,756,534**	2,234,729

Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the three months periods ended 31 March 2022 and 31 March 2021.

(b) The Company entered into the following transactions with related parties:

	Three months ended 31 March 2022	Three months ended 31 March 2021	**Nine months ended 31 March 2022**	Nine months ended 31 March 2021
	$	$	**$**	$
Issue of arranger shares	**-**	-	**-**	722,945
Repayment of loans	**(3,900,000)**	(580,000)	**(3,900,000)**	60,000
Loan from related party	**3,900,000**	-	**3,900,000**	-
Payment of acquisition consideration	**-**	17	**-**	17
Advances of cryptocurrency	**-**	-	**977,423**	493,608
Repayments of cryptocurrency loans	**-**	(493,608)	**(979,165)**	(493,608)
Pre-acquisition loans to related party acquisitions	**-**	-	**-**	82,254
Rental payments at cost	**3,859**	41,277	**27,380**	84,259
Purchase of Bitcoin for resale	**-**	-	**-**	-
Sublet Income	**7,440**	-	**14,880**	-
Interest paid to related parties	**9,616**	-	**79,314**	-
Purchase of cryptocurrencies (transaction value)	**-**	-	**29,507**	-
Sale of cryptocurrencies (transaction value)	**-**	-	**41,999**	-

The Consolidated Entity's revolving credit facilities include two arrangements with related parties, as follows:

- During the nine-month period ending 31 March 2022, Global Internet Ventures Pty Ltd ("GIV"), a Company subsidiary, entered into loan agreements with each of Apollo Capital Management Pty Ltd ("Apollo") and Carosa Corporation BV ("CCBV"), pursuant to which Apollo and CCBV will provide GIV with a revolving credit facility in the principal sums of up to $4,000,000 and $2,000,000 respectively. The revolving credit facility with Apollo accrues interest at the rate of 30% per annum and the revolving credit facility with CCBV accrues interest at the rate of 10% per annum. Both facilities are in place until 30 November 2024.

- The Company is not issuing any securities, paying any bonus, commission, or finder's fees in connection with the loans and the loans are not convertible, directly or indirectly, into equity or voting securities of the Company or a subsidiary of the Company. Loans made under the agreements are unsecured and are repayable at any time without penalty.

- Apollo and CCBV are affiliated companies of the Company's Chairman, Domenic Carosa. Accordingly, entering into the loan agreements constitute a related party transaction, together with any interest payments made in respect of the loans.

(Expressed in Australian Dollars)

As at 31 March 2022, included in Trade and Other Payables is a balance of $10,905 (30 June 2021: $47,242) payable to related parties as follows:

	As at 31 Mar 2022	As at 30 June 2021
	$	$
Directors of the company	**10,905**	36,065
Officers of the company	**-**	11,177
Total Trade and Other Payables to related parties	**10,905**	47,242

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company has no off-balance sheet arrangements.

Liquidity and Capital Resources

As at 31 March 2022 the Company had $10,820,548 in cash compared to $18,615,803 as at 30 June 2021 as well as $4,979,596 in cash held with liquidity providers compared to $3,653,138 as at 30 June 2021. Working capital was $13,636,152 at 31 March 2022 compared to $18,522,964 as at 30 June 2021. Even though the Company incurred a trading loss during the period, the issue of common shares for the repayment of the convertible note assisted in retaining the Company's working capital position.

During the nine months ended 31 March 2022, the Company had a net decrease in cash of $7,795,255 compared to an increase of $7,722,327 during the nine months ended 31 March 2021. During the nine months the Company increased its deposits with the liquidity providers by $1,326,458 and accordingly the Adjusted Cash Flow from Operations for the nine months ended March 31, 2022, has increased to $6,436,109.

Cash Flow and Operating Expenses

The Company is currently in a growth phase, and that is reflected in increasing operating expenses. In particular, Salary expenses and General, Administrative, and Other expenses have increased significantly for the nine months ended 31 March 2022 compared nine months ended 31 March 2021. As the Company continues to grow its team and operations, we expect these expenses to further increase.

Summary of Changes in Operating Expenses and Cash Flow

- The Company historically incurred losses, as well as reported net cash outflows from operating activities. During the nine months ended 31 March 2022, the Company used cash of $7,505,409 in operating activities, mainly due to the loss during the period, but also impacts on working capital associated to significant increases in trading volumes. These included:

  - An increase in deposits with liquidity providers of $1,326,458;
  - An increase in digital currencies inventory of $407,455;
  - Offsetting the above cash outflows, increases in operating trade debtors of $861,265; and

(Expressed in Australian Dollars)

  - Non-cash items, including share-based compensation of $2,412,094, shares issued for services of $223,017, revaluation of derivative liability of $136,818 and amortization and depreciation of $313,022.
- Total transaction value (TTV) has increased markedly from $396,484,050 during the nine months ended 31 March 2021 to $1,205,432,644 during the nine months ended 31 March 2022, which has contributed significantly to the Company's increased use of cash in operating expenses.

- Salary expenses for the nine months ended 31 March 2022 increased by $11,850,270 to $15,617,719 from $3,767,449 for the nine months ended 31 March 2021.

- Share based compensation for the nine months ended 31 March 2022 increased by $1,193,593 to $2,412,094 from $1,218,501 for the nine months ended 31 March 2021.

Cash Flow Summary

The following table provides a summary of cash inflows and outflows by activity for the nine months ended 31 March 2022 and 2021:

	Nine months ended 31 March 2022	Nine months ended 31 March 2021
Cash used in operating activities*	**$ (7,762,567)**	$ (2,026,834)
Cash used in investing activities	**(128,401)**	(400,068)
Cash provided in financing activities	**74,330**	10,149,229
Net (decrease) increase in cash for the period	**$ (7,816,638)**	$ 7,722,327

Cash used in operating activities

Cash used in operating activities was $7,762,567 in the nine months ended 31 March 2022 and significantly increased from $2,026,834 in 2021 primarily driven by:

- An increase in deposits with liquidity providers of $1,326,458;
- An increase in digital currencies inventory of $407,455; and
- Offsetting the above cash outflows, increases in operating debtors of $861,265.

Cash used in investing activities

Our investing activities consist primarily of the acquisition of equipment. For the nine months ended 31 March 2022, cash used in the purchase of equipment was $128,401 compared to net payment from investing activity of $400,068 for the nine months ended 31 March 2021.

(Expressed in Australian Dollars)

Cash provided by financing activities

Historically, our financing activities have consisted primarily of the issuance of our common shares.

For the nine months ended 31 March 2022 the Company had net proceeds from new share issues (exercise of warrants and options) of $377,440 compared to $3,725,932 (new capital injections) in 2021. The Company increased its credit card borrowings by $72,969 during the nine months ended 31 March 2022 compared to a decrease of $26,222 during the nine months ended 31 March 2021. The Company also made lease repayments of $228,261 during the nine months ended 31 March 2022 compared to $Nil during the same period in 2021.

During the nine months ended 31 March 2021 the Company increased its short-term borrowings by $2,000,000 (2022 - $Nil).

Disclosure of Outstanding Shares

Our authorized capital consisted of an unlimited number of common shares without par value and an unlimited number of preferred shares, issuable in one or more series. As of 31 March 2022 and the date of this MD&A, no preferred shares have been issued and the following common shares, and rights to acquire common shares, were outstanding:

Class of Security	Number outstanding as at 31 March 2022	Number outstanding as at 30 May 2022
Common shares	45,551,254	45,549,931
Share purchase warrants	2,598,046	2,598,046
Stock options	4,281,263	4,496,263

Risks and Uncertainties

The Company is subject to certain risks and uncertainties that could have a material adverse effect on the Company's results of operations, business prospects, financial condition and dividends to shareholders. Some, but not all, of such risks and uncertainties are discussed below and elsewhere in this MD&A. Readers should also refer to the Company's risks as described under the "Risk Factors" heading set out in the accompanying Financial Statement to which this MD&A is attached, which are specifically incorporated by reference in this MD&A.

Following the global spread of COVID-19, management cannot estimate whether or to what extent this outbreak and potential financial impact may extend to countries outside of those currently impacted. The future impact of the outbreak is highly uncertain and cannot be predicted, and there is no assurance that the outbreak will not have a material adverse impact on BTC's ability to complete the Transaction. The extent of the impact, if any, will depend on future developments, including actions taken to contain COVID-19.

Digital asset risks

Access to digital assets can be disrupted by a number of matters including:

- Loss of access risk, such as to private keys;

- Irrevocable transactions given that transactions cannot be changed or corrected once a transaction has been verified and recorded on the blockchain;
- Fluctuations in digital asset prices due to global forces, interest rate, exchange, inflation, political/economic conditions;
- Vulnerability of crypto networks to hacking; and
- Unregulated crypto exchanges.

Financial risk management objectives

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits.

Capital risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.
In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include cash, investment portfolio, debentures, credit facilities and derivative financial liability.

Foreign currency risk

The Consolidated Entity undertakes many transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

(Expressed in Australian Dollars)

The carrying amount of the Company's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	31 Mar 2022	30 Jun 2021	31 Mar 2022	30 Jun 2021
Consolidated	$	$	$	$
US dollars	**7,814,647**	7,284,476	**226,499**	338,059
Euros	**780,390**	1,737,749	**29,752**	65,285
GBP	**346,003**	10,452,404	**-**	-
Singapore dollar	**-**	-	-	-
Canadian dollars	**488,687**	2,341,065	**70,485**	1,565,249
Malaysian ringgit	-	-	-	-
Philippine peso	-	-	**6,475**	2,723
	9,429,727	21,815,694	**333,211**	1,971,316

The Consolidated Entity had net assets denominated in foreign currencies of $9,096,516 (assets of $9,429,727 less liabilities of $333,211) as at 31 March 2022 (31 March 2021: net assets $6,829,650 (assets of $13,386,768 less liabilities of $6,557,118). Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 5% (2021: weakened by 10%/strengthened by 5%) against these foreign currencies with all other variables held constant, the Consolidated Entity's loss before tax for the nine-month period would have been $909,652 lower/$454,826 higher (31 March 2021: $682,965 lower/$341,482 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 9 months each year and the spot rate at each reporting date. The actual foreign exchange loss for the nine-months ended 31 March 2022 was $6,082,314 (31 March 2021: gain of $200,823).

Price risk

Fluctuations in the prices of cryptocurrencies may impact the day-to-day trading volumes of Banxa's exchange partners, and unfavourably impact the Company's revenues. Additionally, during periods of rapid price fluctuations, there is a risk that unfavourable trading margins may occur due to delays in filling orders.

Interest rate risk

The Consolidated Entity's convertible note was an interest-only liability that was converted into common shares in July 2021. Interest charges are incurred on various liabilities including lease liabilities, income tax obligations, and working capital facilities that are put into place from time to time. Interest rates under the working capital loan facility agreements detailed in note 9 are fixed for the duration of the facilities to 30 November 2024.

Credit risk

The Consolidated Entity has credit risk in respect of both financial instruments and cryptocurrency deposits. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount of cash and cash equivalents including cash deposits and trade and other receivables, as disclosed in the consolidated statement of financial position and notes to the consolidated financial statements. The Consolidated Entity does not hold any collateral.

Generally, provisions are recorded based on assumptions made on our historical write offs and the nature of the receivable. In addition, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 30 days.

The Consolidated Entity limits its credit risk by placing its cryptocurrencies with crypto-exchanges ("trading exchanges") on which the Consolidated Entity has performed internal due diligence procedures.

As at 31 March 2022, the Consolidated Entity held deposits with trading exchanges of $5,233,854 (30 June 2021 $3,663,035) together with payment gateway receivables of $3,022,233 (30 June 2021: $2,106,798). These amounts represent balances with exchanges or custodians that do not have system or organisation control reporting available.

The Consolidated Entity's due diligence procedures around exchanges include, but are not limited to, internal control procedures around on-boarding new exchanges which includes review of the exchanges anti-money laundering ("AML") and know-your-client ("KYC") policies, obtaining a security ratings report by an independent third party on certain exchanges, constant review of market information specifically regarding the exchanges' security and solvency risk, setting balance limits for each exchange account based on risk exposure thresholds and preparing daily asset management reports to ensure limits are being followed and having a fail-over plan to move digital assets held on an exchange in instances where risk exposure significantly changes.

The Consolidated Entity limits its credit risk with respect to its payment gateways receivables by transacting with credit worthy counterparties that are believed to have sufficient capital to meet their obligations as they come due and, with regard to over-the-counter counterparties, on which the Consolidated Entity has performed the relevant AML and KYC procedures. As of each reporting period, the Consolidated Entity assesses if there may be expected credit losses requiring a provision.

While the Consolidated Entity intends to only transact with trading exchanges that it believes to be creditworthy, there can be no assurance that a trading exchange will not default and that the Consolidated Entity will not sustain a material loss on the transaction as a result. As of 31 March 2022, the Consolidated Entity does not expect any material unprovided loss of any of its digital deposits.

(Expressed in Australian Dollars)

Liquidity Risk

Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and where practical matching the maturity profiles of financial assets and liabilities. In addition, as outlined above the daily liquidity management function monitors and manages amounts deposited with trading exchanges. The Company further manages all liquidity risk through maintaining a sufficient working capital amount through daily monitoring of controls, cash balances, and operating results.

The Company's trade payables and accruals are substantially due within twelve months. The maturity schedule of the Company's credit facilities and convertible debentures are described below:

31 March 2022	***2022***	***2023***	***2024***	***2025***	***Thereafter***
Commitment - operational					
Trade payables	*767,567*	-	-	-	-
Accrued wages and other expenses	*3,089,811*	-	-	-	-
Commitments-other					
Credit card	*249,347*	-	-	-	-
Lease payments	*308,492*	*422,453*	*436,231*	*221,619*	-
Revolving working capital facility	-	-	-	-	-
Total contractual obligations	*4,415,217*	*422,453*	*436,231*	*221,619*	-

30 June 2021	**2021**	**2022**	**2023**	**2024**	**Thereafter**
Commitment - operational					
Trade payables	1,274,015	-	-	-	-
Accrued wages and other expenses	424,265	-	-	-	-
Interest- convertible note	53,591	-	-	-	-
Commitments – principal					
Convertible notes	369,935	-	-	-	-
Credit card	74,936	-	-	-	-
Total contractual obligations	2,196,742	-	-	-	-

Non-Financial Measures

Critical Accounting Estimates

The preparation of the consolidated financial statements requires management to make estimates, assumptions and judgments that affect the reported amount of assets and liabilities, and the reported amount of revenues and expenses during the year. Actual results may differ from these estimates. Estimates, assumptions, and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized on a prospective basis beginning from the period in which they are revised.

Changes in Accounting Policies including Initial Adoption

Recent IFRS standards adopted in 2021-2022

The Company has adopted all of the new or amended International Financial Reporting Standards (IFRSs) and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended Financial Reporting Standards or Interpretations that are not yet mandatory have not been early adopted.

Significant accounting policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are consistent with those applied for the audited financial statements of Banxa Holdings Inc. for the year ending 30 June 2021. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Controls and procedures

The Company's CEO and CFO are responsible for establishing and maintaining disclosure controls and procedures for the Company. The Company maintains a set of disclosure controls and procedures designed to provide reasonable assurance that information required to be publicly disclosed is recorded, processed, summarized and reported on a timely basis. The CEO and CFO have evaluated the design of the Company's disclosure controls and procedures at the end of the quarter and based on the evaluation, the CEO and CFO have concluded that the disclosure controls and procedures are effectively designed.

Internal Controls over Financial Reporting

The Company's internal controls over financial reporting ("ICFR") are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's management is responsible for establishing and maintaining adequate ICFR for the Company. Management, including the CEO and CFO, does not expect that the Company's ICFR will prevent or detect all errors and all fraud or will be effective under all future conditions. A control system is subject to inherent limitations and even those systems determined to be effective can provide only reasonable, but not absolute, assurance that the control objectives will be met with respect to financial statement preparation and presentation. The Company's management under the supervision of the CEO and CFO has evaluated the design of the Company's ICFR based on the Internal Control – Integrated Framework issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission. As at 31 March 2022, management assessed the design of the Company's ICFR and concluded that such ICFR is appropriately designed, and that there are no material weaknesses in the Company's ICFR that have been identified by management. There have been no changes in the Company's internal control over financial reporting during the period that have materially affected, or are likely to materially affect, the Company's internal control over financial reporting.

Events after the reporting period

Other than the following matters, there are no other matters or circumstances that have arisen since 31 March 2022 that have significantly affected, or may significantly affect, the consolidated entity's operations, the results of those operations, on the Consolidated Entity's state of affairs in future financial periods:

- On 12 April 2022 Banxa announced that it had granted 40,000 options to an officer of the company. The options vest over 24 months, have an expiry of five years and are exercisable at $2.50.
- Market-maker engaged

  The company has engaged the services of Generation IACP Inc. to provide services as a market-maker in compliance with the policies and guidelines of the TSX Venture Exchange and other applicable legislation. Generation will receive a fee of $7,500 plus applicable taxes per month. The agreement between the company and Generation is for an initial term of six months and shall be automatically renewed for subsequent four-month periods unless the company provides written notice of termination to Generation at least 30 days prior to the end of the term or Generation provides a written notice of termination to the company. Commencing on the first anniversary of the agreement, the fee payable to Generation will automatically increase annually by 3.0 per cent. No stock options or other compensation are being granted in connection with the engagement. Generation does not currently own any securities of the company; however, Generation and its clients may acquire an interest in the securities of the company in the future.