

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read together with our audited financial statements and the related notes included elsewhere in this Quarterly Report and with our interim financial statements incorporated by reference. This MD&A is intended to provide investors with an understanding of our results of operations, financial condition, liquidity and capital resources, and critical accounting estimates through the eyes of management. It includes "forward-looking statements" within the means of the U.S. Private Securities Litigation Reform Act of 1995, as amended, and "forward-looking information" within the meaning of U.S. and Canadian securities laws, or collectively, forward-looking statements, that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements due to a number of factors, including those discussed under the headers "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" and elsewhere in this Quarterly Report. The numbers below are presented in thousands except for percentages as well as share and per share amounts.

For the purposes of preparing the discussion and analysis contained in this section, management, in conjunction with the Board, considered the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Corporation's subordinate voting shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluated materiality with reference to all relevant circumstances, including potential market sensitivity.

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and include the results of the Corporation and its wholly-owned subsidiaries. Any reference in these notes to applicable guidance is meant to refer to the authoritative guidance found in the Accounting Standards Codification ("ASC") and Accounting Standards Update ("ASU"). The Corporation's consolidated financial statements filed with this Quarterly Report and this discussion and analysis are reported in thousands of US dollars and US dollars, respectively, except where otherwise noted. The Corporation's management team is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and this related discussion and analysis, is complete and reliable.

Description of Business

Digi Power, through its U.S. operating subsidiaries, is an innovative energy infrastructure company that develops data centers to drive the expansion of sustainable energy assets. With multiple sites, including its combined cycle and high-capacity substations, the Corporation taps into and enhances the energy grid, supporting both industrial clients and broader energy markets.

Digi Power's mission is to create efficient, reliable, and cost-effective energy solutions by maximizing the potential of our power facilities and building advanced infrastructure to meet the demands of high-performance computing, Bitcoin mining, and other energy-intensive industries.

The head office of the Corporation is located at 218 NW 24th Street, 2nd Floor, Miami, Florida 33127.

Mining operation and network overview

Revenue from the Corporation's Bitcoin mining operation is recognized based upon the average Bitcoin price in effect on the day the Bitcoins are mined. Bitcoins are received within a 24-hour period from the actual time they are mined. The Bitcoin price is volatile and can change markedly from day to day. This volatility in price can result in material changes in revenue recorded from period to period.

Network mining difficulty is one of the most significant competitive conditions the Corporation faces in its Bitcoin mining operation. Network difficulty is a unitless measure of how difficult it is to find a hash below a given target. Network difficulty is impacted directly by the price of Bitcoin. As the price of Bitcoin increases network mining difficulty may increase if more competitors begin to mine Bitcoin, which would result in a decrease in the number of Bitcoins mined by the Corporation based upon its existing computing power. As network difficulty rises the costs to the Corporation to mine Bitcoin also rises.

The Bitcoin network protocol automatically adjusts network difficulty by changing the target every 2,016 blocks hashed based on the time it took for the total computing power used in Bitcoin mining to solve the previous 2,016 blocks such that the average time to solve each block is maintained as close to ten minutes as possible. Price and network difficulty are positively correlated such that as the price of Bitcoin rises, there is an added incentive for miners to enter the market, and such increase in miners typically has a proportional increase in network difficulty.

With respect to the conversion of the Corporation's Bitcoin to cash, the Corporation relies on a third-party service provider to broker sales of its mined Bitcoin. In 2022, the Corporation began to monetize a portion of Bitcoin mined to fund the Corporation's operating costs and SG&A expenses, mitigating the need to access equity markets to fund those costs and expenses when appropriate. When necessary, this strategy has continued to be utilized during the entirety of 2025 and to the date of this MD&A.

A "mining pool" is a service operated by a mining pool operator that pools the resources of individual miners to share their processing power over a network. Mining pools emerged in response to the growing difficulty and network hash rate competing for Bitcoin rewards on the Bitcoin blockchain as a way of lowering costs and reducing the risk of an individual miner's mining activities. The mining pool operator provides a service that coordinates the computing power of the independent mining enterprises participating in the mining pool. Mining pools are subject to various risks such as disruption and down time. In the event that a pool we utilize experiences down time or is not yielding returns, our results may be impacted.

The Corporation uses a mining pool that pays Bitcoin rewards utilizing a "Full-Pay-Per-Share" payout of Bitcoin based on a contractual formula, which calculates payout primarily based on the hash rate provided by us to the mining pool as a percentage of total network hash rate, along with other inputs. We are entitled to consideration even if a block is not successfully placed by the mining pool operator. The Corporation transitioned completely to this type of mining pool in 2022 and utilized it for the period ended March 31, 2026.

Mining and Staking Operations

Bitcoin

As of March 31, 2026, the Corporation held a total of approximately 166 Bitcoins with an inventory value of \$11,430,207 based on the Bitcoin price as of that date per the Gemini exchange. For the three-month period ended March 31, 2026, Digi Power did not mine any Bitcoins as compared to a total of approximately 9 Bitcoins for the three-month period ended March 31, 2025, representing a decrease of 100%.

The number of Bitcoins mined decreased compared to the same period in 2025 due to the continued expansion of the Corporation's hosting and colocation operations agreements, entered into to diversify its operations, and the Corporation's transition from Bitcoin mining to a focus on AI infrastructure, with such transition beginning in 2025.

Ethereum

As of March 31, 2026, the Corporation held a total of 1,013 Ethereum with an inventory value of \$2,131,189 based on the Ethereum price as of that date per the Gemini exchange, as compared to a value of \$0 as of March 31, 2025, as the Corporation diversified its cryptocurrency holdings with the acquisition of Ethereum during 2025.

Updates and Expansion

On February 7, 2025, the Corporation closed a private placement for gross proceeds of \$6,609,500 and consisted of the sale of 2,503,601 subordinate voting shares of the Corporation and 1,251,801 warrants at a price of \$2.64. Each warrant is exercisable at a price of \$3.66 and expires three years from the issuance date.

The Corporation incorporated US Data Centers Inc. as a subsidiary on September 20, 2024. In Q1 2025, the Corporation dissolved this subsidiary and incorporated an entity of the same name. Funds of approximately \$1,000,000 were distributed back to the original shareholders upon dissolution.

On February 7, 2025, Digi Power formed US Data Centers, Inc. (“US Data Centers” or “USDC”), a wholly owned subsidiary of the Corporation, which will be dedicated to the development of high-performance computing (“HPC”) and artificial intelligence (“AI”)-focused data centers. The new US Data Centers website can be found at www.usdatacenters.ai.

With the launch of US Data Centers, Digi Power is creating a dedicated platform focused entirely on delivering AI and HPC solutions, ensuring purpose-built infrastructure for the next generation of computing. As its first major initiative, US Data Centers plans to lead the transformation of the Corporation’s existing site in Columbiana, Alabama into a state-of-the-art Tier 3 data center designed to support next-generation AI and HPC workloads.

The Corporation commenced assembly of its first ARMS 200 Tier III AI data center pod during the fourth quarter of 2025, with full activation expected in the second quarter of 2026. This milestone, when achieved, will represent Digi Power X’s first modular AI infrastructure deployment under its ARMS (AI-Ready Modular Solution) platform.

The Corporation has received approval for a load study providing an additional 60 MW of available power capacity in one its New York locations, further strengthening Digi Power X’s energy infrastructure to support future AI expansion across its U.S. sites.

In partnership with Super Micro Computers, Inc. (“SMCI”), the Corporation remains on schedule to have its first NVIDIA B200 GPU cluster fully operational by the second quarter of 2026, which will mark a major milestone in its AI infrastructure roadmap.

The Corporation continues to develop its retail compute platform, NeoCloudz, which launched in January 2026. Built on an SMCI enterprise-grade backbone, NeoCloudz is designed to provide developers, startups, and enterprises with on-demand access to GPU compute through a modern, consumer-grade interface. The platform will leverage Digi Power X’s Tier III infrastructure, high-efficiency liquid cooling and low-latency networking architecture to deliver scalable, high-performance AI and HPC capabilities to users worldwide.

As part of its ongoing transition from cryptocurrency mining to AI-driven infrastructure, Digi Power X has established a phased deployment plan across its existing power assets. This strategic roadmap reflects the Corporation’s disciplined approach to scaling Tier III AI data center capacity while optimizing energy efficiency and returns. The following is an anticipated roadmap of the Corporation’s power asset allocation towards AI-driven projects:

- Q1 2026: 5 MW
- Q2 2026: 15 MW
- Q3 2026: 30 MW
- Q4 2026: Total of 55 MW, with 40 MW critical load capacity

The Corporation currently has the following power available through its dedicated infrastructure:

- Alabama site: 55 MW
- New York sites: 141.7 MW
- Total available power today: 196.7 MW
- North Carolina (anticipated availability by 2028): 200 MW

In March 2026, the Corporation introduced the formation of USDC as an independent subsidiary. USDC will commercialize the ARMS modular data center system, a turnkey modular AI data center system that can convert a powered site into an operational AI data center in a fraction of the time required by conventional construction. USDC will manufacture and sell the ARMS system, while its customers will own and operate their own sites. As of March 31, 2026, Digi Power X currently holds an approximately 51% majority equity stake in USDC.

On April 18, 2026, the Corporation entered into a bare metal GPU rental agreement with SubQ AI, a next generation AI Corporation. The 24-month contract carries an expected total contract value of approximately \$19.6 million and becomes effective May 15, 2026. Under the term of the Agreement, Digi Power X will deliver exclusive, dedicated access to a fleet of the latest generation of NVIDIA Blackwell GPUs. These systems will be operated on a bare metal basis through NeoCloudz, Digi Power X's GPU-as-a-Service platform, at the Corporation's AI data center. The deployment follows NVIDIA reference architecture, and the facility is engineered to Rated 3 standards, with redundant utility feeds, N+1 UPS, and a CDU and chiller based two loop cooling architecture.

On May 4, the Corporation entered into a Data Center Colocation and Master Services Agreement (the "Cerebras Agreement") with Cerebras Systems Inc. ("Cerebras") to deploy at total of approximately 40 megawatts ("MW") for AI computing at the Corporation's AI data center campus in Columbiana, Alabama (the "Facility"). Pursuant to the Cerebras Agreement, Cerebras will hold an exclusive license to access the data center for the duration of the Cerebras Agreement. The Cerebras Agreement has an initial term of ten (10) years (the "Initial Term") from the later of the two phase commencement dates (as described below). Additionally, the Cerebras Agreement grants Cerebras the right to extend the Initial Term for one or more additional periods of one (1), three (3), five (5), or seven (7) years (each, an "Extension"). Pursuant to the Cerebras Agreement, the total contract value to the Corporation is approximately \$1.1 billion in the initial term of the contract, with a total potential contract value to the Corporation of approximately \$2.5 billion, assuming one seven (7)-year Extension, in each case subject to the Corporation meeting its obligations under the agreement. The Cerebras Agreement provides for certain one-time payments by Cerebras in connection with Phase 1 and Phase 2 construction, as well as a monthly colocation fee to paid by Cerebras for Phase 1 and Phase 2 (a portion of which is to be prepaid), based upon the number of kilowatts delivered. The Cerebras Agreement requires the Corporation to construct, equip, and commission two phases of the colocation space at the Facility, with Phase 1 (15 MW) ready-for-service date targeted at December 15, 2026 and with full deployment in Phase 2 (40 MW) targeted by the end of the first fiscal quarter of 2027. The additional 25 MW of load capacity in Phase 2 is conditioned on the Corporation securing adequate financing for Phase 2 operations. The Cerebras Agreement also contains various other customary terms and conditions, including representations and warranties, service and service credit, penalty, termination, indemnification, confidentiality, and limitation of liability provisions. For more information, see the Corporation's Current Report on Form 8-K, filed with the SEC on May 8, 2026.

Custodial services for digital currencies

The Corporation has a digital custody account with Gemini Trust Corporation, LLC ("Gemini"). Gemini is a digital currency exchange and custodian that allows customers to buy, sell, and store its digital assets. Gemini holds 100% of the Corporation's cryptocurrency assets in hot storage. Gemini is not a related party of the Corporation. The Corporation is not aware of anything with regards to Gemini's operations that would adversely affect the Corporation's ability to obtain an unqualified audit opinion on its audited financial statements.

The Corporation has chosen to hold its full inventory of Corporation's cryptocurrency assets with Gemini due to its track record in the industry. Gemini is a New York trust company regulated by the New York State Department of Financial Services and is the foreign equivalent of a Canadian financial institution (as that term is defined in National Instrument 45-106 – Prospectus Exemption). Gemini is a qualified custodian under New York Banking Law and is licensed by the State of New York to custody digital assets. Gemini has not appointed a sub-custodian to hold any of the Corporation's cryptocurrencies. Gemini has US\$125M split between US\$25M of commercial crime insurance for digital assets held in online hot wallet and US\$100M for offline, cold storage insurance coverage. Although the Corporation has historically utilized both cold and hot storage for its digital crypto assets with Gemini, the Corporation currently holds all its cryptocurrencies custodied with Gemini in hot storage.

The Corporation has conducted due diligence on Gemini and has not identified any material concerns. It routinely reviews and verifies its asset balances on public blockchain explorers. Management of the Corporation is not aware of any security breaches or other similar incidents involving Gemini that resulted in lost or stolen cryptocurrency assets. In the event of an insolvency or bankruptcy of Gemini, the Corporation would write off as losses any unrecoverable cryptocurrency assets.

In order to monitor Gemini, the Corporation relies on system and organization controls provided by a SOC 2 Type II report, which was undertaken by Deloitte & Touche LLP, an independent audit firm. A SOC 2 Type II certification and report are viewed as instrumental in providing verification to third parties that appropriate controls have been put in place to safeguard the Corporation's cryptocurrency assets, specifically as it relates to having strict security and data protection processes and protocols.

In general, a SOC 2 Type II certification is issued by an outside auditor that evaluates the extent to which a vendor complies with five trust principles based on the systems and processes in place. These five principles include the following:

- "Security," which addresses the safeguarding of system resources and assets against unauthorized access;
- "Availability," which addresses the accessibility of the system as stipulated by the applicable service agreement between vendor and customer;
- "Processing Integrity," which addresses whether or not a system achieves its purpose;
- "Confidentiality," which addresses whether access and disclosure of data is restricted to a specified set of persons or organizations; and
- "Privacy," which addresses the system's collection, use, retention, disclosure and disposal of personal information in conformity with an organization's privacy notice.

The Corporation has elected to use Gemini as its sole custodian as Gemini compiles documented controls that can be provided to the Corporation, such as the SOC 2 Type II certification. The Corporation reviews the SOC 2 Type II report to ensure it maintains a secure technology infrastructure and the security systems designed to safeguard cryptocurrency assets are operating effectively. To date, the Corporation has not identified any material concerns based on its review of the SOC 2 Type II report.

Gemini maintains insurance coverage for the cryptocurrency held on behalf of the Corporation in its online hot wallet. The Corporation is in the process of looking to insure the remainder of its mined digital currency. Given the novelty of digital currency mining and associated businesses, insurance of this nature is generally not available, or is uneconomical for the Corporation to obtain, which leads to the risk of inadequate insurance coverage.

On occasion, to mitigate third-party risk, the Corporation will hold a portion of its digital currencies in cold storage solutions that are not connected to the internet. The Corporation's digital assets that are held in cold storage are stored in safety deposit boxes at a bank branch. The wallets in which the Corporation stores its cryptocurrency assets are not multi-signature wallets; however, the Corporation secures the 24-word seed phrase, which facilitates recovery of the wallets should the wallets become lost, stolen or damaged, by partitioning the seed phrase in multiple parts and securing each part in a separate location. Each part of the seed phrase is stored in either a safe or safety deposit box. The Corporation replicates this security protocol by taking the same 24-word seed phrase, partitioning this into several parts and storing each part in a secure location in a separate safe or safety deposit box than was used for the first copy of the seed phrase. This duplication ensures that the digital currencies held via cold storage solutions will be recoverable by the Corporation should the Corporation's cold-wallets become lost, stolen or damaged. During the period-ended March 31, 2026, and as of the date of this MD&A, all of the Corporation's cryptocurrency assets are currently held in its Gemini wallets.

Selected Financial Information

	Period ended March 31, 2026 (\$)	Year ended December 31, 2025 (\$)
Revenue	6,791,346	34,188,226
Net (loss)	(4,652,345)	(28,356,223)
Net income (loss) per share – basic and diluted	(0.07)	(0.64)

	Period ended March 31, 2026 (\$)	Year ended December 31, 2025 (\$)
Total assets	126,934,586	134,113,579
Total long-term liabilities	2,203,526	2,203,526

Selected Quarterly Information

A summary of selected information for each of the eight most recent quarters prepared in accordance with U.S. GAAP is as follows:

Three Months Ended	Revenues (\$)	Net Income or (Loss)		
		Total (\$)	Per Share – Basic (\$)	Per Share – Diluted (\$)
2026-March 31	6,791,346	(4,652,345)	(0.07)	(0.07)
2025-December 31	8,654,879	(16,584,733)	(0.31)	(0.31)
2025-September 30	8,145,309	302,791	0.01	0.01
2025-June 30	8,111,451	(10,385,750)	(0.29)	(0.29)
2025-March 31	9,276,587	(1,633,261)	(0.05)	(0.05)
2024-December 31	5,637,540	(6,057,655)	(0.28)	(0.28)
2024-September 30	9,175,740	(6,412,344)	(0.13)	(0.13)
2024-June 30	9,230,664	(4,765,447)	(0.16)	(0.16)

The Corporation is generally not subject to seasonality. Factors that may impact revenues and profitability include Bitcoin price, network difficulty, the price of power, foreign currency fluctuations and the Corporation's hashrate.

Results of Operations

For the three months ended March 31, 2026, compared to the three months ended March 31, 2025:

For the three months ended March 31, 2026, the Corporation's net loss was \$4,652,345 compared to net income of \$1,633,261 for the three months ended March 31, 2025. Highlights of the quarter include:

Revenue

The Corporation recognized revenue from colocation service agreements of \$3,026,908 for the quarter ended March 31, 2026 (as compared to \$5,082,795 as of March 31, 2025). The decline in colocation revenue in Q1 2026 versus Q1 2025 is attributed to the Corporation's transition to building out AI-driven infrastructure during the quarter in one of its previous hosting locations.

The Corporation also recognized revenue from the sale of energy of \$3,716,711 for the three-month period ended March 31, 2026, compared to \$3,424,916 for the three-month period ended March 31, 2025. Revenue from this acquisition of a business is recognized each month through the operations of the plant through its available capacity that can be sold, and actual generation of power sold. The slight increase in revenue on a year-over-year basis was due to the plant selling its power to the grid during the current year instead of using the plant power to run its mining operations (higher power pricing drove the decision to curtail).

Revenue from Bitcoin mining was \$47,727 for the three months ended March 31, 2026, compared to \$765,876 for the period ended March 31, 2025.

For the three-month period ended March 31, 2026, the Corporation did not mine any Bitcoins compared to the three-month period ended March 31, 2025, in which the Corporation mined approximately 9 Bitcoins at an average price of Bitcoin of US\$93,391.

The primary reason for the minimal amount in the Corporation's mining revenues in both years was the continued diversification of the Corporation's revenue streams by entering into the colocation agreements mentioned above in this MD&A. By entering into these contracts, the Corporation was able to utilize its existing infrastructure and power supply and receive consistent payment for consumption.

Cost of Revenue

The Corporation's cost of revenues was \$7,592,982 for the three-month period ended March 31, 2026, compared to \$10,795,101 for the three-month period ended March 31, 2025.

Cost of revenue decreased by \$2,479,432 year over year as the Corporation scaled back its mining operations and associated power costs as it continues to build out its AI dedicated infrastructure.

Depreciation and amortization expense decreased by \$722,687 year over year as the expense associated with the \$3.2 million of assets related to the Corporation's infrastructure and mining equipment that were put into use during the first half of 2024 was offset by the reduction of expense associated with fully depreciated assets.

Operating Expenses

The Corporation's operating expenses were \$5,136,320 for the three-month period ended March 31, 2026, compared to \$2,887,143 in the same period of 2025.

The primary drivers in the current period versus the quarter ended March 31, 2025, were due to:

- Increase in office and administrative spend of \$568,002 associated to expenses incurred related to a performance bonus paid to an officer of the Corporation, and an increase in marketing, legal and consulting fees.
- Loss on revaluation of digital currencies in the current period of \$3,764,103 (as compared to loss of \$446,975 for the three-months ended March 31, 2025).
- Foreign exchange gain of \$2,959,327 (as compared to loss of \$62,875 for three-months ended March 31, 2025) related to currency exchange fluctuations on the intercompany balances.

Other income (expenses)

Other income/expense items of note in the current year include the revaluation of the warrant liabilities which resulted in a gain of \$784,833 (as compared to a gain of approximately \$2.76 million for the three-months ended March 31, 2025).

Liquidity and Capital Resources

As of March 31, 2026, the Corporation had a positive working capital balance of \$67,218,751, including digital currencies of \$13,561,396. The Corporation commenced earning revenue from digital currency mining in mid-February 2020; however, it has limited operating history, and there can be no assurance that the Corporation's historical performance will be indicative of its future performance.

The Corporation's ability to continue as a going concern is dependent on the Corporation's ability to efficiently execute on its Tier III initiatives, continue its existing colocation arrangements and develop new customers, obtain and maintain significant financial funding for its colocation agreements, manage operational expenses, and raise additional funds through debt or equity financing.

The Corporation's capital management objective is to provide the financial resources that will enable Digi Power to maximize the return to its shareholders while also optimizing its cost of capital. In order to achieve this goal, the Corporation monitors its capital structure and adjusts as required in response to an ever-changing economic environment and the various risks to which the Corporation is exposed. The Corporation's approach to attaining this objective is to preserve a flexible capital structure that optimizes the cost of capital at a satisfactory level of risk, to maintain its ability to meet financial obligations as they come due, and to ensure the Corporation has appropriate financial resources to fund its organic and acquisitive growth.

In order to achieve its future business objectives, the Corporation may need to liquidate or borrow against Bitcoin that has been accumulated as of the date hereof as well as Bitcoin generated from ongoing operations, which may or may not be possible on commercially attractive terms or at all. The Corporation presently anticipates that additional financing may be required to fund its initiative of developing high-performance computing and artificial intelligence focused data centers. The Corporation also anticipates that additional financing could be required as part of its ongoing transition from cryptocurrency mining to AI-driven infrastructure.

The Corporation may manage its capital structure through a variety of methods, including, without limitation, by issuing equity, seeking financing through loan products, adjusting capital spending, entering into beneficial hosting or colocation agreements, or disposing of assets.

At the Market Offering

On May 30, 2025, the Corporation entered into an at-the-market sales agreement with A.G.P./Alliance Global Partners as agent (the "Agent"), pursuant to which the Corporation established an at-the-market equity program (the "ATM Program"). From the commencement of the ATM Program through March 31, 2026, the Corporation issued 24,078,450 subordinate voting shares in exchange for gross proceeds of \$91,549,033, at an average share price of \$3.80, and received net proceeds of \$88,808,661 after paying commissions of \$2,740,372 to the Agent and incurring \$100,000 of other fees.

On May 8, 2026, the Corporation filed with the SEC a prospectus supplement to the base prospectus and the accompanying preliminary prospectus supplement included in the Corporation's registration statement on Form S-3 (File No. 333-294953), filed with the SEC on April 9, 2026 (the "Registration Statement"), covering the offer and sale from time to time of up to an aggregate of \$175,000,000 of shares of the Corporation's common stock, no par value per share ("Shares"), which includes the \$75,000,000 of Shares covered by the prior prospectus supplement.

Cash flows

Operating Activities

Cash used by operating activities for the quarter year ended March 31, 2026, was \$6,397,388 as compared to cash used of \$10,105,100 for the quarter ended March 31, 2025. The difference is primarily attributed to the change in digital currency items (\$1,252,784 versus -\$4,469,226, respectively), change in warrant liability (-\$784,833 versus -\$2,764,723, respectively) and the increase in amounts owed for working capital items in the current quarter (-\$2,051,916 versus -\$4,276,284, respectively).

Investing Activities

Cash used in investing activities for the quarter year ended March 31, 2026, was \$16,172,560 as compared to cash provided in investing activities of \$3,816,097 for the quarter ended March 31, 2025. In the current period, cash of \$15,172,560 was used for the purchase of equipment and \$1,000,000 was used for an investment opportunity. In the prior year, cash of \$782,106 was used for the purchase of equipment and digital currencies traded for cash of \$4,598,203.

Financing Activities

Cash provided by financing activities for the quarter year ended March 31, 2026, was \$1,905,000, as compared to \$5,389,379 for the quarter ended March 31, 2025. In the current year, the Corporation received contributions from an NCI of \$1,905,000. The drivers of the balance in the prior year were proceeds of shares issued for cash of \$6,482,509 and the return of proceeds from an NCI of \$1,000,000, partly offset by repayment of loans of \$78,130 and lease payments of \$15,000.

Notes Receivable and Related Party Transactions

Investment

In December 2021, the Corporation entered into an agreement for a Secured Convertible Promissory Note ("Note") with principal of \$800,000. The Note accrued interest at a rate of 6% per annum, with 3% payable in cash every calendar quarter and 3% payable in notes. The Note was converted into Series C Preferred Stock ("Shares") of the issuer effective October 1, 2023, with 8,000 warrants issued to the Corporation. The Shares are secured by the assets of the issuer. As at March 31, 2026, the fair value of the Shares and warrants was estimated to be \$1,543,331.

On February 11, 2026, the Corporation invested \$1,000,000 in Alpha Square Fund, LP, a Delaware limited partnership managed by Alpha Square Management, LLC, through the purchase of limited partnership interests in the fund.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties include key management personnel and may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are recorded at the exchange amount, being the amount agreed to between the related parties.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Corporation, directly or indirectly. Key management personnel include the Corporation's executive officers and members of the Board.

Remuneration of key management personnel of the Corporation was as follows:

	Period ended March 31, 2026	Period ended March 31, 2025
Professional fees ⁽¹⁾	99,899	34,713
Salaries ⁽¹⁾	993,130	689,545
Directors' fees	250,000	-
Share based compensation ⁽²⁾	1,074,956	186,267
Total	\$ 2,417,985	\$ 910,525

⁽¹⁾ Represents the professional fees and salaries paid to officers and directors in cash and BTC. During the three months ended March 31, 2026, the Corporation paid 1 BTC (as compared to 5 BTC for the three months ended March 31, 2025) as compensation for the services provided in by officers and directors with a fair value of \$115,630 (as compared to \$491,095 for the three months ended March 31, 2025).

⁽²⁾ Represents the share-based compensation for officers and directors.

Share Capital

As of May 15, 2026, the Corporation has 90,420,824 subordinate voting shares outstanding.

As of May 15, 2026, the Corporation has 2,920,635 Stock options, 2,945,312 restricted share units and 1,219,461 warrants issued and outstanding, including 240,385 broker warrants.

Subsequent Events

On April 18, 2026, the Corporation entered into a bare metal GPU rental agreement with SubQ AI for a term of 24 months, effective on May 15, 2026, relating to the Tier III AI project.

On May 4, the Corporation entered into a Data Center Colocation and Master Services Agreement (the "Cerebras Agreement") with Cerebras Systems Inc. ("Cerebras") to deploy at total of approximately 40 megawatts ("MW") for AI computing at the Corporation's AI data center campus in Columbiana, Alabama (the "Facility"). Pursuant to the Cerebras Agreement, Cerebras will hold an exclusive license to access the data center for the duration of the Cerebras Agreement. The Cerebras Agreement has an initial term of ten (10) years (the "Initial Term") from the later of the two phase commencement dates (as described below). Additionally, the Cerebras Agreement grants Cerebras the right to extend the Initial Term for one or more additional periods of one (1), three (3), five (5), or seven (7) years (each, an "Extension"). Pursuant to the Cerebras Agreement, the total contract value to the Corporation is approximately \$1.1 billion in the initial term of the contract, with a total potential contract value to the Corporation of approximately \$2.5 billion, assuming one seven (7)-year Extension, in each case subject to the Corporation meeting its obligations under the agreement. The Cerebras Agreement provides for certain one-time payments by Cerebras in connection with Phase 1 and Phase 2 construction, as well as a monthly colocation fee to paid by Cerebras for Phase 1 and Phase 2 (a portion of which is to be prepaid), based upon the number of kilowatts delivered. The Cerebras Agreement requires the Corporation to construct, equip, and commission two phases of the colocation space at the Facility, with Phase 1 (15 MW) ready-for-service date targeted at December 15, 2026 and with full deployment in Phase 2 (40 MW) targeted by the end of the first fiscal quarter of 2027. The additional 25 MW of load capacity in Phase 2 is conditioned on the Corporation securing adequate financing for Phase 2 operations. The Cerebras Agreement also contains various other customary terms and conditions, including representations and warranties, service and service credit, penalty, termination, indemnification, confidentiality, and limitation of liability provisions. For more information, see the Corporation's Current Report on Form 8-K, filed with the SEC on May 8, 2026.

On May 8, 2026, the Corporation filed with SEC a prospectus supplement to the base prospectus and the accompanying preliminary prospectus supplement included in the Corporation's registration statement on Form S-3 (File No. 333-294953), filed with the SEC on April 9, 2026, covering the offer and sale from time to time of up to an aggregate of \$175,000,000 of shares of the Corporation's common stock, no par value per share ("Shares"), which includes the \$75,000,000 of Shares covered by the prior prospectus supplement.

Pursuant to this at-the-market equity program, the Corporation issued 19,950,000 subordinate voting shares for a total aggregate of \$102,862,650 subsequent to March 31, 2026.

Subsequent to March 31, 2026, the Corporation issued 654,408 subordinate voting shares from the exercise of warrants and options for gross proceeds of \$2,002,438. In addition, the Corporation issued 8,967 subordinate voting shares from the exercise of RSUs.

Off Balance Sheet Arrangements

As at the date of this Quarterly Report, the Corporation did not have any off-balance sheet arrangements.

Adoption of new accounting policies

The Corporation continually assesses any new accounting pronouncements to determine their applicability. When it is determined that a new accounting pronouncement may affect the Corporation's financial reporting, the Corporation undertakes an analysis to determine any required changes to its Consolidated Financial Statements and assures that there are proper controls in place to ascertain that the Corporation's Consolidated Financial Statements properly reflect the change.

Accounting standards issued but not yet effective

In November 2024, the FASB issued ASU No. 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. ASU 2024-03 requires additional disclosures of certain expenses in the notes of the financial statements, to provide enhanced transparency into the expense captions presented on the unaudited condensed interim Consolidated Statements of Operations. Additionally, in January 2025, the FASB issued ASU 2025-01, Income Statement - Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40), to clarify the effective date of ASU 2024-03. The new standard is effective for the Corporation for its annual periods beginning December 15, 2026, and for interim periods beginning after December 15, 2027, with early adoption permitted. The Corporation is currently evaluating the impact of adopting the standard.

There were no other significant updates to the recently issued accounting standards which may be applicable to the Corporation. Although there are several other new accounting pronouncements issued or proposed by the FASB, the Corporation does not believe any of those accounting pronouncements have had or will have a material impact on its financial position or operating results.

Critical accounting judgements, estimates and assumption

The preparation of these financial statements in conformity with U.S. GAAP requires management to make certain estimates, judgements and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future years if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant judgements

(i) Income from digital currency mining

The Corporation recognizes income from digital currency mining from the provision of transaction verification services within digital currency networks, commonly termed “cryptocurrency mining”. As consideration for these services, the Corporation receives digital currency from each specific network in which it participates (“coins”). Income from digital currency mining is measured based on the fair value of the coins received. The fair value is determined using the spot price of the coin on the date of receipt. The coins are recorded on the statement of financial position, as digital currencies, at their fair value less costs to sell and re-measured at each reporting date. Revaluation gains or losses, as well as gains or losses on the sale of coins for traditional (fiat) currencies are included in profit or loss in accordance with the Corporation’s treatment of its digital currencies as a traded commodity.

(ii) Income, value added, withholding and other taxes

The Corporation is subject to income, value added, withholding and other taxes. Significant judgement is required in determining the Corporation’s provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Corporation recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Corporation’s income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Corporation’s interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be utilized. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period.

Developments in an audit, litigation, or the relevant laws, regulations, administrative practices, principles, and interpretations could have a material effect on our operating results or cash flows in the period or periods for which that development occurs, as well as for prior and subsequent periods. We recognize the tax benefit from an uncertain tax position in accordance with ASC 740, Income Taxes, only if it is more likely than not that the tax position will be sustained on examination by the applicable taxing authority, including resolution of the appeals or litigation processes, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit for each such position that has a greater than fifty percent likelihood of being realized upon ultimate resolution. Many factors are considered when evaluating and estimating the tax positions and tax benefits. Such estimates involve interpretations of regulations, rulings, case law, etc. and are inherently complex. Our estimates may require periodic adjustments and may not accurately anticipate actual outcomes as resolution of income tax treatments in individual jurisdictions typically would not be known for several years after completion of any fiscal year. We believe the judgements and estimates discussed above are reasonable. However, if actual results are not consistent with our estimates or assumptions, we may be exposed to losses or gains that could be material.

Significant estimates

(i) Useful lives of property, plant, and equipment

Depreciation of data miners and equipment are an estimate of its expected life. In order to determine the useful life of computing equipment, assumptions are required about a range of computing industry market and economic factors, including required hashrates, technological changes, availability of hardware and other inputs, and production costs.

(ii) Warrant liability

The Corporation uses Black Scholes method to determine the fair value of the warrant liability. The Black Scholes method requires significant judgement in determining the fair value such as volatility and risk-free rate. A change in these inputs could lead to significant change in the fair value of the warrant liability.

Factors Impacting Profitability

Cost of electricity: A key factor in the Corporation's profitability of its mining and colocation operations is the cost of electricity in the regions where the Corporation has mining operations. Energy costs generally are subject to government regulation, natural occurrences (including weather) and local supply and demand for energy. The availability and pricing of energy may be negatively affected by governmental or regulatory changes in energy policies in the states where we operate. In addition, the Corporation is exposed to negative impacts of changes in tax policy, such as, but not limited to, being precluded from claiming back input taxes or other specific taxes imposed on cryptocurrency.

Market Price of Bitcoin: The Corporation's business is heavily dependent on the average price of Bitcoin. The prices of cryptocurrencies, including Bitcoin, have experienced substantial volatility, meaning that high or low prices may be based on speculation and incomplete information, subject to rapidly changing investor sentiment, and influenced by factors such as technology, regulatory void or changes, fraudulent actors, manipulation, and media reporting. Bitcoin (as well as other cryptocurrencies) may have value based on various factors, including, but not limited to, their acceptance as a means of exchange by consumers and producers, scarcity, and market demand, all of which are beyond the Corporation's control.

Halving: Further affecting the industry, particularly for the Bitcoin blockchain, the Bitcoin reward for solving a block is subject to periodic incremental halving. Halving is a process designed to control the overall supply and reduce the risk of inflation in Bitcoin, which uses a proof-of-work consensus algorithm. At a predetermined block, the mining reward is cut in half, hence the term "halving." For Bitcoin, the reward was initially set at 50 Bitcoin currency rewards per block. The Bitcoin blockchain has undergone halvings three times since its inception as follows: (1) on November 28, 2012, at block height 210,000; (2) on July 9, 2016, at block height 420,000; (3) on May 11, 2020, at block height 630,000, when the reward was reduced to its current level of 6.25 Bitcoin per block; and (4) on April 20, 2024 at block height of 840,000. The next halving for the Bitcoin blockchain is currently anticipated to occur in April 2028 at block height 1,050,000. Halvings will continue to occur until the total amount of Bitcoin currency rewards issued reaches approximately 21 million and the theoretical supply of new Bitcoin is exhausted, which is expected to occur around the year 2140. Many factors influence the price of Bitcoin, and potential increases or decreases in prices in advance of or following a future halving is unknown.

Network Hash Rate and Difficulty: Generally, a Bitcoin miner's chance of solving a block on the Bitcoin blockchain and earning a Bitcoin reward is a function of the miner's hash rate, relative to the global network hash rate (i.e., the aggregate amount of computing power devoted to supporting the Bitcoin blockchain at a given time). As demand for Bitcoin has increased, the global network hash rate has increased rapidly, and as greater adoption of Bitcoin occurs, we expect the demand for new Bitcoin will likewise increase as more mining companies are drawn into the industry by this increased demand. Further, as a greater number of increasingly powerful miners have been deployed, the network difficulty for Bitcoin has consequently also increased. Network difficulty is a measure of how difficult it is to solve a block on the Bitcoin blockchain, which is adjusted every 2,016 blocks (approximately every 2 weeks) so that the average time between each block validation remains approximately ten minutes. A high difficulty means that more computing power will be required in order to solve a block and earn a new Bitcoin reward, which, in turn, makes the Bitcoin network more secure by limiting the possibility of one miner or mining pool gaining control of the network. Therefore, as new and existing miners deploy additional hash rate, the global network hash rate will continue to increase, meaning a miner's share of the global network hash rate (and therefore its chance of earning Bitcoin rewards) will decline if it fails to deploy additional hash rate at pace with the industry.