CYPHERPUNK HOLDINGS INC

Management Discussion and Analysis

For the three months ended December 31, 2020 and 2019
As at February 25, 2021

This Management Discussion and Analysis ("MD&A") has been approved in accordance with a resolution of the Board of Directors dated February 25, 2021. It should be read in conjunction with the consolidated financial statements of the Company as at and for the three months ended December 31, 2020 and 2019.

About Cypherpunk Holdings Inc.

Cypherpunk Holdings Inc. is a publicly traded company that is listed on the Canadian Securities Exchange (CSE) under the ticker HODL.

An investment in the shares of Cypherpunk Holdings Inc. provides an investor with indirect exposures to various crypto currencies such as Bitcoin (BTC), Ethereum (ETH) and Monero (XMR) and in companies that are actively developing privacy technology. Cypherpunk Holdings' investments in privacy technologies are centered on the thesis that in the coming years, privacy will become one of the most important narratives in technology. Technologies and cryptocurrencies with strong privacy will thus have strong market demand.

As at December 31, 2020, the Company holds 231.9 Bitcoins (BTC) with a market unit value of USD$29,374.15 (CAD$37,399.17) resulting in a total market value of USD$6,811,477 (CAD$8,672,373). Cypherpunk Holdings currently has investments in three privacy technology development companies and one data center offering web hosting, a colocation data center, cloud, system integration, blockchain infrastructure and other solutions.

Significant Events in the Year

Strategic Investments

On December 29 2020, the Company granted a convertible loan of €100,000 ($158,763) to NGRAVE.IO ("NGRAVE"), a limited liability company located in Antwerpen, Belgium, for a 12-month period. The loan is subject to a gross annual interest of 5% and is payable on December 29, 2021; on this date, the loan and accrued interest will be converted into common stock of NGRAVE at a price per share equal to 95% of the price per share paid by the investors in an equity financing. NGRAVE is a digital asset and blockchain security provider that owns ZERO, a fully offline hardware wallet that features the world's highest security certification, EAL7, for its secure operating system.

Cryptocurrencies - As at December 31, 2020, the Company's cryptocurrency inventory consists of 231.9 Bitcoins (BTC) with a market value of $8,672,373. At the date of this report such inventory has a market value of $13,684,093.

In February 2021, the Company purchased a package of IP addresses from Hype Enterprises for USD $393,216. The package of IP addresses known as IPv4 Subnet 206.206.64.0/18 is intended to be leased to generate operating revenues.

Private Placement Offering

Subsequently to the reported period, on January 15, 2021, the Company closed a non-brokered private placement offering through the issuance of 19,867,470 Units at a price of C$0.15 per Unit for gross proceeds of C$2,980,120. Each Unit is comprised of one common share in the capital of the Company and one-half of one whole Common Share purchase warrant. Each Warrant entitles the holder to purchase one additional Common Share at an exercise price of C$0.25 until January 15, 2023. The net proceeds will be used to continue investing in cryptocurrencies, companies, technologies and protocols that enhance or protect privacy often in the blockchain ecosystem. In connection with the Offering, certain eligible finders received cash commissions in the aggregate amount of $17,550. All securities issued in connection with the Offering are subject to a hold period of four months plus a day from the date of issuance and the resale rules of applicable security legislation. This Offering is subject to final approval of the Canadian Securities Exchange.

COVID-19

Since early 2020, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. In the current year, there has not been adverse impact on the Company liquidity, investments, expenditures or any other of its key business factors or operations but it is not possible to reliably estimate the length and severity of these developments and the future impact on the financial results and condition of the Company. Through a thorough review of operating expenses and the scheduling of some expenditures, the Company is focused on prudently managing the Company’s financial resources and planned activities pending a resolution of the COVID-19 pandemic.

Overall Performance

Investments

Investment Details	**Quantity**		**December 31, 2020**	Quantity		September 30, 2020
Hydro66 Holdings Corp. - Shares	**3,842,000**	**$**	**845,240**	3,842,000	$	1,440,750
ZkSnacks Limited - Shares	**4,500**		**445,027**	4,500-		445,027-
Chia Network Inc. - SAFE	**-**		**381,960**	-		400,170
Streetside Development, LLC (formerly Katana Cryptographic Ltd.) - Interest	**1,429**		**126,516**	1,429		126,516
		$	**1,798,743**		$	2,412,463

There is also a $156,168 convertible loan, including accrued interest, granted to NGRAVE that is classified as a loan receivable in the interim condensed financial statements. The market value per share of Hydro66 Holdings Corp. is $0.22 per share at December 31, 2020 and at the date of this report.

Cryptocurrencies

As at December 31, 2020, the Bitcoin (BTC) market unit value is USD$29,374.15 (CAD$37,399.17) and the weighted average acquisition cost per unit is USD$9,829.06 (CAD$12,514.36).

Selected Quarterly Information

The below selected quarterly information summarizes the financial information for the last eight quarters.

	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19
	$	$	$	$	$	$	$	$
Interest income	1,493	1,406	2,302	8,290	12,265	8,173	5,901	5,940
Net realized gain (loss) on cryptocurrencies	1,302,751	112,368	-	-	(627)	(100,885)	119,208	-
Net unrealized Gain (loss) on cryptocurrencies	5,319,245	434,994	821,287	(255,974)	(342,609)	(522,323)	683,316	903
Realized gain (loss) on investments	-	170,546	-	765	-	(372)	119,118	-
Unrealized gain (loss) on investments	(595,510)	826,030	389,300	(366,400)	(487,696)	(1,440,763)	1,330,275	(429,250)
Expenses	433,995	526,668	303,461	(47,696)	164,792	151,650	248,287	222,127
Net gain (loss)	5,593,984	1,018,676	909,428	(565,623)	(983,459)	(2,207,820)	2,009,531	(644,534)
Net gain (loss) per share (basic and diluted)	0.06	0.01	0.01	(0.01)	(0.01)	(0.02)	0.02	(0.01)
Other comprehensive income (loss)	-	(871)	959	(2,095)	-	4,461	(322)	(2,067)
Total comprehensive income (loss)	5,593,984	1,017,799	910,387	(567,718)	(983,459)	(2,203,259)	2,009,209	(646,601)
Total current assets	10,746,760	4,430,340	3,297,011	2,653,441	2,865,566	3,749,153	4,497,581	3,807,046
Total current liabilities	277,805	186,114	232,450	128,762	108,724	113,883	96,623	82,811
Total assets	12,556,303	6,855,628	5,025,044	4,010,969	4,558,649	5,547,267	7,733,366	5,710,345

In the quarterly periods, the main items are the unrealized gain or losses from the adjustments to fair value of the cryptocurrencies and of the investment holdings of Hydro66. There is also interest earned on the bank accounts and on the guaranteed investment certificates “GICs” which fluctuates over the quarters due to changes in the cash balances.

Expenses variances are due to the gain or loss in foreign exchange that fluctuates over the quarters due to the variances in the foreign exchange rates, mainly of the US dollar, and for the variance of the cash and cryptocurrencies balances that are denominated in such currency. Increased expenses in Q4 2020 are mainly due to the $365,887 of stock options granted in the period, in Q3 2019 the increase is mainly due to the legal costs for the claim of Mr. Grant Edey, former CEO of the Company. Other general expenses variances are mainly composed of technical consulting, corporate and administrative expenses.

The main components of total assets of the Company is cash, cryptocurrencies and investments. Total assets variances from quarter to quarter are mainly due to the fair value variances of the cryptocurrencies and the Hydro66 Holdings Corp. investments.

Results of Operations

Comparison of the three-month period ended December 31, 2020 and 2019

The net gain for the period ended December 31, 2020 is $5,595,102 compared to net loss of $983,459 for the same period of the year 2019. The variances are summarized as follows:

- In Q1 2021, there is a $5,319,245 gain on marked-to-market valuation of the cryptocurrencies held by the Company versus a loss of $342,609 in Q1 2020, due to the positive variance of the Bitcoin value.

- In Q1 2021, there is a $595,510 unrealized loss on the fair value adjustment of the shares of Hydro66 versus a loss of $487,696 in Q1 2020. The investments are required to be marked-to-market each period-end and the adjustment is recorded in operations.
- In Q1 2021, there is a $1,302,751 realized gain on the sale of Ethereum (ETH) balance for which the proceeds were used in the purchasing of Bitcoins (BTC) and for the sale of Bitcoins (BTC) for their use in the purchase of the NGRAVE investment and for cash availability. In Q1 2020, there was a small loss of $627 for the sale of 19 Bitcoins (BTC) for which the proceeds were used to buy Moneros (XMR).
- In Q1 2021, the total of net expenses is $433,995, which is $269,203 higher than the $164,792 expenses of Q1 2020, mainly due to the $334,711 of foreign exchange loss in Q1 2021, versus a loss of $45,696 in Q1 2020 originated by the 4.6% devaluation of the Canadian Dollar versus the US Dollar in Q1 2021. In Q1 2020, the devaluation was 1.9%; on the other hand, in Q1 2021, there is a $30,000 reversal of accounting fees previously accrued for our subsidiary in the Netherlands.

Financial and Capital Management

Outstanding Share Data

At December 31, 2021	
Common shares outstanding:	100,416,482
Options to purchase common shares:	7,850,000
Warrants	4,900,000
At February 25, 2021	
Common shares outstanding:	123,858,952
Options to purchase common shares:	7,500,000
Warrants	11,608,735

Cash Flow

For the year ended December 31, 2020, the net cash inflow is $1,408,699 mainly due to the $1,406,809 from the sale of cryptocurrencies, $150,000 received from a shareholder in advance of the private placement closed on January 18, 2021 and $15,000 from warrants exercise, offset by $163,110 of cash used in the operating activities.

Financial Instruments and Financial Risks

Capital Management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the investment in cryptocurrencies and blockchain companies. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company considers capital to be its capital stock, warrant, and stock option components of shareholders' equity.

To effectively manage the Company's capital requirements, the management has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company ensures that there is sufficient working capital and planned future capital raises to meet its short-term business requirements, taking into account its anticipated cash flow from operations and its holding of cash and cash equivalents and short-term investments.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended December 31, 2020.

Risk Disclosures

Exposure to credit, interest rate, and cryptocurrency and currency risks arises in the normal course of the Company's business.

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into, causing the other party to incur a financial loss. The Company limits its credit risk by placing its cash with high credit quality financial institutions and with cryptocurrency exchanges on which the Company has performed internal due diligence procedures. The Company deems these procedures necessary as some exchanges are unregulated and not subject to regulatory oversight. Furthermore, crypto-exchanges engage in the practice of commingling their clients' assets in exchange wallets. When crypto assets are commingled, transactions are not recorded on the applicable blockchain ledger but are only recorded by the exchange. Therefore, there is risk around the occurrence of transactions or the existence of year-end balances represented by exchanges.

As at December 31, 2020, the Company holds $1,894,078 in cash and cash equivalents at high credit quality financial institutions, $156,167 in a convertible loan, receivable from a third party for which the Company intends to convert the loan into its shares in a financing to be performed in the short-term, and $8,672,373 in cryptocurrencies at a custodian regulated by the New York Department of Financial Services. The Company's due diligence procedures around exchanges and custodians utilized throughout the period include, but are not limited to, internal control procedures around on-boarding new exchanges or custodians which includes review of the exchanges or custodians anti-money laundering ("AML") and know-your-client ("KYC") policies by the Company's chief investment officer, constant review of market information specifically regarding the exchanges or custodians security and solvency risk, setting balance limits for each exchange account, based on risk exposure thresholds and preparing weekly asset management reports to ensure limits are being followed and having a fail-over plan to move cash and cryptocurrencies held on an exchange or with a custodian in instances where risk exposure significantly changes.

Interest Rate Risk

The Company has no exposure to interest rate risk since there are no outstanding debts or other payables subject to interest charges at the end of the reported years.

Cryptocurrencies Risk

Cryptocurrencies are measured at fair value less cost to sell. Cryptocurrency prices are affected by various forces including global supply and demand, interest rates, exchanges rates, inflation or deflation and political and economic conditions. Further, cryptocurrencies have no underlying backing or contracts to enforce recovery of invested amounts. The profitability of the Company is related to the current and future market price of cryptocurrencies; in addition, the Company may not be able to liquidate its inventory of cryptocurrencies at its desired price if necessary. Investing in cryptocurrencies is speculative, prices are volatile, and market movements are difficult to predict. Supply and demand for such currencies change rapidly and are affected by a variety of factors, including regulation and general economic trends.

Cryptocurrencies have a limited history, their fair values have historically been volatile and the value of cryptocurrencies held by the Company could decline rapidly. A decline in the market prices of cryptocurrencies could negatively impact the Company's future operations. Historical performance of cryptocurrencies is not indicative of their future performance.

Many cryptocurrency networks are online end-user-to-end-user networks that host a public transaction ledger (blockchain) and the source code that comprises the basis for the cryptographic and algorithmic protocols governing such networks. In many cryptocurrency transactions, the recipient or the buyer must provide its public key, which serves as an address for a digital wallet, to the seller. In the data packets distributed from cryptocurrency software programs to confirm transaction activity, each party to the transaction user must sign transactions with a data code derived from entering the private key into a hashing algorithm, which signature serves as validation that the transaction has been authorized by the owner of the cryptocurrency. This process is vulnerable to hacking and malware, and could lead to theft of the Company's digital wallets and the loss of the Company's cryptocurrency.

Cryptocurrencies are loosely regulated and there is no central marketplace for exchange. Supply is determined by a computer code, not a central bank. Additionally, exchanges may suffer from operational issues, such as delayed execution, that could have an adverse effect on the Company.

The cryptocurrency exchanges on which the Company may trade on are relatively new and, in many cases, largely unregulated, and therefore may be more exposed to fraud and failure than regulated exchanges for other assets. Any financial, security, or operational difficulties experienced by such exchanges may result in an inability of the Company to recover money or cryptocurrencies being held on the exchange. Further, the Company may be unable to recover cryptocurrencies awaiting transmission into or out of the exchange, all of which could adversely affect an investment of the Company. Additionally, to the extent that the digital asset exchanges representing a substantial portion of the volume in digital asset trading are involved in fraud or experience security failures or other operational issues, such digital asset exchanges' failures may result in loss or less favorable prices of cryptocurrencies, or may adversely affect the Company, its operations and its investments.

Furthermore, crypto-exchanges engage in commingling their client's assets in exchange wallets. When crypto-assets are commingled, transactions are not recorded on the applicable blockchain ledger but are only recorded by the exchange. Therefore, there is a risk around the occurrence of transactions or existence of period end balances represented by exchanges.

Loss of Access Risk

The loss of access to the private keys associated with the Company's cryptocurrency holdings may be irreversible and could adversely affect an investment. Cryptocurrencies are controllable only by an individual that possess both the unique public key and private key or keys relating to the "digital wallet" in which the cryptocurrency is held. To the extent a private key is lost, destroyed or otherwise compromised and no backup is accessible, the Company may be unable to access the cryptocurrency.

Irrevocability of Transactions

Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred cryptocurrencies may be irretrievable. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer or theft generally will not be reversible, and the Company may not be capable of seeking compensation.

Hard Fork and Air Drop Risks

Hard forks may occur for a variety of reasons including, but not limited to, disputes over proposed changes to the protocol, significant security breach, or an unanticipated software flaw in the multiple versions of otherwise compatible software. In the event of a hard fork in a cryptocurrency held by the Company, it is expected that the Company would hold an equivalent amount of the old and new cryptocurrency following the hard fork.

Air drops occur when the promoters of a new cryptocurrency send amounts of the new cryptocurrency to holders of another cryptocurrency, so that they will be able to claim a certain amount of the new cryptocurrency for free. The Company may not be able to realize the economic benefit of a hard fork or airdrop, either immediately or ever, for various reasons. For instance, the Company may not have any systems in place to monitor or participate in hard forks or air drops.

Market Risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value. The Company's investments are susceptible to other market risk arising from uncertainties about future prices of the instruments. The Company moderates this risk through the various investment strategies within the parameters of the Company's investment guidelines.

As of December 31, 2020, management's estimate of the effect on equity to a +/- 10% change in the market prices of the Company's investments, with all other variables held constant, is $179,874.

Foreign Currency Risk

The Company is exposed to foreign currency risk on financial assets and liabilities that are denominated in a currency other than the Canadian dollar. The currencies giving rise to this risk are primarily the U.S. dollar and the Euro, the balance of net monetary assets in such currencies as of December 31, 2020 is $10,597,085 (September 30, 2020 - $4,725,471). Sensitivity to a plus or minus 10% change in the foreign exchange rates would affect the net comprehensive loss by $1,059,709.

Liquidity Risk

The Company is exposed to liquidity risk primarily as a result of its trade accounts payable as well as the risk of not being able to liquidate assets at reasonable prices. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2020, the Company had cash and cash equivalents balance of $1,918,069 (September 30, 2020 - $503,539) to settle current liabilities of $277,805 (September 30, 2020 - $186,114). All of the Company's trade accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

Fair Value Hierarchy

The Company classifies its fair value measurements with a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in IFRS 13 – Financial Instruments; Fair Value Measurement ("IFRS 13").

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.

December 31, 2020:	Level One	Level Two	Level Three
Cash and cash equivalents	$ 1,894,078	$ -	$ -
Convertible loan receivable			156,157
Cryptocurrencies	-	8,672,373	-
Investments	845,240	-	953,503
	$ 2,739,318	$ 8,672,373	$ 1,109,670

September 30, 2020:	Level One	Level Two	Level Three
Cash and cash equivalents	$ 485,379	$ -	$ -
Cryptocurrencies	-	3,926,801	-
Investments	1,440,750	445,027	526,686
	$ 1,926,129	$ 4,731,828	$ 526,686

There have been no transfers between levels 1, 2 or 3 during the reported periods except for the sale of a GIC previously reported in level two.

The Company's cryptocurrencies are classified as Level Two determined by taking the price from www.coinmarketcap.com as of 24:00 UTC.

The Company's investments are classified as Level One, Two or Three depending on the inputs utilized to determine the fair value at year end.

The investment classified as Level One is the 3,842,000 shares of Hydro66. The shares have a fair value of $845,240 at December 31, 2020 (September 30, 2020 - $1,440,750). The fair value of the shares is determined using the stock price of Hydro66 that is listed under the trading symbol "SIX". On December 31, 2020, the share price was $0.22 (September 30, 2020 - $0.38). The Company performed a sensitivity analysis on the fair value of the shares and noted that a 20% decrease in share price would result in a $169,048 decrease in the fair value of the shares.

The loan classified as a Level Three is the €100,000 convertible loan granted to NGRAVE ($156,167 including accrued interest), a third party entity that operates in the digital asset and blockchain security business, for which the Company intends to convert the loan into its shares in a financing to be performed in the short-term. Investments classified as Level Three consist of the USD$337,500 (CAD$445,027) invested for 4,500 shares of zkSnacks, USD$300,000 (CAD$381,960) invested for a SAFE with Chia, and USD$100,000 (CAD$126,516) invested for an interest in Streetside Development. The fair value of the level three assets are determined using the consideration paid for each transaction plus accrued interest, when applicable. The Company performed a sensitivity analysis on the carrying value of the Level 3 assets and noted that a 20% decrease would result in a $221,934 decrease in their fair value.

The fair value of Level 3 assets is inherently subjective. Due to the uncertainty of fair value of investments that do not have readily ascertainable market values, management's conclusion of fair value for an investment on a date may differ significantly from (1) the fair value conclusions of other knowledgeable market participants and/or (2) prior or subsequently observed transaction prices, including the price paid to acquire, or received to sell, the investment itself.

The following is the activity of Level 3 assets for the period ended December 31, 2020 and for the year ended September 30, 2020:

	Fair value October 1, 2020	Purchases	Foreign exchange	Fair value December 31, 2020
NGRAVE.IO – Convertible loan	$ -	$158,763	$ (2,682)	$156,167
zkSnacks Limited	445,027	-	-	445,027
Chia Network Inc. - SAFE	400,170	-	(18,210)	381,960
Streetside Development, LLC (formerly Katana Cryptographic Ltd.) - Interest	126,516	-	-	126,516
	$971,113	$158,849	$(20,892)	$1,109,670

	Fair value October 1, 2019	Purchases	Foreign exchange	Fair value September 30, 2020
Chia Network Inc. - SAFE	$397,290	$ -	$2,880	$400,170
Streetside Development, LLC (formerly Katana Cryptographic Ltd.) - Interest	126,516	-	-	126,516
zkSnacks Limited	-	445,027	-	445,027
	$523,806	$445,027	$2,880	$971,713

Accounts payable and accrued liabilities are measured at amortized cost that also approximates fair value.

Accounting Policies

This MD&A should be read in conjunction with the Company's consolidated financial statements and notes as at and for the three months ended December 31, 2020 and 2019. For additional information on the Company's significant accounting policies and methods used in preparation of the Company's 2020 consolidated financial statements and notes, please refer to Note 2 of the audited consolidated financial statements as at December 31, 2020.

The consolidated financial statements as at December 31, 2020 and 2019 are presented on a going concern basis.

The preparation of financial statements in compliance with IFRS requires the Company's management to make certain estimates and assumptions that they consider reasonable and realistic. Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of the Company's assets, liabilities, income and expenses. Actual results may differ from those estimates.

Significant Judgements

Classification of cryptocurrencies as current assets - The Company has determined to classify its holding of cryptocurrencies as current assets, based on its assessment that they are considered to be commodities, and the availability of liquid markets to which the Company may sell such assets to generate a profit from price fluctuations.

Accounting for cryptocurrencies - The Company applied judgement in the determination that its holding of cryptocurrencies should be accounted for under IAS 2, Inventories, since it meets the definition of a commodity broker-trader. The inventories held by commodity broker-traders are principally acquired for the purpose of selling in the near future and generating a profit from fluctuations in price or broker-traders' margin.

Valuation techniques – The fair value of investments are measured using an income or market approach (Note 16). The determination of the fair value requires significant judgement by the Company. The Company acts in good faith to fair value its investments on the date of purchase and on a quarterly basis thereafter, consistent with fair value accounting guidance in accordance with IFRS 13, Fair Value Measurement.

Significant Estimates

Valuation of cryptocurrencies and investments - The Company's cryptocurrencies are traded in active markets and are valued based upon quoted prices at period end as of 24:00 UTC (less any costs to sell) but some of the Company's investments are not actively traded and are valued based upon quoted prices for similar assets or based upon unobservable inputs. These valuations require the Company to make significant estimates and assumptions.

Realized gains and losses from the sale and disposition of cryptocurrencies and investments, whether by conversion to cash or other cryptocurrencies, are recorded as net realized gain (loss) on cryptocurrencies and net realized gain (loss) on investments, respectively. Unrealized gains and losses on cryptocurrencies and investments due to the change in fair market value are recorded as net unrealized gain (loss) on cryptocurrencies and net unrealized gain (loss) on investments, respectively.

Stock-based compensation - The Company generally utilizes the Black-Scholes option pricing model to determine the fair values of the stock-based payments. The Company uses significant judgement in the evaluation of the input variables in the Black-Scholes calculation which includes: risk free interest rate, expected stock price volatility, expected life and expected dividend yield.

Deferred income taxes - In assessing the probability of realizing deferred income taxes, the Company makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, the Company gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers relevant tax planning opportunities that are within the Company's control, are feasible and within management's ability to implement. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. In addition, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred taxes. The Company reassesses unrecognized income tax at each reporting period.

New Accounting Standards Adopted

The Company has adopted the following revised or new IFRS that have been issued: IFRS 16. Leases IFRS 16 was issued in January 2016, and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The Company adopted all of the requirements of IFRS 16, effective October 1, 2019. There was no impact on the adoption of IFRS 16 on the Company's consolidated financial statements.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Transactions with Related Parties

The Company's related parties include its subsidiary, key management personnel and any entity related to key management personnel that has transactions with the Company. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

During the period there is a charge of $3,600 (2019 - $22,500) from Laramide Resources Ltd. ("Laramide"), a company having a director and officer, Marc Henderson, and an officer, Dennis Gibson, in common with Cypherpunk, for administrative and financial services and other shared expenditures paid on behalf of the Company. In addition, Laramide paid $5,942 (2019 - $4,526) of certain expenses on behalf of the Company which were subsequently reimbursed to Laramide. At December 31, 2020, there is $1,248 of accounts payable to Laramide (September 30, 2019 - $2,276).

During the period Treasury Metals Inc., a company having a director, Marc Henderson, and an officer, Dennis Gibson, in common with the Company, paid Nil (2019 - $839) of certain expenses on behalf of the Company. At December 31, 2020, there is $581 (2019 - $207) of accounts payable which was subsequently reimbursed to Treasury Metals Inc.

During the period there is an $18,000 (2019 - $18,000) charge for consulting services provided by Mohammed Adham, a director and Chief Investment Officer of the Company. At December 31, 2020 there is $21,881 (September 30, 2019 - $20,340) of accounts payable to this related party.

During the period there is a $10,500 (2019 - $Nil) charge for consulting services provided by Dennis Gibson the CFO of the Company. At December 31, 2020 there is $3,500 (September 30, 2020 - $3,500) of accounts payable to this related party.

During the period there is an $18,000 (2019 - $Nil) charge for consulting services provided by Jon Matonis, a director and Chief Economist of the Company. At December 31, and September 30, 2020 there is $Nil of accounts payable to this related party.

During the period there is Nil charge for legal services by a firm of which Eric Lowy, the corporate secretary of the Company, is a partner (2019 - $27,626). At December 31, 2020, there is $145 of accounts payable to this related party (September 30, 2020 - $4,358).

Key Management Compensation

Key management includes the Chief Executive Officer, Chief Financial Officer, Chief Investment Officer and directors of the Company.

The compensation to key management is shown below:

Period ended December 31	2020	2019
Consulting fees	$46,500	$44,000
Director fees	$ 7,500	$11,250
	$54,000	$55,250

At December 31, and September 30, 2020, included in accounts payable and accrued liabilities, is $7,500 owed relating to director fees.

Other Risk Factors

Risks which the Company is not aware of or which the Company currently deems to be immaterial may surface and have a material adverse impact on the Company's business income and financial condition. Exposure to credit, interest rate, cryptocurrency and currency risks arises in the normal course of the Company's business.

Other Information

This discussion and analysis of the financial position and results of operation as at December 31, 2020, should be read in conjunction with the consolidated financial statements for the three months ended December 31, 2020 and 2019. Additional information can be accessed through the Company's public filings at www.sedar.com.

Management's Responsibility for Financial Information

The Company's consolidated financial statements are the responsibility of the Company's management, and have been approved by the Board of Directors. The consolidated financial statements were prepared by the Company's management in accordance with IFRS. The consolidated financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the consolidated financial statements are presented fairly in all material respects.

Management's Report on Internal Control over Financial Reporting

Management of the Company, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate disclosure controls and procedures. Disclosure controls and procedures are designed to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer believe that the Company's disclosure controls and procedures are effective in providing reasonable assurance that information required to be disclosed under applicable securities regulations is recorded, processed, summarized and reported within the times specified. Management regularly reviews the Company's disclosure controls and procedures; however, they cannot provide an absolute level of assurance because of the inherent limitations in cost effective control systems to prevent or detect all misstatements due to error or fraud.

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS. The design of any system of controls and procedures is based, in part, upon certain assumptions about the likelihood of future events. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

During the period ended December 31, 2020, the Company's employees began working remotely from home due to Company COVID-19 protocols. This change has required certain processes and controls that were previously done or documented manually, to be completed and retained in electronic form. Despite the changes required by the current environment, there have been no significant changes in the Company's internal controls over financial reporting during fiscal 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Antanas Tony Guoga
Chief Executive Officer
February 25, 2021

Forward-Looking Statements

Certain statements included or incorporated by reference in this MD&A, including information as to the future financial or operating performance of the Company, its subsidiaries and its projects, constitute forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "schedule" and similar expressions identify forward-looking statements. This MD&A includes, but is not limited to, forward-looking statements regarding: the Company's ability to meet its working capital needs for the twelve-month ending December 31, 2021 and statements regarding the Company's critical accounting estimates. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Such factors include, among others, risks relating to additional funding requirements, political and foreign risk, uninsurable risks, competition, environmental regulation and liability, government regulation, currency fluctuations, recent losses and write-downs and dependence on key employees. See "Risk and Uncertainties" section of this MD&A. Due to risks and uncertainties, including the risks and uncertainties identified above, actual events may differ materially from current expectations. Investors are cautioned that forward-looking statements are not guarantees of future performance and, accordingly, investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. Forward-looking statements are made as of the date of this MD&A and the Company disclaims any intent or obligation to update publicly such forward-looking statements, whether as a result of new information, future events or results or otherwise.