Introduction

This Management's Discussion and Analysis ("MD&A") for Pioneer AI Foundry Inc. (the "Company" or "Pioneer") is prepared as of October 14, 2026 and should be read in conjunction with its unaudited condensed interim consolidated financial statements as at and for the three months ended August 31, 2026 (the "Interim Financial Statements"), and the audited consolidated financial statements and annual MD&A as at and for the fiscal year ended May 31, 2026.

The Interim Financial Statements, and comparative information presented therein, have been prepared in accordance with International Accounting Standard 34, *Interim* Financial Reporting, of IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). The Interim Financial Statements have not been reviewed by the Company's external auditors.

The Company's fiscal year ends on May 31. In this MD&A, "Q1 Fiscal 2027", "the current quarter" or "the three months ended August 31, 2026" refer to the period from June 1, 2026 to August 31, 2026; "Q1 Fiscal 2026" or "the comparative quarter" refer to the period from June 1, 2025 to August 31, 2025; and "Fiscal 2026" refers to the year ended May 31, 2026.

All dollar figures included herein are quoted in Canadian dollars (**CAD** or **$**) unless otherwise indicated. Amounts denominated in other currencies are identified as US$ (United States dollars), GBP (British pounds sterling) or SGD (Singapore dollars). Additional information relevant to the Company's activities can be found on SEDAR+ at www.sedarplus.ca.

The registered office of the Company is located at 3104 – 1055 Dunsmuir Street, Vancouver, BC, V7X 1G4.

The Company's common shares trade on Cboe Canada under the ticker symbol 'JPEG'. This MD&A has been prepared having regard to the continuous disclosure requirements of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102") applicable to a non-venture issuer and to Cboe Canada's continuous disclosure requirements applicable to the Company.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "expects," "is expected," "budget," "scheduled," "estimates," "continues," "forecasts," "projects," "predicts," "intends," "anticipates" or "believes," or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may," "could," "would," "should," "might" or "will" be taken, occur or be achieved. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Forward-looking statements in this MD&A include, but are not limited to, statements relating to:
the Company's expectations regarding its revenue, expenses, operations and future operational and financial performance;

- cash flows, liquidity and future capital requirements over the next twelve months, including the Company's ability to continue as a going concern;
- the Company's evaluation of alternative uses of the KORA platform following the decision not to proceed with its commercial launch timing in its originally contemplated form;

- the repayment and extension of the Company's note payable, and the future valuation of the associated embedded derivative;
- the terms, availability and continued compliance with the Company's digital-asset-collateralized credit facility;
- the receipt of the return of capital from Satsuma Technology PLC and the realization of the Company's other investments;
- the wind-up of the Company's subsidiary, Crowdform Ltd.;
- the Company's future growth plans, treasury strategy and venture partner strategies;
- the Company's ability to remain in compliance with applicable laws and regulations, including its continuous disclosure obligations and undertakings made to the British Columbia Securities Commission ("BCSC");
- the Company's ability to attract and retain personnel and strategic partners; and
- regulatory developments and the regulatory environments in which the Company operates.

Forward-looking statements are based on certain material assumptions and analysis made by management in light of its experience and perception of historical trends, current conditions and expected future developments, including assumptions that: the Company will complete the partial repayment and extension of its note payable on the terms described in this MD&A; the credit facility will remain available and the value of pledged bitcoin will remain sufficient to avoid a margin call or forced liquidation; the return of capital from Satsuma Technology PLC will be received as approved by the High Court; the Company will be able to realize its investments at or near their carrying values; digital asset prices will not decline materially; the Company will be able to raise additional capital on acceptable terms; and there will be no material adverse change in the regulatory environment applicable to the Company.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially, including, without limitation: the Company's ability to continue as a going concern; the Company's ability to identify a commercially viable use for the KORA platform; the absence of revenue-generating operations; declines in the digital asset markets or general economic conditions; limited trading liquidity in the Company's equity investments and concentration of the Company's assets in a single investee; volatility in the price of bitcoin and the risk of a margin call under the credit facility; refinancing risk on the note payable; regulatory uncertainty; technology and cybersecurity risks; fluctuations in quarterly operating results; reliance on key personnel and third-party service providers; exchange rate fluctuations; and the other risks described under "Risks and Uncertainties" in this MD&A.

Readers are cautioned that the foregoing lists are not exhaustive, that past performance is not indicative of future performance, and that current trends in the business and in demand for crypto assets and digital asset treasuries ("DAT") may not continue. Readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement.

Description of Pioneer AI Foundry Inc.

Pioneer AI Foundry Inc. is a reporting issuer in British Columbia, Alberta and Ontario. The Company's common shares trade on Cboe Canada under the ticker symbol 'JPEG'. Effective February 13, 2025, the Company changed its name from Pioneer Media Holdings Inc. to Pioneer AI Foundry Inc. to reflect its strategic realignment from Web3 gaming infrastructure to agentic artificial intelligence ("AI").

The Company's stated mission is to be a venture builder advancing agentic AI at the intersection of artificial intelligence and decentralized finance ("DeFi"), combining a direct digital asset treasury with strategic minority equity interests in AI- and digital-asset-focused venture partners.

The Company currently has no revenue-generating operations and remains reliant on the realization of its investments and on raising capital to fund its operations.

Q1 Fiscal 2027 Highlights

- **KORA strategic update** – the Company determined not to proceed with the commercial launch of KORA in its originally contemplated form as a standalone DeFi trading-agent product, and is evaluating alternative uses of the platform. See "Business Overview and Strategy Update – KORA."
- **Sundae Bar** – the Company sold 20,000,000 ordinary shares of sundae_bar AI Plc for proceeds of $463,350 (GBP 250,000), recognizing a realized loss of $1,167,642. The Company retains 6,304,669 shares.
- **Astrid Intelligence** – the Company sold 25 million shares of Astrid Intelligence PLC for proceeds of $35,680, recognizing a realized loss of $2,846.
- **Treasury consolidation into BTC** – the Company converted substantially all of its non-bitcoin digital assets into bitcoin ("BTC"), increasing its BTC holdings to 7.72 BTC at August 31, 2026 (May 31, 2026 – 4.58 BTC).
- **Credit facility** – in August 2026, the Company entered into a BTC-collateralized credit facility with Kraken (Parent entity, Payward Inc, operating in Singapore through Payward Oceanic LTD) providing for borrowings of up to US$225,000. At August 31, 2026, $311,409 was drawn and 3.466 BTC was pledged as security.
- **Satsuma Technology PLC** – shareholders of Satsuma approved a return of capital and the cancellation of its listing on the London Stock Exchange. On September 8, 2026, the High Court approved the reduction of capital, providing for a cash distribution of GBP 0.002734 per B share, payable on or before September 28, 2026. The Company's entitlement on its 7,911,000 shares is approximately GBP 21,629.
- **Note payable** – subsequent to quarter-end, the Company repaid approximately $350,000 of its $625,650 note payable, with the balance extended for a further year. See "Liquidity and Capital Resources – Note Payable".
- **Net loss** of $1,211,771 or $(0.01) per share (Q1 Fiscal 2026 – net income of $1,614,019 or $0.02 per share), driven by the realized loss on Sundae Bar; operating expenses declined 67% to $137,901 (Q1 Fiscal 2026 – $412,928).

Business Overview and Strategy Update

Business Model and Strategy

The Company's strategy is to build shareholder value through its Layered Treasury model, combining direct digital asset treasury holdings, strategic equity stakes in AI and digital-asset-focused companies, and the development or commercialization of agentic AI technologies:

- **Base Layer**: direct holdings of BTC, managed by the Company under its Digital Assets Treasury Policy.
- **Equity Layer**: strategic minority equity stakes, generally of up to 10%, in public and private AI and digital asset companies: Sundae_bar AI Plc, Roundhouse AI Ltd, Astrid Intelligence PLC, Supernova Digital Assets PLC, Satsuma Technology PLC (in wind-down) and Standard Strategies Pte. Ltd.
- **Revenue Layer**: potential future revenue from the commercialization of agentic AI technologies through licensing, development services or strategic partnerships. The Company did not generate revenue in Q1 Fiscal 2027 and there is no assurance that it will do so.

During Q1 Fiscal 2027, two of the Company's equity-layer investees changed strategic direction: Roundhouse AI Ltd ceased operating its digital asset treasury and Satsuma Technology PLC entered a wind-down. Management

continues to assess whether each position supports the Company's core focus, and may realize positions where it does not.

KORA

Through its wholly owned subsidiary Kora AI Pte. Ltd. (Singapore) ("Kora AI"), the Company developed KORA, an AI-powered informational "co-pilot" application for DeFi markets that entered private beta in April 2025. KORA was designed as an informational and educational tool and did not provide investment advice, execute trades or take custody of user assets.

In prior disclosure, the Company described an internal milestone framework culminating in a Commercial Readiness Review anticipated in the second half of calendar 2026. Subsequent to August 31, 2026, following completion of that review, the Company's board of directors determined not to proceed with the commercial launch of KORA in its originally contemplated form as a standalone DeFi trading-agent product.

The decision reflects the increasing convergence of DeFi with traditional finance over the past year, and in particular the entry of large, well-capitalized institutional asset managers and trading firms with substantially greater balance sheet capacity, native liquidity access and regulatory reach than the Company. Management concluded that, in this environment, a standalone DeFi trading-agent product would not be commercially viable or sufficiently differentiated.

The Company is evaluating alternative applications of the KORA platform's underlying infrastructure and agentic AI components. No decision has been made regarding any alternative use, and there can be no assurance that the Company will identify a commercially viable application, that any such application will be pursued, or that it will generate revenue. Accordingly, the KORA development milestones and commercialization timeline previously disclosed by the Company, including the Commercial Readiness Review and the enterprise licensing model, should no longer be relied upon.

KORA development costs, comprising consulting, engineering, technology and LLM subscription costs, have been expensed as incurred and no development asset has been capitalized. Accordingly, the decision did not result in an impairment charge. Future KORA-related expenditures will be limited to those required to evaluate alternative uses and will be paced according to funding availability.

Pioneer AI Venture Partnerships

The Company holds equity stakes and token holdings in public and private AI and digital asset companies. These interests are held directly or through Kora AI. The carrying value of each position at August 31, 2026 is set out under "Investment Activity" below.

Sundae_bar AI Plc: United Kingdom (AIM: SBAR) – [Market Cap: CAD$ 35.9M] Following its AIM admission in June 2025, sundae_bar AI (formerly Kondor AI Plc) operates a live beta marketplace at sundaebar.ai and Subnet 121, an incentivised AI agent creation economy on the Bittensor network, designed to generate and curate AI agents for its marketplace across business functions including HR automation, cryptocurrency trading and marketing operations. During Q1 Fiscal 2027, the Company sold 20,000,000 shares of sundae_bar for proceeds of $463,350 (GBP 250,000) in a negotiated non-related party block transaction at a discount to the prevailing market price, reflecting limited trading liquidity. As at the date of this MD&A, the Company owns 6,304,669 shares, representing approximately 1.42% of the outstanding ordinary shares, with custody at London-based Clear Capital Markets Ltd.

Roundhouse AI Ltd (formerly Roundhouse Digital Ltd.): [United Kingdom / Singapore] (AIM: RHAI) – [Market Cap: CAD$38.3M] AIM-listed Roundhouse AI Ltd is a technology company specialising in AI infrastructure and related operational services, and intends to generate revenue through AI infrastructure services, platform licensing and consulting. On July 17, 2026, Roundhouse announced that it had sold all of its 469.63246 ETH at a weighted average price of US$1,890.43 per ETH, ceased operating its digital asset treasury, and intends to use the proceeds to develop its AI infrastructure business. As at the date of this MD&A, the Company owns 6.69% of the outstanding ordinary shares, with custody at London-based Clear Capital Markets Ltd. Roundhouse represents the Company's largest single asset, with a carrying value of (GBP1.2M) or CAD$2.2M, or 45% of total assets, at October 14, 2026.

Satsuma Technology PLC: United Kingdom (LSE: SATS) – [Listing Cancelled / Return of Capital] At a requisitioned general meeting held on July 20, 2026, Satsuma shareholders approved resolutions to return capital to shareholders and to cancel the admission of its shares to trading on the London Stock Exchange, following which Satsuma sold its entire bitcoin treasury. On September 8, 2026, the High Court approved Satsuma's reduction of capital, providing for an aggregate cash return of approximately GBP 30.7 million, or GBP 0.002734 per B share, payable on or before September 28, 2026. The Company held 7,911,000 Satsuma shares at the record time, and its entitlement is approximately GBP 21,629 (approximately CAD$40,257.00) The Company carried its Satsuma investment at $40,102 at August 31, 2026, measured by reference to the expected distribution.

Astrid Intelligence PLC: United Kingdom (AQSE: ASTR) – [Market Cap: CAD$5.7M / Treasury – [1,337.98 ETH, 5.28 BTC, 3,432.79 SOL, ~945.28 TAO-estimated DAT value of CAD$6,45M] Astrid is a UK-headquartered decentralised AI company developing and operating autonomous AI systems, including a dedicated subnet within the Bittensor ecosystem. During Q1 Fiscal 2027, the Company sold a portion of its holding for proceeds of $35,680. As at the date of this MD&A, the Company owns approximately 0.45% of the outstanding ordinary shares, with custody at London-based Clear Capital Markets Ltd.

Supernova Digital Assets PLC: United Kingdom (AQSE: SOL) – [Market Cap: CAD$1.52 / Treasury – 32,771SOL & 5.39BTC] Supernova is an Aquis-listed vehicle established to identify investment and business-building opportunities in the Solana and broader digital asset ecosystem. As at the date of this MD&A, the Company owns approximately 0.52% of the outstanding ordinary shares, with custody at London-based Clear Capital Markets Ltd.

Standard Strategies Pte. Ltd.: Singapore (private) The Company holds shares of Standard Strategies received as consideration for development services provided by Kora AI under the retained-services agreement described under "Strategic Venture Partnerships". The investment is carried at $93,831 at August 31, 2026 and is classified as Level 2 in the fair value hierarchy.

AROK.VC: Singapore The Company holds 50,000,000 AROK tokens, representing approximately 9.6% of the outstanding AROK tokens, acquired in November 2024 for aggregate cost of $291. The AROK tokens are disclosed within the Company's intangible assets, and management considers the holding immaterial (less than 1% of assets). AROK.VC has become inactive: on-chain developer activity has shown zero commits over at least a four-week span, the token is classified as abandoned by on-chain analytics providers, and trading volume is effectively zero.

Unless otherwise stated, issuer market capitalizations above are based on official exchange data at the close of trading on October 14, 2026 and have been translated into Canadian dollars using the CAD/GBP exchange rate applied by the Company for this MD&A.. These figures are supplemental issuer-level information only and do not represent the fair value of the Company's holdings recorded in the Interim Financial Statements. Ownership percentages are stated as at October 14, 2026. Treasury figures are based on each issuer's most recent public disclosure.

Direct Digital Asset Treasury Strategy

The Company has adopted a Digital Assets Treasury Policy governing its capital allocation framework. Under this policy, the Company's treasury reserve assets may include (i) cash, cash equivalents and short-term investments in excess of working capital requirements, and (ii) BTC held as a long-term strategic digital asset, subject to prevailing market conditions and internal liquidity requirements.

During Q1 Fiscal 2027, the Company converted substantially all of its non-BTC digital asset holdings, principally Solana (SOL) and Bittensor (TAO), into BTC. At August 31, 2026, the Company held 7.72 BTC, 9.30 TAO and $24,669.91 USDT, with an aggregate market value of $874,964 (May 31, 2026 – 4.58 BTC, 1,724.66 SOL, 110.03 TAO and small positions in other digital assets; $766,648). Of the BTC held, 3.466 BTC is pledged as security under the Company's credit facility and is not available for sale while the facility is outstanding.

Digital Asset Custodians

The Company's digital asset custodians are: Coinsquare Capital Markets Ltd. ("CCML"), a Canadian Investment Regulatory Organization ("CIRO") dealer member and subsidiary of Coinsquare Ltd., which operates a regulated digital asset trading platform and the Coinsquare ATS; Netcoins Canada, owned by BIGG Digital Assets Inc. (TSXV: BIGG); Coinbase Singapore Pte. Ltd., a subsidiary of Coinbase regulated by the Monetary Authority of Singapore as a Major Payment Institution; and Kraken, (Parent entity, Payward Inc, operating in Singapore through Payward Oceanic LTD), which also holds the BTC pledged under the Company's credit facility.

These custodians provide the Company and its subsidiaries with institutional-grade custody services designed to safeguard digital assets through a combination of cold storage infrastructure and multi-signature wallet protocols. These arrangements are governed by contractual terms that emphasize the segregation of the Company's assets from any proprietary holdings of the custodians, thereby reducing counterparty risk. The custody agreements include provisions requiring the storage of private keys in offline environments with restricted access and controlled security protocols, and liability clauses under which custodians are contractually accountable in the event of breach, negligence or insolvency.

Subsidiaries

The Interim Financial Statements include the accounts of the Company and its wholly owned subsidiaries: Crowdform Ltd. ("Crowdform"), Kodoku Studios Limited ("Kodoku"), NGMI Labs Inc. ("NGMI"), Bark Ventures Ltd. ("Bark") and Kora AI.

Crowdform – Crowdform is a UK-domiciled company that previously provided software and web development services and served as the Company's research and development centre. As part of a corporate restructuring undertaken to address talent departures, rising operating costs and the need to consolidate R&D, all R&D functions were migrated to Kora AI and Crowdform's equity holdings were transferred to the Company, with the exception of sundae_bar. Crowdform is being wound up. Proceeds from the sale of sundae_bar shares held by Crowdform were transferred to the Company, net of amounts payable by Crowdform.

Kodoku, NGMI and Bark – Kodoku, NGMI and Bark have been wound up and no longer have meaningful operations.

Roundhouse AI Ltd

Roundhouse was originally acquired by the Company as a pre-revenue, early-stage Web3 technology company. During fiscal 2023, the Web3 sector experienced a significant and sustained contraction, which adversely affected Roundhouse's ability to commercialize its initial product concepts and resulted in an impairment of the carrying value of the investment. In May 2024, Roundhouse was reactivated by a new management team to pursue an AI-oriented product initiative. A subsequent early-stage funding round, in which the Company did not provide significant financing, diluted the Company's ownership from 100% to approximately 10%, and further issuances reduced the Company's interest to approximately 6.69%, resulting in the loss of control for accounting purposes. The investment is measured as a financial asset at fair value through profit or loss. The Company subsequently acquired an additional 5,500,000 ordinary shares for $97,959 in a financing of approximately GBP 300,000. In January 2026, Roundhouse listed its shares on the Aquis Stock Exchange under the symbol ETHL, and the Company recorded an unrealized fair value gain of $1.5 million in Fiscal 2026.

Strategic Venture Partnerships

Under a service agreement with Roundhouse effective February 1, 2025, Roundhouse provided platform design, development, support and maintenance services for a monthly retainer of $10,000 in February and March 2025 and $5,000 per month from April through October 2025, with additional work billed on a time-and-materials basis. The agreement expired in accordance with its terms in October 2025 and no amounts were paid to Roundhouse in Q1 Fiscal 2027.

Under a retained-services agreement between Kora AI and Standard Strategies effective June 2025 through July 31, 2026, Kora AI provided technology-platform development, support and maintenance services for a fixed development fee of SGD 86,249, to be satisfied through the issuance of Standard Strategies shares to Kora AI. The Company recognized revenue of $93,245 under this agreement in Fiscal 2026. The agreement expired on July 31, 2026 and no revenue was recognized in Q1 Fiscal 2027.

Investment Activity

The Company continues to systematically exit investments to fund the business as well as sectors and companies not aligned with its strategic focus. The following table summarizes changes in the Company's investments during Q1 Fiscal 2027:

Investee	May 31, 2026	Dispositions	Realized gain (loss)	Change in fair value	August 31, 2026
Roundhouse AI Ltd	1,810,807	–	–	48,809	1,859,616
sundae_bar AI Plc	2,141,585	(463,350)	(1,167,642)	(25,663)	484,930
Standard Strategies Pte. Ltd.	93,245	–	–	586	93,831
Satsuma Technology PLC	33,049	–	–	7,053	40,102
Astrid Intelligence PLC	82,447	(35,680)	(2,846)	(8,770)	35,151
Supernova Digital Assets PLC	8,510	–	–	178	8,688
Total ($)	**4,169,643**	**(499,030)**	**(1,170,488)**	**22,193**	**2,522,318**

The realized loss on sundae_bar reflects the sale of 20,000,000 shares at approximately $0.023 (GBP 0.0125) per share, compared with a carrying value of approximately $0.081 per share at May 31, 2026. The remaining 6,304,669 shares are carried at the quoted closing price at August 31, 2026 of approximately $0.077 per share. The discount on the selling price was due to low liquidity and being able to sell a large trading block.

Analysis of the Company's Financial Performance and Condition

Three months ended August 31, 2026:

The Company reported a net loss of $1.2 million (three months ended August 31, 2025 – income of $1.6 million) and loss per share of $0.01 (three months ended August 31, 2025 - earnings per share $0.02). The loss comprised the following items:

- Revenue was $nil for the period (August 31, 2025 – $nil).
- Loss before other income of 0.1 million (August 31, 2025 – loss of $0.4 million) as a result of expenses related primarily to general and administrative expenses. The reduced loss before other income was due to lower marketing expenses and lower stock based compensation during the current quarter.
- The Company reported a realized loss on sale on investments of $1.2 million (August 31, 2025 – gain on fair value of $1.9 million) primarily due to the realized loss in Sundae Bar during the current year.

Summary of Quarterly Results

The following table presents selected financial information for each of the last eight fiscal quarters:

Fiscal quarter ended	Revenue	Net income (loss)	Income (loss) per share	Working capital (deficit)
August 31, 2026	$-	$(1,211,771)	$(0.01)	$(976,524)
May 31, 2026	$23,525	$(457,757)	$(0.00)	$(1,308,108)
February 28, 2026	$23,240	$61,152	$0.00	$(1,226,756)
November 30, 2025	$46,480	$(3,893,660)	$(0.04)	$(1,142,300)
August 31, 2025	$-	$1,614,019	$0.02	$(906,993)
May 31, 2025	$393,415	$(63,067)	$(0.00)	$17,328
February 28, 2025	$-	$(727,979)	$(0.01)	$(179,147)
November 30, 2024	$-	$(291,034)	$(0.00)	$(835,588)

Revenue in fiscal 2025 related to consulting contracts within Crowdform. Revenue in Fiscal 2026 related to the Kora AI services contract with Standard Strategies, which expired on July 31, 2026. Quarterly net income (loss) is driven primarily by realized and unrealized changes in the fair value of the Company's investments and digital assets, rather than by operating activity.

Liquidity and Capital Resources

As at August 31, 2026, the Company had cash and cash equivalents of $669,992 (May 31, 2026 – $80,579) and a working capital deficit of $976,524 (May 31, 2026 – $1,308,108). The improvement in working capital reflects the conversion of non-current investments into cash through the sale of sundae_bar shares; draws of $311,409 on the credit facility increased both cash and current liabilities and did not affect working capital. Current liabilities include the $625,650 note payable, of which approximately $350,000 was repaid subsequent to quarter-end.

Note Payable

In August 2025, the Company completed a non-brokered offering of units for gross proceeds of $625,650 (of which $160,650 was settled in BTC in lieu of cash). Each $1,000 unit comprised a senior unsecured 7.5% note and 1,000 common share purchase warrants exercisable at $0.30 per share until August 26, 2030. The notes include a performance premium payable if the Company's platform outperforms a bitcoin benchmark; the fair value of this embedded derivative was $nil at August 31, 2026. The notes matured on June 23, 2026 and August 9, 2026.

Subsequent to August 31, 2026, the Company repaid approximately $350,000 of principal, funded from cash on hand, and the remaining balance of approximately $275,650 was extended to June 23,2027 on terms similar to the original notes. Two directors of the Company, holding notes with an aggregate principal amount of $40,000, extended the repayment of their notes to July 2027.

Credit Facility

In August 2026, the Company entered into a credit facility with Kraken, (Parent entity, Payward Inc, operating in Singapore as Payward Oceanic LTD) providing for borrowings of up to US$225,000. At August 31, 2026, CAD$311,409 (US$225,000) was drawn and 3.466 BTC was pledged as security. The facility bears interest at 7.5% per annum, as an open loan and is subject to a loan-to-value (LTV) requirement of 66.27%, above which the lender may require additional collateral or liquidate pledged BTC. Based on the BTC price at October 14, 2026, the LTV ratio was approximately 63.97%. Due to the upward movement of Bitcoin at loan origination to our filing date risk buffer has improved, and LTV has dropped by a net 2.31%. Proceeds were used for general working capital and partial funding of the note repayment.

Going Concern

The Interim Financial Statements have been prepared on a going concern basis. The Company has not achieved profitable operations, has no revenue-generating operations, had a working capital deficit of $976,524 at August 31, 2026, and expects to incur further losses. The Company's continuation as a going concern depends on its ability to realize its investments, raise financing from equity markets or borrowings, and extend or refinance its current liabilities.

Use of Proceeds

The Company previously disclosed that the proceeds of the August 2025 note offering were intended for digital asset treasury purchases and further development of KORA. As of Aug 31, 2026, 100% of the net proceeds from the issuance of the Notes were deployed toward the purchase of Digital Asset Technology (DAT). While the initial disclosure contemplated dividing the proceeds between BTC/DAT acquisitions and KORA development, management subsequently determined that the most efficient use of debt capital was to maximize the immediate scale of its DAT assets. Consequently, the development of the KORA platform was funded entirely through the realization of the Company's equity investments.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements. The BTC pledged as security under the credit facility remains recognized on the Company's statement of financial position.

Related Party Transactions NTD – copied updated note from financial statements.

a) Compensation of key management personnel

The Company has determined that key management personnel consist of its Directors, the CEO and CFO.

	August 31, 2026	August 31, 2025
Management and consulting fees	$ 49,125	$ 78,675
Software development	-	15,000
Share-based payments - vested stock options	6,281	44,685
	$ 55,406	$ 138,360

c) As at August 31, 2026, $77,310 (May 31, 2026 - $89,354) is owing to related parties for services and expenditures incurred on behalf of the Company.

d) During the three months ended August 31, 2026, the Company paid $nil (2026 - $15,000) to a company with common directors for software development.

e) Darcy Taylor and Mark Rutledge, two directors of the Company participated, through their respective holding companies, in the note offering described under "Liquidity and Note Payable" described above, purchasing an aggregate of 40 units for an aggregate amount of $40,000. Both directors have extended the repayment of their respective notes through to July 2027.

Proposed Transactions

As at the date of this MD&A, there are no proposed asset or business acquisitions or dispositions that the Company's board of directors has decided to proceed with, other than the ongoing wind-up of Crowdform and the realization of the Company's interest in Satsuma through its wind-down.

Subsequent Events

(a) Subsequent to August 31, 2026, the Company repaid approximately $350,000 of the note payable. The remaining balance of approximately $275,650 was extended to June 23, 2027 on terms similar to the original notes.

(b) On September 8, 2026, the High Court approved the reduction of capital of Satsuma Technology PLC. The Company is entitled to a cash return of approximately GBP 21,629, payable as of September 28, 2026.

(c) Subsequent to August 31, 2026, following completion of that review, the Company's board of directors determined not to proceed with the commercial launch of KORA in its originally contemplated form as a standalone DeFi trading-agent product as referenced in "Business Overview and Strategy Update-Kora"

(d) On September 8, 2026, Matthew Lodge and Julie Becker resigned from Pioneer AI Foundry Inc. board of directors. Matthew Lodge also resigned as a Non-Executive Director of Satsuma Technology PLC on September 24, 2026.

(e) On October 15, 2026, Pioneer AI Foundry Inc. welcomed Ian MacLeod to its Board of Directors as an independent director. Mr. MacLeod resides in Vancouver, British Columbia. He is a corporate lawyer and senior executive with over 30 years of experience in financing, corporate development, governance and financing across public and private companies. From 2019 to 2022, Mr. MacLeod served as Executive Chairman and a director of Argo Blockchain plc, an LSE and Nasdaq listed company. From 2006 to 2022, he was Partner, General Counsel and Corporate Secretary of Teligence, where he oversaw acquisitions, legal and governance matters for approximately 40 corporate entities across North America, Europe and Latin America. From 2016 to 2022, he was Founder and Partner of TCap Private Equity, a Vancouver-based technology investment firm. From 2019 to 2023, he served as Chair of the Board of Island Pacific School. Since 2023, Mr. MacLeod has been an angel investor in the Vancouver business community.

Additional Information

For further information regarding the Company, please see the Company's other continuous disclosure filings available under its profile on SEDAR+ (www.sedarplus.ca), including the Company's annual information form dated August 31, , 2026 with respect to its fiscal year ended May 31, 2026**.**