BlackIce Enterprise Risk Management Inc. (formerly Bonaparte Resources Inc.)
Management's Discussion and Analysis
For the three and six months ended February 28, 2015
Dated: April 29, 2015

The following Management's Discussion and Analysis ("MD&A") is prepared as at April 29, 2015 in accordance with National Instrument 51-102F1, and should be read in conjunction with the Company's Unaudited Condensed Interim Financial Statements for the three and six months ended February 28, 2015 and accompanying note, as well as the Company's Audited Financial Statements for the period from June 2, 2014 to August 31, 2014 and accompanying notes. These documents, along with additional information about the Company, are available at www.blackiceinc.com and www.sedar.com.

BlackIce Enterprise Risk Management Inc. (formerly Bonaparte Resources Inc.) (the "Company") was incorporated pursuant to the Business Corporations Act (British Columbia) on July 10, 2007, as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4 under the name Bonaparte Capital Corp. The Company maintains an office at #310 - 207 W Hastings Street, Vancouver, BC, Canada, V6B 1H7.

Pursuant to an Asset Purchase Agreement (the "Agreement") dated April 29, 2014, BlackIce Solutions ("BISI") and Technologies Inc. ("BIST"), BlackIce Solutions Inc., Mukhtar (Mac) Kalyan, and Judy Kalyan (collectively, the "Vendors") sold their interests in intellectual property assets encompassing source code and risk analysis software solutions to the Company. Mukhtar Kalyan controlled BISI and BIST and these companies were incorporated on April 17, 2014 and April 10, 2014 respectively pursuant to the Business Corporations Act (British Columbia) for the purpose of the transaction. Both BISI and BIST had no transactions since incorporation, other than the share capital issued. According to the Agreement, the Company acquired the intellectual properties by issuing shares which resulted in the Vendors of this transaction obtaining control of the Company (the "Acquisition"). Accordingly, the Acquisition was recorded as a reverse assets acquisition for accounting purposes, with the Vendors being identified as the accounting acquirer. These financial statements are presented as a continuance of the Vendors.

The Company develops software solutions and consulting services to be marketed to financial institutions to meet their regulatory obligations. In connection with the Acquisition, the Company changed its name from Bonaparte Resources Inc. to BlackIce Enterprise Risk Management Inc. and voluntarily delisted from the TSXV. The Company currently trades on the Canadian Securities Exchange ("CSE") under the symbol "BIS".

Statements included in this MD&A that do not relate to present or historical conditions are forward-looking statements. Forward-looking statements are projections in respect of future events or the Company's future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "intend", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", or "continue", or the negative of these terms or other comparable terminology.

Forward-looking statements in this MD&A include statements with respect to: the ability of the Company to develop its existing or acquire new software solutions; whether any software solutions developed or acquired will be embraced by its potential customers; expected future growth of the risk management and analysis market; and statements regarding estimated capital requirements and use of proceeds. These statements are only predictions and involve known and unknown risks and uncertainties, including the risks in the section entitled "Risk Factors" in this MD&A and the Company's Listing Statement, and other factors which may cause the Company's actual results, levels of activity or performance to be materially different from any future results, levels of activity or performance expressed or implied by these forward-looking statements. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity or performance. Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of such factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

All dollar figures are stated in Canadian dollars unless otherwise indicated.

Business Overview

The Company has acquired two technology based Intellectual Property (IP) applications/solutions to assist financial institutions with compliance with their regulatory obligations - Enterprise Risk Aggregation (ERA™ or "ERA"); and Governance Compliance Database (GCD™ or "GCD"). ERA provides regulatory capital, economic capital and stress testing capital calculators for wholesale credit risk and retail credit risk. GCD solution provides financial institutions with a central repository of all regulatory, country specific regulatory and best practice directives cross-referenced to the relevant Measures of Success and sample artifacts necessary to achieve compliance. Both ERA and GCD solutions are to be marketed to the financial institution customers and the Company will provide installation and maintenance for an annual charge. There is no assurance that the risk analysis business will become profitable.

The Company has recently completed the interface and upgrading of the ERA and GCD solutions. In February 2015, the Company commenced a proof of concept test implementation of its products at VietcomBank, the second largest financial institution in Vietnam. The successful test implementation will serve as a reference case for the Company in its initial key marketing area of South East Asia, where interest in the solutions has been expressed.

The Company has also entered into separate business cooperation agreements with HPT Vietnam Corporation, a leading IT product and service provider in Vietnam engaged in value-added telecommunications services, and EY Vietnam, a worldwide audit and consulting firm, to jointly market its products and Basel consulting services to financial institutions in Vietnam.

ERA is considered the new generation in enterprise risk data solutions that leverages the IBM Pure Data System for Analytics (IBM's integrated system that is optimized for Big-Data analysis allowing large complex databases to be analyzed in seconds) and IBM Cognos reporting (Cognos is IBM's line of business intelligence and performance management product). ERA provides financial institutions with the capability to provide accurate and complete management and regulatory reporting from a single source to meet the global requirement of the Basel Committee on Banking Supervision ("BCBS" - a committee of Banking supervisory authorities that frames standards and guidelines for banks to adhere to for better governance) demands on Risk Data Aggregation and Risk Reporting.

The ERA is built to provide an open solution platform to financial institutions that facilitates the necessary reporting and analytical calculations out-of-the-box for all current regulatory requirements, as well as any future and ad-hoc regulatory requirements. ERA is also designed to enable the institutions to enhance or integrate their existing in-house or third-party solutions. IBM Pure Data and BlackIce data models, calculators, and report structures allow execution of enterprise-wide capital calculations and produce reports on a timely basis.

The business requirements supported by the ERA™ solution include, but are not limited to:

- BCBS mandated risk data aggregation principles (2016)
- Full Credit and Trading life cycles
- Basel II/III and Dodd Frank Compliance
- Board & Management – strategic decision making around all risk exposure and alignment with Risk Appetite.
- Global Initiative (GLEI) – awareness that all future financial risk mitigation is dependent on the ability for all global institutions to be able to succinctly identify each other and their cross risk exposures.

The ERA Solution architecture outlines the six tiers of functionality required to meet the necessary business requirements:

1. Data Sources – All potential source systems for data are supported and accommodated.
2. Extraction – Data is extracted from potentially diverse and disparate sources in an efficient and timely manner, ensuring complete auditability and traceability back to original source systems.
3. Enterprise Data Store - The ERA data models are a repository that maintains all data at the most granular detail level across the entire enterprise.
4. Transformation and Calculation – The openness of the data warehouse allows the carrying out of various calculations by specialist risk applications (ERA, external vendor or bank developed).
5. Data Marts – The detail level data in the data warehouse facilitates easy aggregation of data for reporting and analysis.
6. Reporting – The ERA Solution provides a full suite of 125+ Regulatory and Management reports.

Although IBM provides an excellent opportunity to leverage our products via co-branding, ERA is database agnostic and as such it is expected that it can be used on virtually any database platform.

The GCD is a unique product that aims to enable regulators and commercial banks to comply with Basel regulations through an efficient and organized approach. The solution is an application that allows financial institutions to assess adherence to Minimum Requirements for Basel, Dodd Frank, and the Volcker Rule (which separates investment banking, private equity and hedge fund trading from banks' consumer lending arms) and for Regulators to assess adherence across financial institutions. GCD is intended to facilitate the capture of regulatory compliance information to meet regulatory and Board and senior management responsibilities.

GCD is expected to provide financial institutions with a central repository of all country specific regulatory and best practice directives cross-referenced to the relevant Measures of Success and sample Artifacts (e.g., documents, policies, processes, etc.) necessary to achieve compliance. The solution also facilitates the creation and evaluation of a number of risk measurement constructs, with corresponding metrics, necessary to fulfill compliance and governance mandates.

Market Overview

There is a global market for financial risk analysis, as more countries require their financial institutions to meet regulatory and reporting requirements. Additionally, there are international norms and standards for financial institutions which conduct international trade. Today, financial institutions and regulators are under increasing pressure and obligation to understand the complexity of the BCBS and other guidance and to ensure the risk management environment meets not only these expectations but also that of the Board.

In the current global banking environment and considering the complexity of financial institutions, the primary challenge faced by most institutions is their inability to aggregate, link, consolidate and subsequently report all risk exposures across their institution. This complexity affects both Regulatory and Management Reporting across Basel Asset Classes, but also includes other considerations such as stress testing, governance, Global Legal Enterprise Identifier, and concentration risk. The challenge for institutions is to perform this reporting across all business lines and portfolios, ensuring accuracy, integrity, comprehensiveness and completeness of data in a timely manner.

While both the GCD and the ERA Solution can be implemented in any financial institution, the identification of a target market (i.e., client) is driven by four factors:

1. Complexity of the financial institution's technology;
2. Approximate asset size of the institution;
3. Sophistication / maturity of the financial sector within the country; and
4. Alignment of the institution with the BCBS guidance.

Based on these factors the Company's initial focus is on financial institutions within ASEAN and North Asia as Basel guidance is published by the regulator and implementation time lines are being planned. There are over 450 banks in ASEAN and 1000 in China that provide immediate opportunities.

There is a demand from banks in developing markets who have a firm obligation to comply with the BCBS regulations on Credit Risk and who can also utilize the analytics from the framework to significantly improve their own financial management of their operations as they grow in their local economies and who may want to expand internationally.

In addition to the opportunities in ASEAN/North Asia, there is also a very strong demand from the smaller second and third tier banks operating in other developing markets, especially in Eastern Europe (360 Banks), Central Europe (840 banks) and Russia/Ukraine (1,200 banks). All of these have to comply with BCBS regulations by 2019 and they will have to scrutinize their credit risk as they expand, but very few of these banks, have the internal resources or competence to conduct this themselves. The Company provides a packaged solution for this, allowing the banks to concentrate their resources on expanding their business.

The US also provides a significant market opportunity for the Company. There are almost 7,000 banks in the US, most of which are small community based banks. They also have to comply with the BCBS regulations and face challenges on managing their credit risk, but they lack the internal resources to manage this, so our packaged solutions will also be marketed to these banks from early 2015. The need for institutions to comply with the BCBS guidance will expedite project identification globally into 2016.

Acquisition of Intellectual Property

On June 2, 2014, the Vendors obtained control of the Company by selling the right and title to intellectual properties and software (the "IP") for the following considerations:

(ii) issued 41,000,000 common shares to the Vendors;
(iii) issued 2,000,000 common shares to a third party for a release and transfer of its interest in the IP;
(iv) issued 1,000,000 common shares and $20,000 cash for finders fees;

As a result of the Acquisition, the Vendors acquired 65% of the outstanding shares of the Company and were deemed to be the acquirer of the Company. For accounting purposes, the Acquisition is not considered to be a business combination as defined in IFRS 3 Business Combinations since the Company was inactive prior to the Acquisition and its activities were limited to the management of cash resources and the maintenance of its listing. Accordingly, the Acquisition was accounted for as a share-based payment transaction in accordance with IFRS 2 Share-based Payment.

Since the share and share based consideration allocated to the former shareholders of the Company on closing the Acquisition is considered within the scope of IFRS 2, and the Company cannot identify specifically some or all of the goods or service received in return for the allocation of the shares, options and warrants, the value in excess of the net identifiable assets acquired on closing was expensed in the statement of comprehensive loss as listing expense for the period from June 2, 2014 to August 31, 2014 as the Vendors acquired Bonaparte's public listing as a result of the Acquisition. The fair value of the consideration was determined based on the fair value of the shares, options and warrants of Bonaparte immediately prior to the Acquisition.

The fair value of all the consideration given and charged to listing expense was comprised of:

Share consideration to Vendors	$	705,699
Shares issued to third party		100,000
Shares issued for finder's fee		50,000
Finder's fee paid in cash		20,000
	$	875,699

Identifiable net obligations assumed:		
Cash & cash equivalents	$	51,619
Other assets		16,431
Liabilities		(141,893)
Promissory notes assumed, including accrued interest of $1,259		(101,259)
Loan from Vendors assumed		(20,000)
		(195,102)
Unidentified assets acquired:		
Public listing		1,070,801
Total net identifiable and unidentifiable assets acquired	$	875,699

The fair value of the share consideration, including the shares issued to third parties and shares issued for finder's fee, of $0.05 per share, was based on the market price of the Company's common shares on the TSX Venture Exchange.

On June 5, 2014, the Company fully repaid the promissory notes assumed.

On closing of the Acquisition, the Company placed 44,000,000 of the common shares, representing the shares issued in connection with the Acquisition, into escrow. These shares are subject to a 36-month escrow release period from the completion of the Acquisition with 10% released upon completion of the Acquisition and 15% of such escrowed shares released on the 6, 12, 18, 24, 30 and 36 month anniversaries of the completion of the Acquisition. As at the date of this report, 11,000,000 common shares have been released from escrow pursuant to the Agreement.

Selected Quarterly Financial Information

A summary of results for the last eight quarters follows:

	2015		2014				2013	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net loss	$ 200,397	$ 122,950	$ 1,345,915	$ -	$ -	$ -	$ -	$ -
Loss per share	$ 0.00	$ 0.00	$ 0.02	$ -	$ -	$ -	$ -	$ -

The Company recorded net losses of $200,397 and $122,950 in the current and prior quarters respectively. The higher loss in the current quarter can be attributed largely to higher professional fees incurred during the period. In the last quarter of fiscal 2014, the Company's net loss of $1,345,915 included a non-recurring charge of $1,070,801 relating to a listing expense on reverse acquisition as previously described.

As noted previously, comparative figures do not exist and the financial information presented are for the period subsequent to the Acquisition on June 2, 2014.

Results of Operations

The Company became primarily a development stage company upon completion of the Acquisition with its focus on completion of the interface and upgrading of its ERA and GCD solutions. Furthermore, the Company commenced sales and marketing activities including training and rolling out ERA and GCD with its technical partner, IBM.

For the current period, the Company met the IFRS requirements for the deferral of development expenses and capitalized $170,532 in development costs ($99,087 in the current quarter and $71,445 in the prior quarter).

Balance, June 2, 2014	$	-
Development costs capitalized		
Consulting fees		67,863
Salaries and wages		52,957
Balance as at August 31, 2014		120,820
Development costs capitalized		
Consulting fees		117,913
Salaries and wages		52,619
Balance as at February 28, 2015	$	291,352

Six months ended February 28, 2015

During the current period, the Company recorded a net loss of $323,347 ($0.01 net loss per share). The Company did not record any revenues and recorded operating expenses totalling $323,810 and interest income of $463. The Company incurred the following operating expenses in support of its development and marketing activities in the current period.

Summary of Operating Expenses:

Advertising	$	3,743
Amortization		392
Bank charges		669
Consulting fees		42,650
Investor relations		17,893
Listing and Filing		20,902
Management Fees		60,000
Office and miscellanous		5,526
Professional fees		44,948
Promotion and travel		62,500
Rent		29,850
Salaries and wages		22,576
Telecommunications		12,161
Total operating expenses	$	323,810

Three months ended February 28, 2015

During the current quarter, the Company recorded a net loss of $200,397 (less than $0.01 net loss a share) from operating expenses. The Company did not record any revenues or interest income in the current quarter. The Company incurred the following operating expenses in support of its continued development and marketing activities. Additionally, greater costs were incurred in the area of professional fees and promotion and travel as the Company completed its transition of auditors and increased marketing activities respectively.

Summary of Operating Expenses:

Advertising	$	2,100
Amortization		196
Bank charges		410
Consulting fees		25,150
Investor relations		12,893
Listing and Filing		11,763
Management Fees		30,000
Office and miscellanous		2,706
Professional fees		42,407
Promotion and travel		41,992
Rent		16,160
Salaries and wages		10,629
Telecommunications		3,991
Total operating expenses	$	200,397

Related Party Transactions and Balances

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors. Short-term key management compensation consisted of the following for the six months ended February 28, 2015 and 2014:

Transactions:	6 months ended February 28 2015		2014	
Management fees:				
Chief Executive Officer ("CEO")	$	60,000	$	-
	$	30,000	$	-
Salaries and wages:				
Chief Information Officer ("CIO")	$	44,151	$	-
An individual related to the CEO and CIO		23,371		-
	$	67,522	$	-

Of the salaries and wages paid to related parties, $22,075 is included in salaries and wages on the condensed interim statement of comprehensive loss, and $45,447 is included in intangible assets.

Balances:	February 28, 2015		August 31, 2014	
Due to (from) related parties				
CEO	$	36,744	$	3,047
A company controlled by the CEO		42,630		(4,020)
A company controlled by the former CFO		6,300		6,300
		85,674	$	4,727
Promissory note payable to the Vendors	$	11,750	$	307,500

Liquidity and Capital Resources

The Company's cash position as at February 28, 2015 was $10,634 with a working capital deficit of $154,333. Total assets as at February 28, 2015 were $331,958.

In connection with the Acquisition, the Company completed a non-brokered private placement on June 3, 2014 for gross proceeds of $600,000 by way of the issuance of 4,000,000 units at a subscription price of $0.15 per unit. Each unit consisted of one common share and one-half of one common share purchase warrant entitling the holder to acquire one share at a price of $0.30 for a period of 24 months.

On December 29, 2014, the Company closed a private placement of 4,300,000 Units at $0.08 per Unit for gross consideration of $344,000. Each Unit comprised one common share and one share purchase warrant entitling the holder to purchase another common share for a period of 2 years at $0.15 per share. Share issue costs of $39,520 were incurred.

The condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. As at February 28, 2015, the Company has a deficit of $1,669,262, has earned no revenues from its operations, has a loss of $323,347, and has negative cash flows from operations of $336,305 for the current fiscal year to date. The Company's continuing operations, as intended, and its financial success is dependent upon the extent to which it can successfully raise the capital to implement its future plans and ultimately on generating sales and attaining profitable operations. The Company is currently working on raising additional funds to continue the development and marketing of its software solutions. If the Company is not successful in raising further funds as required, the Company may be forced to curtail its development activities, reduce its general and administrative expenses.

These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Going Concern

The Company's ability to continue as a going concern is dependent on the Company's ability to obtain additional financing to fulfill its present obligations and future commitments and, ultimately, the attainment of profitable operations or the profitable sale of the Company's intellectual properties. While the Company has been successful in raising funds through equity financings in the past, there can be no assurances that the Company will continue to obtain the additional financial resources necessary to meet its obligations. If the Company is unable to obtain adequate additional financing, the Company would be required to curtail its planned operations and development activities.

These conditions, along with other matters set forth in Note 1 of the unaudited condensed interim financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

Share Capital

The Company's authorized capital consists of unlimited number of common shares without par value, and has securities outstanding as follows.

	As at	
Security description	February 28, 2015	Date of Report
Common shares - issued and outstanding	67,063,987	67,063,987
Options - unvested	-	5,000,000
Options - vested	85,000	85,000
Warrants issued in private placements	6,300,000	6,300,000
Common shares - fully diluted	73,448,987	78,448,987

Pursuant to an escrow agreement dated June 2, 2014, 44,000,000 shares issued pursuant to the Acquisition are subject to escrow restrictions. Upon completion of the transaction 4,400,000 shares were released from escrow with the balance to be released in six-month intervals at 15% per release. A total of 39,600,000 shares and 33,000,000 shares remain in escrow respectively on February 28, 2015 and as at date of this report.

Subsequent Events

On April 10, 2015, the Company granted 5,000,000 options for Directors, Officers, employees and consultants. The options are exercisable at $0.10 per common share, expire after ten years and have various vesting periods.

On April 13, 2015, the Company announced that its shares have been listed for trading on the Frankfurt Stock Exchange under the symbol "B2I". The Company anticipates that the new Frankfurt listing will enhance the company's market liquidity as well as broaden the company's shareholder base.

Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the results of operations and financial position. By their nature, these judgments are subject to an inherent degree of uncertainty and are based on historical experience, trends in the industry and information available from outside sources. Management reviews these estimates on an ongoing basis. Different accounting policies, or changes to estimates or assumptions could potentially have a material effect, positive or negative, on the Company's financial position and results of operations. Actual results could differ from those reported.

Intangible assets and research and development costs

The Company is engaged in research and development activities and has internally generated intangible assets. Intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Research costs are expensed as incurred. Development costs are capitalized if all of the following can be demonstrated:

- Technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Intention to complete the intangible asset and use or sell it;
- Ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- Availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- Ability to measure reliably the expenditures attributable to the intangible asset during its development.

Significant, unanticipated changes to the above assumptions could require a provision for impairment in the future.

Share based payments

The fair value of stock options, restricted share units, and broker warrants is estimated using the Black-Scholes option pricing model, which includes underlying assumptions, related to the risk-free interest rate, average expected option life, estimated forfeitures, estimated volatility of the Company's shares and anticipated dividends.

Future Accounting Pronouncements

The IASB and International Financial Reporting Interpretations Committee ("IFRIC") have issued the following standards and amendments or interpretations to existing standards that are not yet effective and not applied. The Company does not anticipate early adoption of these standards at this time. The following standards and interpretations applicable to the Company have been issued by the IASB and the IFRIC effective for annual periods beginning on or after January 1, 2014:

(a) IAS 16 – *Property, Plant and Equipment* and IAS 38 – *Intangible Assets:*

In May 2014, the IASB issued amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. This standard is effective for annual periods beginning on or after January 1, 2016.

(b) IFRS 9 – *Financial Instruments*

IFRS 9 includes requirements for recognition and measurement, derecognition and hedge accounting. IFRS 9 was originally issued on November 2009, reissued in October 2010, and then amended in November 2013. The IASB is adding to the standard as it completes the various phases of its comprehensive project on financial instruments, and so it will eventually form a complete replacement for IAS 39 Financial Instruments: Recognition and Measurement.

In July 2014, the IASB published the final version of IFRS 9 bringing together the classification and measurement, impairment and hedge accounting phases of the IASB project to replace IAS 39. This version adds a new expected loss impairment model and limited amendments to classification and measurement of financial assets. IFRS 9 is effective for periods beginning on or after January 1, 2018.

Off-balance sheet arrangements

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

Disclosure Controls and Internal Reporting

The Company has evaluated its internal controls over financial reporting and believes that as at February 28, 2015, its system of internal controls over financial reporting as defined under NI 52-109 is sufficiently designed and maintained to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's IFRS.

Certain weaknesses in its system are apparent. These weaknesses arise primarily from the limited number of personnel employed in the accounting and financial reporting areas, a situation that is common in many smaller companies. As a consequence of this situation it is not feasible to achieve the complete segregation of duties.

The Company believes these weaknesses are mitigated by the nature and present levels of activities and transactions within the Company being readily transparent; the active involvement of senior management and the Board of Directors in the affairs of the Company; open lines of communication within the Company and the thorough review of the Company's financial statements by senior management and the Audit Committee of the Board of Directors.

The senior officers will continue to monitor very closely all financial activities of the Company until the Company's budgets and workload will enable the hiring of additional staff for greater segregation. Nevertheless, these mitigating factors cannot eliminate the possibility that a material misstatement may occur as a result of the aforesaid weaknesses in the Company's internal controls over financial reporting. A cost effective system of internal controls over financial reporting, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the internal controls over financial reporting are achieved.

Risk and Uncertainty Factors

Risks Related to our Business

Limited Operating History:

The Company is a development stage company which has a limited operating history and has no revenues derived from operations. Significant expenditures have been focused on research and development to create its ERA and GCD solutions. The Company's near-term focus has been in actively developing reference accounts and building sales, marketing and support capabilities. As a result of these and other factors, The Company may not be able to achieve, sustain or increase profitability on an ongoing basis.

The Company is subject to many risks common to development stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenues, technology, and market acceptance issues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of The Company's early stage of operations.

Problems Resulting from Rapid Growth:

The Company will be pursuing, from the outset, a plan to market its software solutions to banks abroad and in North America and will require capital in order to meet these growth plans and there can be no assurances that the Company’s capital resources will enable The Company to meet these growth needs. The plan will place significant demands upon the Company’s management, and resources. Besides attracting and maintaining qualified personnel, employees or contractors, the Company expects to require working capital and other financial resources to meet the needs of its planned growth. No assurance exists that the plans will be successful or that these items will be satisfactorily handled, and this may have material adverse consequence on the business of The Company.

Additional Financing will be Required:

The Company will need additional financing to continue its operations. Financing may not be available to the Company on commercially reasonable terms, if at all, when needed. There is no assurance that the Company will be successful in raising additional capital or that the proceeds of any future financings will be sufficient to meet its future capital needs.

Impact of Competition:

The technology industry is very dynamic with new technology and services being introduced by a range of players, from larger established companies to start-ups, on a frequent basis. Newer technology may render The Company's technology obsolete which would have a material, adverse effect on its business and results of operations. The Company will be competing with others offering similar products. If The Company's systems and technology fail to achieve or maintain market acceptance, or if new technologies are introduced by competitors that are more favorably received than the Company's technology, or are more cost-effective or provide legal exclusivity through patents or are otherwise able to render The Company's technology obsolete, The Company will experience a decline in demand which will result in lower sales performance and associated reductions in operating profits all of which would negatively affect stock prices for the Company.

Information Technology, Network and Data Security Risks:

The Company faces security risks. Any failure to adequately address these risks could have an adverse effect on the business and reputation of the Company. Computer viruses, break-ins, or other security problems could lead to misappropriation of proprietary information and interruptions, delays, or cessation in service to clients.

Reliance on Third Parties:

The Company relies on certain technology services provided to it by third parties, and there can be no assurance that these third party service providers will be available to the Company in the future on acceptable commercial terms or at all. If the Company were to lose one or more of these service providers, it may not be able to replace them in a cost effective manner, or at all. This could harm the business and results of operations of The Company.

Investment in Technological Innovation:

If the Company fails to invest sufficiently in research and product development, its products could become less attractive to potential clients, which could have a material adverse effect on the results of operations and financial condition of The Company.

New Laws or Regulations:

A number of laws and regulations may be adopted within the banking industry both domestically and internationally. Adoption of any such laws or regulations might impact the ability of the Company to deliver increasing levels of technological innovation and will likely add to the cost of developing its software solutions, which would adversely affect its results of operations.

Retention or Maintenance of Key Personnel:

There is no assurance that The Company can continuously attract, retain or maintain key personnel in a timely manner if the need arises, even though qualified replacements are believed by management to exist. Failure to have adequate personnel may materially harm the ability of The Company to operate. The Company considers the services of Mukhtar Kalyan, Chief Executive Officer and Judy Kalyan, Chief Information Officer, to be key to the operation of The Company. While there can be no assurances as to the continued retention of these individuals, The Company believes that they are heavily incentivized through stock ownership, and other compensation, so that the risk of departure is low.

Proprietary Rights Could Be Subject to Suits or Claims:

No assurance exists that The Company or any Company with which it transacts business, can or will be successful in pursuing protection of proprietary rights such as business names, logos, marks, ideas, inventions, and technology which may be acquired over time. In many cases, governmental registrations may not be available or advisable, considering legalities and expense, and even if registrations are obtained, adverse claims or litigation could occur.

Lack of Control in Transactions:

Management of The Company intends to retain other companies to perform various services, but may not be in a position to control or direct the activities of the parties with whom it transacts business. Success of The Company may be subject to, among other things, the success of such other parties, with each being subject to their own risks.

No Guarantee of Success:

The Company, as well as those companies with which it intends to transact business, have significant business purchases, advertising, and operational plans pending and is/are, therefore, subject to various risks and uncertainties as to the outcome of these plans. No guarantee exists that The Company, or any company with which it transacts business, will be successful.

Fluctuations in Operating Results:

The Company's revenues and operating results may fluctuate from quarter to quarter and from year to year due to a combination of factors, including, but not limited to: access to funds for working capital and market acceptance of its services.

Revenues and operating results may also fluctuate based upon the number and extent of potential financing activities in the future. Thus, there can be no assurance that The Company will be able to reach profitability on a quarterly or annual basis.

Financial, Political or Economic Conditions:

The Company may be subject to additional risks associated with doing business in foreign countries.

The Company currently operates within Canada and overseas. As a result, it may face significant additional risks associated with doing business in other countries. In addition to the language barriers, different presentations of financial information, different business practices, and other cultural differences and barriers, ongoing business risks may result from the international political situation, uncertain legal systems and applications of law, prejudice against foreigners, corrupt practices, uncertain economic policies and potential political and economic instability. In doing business in foreign countries, the Company may also be subject to such risks, including, but not limited to, currency fluctuations, regulatory problems, punitive tariffs, unstable local tax policies, trade embargoes, expropriation, corporate and personal liability for violations of local laws, possible difficulties in collecting accounts receivable, increased costs of doing business in countries with limited infrastructure, and cultural and language differences. The Company also may face competition from local companies which have longer operating histories, greater name recognition, and broader customer relationships and industry alliances in their local markets, and it may be difficult to operate profitably in some markets as a result of such competition. Foreign economies may differ favorably or unfavorably from the Canadian economy in growth of gross national product, rate of inflation, market development, rate of savings, and capital investment, resource self-sufficiency and balance of payments positions, and in other respects.

When doing business in foreign countries, the Company may be subject to uncertainties with respect to those countries' legal system and application of laws, which may impact its ability to enforce agreements and may expose it to lawsuits.

Legal systems in many foreign countries are new, unclear, and continually evolving. There can be no certainty as to the application of laws and regulations in particular instances. Many foreign countries do not have a comprehensive system of laws, and the existing regional and local laws are often in conflict and subject to inconsistent interpretation, implementation and enforcement. New laws and changes to existing laws may occur quickly and sometimes unpredictably. These factors may limit The Company's ability to enforce agreements with its current and future clients and vendors. Furthermore, it may expose The Company to lawsuits by its clients and vendors in which it may not be adequately able to protect itself.

When doing business in foreign countries, the Company may be unable to fully comply with local and regional laws which may expose it to financial risk.

When doing business in foreign countries, The Company may be required to comply with informal laws and trade practices imposed by local and regional government administrators. Local taxes and other charges may be levied depending on the local needs to tax revenues, and may not be predictable or evenly applied. These local and regional taxes/charges and governmentally imposed business practices may affect the cost of doing business and may require the Company to constantly modify its business methods to both comply with these local rules and to lessen the financial impact and operational interference of such policies. In addition, it is often extremely burdensome for businesses operating in foreign countries to comply with some of the local and regional laws and regulations. Any failure on the part of the Company to maintain compliance with the local laws may result in fines and fees which may substantially impact its cash flow, cause a substantial decrease in revenues, and may affect its ability to continue operation.

Risks Related to the Company's Intellectual Property

Protection of the Company's Intellectual Property:

The Company's products utilize a variety of proprietary rights that are important to its competitive position and success. To date, the Company has not been granted any definitive patents and because the Intellectual Property associated with the Company's technology is evolving and rapidly changing, current intellectual property rights may not adequately protect The Company. The Company may not be successful in securing or maintaining proprietary or future patent protection for the technology used in its systems or services, and protection that is secured may be challenged and possibly lost. The Company generally enters into confidentiality or license agreements, or has confidentiality provisions in agreements with the Company's employees, consultants, strategic partners and clients and controls access to and distribution of its technology, documentation and other proprietary information. The Company's inability to protect its Intellectual Property adequately for these and other reasons could result in weakened demand for its systems or services, which would result in a decline in its revenues and profitability.

Third Party Intellectual Property Rights:

The Company could become subject to litigation regarding intellectual property rights that could significantly harm its business. The Company's commercial success will also depend in part on its ability to develop and sell its software solutions without infringing on the patents or proprietary rights of third parties. Competitors, many of whom have substantially greater resources than the Company and have made significant investments in competing technologies or products, may seek to apply for and obtain patents that will prevent, limit or interfere with the Company's ability to make or sell the Company's systems or provide The Company's services.

Other Risks

The Company's Share Price Fluctuations and Speculative Nature of Securities:

The price of the Company Shares could fluctuate substantially and should be considered speculative securities. The price of the Company's shares may decline, and the price that prevails in the market may be higher or lower than the price investors pay depending on many factors, some of which are beyond the Company's control. In addition, the equity markets in general have experienced extreme price and volume fluctuations historically that have often been unrelated or disproportionate to the operating performance of those companies. These broad market factors may affect the market price of the Company's Shares adversely, regardless of its operating performance.

Volatility in the Price of the Company Shares:

The market for the Company's Shares may be characterized by significant price volatility when compared to seasoned issuers, and management expects that the share price will be more volatile than a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. The Company may in the future be a target of similar litigation. Securities litigation could result in substantial costs and liabilities and could divert management's attention from day-to-day operations and consume resources, such as cash.

Operating results may fluctuate as a result of a number of factors, many of which are outside of the control of the Company. The following factors may affect operating results: ability to compete; ability to attract clients; amount and timing of operating costs and capital expenditures related to the maintenance and expansion of the business, operations and infrastructure; general economic conditions and those economic conditions specific to the banking industry; ability to keep web access operational at a reasonable cost and without service interruptions; the success of product expansion; and ability to attract, motivate and retain top-quality employees.

Investor Relations

The Company maintains a website at www.blackiceinc.com, and has not entered into any agreements with any investor relations firms. Additional information on the Company can also be found on www.sedar.com.

Cease Trade Order

On January 7, 2015, the Company announced that trading in its common shares was cease traded in British Columbia pursuant to a Cease Trade Order ("CTO") from the BC Securities Commission due to the fact that the Company's annual financial statements and MD&A have not been filed. The audit of the Company's financial statements for the period from June 2, 2014 to August 31, 2014 has since been completed and filed accordingly with the regulators. On March 27, 2015, the Company announced that the British Columbia and Ontario Securities Commissions have each issued a revocation order in respect to cease trade orders issued against the Company. Trading of the Company's common shares on the CSE resumed on March 30, 2015.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning the Company's general and administrative expenses and capitalized development costs in intangible assets is provided in the Company's Condensed Interim Statements of Comprehensive Loss and note 9 in its financial statements for the three and six months ended February 28, 2015, which is available on the Company's website or through www.sedar.com.