The following Management's Discussion and Analysis ("MD&A") is prepared as at July 30, 2018 in accordance with National Instrument 51-102F1, and should be read together with the unaudited condensed interim consolidated financial statements for the nine months ended May 31, 2018 and related notes and the audited financial statements for the year ended August 31, 2017 and related notes, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All financial amounts are stated in Canadian dollars unless otherwise indicated. These documents, along with additional information about the Company, are available at www.blckchain.ca and www.sedar.com.

Certain information included in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements.

Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward looking statements contained herein are as of May 31, 2018, and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and other factors such as those described above and in "Risks and Uncertainties" below. The Company has no policy for updating forward-looking information beyond the procedures required under applicable securities laws.

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

The Company's Business

Blackchain Solutions Inc. (the "Company" or "Blackchain") was incorporated pursuant to the Business Corporations Act (British Columbia) on July 10, 2007. The Company is a software sales and consulting company engaged in the business of providing software solutions and consulting services to financial institutions to meet their regulatory obligations. The head office, address and records office of the Company are located at #1000 – 409 Granville Street, Vancouver, BC, Canada, V6C 1T2.

On December 21, 2017, the Company completed a share consolidation on the basis of 2 old shares for 1 new share. This share consolidation has been retroactively presented in this MD&A and in the Company's unaudited condensed interim financial statements.

The Company provides software solutions and consulting services to be marketed to financial institutions to meet their regulatory obligations. The Company currently has two technology based Intellectual Property (IP) applications/solutions to assist financial institutions with compliance with their regulatory obligations - Enterprise Risk Aggregation ("ERA™"); and Governance Compliance Database ("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.

In addition to an enterprise model of solution deployment, the company is also developing a cloud based Software-as-a-Service ("SaaS") solution where it plans to leverage new accounting regulations in the US, by providing advanced data integration in a risk data warehouse supporting sophisticated analytics and comprehensive reporting.

In January 2017, the Company launched the Blackchain BASEL Solution for Emerging Markets ("BASEL"). BASEL is one of the first solutions, globally, that allow institutions to meet the new revised standardized approach recommended by the BCBS, and is specifically tailored to the needs of institutions in emerging markets. BASEL provides a Basel compliance and risk management solution that leverages the technology within the ERA™ solution, along with the experience the Company has gained at VIB to create a product that meets the immediate goals of financial institutions beginning their capital adequacy initiatives, in addition to supporting their future strategic objectives. BASEL is also specifically designed to provide institutions with a comprehensive foundation to build a strong Basel program where they may have limited Basel risk management experience or resources.

The Company has begun focusing resources on leveraging the Company's technology in the blockchain space. The Company aims to provide credit solutions in the digital currencies. The Company has begun development of multiple new products that will launch in Q3 of the Company's financial year.

Market Overview

There is a global market for financial risk analysis, as more countries require their financial institutions to meet regulatory and reporting requirements. In addition, 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 Governance Compliance Database and the Enterprise Risk Aggregation 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 1,000 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.

On January 18, 2017, the Company announced it has received confirmation that The State Bank of Vietnam (SBV) has finalized Circular 41 (dated January 4, 2017), that outlines the detailed requirements for the banking industry to comply with BCBS Basel regulations. The finalized guidance is expected to compel institutions to take immediate action to address the Basel requirements through risk management solutions to achieve compliance in a timely manner. As a result, top tier banks in Vietnam are expected to begin implementation initiatives in 2017, with compliance to be met by the end of the year. Lower and mid-tier banks are also expecting to begin Basel planning and are expected to begin procuring solutions towards the end of this year. The Company has already completed its first software solutions installation in Vietnam last fiscal year and so is familiar with the Vietnamese market. This development thus presents an important opportunity for the Company as it believes that several banks will want to move quickly to ensure the implementation process is timely, and gain advantage in a competitive banking environment.

In addition to the opportunities in Vietnam and in other ASEAN and 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 must 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.

On April 3, 2018, the Company entered into a letter of intent ("LOI") with DMG Blockchain Solutions Inc. ("DMG") whereby the Company proposes to license from DMG certain technology related to browser to browser messaging using blockchain technology, known as "Prometheus". Upon execution of this LOI, the Company will enter into a Definitive Agreement. The Company shall pay to DMG a 7% license fee monthly based on the gross revenues generated from the technology subject to a maximum aggregate amount of $1 million. After $1 million has been paid by the Company the license fee shall be reduced to 3.5% in perpetuity so long as the Definitive Agreement has not been terminated. The Company will have the right to terminate the Definitive Agreement at any time with at least 60 days notice to DMG.

Prometheus is one of the first browser-based blockchain technologies developed by a Silicon Valley-based leader in blockchain and artificial intelligence -- Blockseer. Blockseer, which has expertise from Harvard and Stanford, was recently acquired by DMG early in 2018.

The platform allows users to seamlessly connect on the blockchain via a traditional Web browser, such as Google Chrome and Firefox. This drastically reduces the barriers to entry for blockchain participation. Daniel Reitzik, chief executive officer and director of DMG, commented: "We are extremely pleased to be partnering with Blackchain on its first commercial venture. Prometheus represents the next generation in blockchain technology, as its simplified, browser-based platform is opening up whole new markets in the cryptocurrency space. We hope that this letter of intent will be just the beginning in a growing relationship between DMG and Blackchain."

Integrated with Blackchain's person-to-person lending platform, Prometheus opens the door to cryptocurrency asset lending for individuals without the need of traditional banks. This opens up both sides of the trillion-dollar (U.S.) credit debt market to individual users. Blackchain's platform also provides users with the opportunity to turn their static and speculative cryptocurrency holdings into a yield-bearing investment.

The Company has begun focusing resources on leveraging the Company's technology in the blockchain space. The Company aims to provide credit solutions in the digital currencies. The Company has begun development of multiple new products that will launch in Q4 of the Company's financial year.

Selected Annual Financial Information

The table below sets out certain selected financial information regarding the operations of the Company for the periods indicated. The selected financial information has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements and related notes:

	Year ended August 31, 2017	Year ended August 31, 2016	Year ended August 31, 2015
Revenue	$ -	$ 282,755	$ -
Net loss and comprehensive loss	$ 1,126,981	$ 744,530	$ 1,388,322
Loss per share	$ 0.02	$ 0.02	$ 0.04
Total assets	$ 58,163	$ 544,652	$ 514,870

The Company did not record any revenues in 2017 and incurred a net loss of $1,126,981, where in 2016, the Company successfully completed its first sale and implementation of its ERA™ solution in Vietnam and recorded $282,755 in sales revenue and a net loss of $744,530. The increased net loss of $382,451 in the current year is largely attributed to a recognition of an impairment of intangible assets, share-based compensation from issuance of share options, and higher consulting fees. Prior to the 2016 fiscal year, the Company was primarily a development stage company and had not recorded any revenues. The decrease in net loss from 2015 to 2016 can be generally related to the revenue generated in 2016 and a large share- based compensation expense recorded in 2015 of $421,175.

The Company's asset base has consisted predominately of intangible assets associated with the Company's intellectual property. Total assets for the current fiscal year decreased to $58,613 after recognition of an expense for $296,899 for impairment of intangible assets and now consist largely of cash and GST receivables. At the end of fiscal 2016, with the sale of its first software solution installation during the year, the Company's assets largely consisted of its unamortized intangible assets and $90,254 in accounts receivable resulting from its sales. Total assets at the end of the 2015 fiscal year was consisted mostly of the Company's intangible assets and GST receivables.

The Company has not declared any dividends since its incorporation and does not anticipate paying cash dividends in the foreseeable future on its common shares, but intends to retain any future earnings to finance internal growth, acquisitions and development of its business. Any future determination to pay cash dividends will be at the discretion of the board of directors of the Company and will depend upon the Company's financial condition, results of operations, capital requirements and such other factors as the board of directors of deems relevant.

Selected Quarterly Financial Information

A summary of results for the last eight quarters follows:

	May 31, 2018 Q3	Feb 28, 2018 Q2	Nov 30, 2017 Q1	Aug 31, 2017 Q4	May 31, 2017 Q3	Feb 28, 2017 Q2	Nov 30, 2016 Q1	Nov 30, 2016 Q4
Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 42,049
Net loss	$203,136	$579,480	$114,113	$484,779	$137,680	$211,133	$293,389	$429,676
Loss per share	$ 0.01	$ 0.01	$ 0.00	$ 0.01	$ 0.00	$ 0.00	$ 0.01	$ 0.01

Due to rounding, the figures for the Company's loss per share may not add up to the amount disclosed in the Company's financial statements.

The Company has begun recording revenues since the second quarter of fiscal 2016 with the initial sale and installation of its software solutions. The Company completed implementation of this sale in the last quarter of 2016 and no revenues were recorded in the current year. For the three months ended August 31, 2017, the Company recorded a net loss of $484,779, compared to a net loss of $427,002 in the same period in fiscal 2016. Although the Company recorded an impairment charge of $296,899 against its intangible assets in the current quarter, the loss was offset by a gain on settlement of debt of $100,650 and a gain of $26,843 on the write-off of certain accounts payable. For the three months ended November 30, 2017 the Company recorded a net loss of $114,113 as compared to a net loss of $484,779 for the previous quarter a decrease of approximately $370,000 mainly due to the impairment of the intangible asset in the 4th quarter ended August 31, 2017. For the three months ended February 28, 2018, the Company recorded a net loss of $578,480 as compared to a net loss of $114,113 for the previous quarter an increase of approximately $465,000 which can be attributed to increase in consulting fees due to the hiring of developers for the development of its technology and website and its business development. For the three months ended May 31, 2018, the Company recorded a net loss of $203,136 as compared to the net loss of $579,480 for the previous quarter a decrease of approximately $376,000 which can be attributed to the decrease in the number developers that was engaged by the Company.

Quarterly results will continue to fluctuate dependent on activities associated with implementation of the Company's sales of its software solutions, as well as marketing and promotional activities of its product offerings.

Results of Operations

During the three months ended May 31, 2018, the Company reported a net loss of $203,136 as compared to a net loss of $137,680 for the corresponding period in 2017. Total expenses for the three months ended May 31, 2018 amounted to $203,136 as compared to $137,680 for 2017 an increase of approximately $65,000 which can be attributed to an increase in consulting fees from $40,388 to $120,791 due to an increase in the number of consultants hired for development of its technology and website and its business development, advertising has increased to $18,000 as the Company engaged some multi media group to help promote the Company's business, professional fees have increased due to general matters, these increases were offset by the decline in amortization, investor relations and promotion and travel cost and management fees to the previous CEO. All other costs are consistent with maintaining its reporting issuer status.

During the nine months ended May 31, 2018, the Company reported a net loss of $896,729 as compared to a net loss of $642,202 for the corresponding period in 2017. Total expenses for the nine months ended May 31, 2018 amounted to $892,729 as compared to $642,202 for 2017 an increase of approximately $250,000 which can be attributed to an increase in consulting fees from $202,130 to $713,966 due to an increase in the number of consultants hired for development of its technology and website and its business development, increases in advertising from $450 to $18,212 as the Company started to promote the Company's business, increases in listing and filing fees due to two private placements made during the period which have been offset by the decline in amortization, investor relations, promotion and travel and share-based compensation and the management fees paid to the previous CEO. All other costs are consistent with maintaining its reporting issuer status.

Liquidity and Capital Resources

The Company's cash position as at May 31, 2018 was $1,071,219 (August 31, 2017: $6,369) with a working capital of $886,454 (August 31, 2017: $353,742 working capital deficiency). Total assets as at May 31, 2018 was $1,161,565 (August 31, 2017: $58,163).

The Company believes that the current capital resources are not sufficient to pay overhead expenses for the next twelve months and will need to seek additional funding to fund its overhead expenses and its development of its product. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options and warrants to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

On January 18, 2018, the Company completed a private placement of 25,000,000 units at a price of $0.075 per unit for gross proceeds of $1,875,000. Each Unit was comprised of one common share and one transferable share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.10 per share for three years from closing of the private placement. Based on the market price of the common shares on the date of announcement, the Company allocated $375,000 to the fair value of the warrants. A finders' fee of $79,397 cash and 1,058,632 warrants were issued. Each finder's fee warrant entitles the holder to purchase one common share of the Company at a price of $0.10 per share for a period of three years, expiring January 17, 2021. The finders' warrants were fair valued at $190,600 using the Black-Scholes model based on the following assumptions: risk free rate – 1.96%; expected dividend – nil; expected life – 3 years; expected volatility – 134%.

On April 23, 2018, the Company issued 3,002,383 units at a price of $0.13 per unit for gross proceeds of $390,310. Each unit was composed of one common share and one transferable share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.17 per share for a period of two years from closing of the private placement. Based on the market price of the common shares on the date of announcement, the Company allocated $15,012 to the fair value of the warrants. The Company paid a finder's fee of $11,846 in cash and issued 87,120 finder's warrants with similar terms to the above noted warrants. Each finder's fee warrant entitles the holder to purchase one common share of the Company at a price of $0.17 per share for a period of two years, expiring April 23, 2020. The finders' warrants were fair valued at $5,200 using the Black-Scholes model based on the following assumptions: risk free rate – 1.93%; expected dividend – nil; expected life – 2 years; expected volatility – 193%.

Going Concern

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At May 31, 2018, the Company has not achieved profitable operations, has accumulated losses of $5,502,472 since inception and expects to incur further losses in the development of its business. The above material uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its operations its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Off Balance Sheet Arrangements

The Company does not have any off balance sheet arrangements.

Related Party Transactions

Key Management Compensation

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and include the Company's executive officers and members of the Board of Directors. Key management compensation consisted of the following:

	Nine months ended May 31,	
Name	**2018**	**2017**
	$	$
Management fees		
Former CEO and a company controlled by CEO Judy Kalyan	45,000	90,000
Investor relations and consulting fees		
Dale Paruk, Director	-	65,000
David Taylor, Director	-	13,500
Jens Brunke, Director	13,500	-
Chief Technology Officer ("CTO")	119,429	54,000
CEO and a company controlled by CEO	54,000	-
Share based compensation		
CEO	-	9,120
CTO	-	9,120
Jens, Brunke, Director	-	9,120
Dale Paruk, Director	-	27,360
David Taylor, Director	-	9,120
	231,929	286,340

	May 31, 2018	August 31, 2017
Balances		
Due to (from) related parties		
Former CEO and a company controlled by the former CEO	$ -	$ 188,302
COO and Director	6,000	6,000
CTO and a company controlled by the CTO	-	36,350
Director	-	18,000

	$	6,000	$	248,652

Amounts due to related parties are non-interest bearing and are payable on demand.

As at May 31, 2018, accounts payable and accrued liabilities include $12,000 (August 31, 2017: $Nil) in unpaid consulting fees to an officer of the Company.

Proposed Transactions

On April 3, 2018, the Company entered into a letter of intent ("LOI") with DMG Blockchain Solutions Inc. ("DMG") whereby the Company proposes to license from DMG certain technology related to browser to browser messaging using blockchain technology, known as "Prometheus". Upon execution of this LOI, the Company will enter into a Definitive Agreement. The Company shall pay to DMG a 7% license fee monthly based on the gross revenues generated from the technology subject to a maximum aggregate amount of $1 million. After $1 million has been paid by the Company the license fee shall be reduced to 3.5% in perpetuity so long as the Definitive Agreement has not been terminated. The Company will have the right to terminate the Definitive Agreement at any time with at least 60 days notice to DMG. As at May 31, 2018 and the date of this MDA, no Definitive Agreement has been signed.

Outstanding Share Data

As the date of this MD&A there were:

The Company's authorized capital consists of:

An unlimited number of common shares without par value.

An unlimited number of preferred shares without par value.

Below is the summary of the Company's share capital as at February 28, 2018 and as of the date of this report:

	As at	
Security description	May 31, 2018	Date of Report
Common shares - issued and outstanding	81,005,322	81,005,322
Options - unvested	-	-
Options - vested	2,555,000	2,555,000
Warrants issued in private placements	30,767,383	30,767,383
Agent's warrants	1,145,752	1,145,752
Common shares - fully diluted	115,473,457	115,473,457

Critical Accounting Estimates and Judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed in note 4 to the financial statements.

Future Accounting Pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the nine months ended May 31, 2018 and have not been applied in preparing these financial statements. 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 September 1, 2017.

(a) 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 the Company for periods beginning on or after September 1, 2018.

(b) IFRS 15 Revenue from Contracts with Customers

On May 28, 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. The new standard is effective for the Company for annual periods beginning on September 1, 2018. Earlier application is permitted.

IFRS 15 will replace IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized.

The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs.

The Company intends to adopt IFRS 15 in its financial statements for the annual period beginning on September 1, 2018.

None of the above standards are expected to affect the existing financial statements but may affect the accounting for future transactions.

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 only generated revenues derived from operations in the 2016 fiscal year where the Company completed implementation of its initial sale of its ERA™ solution to VIB to achieve SBV Basel compliance.

Significant expenditures have been focused on research and development to create its ERA™ and GCD™ solutions. The Company's near-term focus remains 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 developing a new version of the SaaS ERA™ product as a cloud based platform designed to meet FASB CECL requirements in the US, by deploying the ERA™ solution utilizing blockchain technology.

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 has been pursuing, from the outset, a plan to market its software solutions to banks abroad and in North America and will continue to 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.

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.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's Statements of Comprehensive Loss in its condensed interim financial statements for the nine months ended May 31, 2018, which is available on the Company's website or through www.sedar.com.