AXS Blockchain Solutions Inc. (formerly Canadian Data Preserve Inc.)
Management Discussion and Analysis (“MD&A”)
for the six months ended May 31, 2018

1. Date and Presentation

This management discussion and analysis of financial position and results of operations (“MD&A) is prepared as at July 30, 2018 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the six months ended May 31, 2018 and the audited financial statements for the year ended November 30, 2017. These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee.

Management is responsible for the preparation and integrity of the condensed interim consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the condensed interim consolidated financial statements and Management Discussion and Analysis (“MD&A”), is complete and reliable.

All dollar amounts included therein and in the following MD&A are expressed in U.S. dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company’s management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

2. History and Background

AXS Blockchain Solutions Inc. (formerly Canadian Data Preserve Inc.) (the "Company") was incorporated on June 11, 2010 under the laws of the Province of British Columbia. The Company is traded on the Canadian Securities Exchange (“CSE”) under the symbol BAXS. The head office of the Company is located at 2200 - 855 West Georgia Street, Vancouver, BC V6E 3E8. Based in Vancouver, Canada, the Company offers a number of services such as token development, blockchain development and consulting. The Company is dedicated to revolutionize the industry by creating cutting edge applications with blockchain and smart contract technology.

The Company, with its wholly owned subsidiary 1145394 B.C. Ltd. (1145394), entered into an agreement with AXS Innovations Inc. (formerly Do Some Marketing Block Corp Canada Inc.) (“AXS”) on December 18, 2017, whereby the Company acquired from the shareholders of AXS all the issued and outstanding shares of AXS, causing AXS to become a wholly-owned subsidiary of the Company (the “Amalgamation Agreement”). Pursuant to the Amalgamation Agreement, the Company amalgamated AXS and 1145394 (“Amalco”) in order to form a newly amalgamated company, which became a wholly owned subsidiary of the Company and continued on as AXS. As part of the Amalgamation, the Company issued 36,750,000 units to AXS debentures holders in order to convert AXS’s debentures outstanding as at November 30, 2017 into units of the Company. Each unit consists of one common share and one common share purchase warrant, entitling the holders to purchase an additional common share at CAD$0.05 for a period of 12 months from the closing of the Amalgamation. The Amalgamation completed on March 27, 2018.

Although the transaction resulted in a legal combination of the Company and AXS to form the resulting issuer (the “Resulting Issuer”), the Company did not meet the criteria for a business under IFRS 3, from an accounting perspective, the transaction is considered to be a reverse takeover (“RTO”). From an accounting perspective, this is not considered to be a business combination but a capital transaction whereby AXS is considered to issue additional shares in return for the net assets of the Company. For financial reporting purposes, the Resulting Issuer is considered a continuation of AXS, the legal subsidiary, except with regard to authorized and issued share capital, which is that of the Company, the legal parent.

On December 18, 2017, the Company entered into an asset acquisition agreement (“Asset Acquisition”) with AXS

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D...)

and Blockcorp Sociedad Anonima ("BLOC"), whereby the Company acquired certain assets being inventories of various cryptocurrencies, certain software technologies and hardware infrastructure (the "BLOC Assets") from BLOC. AXS assigned the rights of the BLOC Assets to the Company and the Company issued 82,000,000 common shares to BLOC. Subject to the Company acquiring all the issued and outstanding shares of AXS as described above and pursuant to the Amalgamation Agreement, BLOC sold, assigned and transferred the BLOC Assets. For accounting purposes, Management of the Company considers the acquisition of BLOC Assets to be an acquisition of assets.

During the period ended May 31, 2018, the Company completed its RTO and made a decision to change the Company's presentation currency from Canadian dollars to U.S. dollars so that investors can better understand the Company's financial results and financial position. The Company also elected to change its year end from November to February opting for a fifteen-month transition period to better align with companies within the industry. The condensed interim consolidated financial statements have been prepared in U.S. dollars as if the U.S. dollar had been the presentation currency since December 1, 2015 and all comparative prior-period financial statements have been restated to U.S. dollars in accordance with IAS 21 "Effect of Changes in Foreign Exchange Rates". For the purposes of presentation of the comparative consolidated financial statements; all assets and liabilities have been converted to U.S. dollars at the rate prevailing at the end of the reporting period. Equity transactions are converted at the date of the transaction or at the average exchange rate for the period depending on the nature of the underlying transaction. The functional currency for the Company is the Canadian dollar and is the U.S. dollar for its legally owned subsidiary.

For comparative purposes, the statements of financial position as at November 30, 2017 and December 1, 2016 include adjustments to reflect the change in accounting policy resulting from the change in presentation currency from Canadian dollars to U.S. dollars. The amounts previously reported in Canadian dollars as shown below have been translated into U.S. dollars at the November 30, 2017 and December 1, 2016 and exchanges rate of 0.7759.

December 1, 2016		**As previously reported in CAD**		**As translated at the rate of 0.7759 into U.S dollars**
Accounts payable and accrued liabilities	$	25,285	$	19,619
Accounts payable to related parties		25,000		19,398
		50,285		39,017
Share capital		1		1
Deficit		(50,286)		(39,018)
		(50,285)		(39,017)
	$	-	$	-

November 30, 2017		**As previously reported in CAD**		**As translated at the rate of 0.7759 into U.S dollars**
Cash held in trust	$	1,837,500	$	1,425,716
Accounts payable and accrued liabilities	$	9,502	$	7,372
Convertible debentures		1,713,478		1,329,488
		1,722,980		1,336,860
Deferred tax liability		30,000		23,277
		1,752,980		1,360,137
Share capital		1		1
Reserves		92,022		71,400
Deficit		(7,503)		(5,822)
		84,520		65,579
	$	1,837,500	$	1,425,716

For comparative purposes, the consolidated statement of loss and comprehensive loss for the period ended May 31,

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D...)

2017 includes an adjustment to reflect the change in accounting policy resulting from the change in presentation currency from Canadian to U.S. dollars. The amounts previously reported in Canadian dollars as shown below have been translated into U.S. dollars at the rate of 0.7759. The effect of the translation is as follows:

Period ended May 31, 2017		**As previously reported in CAD**		**As translated at the rate of 0.7759 into U.S. dollars**
General and administrative expenses				
Professional fees	$	1,258	$	976
Regulatory and transfer agent		858		666
		2,116		1,642
Loss for the period	$	(2,116)	$	(1,642)

3. Reverse Takeover

The Company acquired all of the issued and outstanding shares of AXS. No shares were given to AXS shareholders for the acquisition; however, the Company did settle AXS's convertible debenture owed by the issuance of the Company's units (Note 8). Each unit consists of one common share and one share purchase warrant exercisable at CAD$0.05 with an expiry date of March 27, 2019. Upon the acquisition of AXS shares by the Company, AXS shares outstanding prior to any convertible debt settlement, were cancelled and returned to treasury. The cancellation resulted in a $1 decrease to share capital and a $1 reduction to the deficit. This acquisition has been accounted for as an RTO as described in Note 1 of the Company's condensed interim financial statements.

In connection to the RTO, the Company completed an Asset Acquisition with AXS and BLOC, whereby the Company acquired the BLOC Assets from BLOC. AXS assigned the rights of the BLOC Assets to the Company, and the Company issued 82,000,000 common shares to BLOC for a value of $3,205,538 (CAD$4,125,000). Subject to the Company acquiring all the issued and outstanding shares of AXS as described above and pursuant to the Amalgamation Agreement, BLOC will sell, assign and transfer the BLOC Assets. For accounting purposes, Management of the Company considers the acquisition of BLOC Assets to be an acquisition of assets.

In conjunction with the closing of the RTO, the Company completed a private placement wherein it issued 42,640,070 shares at CAD$0.35 for gross proceeds of $11,597,460 (CAD$14,924,025). In connection with the private placement, the Company paid cash of $695,848 in share issuance costs.

A breakdown of listing expense is as follows:

Consideration				$	-
Net assets (liabilities) of AXS Blockchain Solutions Inc.					
	Cash	$	26		
	Receivables		5,229		
	Payables		(143,835)		
	Note payable		(61,675)		
	Due to related parties		(623,995)		
Listing expense				$	824,250

During the period end, the Company settled the due to related parties balance of $623,995 by repayment of $459,017, which resulted in a gain on settlement of debt in the amount of $164,978.

4. Note Receivable

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D...)

The Company purchased the BLOC Assets, being inventories of various digital currencies valued at $2,500,319 (CAD$3,000,000), certain software technologies valued at $352,609, and hardware infrastructure valued at $352,609 for consideration of 82,500,000 common shares. The fair value of these shares is CAD$0.05 per share, for a total of $3,205,538 (CAD$4,125,000). Upon completion of this transaction, BLOC was unable to transfer various digital currencies valued at $2,500,319 (CAD$3,000,000) and as a result the Company and BLOC entered into a Settlement Agreement on July 4, 2018 whereby, BLOC will make a cash payment of CAD$3,000,000 ($2,331,300). Subsequent to the period ended May 31, 2018, the Company received the cash payment of CAD$3,000,000 ($2,331,300).

5. Digital Currencies

As at May 31, 2018, the Company's digital currencies consisted of the below digital currencies, with a fair value of $24,600. Digital currencies are recorded at their fair value on the date they are received as revenues and are revalued to their current market value at each reporting date. The fair value is determined using the closing price of the coin at the end of the period quoted on coinmarketcap.com, costs to sell the digital currencies are considered immaterial, and no allowance is made for such costs.

		Bitcoin		LBRY		Total
Carrying Value at November 30, 2017, and December 1, 2016	$	-	$	-	$	-
Additions		18,513		13,998		32,511
Fair value adjustment		(6,875)		(1,036)		(7,911)
Carrying Value May 31, 2018	$	11,638	$	12,962	$	24,600

6. Property, Plant and Equipment

		Mining Equipment		Software		Total
Cost:						
At November 30, 2017 and December 1,2016	$	-	$	-	$	-
Additions during the period		1,338,438		352,609		1,691,047
At May 31, 2018		1,338,438		352,609		1,691,047
Depreciation:						
At November 30, 2017 and December 1, 2016		-		-		-
Change during the period		(223,073)		(58,768)		(281,841)
At May 31, 2018		(223,073)		(58,768)		(281,841)
Net book value:						
At November 30, 2017 and December 1, 2016		-		-		-
At May 31, 2018	$	1,115,365	$	293,841	$	1,409,206

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7. Convertible Debentures

On November 30, 2017, the Company closed a private placement for gross proceeds of CAD$1,837,500 under which the Company issued an aggregate principal amount of CAD$1,837,500 of convertible debentures (the "Debentures"), maturing in one year. The Debentures were convertible into common shares at the option of the holder at a conversion price of CAD$0.05 per unit (the "Conversion Price") which consists of one common share and one share purchase warrant exercisable for a period of one year from the date of conversion. The Debentures are non-interest bearing.

For accounting purposes, the Debentures are separated into their liability and equity components using the residual method. The fair value of the liability component at the time of issue is determined based on an estimated rate of 15% for Debentures without the conversion feature. The fair value of the equity component is determined as the difference between the face value of the Debentures and the fair value of the liability component. After initial recognition, the liability component is carried on an amortized cost basis and will be accreted to its face value over the term to maturity of the convertible debenture at an effective interest rate of approximately 7%. The Company also recognized a deferred tax liability of CAD$32,000 ($23,777) that was recorded in equity relating to the difference between the Company's accounting and tax basis. During the period ended May 31, 2018, the Company recorded accretion of $96,524.

Upon completion of the RTO and Asset Acquisition, the Debenture was converted into 36,750,000 units at a price of CAD$0.05 for a value of $3,205,538 (CAD$4,125,000). The equity component of the debentures of $71,400 (CAD$92,022) was reclassed upon conversion to share capital. As a result of the conversion, the deferred tax liability was eliminated.

8. Summary of Quarterly Results

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. All dollar amounts are in U.S. dollars.

	May 31, 2018	February 28, 2018	November 30, 2017	August 31, 2017
Total assets	$ 14,176,588	$ 1,377,080	$ 1,425,716	$ -
Working capital (deficiency)	12,717,850	(7,127)	88,856	(4,926)
Shareholders' equity	14,127,056	7,127	65,579	4,926
Income (loss) for the period	(1,205,843)	(72,707)	38,122	(1,642)
Basic and diluted loss per share	(0.10)	(72,707)	(38,122)	(1,642)

	May 31, 2017	February 28, 2017	November 30, 2016	August 31, 2016
Total assets	$ -	$ -	$ -	$ -
Working capital deficiency	(3,284)	(1,642)	(39,017)	(26,012)
Shareholders' equity	3,284	1,642	39,017	26,012
Loss for the period	(1,642)	(1,642)	(13,006)	(13,006)
Basic and diluted loss per share	(1,642)	(1,642)	(13,006)	(13,006)

9. Results of Operations

For the year ended November 30, 2017, the Company incurred a net loss of $42,783 compared to a loss of $1,278,550 for the six months ended May 31, 2018. During the current period, the Company: completed an RTO which resulted in a listing expense of $824,250 (2017 - $Nil), accretion of $96,524 (2017 - $Nil) in relation to the convertible debentures, professional fees of $239,902 (2017 - $976) and a gain on settlement of debt if $164,978 (2017 - $Nil). Due to the Company completing an RTO, comparative numbers are for AXS Innovations Inc. (formerly Do Some Marketing Block Corp Canada Inc.) ("AXS").

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D...)

10. Liquidity

Working capital

The net working capital, defined as current assets less current liabilities, increase from working capital of $12,717,850 as at May 31, 2018 from working capital of $88,856 as at November 30, 2017. This is due to the Company closing a private placement for net proceeds $10,901,612 and settlement of the convertible debenture in shares during the period ended May 31, 2018.

Cash

As at May 31, 2018, the Company had cash of $10,159,895 compared with $Nil as at May 31, 2017. The increase in cash is due to receiving $10,901,612 net proceeds from issuance of common shares, offset by an outflow of: acquisition of equipment $985,829 (2017 - $Nil), repayment of notes payable in the amount of $61,675 (2017 - $Nil) and settlement of due to related parties in the amount of $459,017 (2017 - $Nil).

Cash Used in Operating Activities

Cash used in operating activities during the six months ended May 31, 2018 was $660,938 compared with $Nil of cash used in operating activities during the period ended May 31, 2017.

Cash used in operating activities in the quarter ended May 31, 2018 was mainly for professional fees, management fees, salaries and wages and marketing.

No cash was used in operating activities during the period ended May 31, 2017, as the company was inactive.

Cash Used in Investing Activities

The Company incurred costs of $985,829 as investing activities during the period ended May 31, 2018 (2017 - $Nil) relating to the acquisition of property, plant and equipment.

No cash was used in financing activities during the period ended May 31, 2017, as the company was inactive.

Cash Generated by Financing Activities

During the period ended May 31, 2018, the Company issued 36,750,000 units ("Unit") at a price of CAD$0.05 per unit for gross proceeds of $1,427,921 in relation to AXS's debentures. Each Unit consists of one common share and one share purchase warrant. Each warrant is exercisable at a price of CAD$0.05 for a period of 12 months. The equity component in relation to the debenture was allocated to share capital upon conversation in the amount of $71,400 (CAD$92,022).

During the period ended May 31, 2018, the Company issued 82,500,000 common shares valued at $3,205,538 (CAD $4,125,000) in relation to the Asset Acquisition of BLOC Assets.

During the period ended May 31, 2018, the Company completed a private placement by issuing 14,924,025 common shares at a price of CAD$0.35 for gross proceeds of $11,597,460 (CAD$14,924,025). The Company issued $695,848 in share issuance costs relating to the private placement.

During the period ended May 31, 2018, the Company issued 158,750 common shares in relation to the exercise of warrants for gross proceeds of $6,175 (CAD$7,938).

There were no financing activities during the period ended May 31, 2017, as the company was inactive.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D...)

The requirement of Additional Equity or Debt Financing

The Company relies primarily on debt and equity financings for all funds raised to date for its operations. Until the Company starts generating profitable operations, the Company intends to continue relying upon the issuance of securities or debt financing to finance its operations.

11. Capital Resources

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the identification and evaluation of business opportinities and continue as a going concern. The Company considers capital to be all accounts in equity. The Company is not subject to any external capital requirements therefore the Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance any business. Funds will also be used to investigate current business opportunities.

12. Off-Balance Sheet Arrangements

The Company currently has no off-balance sheet arrangements.

13. Transactions with Related Parties

Key management personnel consist of officers and directors of the Company.

During the period ended May 31, 2017, there was no remuneration paid to key management personnel during the period from May 20, 2016, date of incorporation, to May 31, 2017.

During the period ended May 31, 2018, the Company paid or accrued directors' fees of $3,600 (2017 - $Nil).

During the period ended May 31, 2018, the Company paid or accrued salaries $14,172 (2017 - $Nil) to the Chief Financial Officer of the Company.

During the period ended May 31, 2018, the Company paid or accrued management fees of $3,861 (2017 - $Nil) to a director of the Company.

14. Subsequent events

Subsequent to period end the Company:

a) Granted 12,500,000 incentive stock options to the consultants, directors and officers of the Company. The options are exercisable at a price of $0.35 for a period of sixty months. 11,200,000 of the options vest over a twenty-four-month period, with the balance vesting over a thirty-six-month period.

b) Entered into a letter of intent with Blockchain Foundry Inc. to create ZUBX™, which will be the world's first Syscoin backed peer-to-peer marketplace. An initial deposit of CAD$250,000 has been paid to Blockchain Foundry Inc., which will be credited against future costs associated with the development of the ZUBX™ platform.

c) Acquired 100% of the outstanding share capital of Chainlinks Labs Inc. ("Chainlinks") for a total consideration of CAD$4,000,000. Chainlinks is a privately held technology company based in British Columbia that focuses on the integration of blockchain-based systems with artificial intelligence (AI) technology within existing legacy businesses, such as telecommunications, logistics, payment and billing systems. With this acquisition, AXS Blockchain will have access to new markets, established blockchain and AI development teams across Vancouver, Burnaby, Kelowna and Denver, as well as current and future and product roadmaps.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D...)

15. Recent Accounting Pronouncements

Accounting Standards Issued but Not Yet Effective
A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the period ended May 31, 2018 and have not been applied in preparing these consolidated financial statements. The new and revised standards are as follows:

IFRS 2 – Share Based Payments: the amendments eliminate the diversity in practice in the classification and measurement of particular share-based payment transactions which are narrow in scope and address specific areas of classification and measurement. It is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted provided it is disclosed. The Company does not expect that the adoption of this standard will have a material effect on the Company's consolidated financial statements.

IFRS 9 – Financial Instruments: Applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company does not expect that the adoption of this standard will have a material effect on the Company's consolidated financial statements.

IFRS 15 – Clarifications to IFRS 15 "Revenue from Contracts with Customers" issued. The amendments do not change the underlying principles of the standard, but simply clarify and offer some additional transition relief. The standard is effective for annual periods beginning on or after January 1, 2018. The Company is evaluating the effect of this standard on the Company's consolidated financial statements.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration: addresses how to determine the 'date of the transaction' when applying IAS 21. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company does not expect that the adoption of this standard will have a material effect on the Company's consolidated financial statements.

IFRS 16 – Leases: On January 13, 2016, the IASB issued the final version of IFRS 16 Leases. The new standard will replace IAS 17 Leases and is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applying IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short term leases (i.e. leases of 12 months or less) and leases of low-value assets. The Company is evaluating the effect of this standard on the Company's consolidated financial statements.

IFRIC 23 – Uncertainty Over Income Tax Treatments: clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company does not expect that the adoption of this standard will have a material effect on the Company's consolidated financial statements.

16. Financial Instruments

All financial instruments are initially recognized at fair value on the statement of financial position. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss ("FVTPL"), (2) loans and receivables, (3) financial assets available-for-sale, (4) financial assets held-to-maturity, and (5) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in net earnings. Financial assets "available-for-sale" are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (loss), net of tax.

Financial assets "held-to-maturity", "loans and receivables", and "other financial liabilities" are subsequently measured at amortized cost using the effective interest method. The Company's financial assets and liabilities are recorded and measured as follows:

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D...)

Asset or Liability	Category	Measurement
Cash	FVTPL	Fair value
Note receivable	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Digital currencies	FVTPL	Fair value
Accounts payable	Other liabilities	Amortized cost
Accounts payable to related parties	Other liabilities	Amortized cost
Convertible Debentures	Other liabilities	Fair value

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash is measured at fair value using Level 1 inputs. The carrying value of the note receivable, accounts receivable, accounts payable and accrued liabilities, and accounts payable to related parties approximate their fair values due to their short terms to maturity.

Financial risk management

Management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, note receivable, accounts receivable, accounts payable and accrued liabilities, and accounts payable to related parties.

The fair value of cash is measured on the statement of financial position using level 1 of the fair value hierarchy. The fair values of subscriptions receivable, accounts payable, due to related parties, and loans payable approximate their book values because of the short-term nature of these instruments.

Financial instrument risk exposure

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its payment obligations. The Company has no material counterparties to its financial instruments with the exception of the financial institutions which hold its cash. The Company does not believe it has a material exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. There is a risk that the Company may not be able to meet its financial obligation when they are due. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D...)

As of May 31, 2018, the Company has no financial assets that are past due or impaired due to credit risk defaults.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(ii) Price risk

The Company is exposed to price risk on digital currencies. Price risk is limited to the value of the Company's digital currencies.

Digital currencies are measured using Level 1 fair values, determined by taking the rate from coinmarketcap.com.

Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The profitability of the Company is directly related to the current and future market price of coins; in addition, the Company may not be able to liquidate its inventory of digital currency at its desired price if required. A decline in the market prices for coins could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its coin sales.

Digital currencies have a limited history and the fair value historically has been very volatile. Historical performance of digital currencies are not indicative of their future price performance. The Company's digital currencies currently consist of bitcoin and LBRY. The table below shows the impact of the 25% variance in the price of each of these digital currencies on the Company's earnings before tax, based on their closing prices at May 31, 2018.

		Impact of 25% variance in price
Bitcoin	$	2,910
LBRY		3,240
	$	6,150

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's presentation currency is the U.S. dollar and historically, major purchases have been transacted in U.S. dollars, while all of the financings to date have been completed in Canadian dollars. As the Company's cryptocurrency mining operations are mainly denominated in U.S. dollars and the Company's general and administrative costs are primarily denominated in Canadian dollars, the Company will be exposed to effects of fluctuations in foreign exchange. The fluctuation of the Canadian dollar against the U.S. dollar will consequently impact the profitability of the Company and may also affect the value of the Company's assets and liabilities and the amount of shareholders' equity.

The Company's net monetary position in Canadian dollars as of May 31, 2018 is $12,468,019 (USD equivalent). The impact of a 10% variance in the USD/CAD exchange rate would be approximately $1,246,800.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D...)

17. Issued and Outstanding Share Data

The following table summarizes the outstanding share capital as of the date of the MD&A

	Number of shares issued or issuable
Common shares	167,176,553
Stock options	12,500,000
Stock warrants	38,591,250

18. Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

The Company has exercised reasonable diligence, the filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the filings.

The Company has exercised reasonable diligence, the financial statements together with the other financial information included in the filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the filings.

19. Forward Looking Information

Certain statements contained in this MD&A constitute forward-looking statements within the meaning of applicable securities laws including, among others, statements made or implied relating to the Company's objectives including but not limited to, strategies to achieve those objectives, management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by words such as "objective", "may", "will", "expect", "likely", "intend", "estimate", "anticipate", "believe", "should", "plans" or similar expressions suggesting future outcomes or events. Such forward-looking statements are not guarantees of future performance and reflect management's current beliefs based on information currently available. Such statements involve estimates and assumptions that are subject to a number of known and unknown risks, uncertainties and other factors inherent in the business of the Company, and other materials filed with the securities regulatory authorities from time to time which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Those risks and uncertainties include but are not limited to: the ability of the Company to fund the capital and operating expenses necessary to achieve the business objectives of the Company; the dependence on key personnel; and the ability to access capital markets.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date such statements were made and readers are advised to consider such forward-looking statements in light of the risks set forth above. Except as required by law, the Company assumes no obligation to update or revise any forward-looking statements to reflect new information or the occurrence of future events or circumstances.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D...)

20. Corporate Directory

Head Office
AXS Blockchain Solutions Inc.
2200 – 855 West Georgia Street
Vancouver, BC, V6C 3E8

Legal Counsel
Cassels Brock
2200 – 855 West Georgia Street
Vancouver, BC, V6C 3E8

Officers and Directors
Marco Parente (Director)
Yasmine Roulleau (CIO & Director)
Mohammad Ahmad (CEO & Director)
David Kwok (CFO)

Auditor
Buckley Dodds, Chartered Accountants
1140 – 1185 West Georgia Street
Vancouver, BC, V6E 4E6

Members of the Audit Committee
Marco Parente (Chair)
Yasmine Roulleau
Mohammad Ahmad

Transfer Agent
Computershare Trust Company
3rd Floor – 510 Burrard Street
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