LiteLink Technologies Inc.

Management Discussion and Analysis

For the Three and Nine Months Ended August 31, 2018

Date and Presentation

This Management Discussion and Analysis ("MD&A") of financial position and results of operations is prepared as at October 30, 2018 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the nine months ended August 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 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.

Company Overview and Company History

LiteLink Technologies Inc. (formerly AXS Blockchain Solutions 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 LLT. The head office of the Company is located at 260 – 3480 Gilmore Way, Burnaby, B.C., V5G 4Y1. Based in Burnaby, Canada, the Company offers a number of services such as token development, software development and consulting. The Company is dedicated to revolutionizing established industries by creating cutting edge applications with artificial intelligence, 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"). Pursuant to the Amalgamation, the Company amalgamated AXS and 1145394 ("Amalco") in order to form a newly amalgamated company, which is a wholly owned subsidiary of the Company. 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 ("Units"). 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 was completed on March 27, 2018.

Although the transaction will result in a legal combination of the Company and AXS to form the resulting issuer (the "Resulting Issuer"), because the Company does not meet the criteria for a business under IFRS 3, from an accounting perspective, the transaction is considered to be a reverse takeover ("RTO"). Furthermore, from an accounting perspective, the transaction 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 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, 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 August 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 and LiteLink Labs Inc. ("LLI") is the Canadian dollar and is the U.S. dollar for its legally owned subsidiary.

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 way of the Company's Units. 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. This 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 the Company's financial statements for the period ended August 31, 2018.

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). The Company acquired all the issued and outstanding shares of AXS as described above and pursuant to the Amalgamation, 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 $11,597,459 (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			$ -
Less net assets (liabilities) of LiteLink Technologies Inc.:			
	Cash	$ 26	
	Receivables	5,229	
	Payables	(143,835)	
	Note payable	(61,675)	
	Due to related parties	(623,995)	
		(824,250)	(824,250)
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.

Acquisition of LiteLink Labs Inc. (formerly Chainlinks Lab Inc.)

The Company acquired 100% of the outstanding share capital of LiteLink Labs Inc. ("LLI") for total consideration of $3,067,804 (CAD$4,000,000) through a Share Purchase agreement dated July 18, 2018. The acquisition was treated as an asset purchase. In accordance with IAS 38 "Intangible Assets", the excess fair value of total consideration has been recognized as an intangible asset acquired through acquisition. LLI 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, the Company will have access to new markets, established blockchain and AI development teams across Vancouver, Burnaby and Kelowna, as well as current and future product roadmaps.

The acquisition was recorded as follows:

Consideration			$ 3,067,804
Less net assets (liabilities) of LiteLink Labs Inc.:			
	Cash	$ 3,082	
	Receivables	7,332	
	Deposit	2,301	
	Account payables	(3,982)	
	Accrued liabilities	(34,351)	
	Due to related parties	(235,613)	
		(261,231)	(261,231)
Intangible assets acquired			$ 3,329,035

Significant Highlights and Company Outlook

Acquired with LiteLink Labs Inc., 1SHIFT Logistics ("1SHIFT", "the Platform"), has become the Company's primary development project. 1SHIFT is a Software-as-a-Solution ("SaaS") based solutions leveraging artificial intelligence, blockchain, biometrics as well as leading-edge mobile technologies to bid, track, manage and settle loads globally. During the period and up until the date of this MD&A, the Company was focused on preparing the Platform for friendly user trials scheduled to commence in late December 2018. 1SHIFT will enable the trucker and the shipper with loads with intelli-pricing and management in a way that other platforms do not utilize today. The Company has received the validation of value and usability of 1SHIFT from a key future potential client; with the validation, the Company has moved substantial resources to complete the 1SHIFT platform as expeditiously as possible. Commercial launch for 1SHIFT is scheduled for March 2019.

During the quarter, the Company has continued to focus on several strategies that will enable the acceptance of the 1SHIFT Product, being:

a. Expand our Logistics Competency & Market Readiness:

- Expanded our Logistics Advisory Board: engaged and onboarded three new logistics industry advisors, all of whom hold executive level positions of a regional logistics companies. Prior to obtaining the executive level positions of their respective firms, the advisors have had key roles at large multinational logistics corporations and have since taken logistics startups from inception through revenue.
- Prepared 1SHIFT logistics platform demo, sales and marketing material for upcoming roadshows and potential client walkthroughs.
- Expanded our delivery centres for quality assurance, mobile development and artificial intelligence to manage spend and increase our velocity and scale as we get close to launching our friendly user trials in late December 2018.
- Mobilized customer success division in preparation for launch, including onboarding a potential Chief Operations Officer.

- Expand our potential client lists to initiate our outbound sales campaign, which will be initiated before the end of the year.

b. R&D:

- Continued thorough current market competitor analysis and confirmed our 1SHIFT platform features are more comprehensive than existing comparable competitor's platforms.
- Further deepened our case of using artificial intelligence ("AI") in our Platform, that has significant potential to save future clients time and resources.
- Continued the development of our blockchain logistics rating engine that will allow immutable log of the top 10 performing trucking companies within our Platform broken down by region.
- Continued iOS/Android development of our trucker mobile app simplifying the user interface and optimizing feature sets.
- Finalized workflows that drive deep real-time visibility and control of loads that all users within our Platform can use for managing and tracking goods.

c. Partnerships:

- Developed framework for 1SHIFT's global reseller program to maximize market penetration and customer acquisition with agility and speed required in this competitive space.
- Onboarded new development partners to increase our velocity in order to scale to manage and prioritize Platform features once we initiate MVP this year.

d. Operational Readiness:

- Maintained focus on operational efficiency resulting in streamlining of the Company's human resources to reduce cash burn, while increasing our customer service and product delivery capacity.
- As a measure of minimal viable product readiness ("MVP"), assessing all aspects of our business from tier 1 & 2 customer support, and implementing standard operating procedures to minimize business disruption to our customers during the adoption phase of the Platform.

e. Customer Success Planning:

- Continued development of our customer acquisition and success program.
- Finalized customer acquisition strategy that includes leveraging existing deep logistics network, presenting at the majority of logistics seminars, outbound call campaign, digital marketing campaigns, as well as global referral programs.
- Continued to work with friendly logistics industry subject matter experts on what the definition of success is for the logistics industry; this includes reducing disputes between carriers and shippers, automating timely settlement, and providing real-time visibility and analytics for loads.

Other Product-Related Updates

The Company is working with Konnect Mobile Communications Inc. ("Konnect"), a private company, in the pursuit to leverage both companies' strengths, products, marketing, leadership, and potential clients to maximize the future revenue of both parties on several key opportunities with the retail and Canadian Credit Union Division. During the last quarter, several Credit Union negotiations held on the value proposition, the strategy of implementation, and commercialization.

The Company is working with Trimark Technologies Inc. ("Trimark") a private company selected for their biometric fingerprint product and other technical architecture. The biometric fingerprint product is in the final stages of development, which LLT wishes to incorporate into the 1SHIFT platform. A new statement of work to issue Trimark has been prepared and delivered this quarter for a significant blockchain enterprise platform initiative.

The Company entered into a Subcontractor Agreement with one of the largest multinational services firms ("Contractor") to perform services as described in a Work Order ("the Services") on behalf of the Contractor's clients. The first term of services is from October 5th, 2018 to December 28th, 2018 which include deliverables, but are not limited to: solutions architecture, wireframes and web designs, code and data model.

The Company elected to temporarily turn off its cryptocurrency mining machines ("machines") and placed them under care and maintenance because of the unfavourable market price of the cryptocurrencies being mined. The Company is assessing the best course of action for the machines, which includes disposition through sale, relocating the machines to a geographic location with favourable electricity rates or keeping the machines under care and maintenance until more favourable cryptocurrency market prices immerge.

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.

	August 31, 2018	May 31, 2018	February 28, 2018	November 30, 2017
Total assets	$ 13,752,911	$ 14,176,588	$ 1,377,080	$ 1,425,716
Working capital (deficiency)	8,698,662	12,717,850	(7,127)	88,856
Shareholders' equity	13,053,030	14,127,056	7,127	65,579
Income (loss) for the period	(2,037,542)	(1,205,843)	(72,707)	38,122
Basic and diluted income (loss) per share	(0.10)	(0.10)	(72,707)	38,122

	August 31, 2017	May 31, 2017	February 28, 2017	November 30, 2016
Total assets	$ -	$ -	$ -	$ -
Working capital deficiency	(4,926)	(3,284)	(1,642)	(39,017)
Shareholders' equity	4,926	3,284	1,642	39,017
Loss for the period	(1,642)	(1,642)	(1,642)	(13,006)
Basic and diluted loss per share	(1,642)	(1,642)	(1,642)	(13,006)

Results of Operations

For the year ended November 30, 2017, the Company incurred a net loss of $42,783 compared to a loss of $3,316,092 for the nine months ended August 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 $329,117 (2017 - $1,463), issued stock options and recorded $871,201 in share-based compensation for the period, consulting fees of $125,195 (2017 - $Nil), management fees, director fees, salaries and wages of $224,697 (2017 - $Nil), marketing of $234,800 (2017 - $Nil) and a gain on settlement of debt of $164,978 (2017 - $Nil), and acquired the assets of LiteLink Labs Inc. (formerly Chainlinks Lab Inc.). Due to the Company completing an RTO, comparative numbers are for AXS Innovations Inc. (formerly Do Some Marketing Block Corp Canada Inc.) ("AXS").

Liquidity

Working Capital

The net working capital, defined as current assets less current liabilities, increase from working capital of $8,698,662 as at August 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 August 31, 2018.

Cash

As at August 31, 2018, the Company had cash of $8,807,680 compared with $Nil as at August 31, 2017. The increase in cash is due to receiving $10,901,612 net proceeds from issuance of common shares and settlement of a note receivable in relation to the BLOC Assets of $2,331,300, offset by an outflow of: acquisition of equipment $1,029,001 (2017 - $Nil), repayment of notes payable in the amount of $61,675 (2017 - $Nil), acquisition of LiteLink Labs Inc. $3,067,804 (2017 - $Nil), operating costs of $1,337,885 (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 period ended August 31, 2018 was $1,337,885 compared with $Nil of cash used in operating activities during the period ended August 31, 2017.

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

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

Cash Used in Investing Activities

The Company incurred costs of $1,029,001 as investing activities during the period ended August 31, 2018 (2017 - $Nil) relating to the acquisition of property, plant and equipment, paid out $3,067,804 in relation to the acquisition of LiteLink Labs Inc. and the inflow of cash relating to the settlement of the BLOC Assets of $2,331,300.

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

Cash Generated by Financing Activities

During the period ended August 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 August 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 August 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 $11,597,459 (CAD$14,924,025). The Company issued $695,848 in share issuance costs relating to the private placement.

During the period ended August 31, 2018, the Company issued 369,063 common shares in relation to the exercise of warrants at CAD$0.05 per warrant for $14,252 (CAD$18,003).

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

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.

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 opportunities 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.

Commitments

The Company acquired an operating lease for LiteLink Labs Inc. related to their Kelowna operations commencing October 28, 2018. During the period the Company entered into an operating lease for office space within Greater Vancouver, which commences on December 1, 2018.

The annual lease commitments, undiscounted, under the leases, are as follows:

Year	Total
2019	$ 58,948
2020	202,701
2021	202,701
2022	63,943
2023	53,359
2024	31,126
Total	$ 612,778

Related Party Transactions and Balances

Related parties include key management personnel and companies under the control of key management personnel. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

The Company entered into the following transactions with related parties:

	For the nine months ended August 31, 2018	2017
Consulting fees	$ 48,286	$ -
Management fees, director fees, salaries and wages	57,735	-
Marketing	93,889	
Share-based compensation	337,812	-
	$ 537,722	$ -

As at August 31, 2018, recorded in accounts payable to related parties is $46,374 (August 31, 2017 - $Nil) due to the Chief Executive Officer for consulting fees and reimbursement of expenses.

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 August 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.

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:

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 and accrued liabilities	Other liabilities	Amortized cost
Accounts payable to related parties	Other liabilities	Amortized cost
Convertible debentures	Other liabilities	Amortized cost

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 and digital currencies are measured at fair value using Level 1 inputs. The carrying value of the note receivable, accounts receivable, accounts payable and accrued liabilities, accounts payable to related parties and convertible debentures 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, digital currencies, accounts payable and accrued liabilities, accounts payable to related parties, and convertible debentures.

The fair values of cash and digital currencies are measured on the statement of financial position using Level 1 of the fair value hierarchy. The fair values of notes receivable, accounts receivable, accounts payable and accrued liabilities, accounts payable to related parties, and convertible debentures approximate their book values because of the short-term nature of these instruments.

Financial instrument risk exposure

The Company is exposed in 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. As of August 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. A 25% variance in the price of each of these digital currency holdings on the Company's earnings before tax, based on their closing prices at August 31, 2018 is $12,165.

(iii) *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 denominated in Canadian Dollars as of August 31, 2018 is $8,064,045. The impact of a 10% variance in the USD/CAD exchange rate would be approximately $806,404.

Issued and Outstanding Share Data

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

	Number of options issued	**Number of issued or issuable shares**
Common shares	-	167,386,866
Stock options	20,500,000	1,258,333
Stock warrants	-	38,389,937

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.

Risks and Uncertainty

An investment in the securities of the Company may be regarded as speculative due to the Company's stage of development. Risk factors relating to the Company could materially affect the Company's future results and could cause them to differ materially from those described in forward-looking statements relating to the Company. Prospective investors should carefully consider the following risks and uncertainties:

Additional Financing

The Company has a history of operating losses and uses cash raised in equity markets to partially fund working capital. If adequate funds are not available when required or on acceptable terms, the Company may be required to delay, scale back or terminate its sales and marketing efforts, and may be unable to continue operations. There can be no assurance that the Company will be able to obtain the additional financial resources required to compete in its markets on favourable commercial terms or at all. Any equity offering may result in dilution to the ownership interests of shareholders and may result in dilution of the value of such interests. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Customer Acquisitions

The development activities of the Company may be funded by its customers through engineering services provided in addition to the Company's investment in enhancing its existing product suite. If the Company fails to develop new products, incurs delays in developing new products, or if the product or enhancements to existing products and services that the Company develops are not successful, the Company's business could be harmed. Even if the Company does develop new products that are accepted by its target markets, the Company cannot assure that the revenue from these products will be sufficient to justify the Company's investment in research and development.

History of Losses

The Company has a history of losses, and there can be no assurance that the Company's losses will not continue in the future. As at August 31, 2018, the Company had an accumulated deficit of $3,211,913. The Company's prospects must be considered in the context of the implementation stage of its current strategy, the risks and uncertainties it faces, and the inability of the Company to accurately predict its results of sales and marketing initiatives. There can be no assurances that implementation of the Company's strategy will result in the Company generating and sustaining profitable operations.

Product Development and Technological Change

The market for the Company's products and services is characterized by rapidly changing technology, evolving industry standards and frequent new product introductions. To be successful, the Company will need to enhance existing products and to introduce new products and features in response to changing standards, customer requirements, and technological innovations by others. There can be no assurance that the Company will be successful in doing this in a timely manner or at all. The cryptocurrency mining computing, SaaS and IIoT industries are characterized by a continuous flow of improved hash rates and products that render existing cryptocurrency mining machines, SaaS and IIoT products obsolete. There can be no assurance that products or technologies developed by others will not render the Company's products obsolete or non-competitive.

Intellectual Property Protection

The Company's ability to compete may be affected by its ability to protect its intellectual property. It relies primarily on a combination of copyright, trademark, patent and trade secret laws, confidentiality procedures and contractual provisions to protect its intellectual property. While the Company believes that its products and technologies are adequately protected against infringement, there can be no assurance of effective protection. Monitoring and identifying unauthorized use of the Company's technology is difficult, and the prohibitive cost of litigation may impair the Company's ability to prosecute any infringement. The commercial success of the Company will also depend upon its products not infringing any intellectual property rights of others and upon no claims for infringement being made against the Company. The Company believes that it is not infringing any intellectual property rights of third parties, but there can be no assurance that such infringement will not occur. Any infringement claims against the Company by a third party, even if it is invalid, could have a material adverse effect on the Company because of the costs of defending against such a claim.

Customer Concentration

The Company's business and future success depend on the Company's ability to maintain its existing customer relationships, add new customers and expand within their current customers. If certain significant customers, for any reason, discontinues their relationship with us, or reduces or postpones current or expected orders for products or services, or suffers from business loss, our revenues and profitability could decline materially.

Dependence on Key Personnel

The Company's future success depends largely on its ability to attract and retain talented employees. The Company is highly dependent on a limited number of key personnel to maintain customer and strategic relationships. Loss of key personnel could have an adverse effect on these relationships and negatively impact the Company's financial performance. The Company's future results of operations will depend in part on the ability of its officers, management and other key employees to implement and expand operational, customer support and financial control systems and to expand, train and manage its employee base. The Company's future performance will also depend to a significant extent on its ability to identify, attract, train and retain highly skilled sales, technical, marketing and management personnel. If the Company were to lose the services of any key personnel, the Company might encounter difficulties finding qualified replacement personnel.

Management of Growth

The Company's future results of operations will depend in part on the ability of its officers and other key employees to implement and expand operational, customer support and financial control systems and to expand, train and manage its employee base. The Company's future performance will also depend to a significant extent on its ability to identify, attract, train and retain highly skilled sales, technical, marketing and management personnel. Substantial growth in the Company's SaaS initiatives may require the Company to raise additional capital through the issuance of additional shares or securing financing. There can be no assurance that the Company would be able to secure additional funding through these activities.

Stock Price Volatility

The market price for the common shares of the Company fluctuates significantly, and these fluctuations tend to be exaggerated if the trading volume is low. The market price of the common shares may rise or fall in response to announcements of technological or competitive developments, acquisitions or strategic alliances by the Company or its competitors, the gain or loss by the Company of significant orders or broad market fluctuations.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. During the year ended November 30, 2017, the Company's Independent Auditors included an explanatory paragraph in their Audit Report describing a material uncertainty that may cause significant doubt about the Company's ability to continue as a going concern due to recurring losses incurred in recent years. The Company's accompanying interim condensed consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying interim condensed consolidated financial statements.

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. Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.

Corporate Directory

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260 – 3480 Gilmore Way
Burnaby, B.C., V5G 4Y1

Officers and Directors
Mohammad Ahmad (Chairman of the Board)
Ashik Karim (CEO & Director)
Yasmine Roulleau (CIO & Director)
Marco Parente (Director)
David Kwok (CFO)

Members of the Audit Committee
Mohammad Ahmad (Chairman of the Board)
Yasmine Roulleau (CIO & Director)
Marco Parente (Director)

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