

1040433 BC LTD.

Management's Discussion and Analysis

For the Year Ended July 31, 2017

General

This management discussion and analysis of financial position and results of operations ("MD&A") is prepared as at September 11, 2017 and should be read in conjunction with the audited financial statements for the year ended July 31, 2017 and related notes of 1040433 BC Ltd. ("1040433" or the "Company"). These audited consolidated financial statements, including comparatives, have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

Management is responsible for the preparation and integrity of the 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 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 Canadian 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.

Description of Business

The Company is a business development services company. It provides business development services to new and emerging businesses, including making introductions to accountants, lawyers, brokers, transfer agents, and various other professionals and service providers to assist companies in raising capital and going public. The Company is a reporting issuer in the provinces of British Columbia and Alberta.

Plan of Arrangement

In July 2015, the Company entered into an Arrangement Agreement with TNX Maverick Inc. (“TNX”) (formerly Kidani Capital Partners Inc.) and 1033143 BC Ltd. (“1033143”). TNX is a reporting issuer in the provinces of Alberta and British Columbia

In October 2015, the shareholders of the Company, TNX and 1033143, executed the Arrangement as follows:

- a) 1033143 acquired all of the issued and outstanding common shares of the Company from TNX for consideration of the Purchase Price of \$1,000 on the Closing of the Plan of Arrangement (the “Purchase Shares”);
- b) 1033143 and the Company exchanged securities on a 1:1 basis such that 396,600 common shares of 1033143 were exchanged by their holders for 396,600 common shares of the Company;
- c) TNX and the Company exchanged on a 1:1 basis, such that TNX issued one common share to the Company and the Company issued one common share to TNX (collectively, the “Exchange Shares”); and
- d) The Purchase and the Exchange Shares were then cancelled.

Following completion of the Arrangement Agreement, the Company became a reporting issuer.

A transaction fee of \$6,932 was recorded as a result of the Arrangement.

As a result of the Arrangement Agreement, the former shareholders of 1033143, for accounting purposes, are considered to have acquired control of the Company. Accordingly, the Arrangement has been accounted for as a reverse takeover that was not a business combination and effectively a capital transaction of the Company. As 1033143 is deemed to be accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on June 19, 2015 are included in the consolidated financial statements at their historical carrying value. The financial statements are a continuation of 1033143 in accordance with IFRS 3, Business Combinations. The Company’s results of operations are included from October 29, 2015 onwards.

Letter of Intent

On August 18, 2017, the Company entered into a letter of intent (the “LOI”) relating to the acquisition of eXeBlock Technology Inc. (“eXeBlock”), a private corporation existing under the laws of Canada (the “Acquisition”). The Acquisition will be effected through an exchange of securities with all of the securityholders of eXeBlock (the “Transaction”). The principal business carried on by eXeBlock is the development and operation of blockchain software, also known as decentralized applications or DAPP.

The LOI includes:

- a) The Company will acquire all of the issued securities of eXeBlock. The intent of the parties being that all common shares of eXeBlock prior to the closing of the Transaction will be exchanged for common shares of the Company on the basis of two shares of the Company for each eXeBlock share. eXeBlock currently has 19,050,000 shares outstanding with no warrants or options. The Company will issue 38,100,000 common shares to the shareholders of eXeBlock, representing approximately 87.2% of the issued and outstanding common shares of the Company after completion of the Acquisition. The Company currently has 5,596,000 shares outstanding and 2,600,000 share purchase warrants.
- b) The Company will change its corporate name to eXeBlock Technology Inc. Upon closing of the Transaction, the Board of Directors will consist of four (4) directors, comprised of three (3) nominees from eXeBlock and one (1) nominee from the Company.
- c) Post closing, eXeBlock intends to complete a non-brokered private placement. The investment will be led by the Toronto-based PowerOne Capital Group and include Halifax-based Numus Capital for up to 10,000,000 common shares of eXeBlock at a price of \$0.35, to raise aggregate gross proceeds of up to \$3,500,000 (the “Private Placement”). The net proceeds from the Private Placement will be used by eXeBlock to fund its software development. In connection with the Private Placement, eXeBlock will pay to arm’s length finders a finder’s fee comprised of cash fee equal to 7.5% of funds related to investments in eXeBlock and warrants representing 7.5% of the number of shares issued as introduced by finders in the Private Placement of eXeBlock.
- d) eXeBlock plans to complete an initial listing on the Canadian Securities Exchange (the “Exchange” or “CSE”), pending Exchange and regulatory approval.

Selected Annual Information

	July 31, 2017	July 31, 2016	July 31, 2015
Total assets	\$ 308	\$ 1	\$ 1
Total liabilities	\$ 11,370	\$ 2,750	\$ -
Revenue	\$ -	\$ -	\$ -
Total expenses	\$ 8,312	\$ 10,682	\$ -
Net loss	\$ (8,312)	\$ (10,682)	\$ -
Loss per share	\$ (0.02)	\$ (0.04)	\$ -

Results of Operations

For the year ended July 31, 2017, the Company incurred a loss of \$8,312 compared to a loss of \$10,682 in 2016. The loss included accounting and audit fees of \$4,642, management and corporate services of \$3,205, office and miscellaneous costs of \$749.

During 2016, the Company incurred transaction fees of \$6,932 related to the Plan of Arrangement.

Selected Quarterly Information

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 Canadian dollars.

Quarter Ended	Loss (Income) for the period	Loss (Income) per Share (Basic & Diluted)	Total Assets	Interest Income
July 31, 2017	\$8,657	\$0.02	\$308	\$Nil
April 30, 2017	\$(645)	\$(0.00)	\$Nil	\$Nil
January 31, 2017	\$150	\$0.00	\$Nil	\$Nil
October 31, 2016	\$150	\$0.00	\$Nil	\$Nil
July 31, 2016	\$1,700	\$0.01	\$Nil	\$Nil
April 30, 2016	\$450	\$0.00	\$Nil	\$Nil
January 31, 2016	\$450	\$0.00	\$Nil	\$Nil
October 31, 2015	\$8,082	\$0.98	\$Nil	\$Nil

Financial Condition, Liquidity and Capital Resources

The Company's working capital deficiency position at July 31, 2017 was \$11,062 including cash of \$Nil. The Company does not currently have an active business generating positive cash flows. The Company is reliant on equity financing or shareholder loans to provide the necessary cash to acquire or participate in an active business. There can be no assurance that equity financings will be available to the Company in the future that will be obtained on terms satisfactory to the Company.

The Company has not entered into any off-balance sheet arrangements.

Related Party Transactions

During the year ended July 31, 2017, the Company paid and/or accrued accounting and management fees of \$5,705 (2016 - \$Nil) to a company controlled by a director of the Company.

Included in accounts payable and accrued liabilities at July 31, 2017 is \$6,966 (2016 - \$Nil) owed to directors and companies controlled by directors of the Company.

Financial Instruments and Risk Management

Fair Values

The fair values of cash and equivalents, receivables and trade payables approximate their book values because of the short-term nature of these instruments.

(a) *Financial Risk Management*

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

(b) *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 process.

Credit Risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of tax receivables due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Market risk

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

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company is not exposed to foreign currency risk on fluctuations in exchange rates.

(c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Contingencies

The Company is not aware of any contingencies or pending legal proceedings as of September 11, 2017.

Additional share information

As at July 31, 2017 the Company had 396,601 common shares outstanding.

On August 14, 2017, the Company closed a non-brokered financing of 5,200,000 units at \$0.03 per unit for gross proceeds of \$156,000. Each unit consists of a common share and one-half of one share purchase warrant, with each whole warrant entitles the holder thereof to acquire an additional common share of the Company at a price of \$0.05 per share for a period of 3 years.

As at the date of this report, the Company had 5,596,601 common shares and 2,600,000 warrants outstanding.

Financial and Disclosure Controls and Procedures

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's consolidated financial statements for the year ended July 31, 2017 (together the "Annual Filings").

The Chief Executive Officer and Chief Financial Officer of the Company have filed the Venture Issuer Basic Certificate with the Interim and Annual Filings on SEDAR at www.sedar.com.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Cautionary Statement on Forward Looking Information

Certain statements contained in this document constitute “forward-looking statements”. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements.