eXeBlock Technology Corporation
(formerly 1040433 B.C. Ltd.)
For the Period ended November 30, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") provides a review of the performance of eXeBlock Technology Corporation (the "Company" or "eXeBlock") and should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company (the "Financial Statements") for the period ended November 30, 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A should also be read in conjunction with the audited financial statements and accompanying notes of eXeBlock Technology Inc. for the period ended August 31, 2017 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") for annual financial statements. All amounts are in Canadian dollars unless otherwise specified. The MD&A, financial statements and other information, including news releases and other disclosure items are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com under the Company's profile. The common shares of eXeBlock Technology Corporation are traded on the Canadian Securities Exchange ("CSE") under the symbol "XBLK".

The information presented in this MD&A is as of January 29, 2017. The reporting currency for the Company is the Canadian dollar. All of the financial information presented herein is expressed in Canadian dollars, unless otherwise stated. United States dollars are indicated by the symbol "US$". This MD&A contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. The reader is cautioned not to place undue reliance on forward-looking statements.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

This MD&A contains "forward-looking information"; as such term is defined in applicable Canadian securities legislation. Forward-looking information is necessarily based on a number of estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies. All statements other than statements which are reporting results as well as statements of historical fact set forth or incorporated herein by reference, are forward looking information that may involve a number of known and unknown risks, uncertainties and other factors, many of which are beyond the Company's ability to control or predict. Forward-looking information can be identified by the use of words such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "intends", "continue", or the negative of such terms, or other comparable terminology.

This information includes, but is not limited to, comments regarding:

- the development plans for the decentralized applications;
- the Company's business strategy;
- the Company's strategy for protecting its intellectual property;
- the Company's ability to obtain necessary funding on favorable terms or at all;
- the Company's plan and ability to secure revenues;
- the risk of competitors entering the market;
- the Company's hiring and retention of skilled staff;
- the ability to obtain financing to fund future expenditure and capital requirements; and
- the impact of adoption of new accounting standards.

Although the Company believes that the plans, intentions and expectations reflected in this forward-looking information are reasonable, the Company cannot be certain that these plans, intentions or expectations will be achieved. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking information contained in this report. Disclosure of important factors that could cause actual results to differ materially from the Company's plans, intentions or expectations is included in this report under the heading *Risk Factors*.

Forward-looking information inherently involves risks and uncertainties that could cause actual results to differ materially from the forward-looking information. Factors that could cause or contribute to such differences include, but are not limited to, unexpected changes in business and economic conditions, including the global financial and capital markets; changes in interest and currency exchange rates; changes in operating revenues and costs; political or economic instability, either globally or in the countries in which the Company operates; local and community impacts and issues; labour disputes; environmental costs and risks; competitive factors; availability of external financing at reasonable rates or at all; and the factors discussed in this MD&A under the heading *Risk Factors*. Many of these factors are beyond the Company's ability to control or predict. These factors are not intended to represent a complete list of the general or specific factors that may affect the Company. The Company may note additional factors elsewhere in this MD&A. All forward-looking statements and information speak only as of the date made. All subsequent written and oral forward-looking statements attributable to the Company, or persons acting on the Company's behalf, are expressly qualified in their entirety by these cautionary statements. Readers are cautioned not to put undue reliance on forward-looking information due to the inherent uncertainty therein. The Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

CORPORATE OVERVIEW

eXeBlock Technology Corporation (the "Company" or "eXeBlock"), formerly 1040433 B.C. Ltd. ("1040433"), was incorporated pursuant to the British Columbia Business Corporations Act on June 19, 2015. On August 18, 2017, the Company and eXeBlock Technology Inc. ("eXeBlock Inc.") signed a letter of intent and on September 6, 2017, the Company and eXeBlock Inc. entered into a Share Exchange Agreement (the "Agreement") under which the transaction was completed and the Company effected a change in directors, management and business. The Company changed its name to eXeBlock Technology Corporation. eXeBlock Inc. was incorporated on July 11, 2017 under the laws of the Canada Business Corporations Act.

The Company acquired eXeBlock Inc. through a reverse acquisition transaction described in Note 4 of the Company's unaudited interim consolidated financial statements for the quarter ended November 30, 2017. Under the terms of the Agreement, the Company acquired all of the issued and outstanding common shares of eXeBlock Inc. based on two shares of the Company for each share of eXeBlock Inc. eXeBlock Inc. is engaged in the business of developing and marketing decentralized applications ("DApps"). eXeBlock Inc. was federally incorporated pursuant to the Canada Business Corporations Act on July 11, 2017. eXeBlock Inc. is deemed to be the continuing entity for financial reporting purposes and therefor its historical operations, assets and liabilities are included as the comparative figures as at August 31, 2017.

On November 9, 2017, the Company filed a Prospectus in association with its initial listing application on the Canadian Securities Exchange ("CSE") and its common shares commenced trading on the CSE on November 16, 2017 as a Technology Issuer under the trading symbol "XBLK".

The Company's corporate office is Suite 280, 1090 West Georgia Street, Vancouver, BC, V6E 3V7. eXeBlock Inc.'s technical office is located at 47 Lockheed Crescent, Debert, Nova Scotia, Canada, B0M 1G0. The registered office of eXeBlock Inc. is located at Suite 1100, 1959 Upper Water Street, Halifax, Nova Scotia, Canada, B3J 3N2.

REVERSE AQUISITION TRANSACTION

On August 18, 2017, the Company entered a letter of intent with eXeBlock Inc. and on September 6, 2017, the Company and eXeBlock Inc. entered into a Securities Exchange Agreement ("SEA") under which the proposed reverse acquisition transaction was completed. Under the terms of the SEA, the Company acquired all of the issued and outstanding common shares eXeBlock Inc. based on two shares of the Company for each common share of eXeBlock Inc. The Company issued 38,100,002 common shares in exchange for the 19,050,001 common shares of eXeBlock Inc. (the "Transaction").

The Boards of Directors of the Company and eXeBlock Inc. each unanimously approved the terms of the Transaction. Upon closing, eXeBlock Inc. shareholders held approximately 87.2% of the outstanding shares of the Company. In substance, the Transaction involves eXeBlock Inc. shareholders obtaining control of the Company and accordingly the Transaction is considered to be a reverse takeover transaction ("RTO") with eXeBlock Inc. acquiring control of the Company. As the Company does not meet the definition of a business, under IFRS prior to the Transaction, the future consolidated financial statements of the combined entity will represent the continuation of eXeBlock Inc. The Transaction will be accounted for as a share-based payment whereby eXeBlock Inc. acquired the net assets of the Company and the Company's status as a Reporting Issuer.

The Company adopted a financial year end of August 31st as a result of the closing of the Transaction.

For accounting purposes, the acquisition is considered to be outside the scope of IFRS 3 Business Combinations ("IFRS 3") since the Company, prior to the acquisition did not constitute a business. The transaction is accounted for in accordance with IFRS 2 Share-based Payment whereby eXeBlock Inc. is deemed to have issued shares and share purchase warrants in exchange for the net assets of the Company together with its Reporting Issuer status at the fair value of the consideration received by eXeBlock Inc. The accounting for this transaction resulted in the following:

(i) The consolidated financial statements of the combined entities are issued under the legal parent, eXeBlock Technology Corporation, but are considered a continuation of the financial statements of the legal subsidiary, eXeBlock Technology Inc.

(ii) Since eXeBlock Technology Inc. is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.

Since the share and share-based consideration allocated to the former shareholders of the Company on closing the Transaction is considered within the scope of IFRS 2, and the Company cannot identify specifically some or all of the goods or services received in return for the allocation of the shares and warrants, the value in excess of the net identifiable assets or obligations of the Company acquired on closing is expensed in the consolidated statement of comprehensive loss as listing fee expense. See the Results of Operations section on page 7 and the note 4 of the Company's unaudited interim consolidated financial statements for the quarter ended November 30, 2017.

OPERATIONAL OVERVIEW

eXeBlock intends to capitalize on the vast opportunities available in blockchain technology development. eXeBlock is a designer of custom, state-of-the-art blockchain based software applications that provide profitable, secure and efficient operating solutions to businesses and markets globally. eXeBlock is one of the first Canadian public companies focused on the development of disruptive decentralized applications using blockchain technology. The Company intends to create new decentralized applications ("DApps" or "applications") for the blockchain community that are massively scalable and financed through a variety of sources ranging from traditional equity or under contract from third-parties.

eXeBlock's business model and strategy is based on identifying and developing blockchain related applications and services. From a la carte services to turn-key project delivery, eXeBlock will have the technical and financial capacity to successfully enter the blockchain ecosystem by conceptualizing, developing and launching DApps privately or for third parties. Funds raised through traditional equity markets and consulting fees will be used to cover development and marketing costs incurred by eXeBlock directly or on behalf of clients. DApp's built by eXeBlock in its original open-source form will earn recurring 'per use' revenue as the developer of the decentralized application. eXeBlock Inc. may share in the profits earned from the DApp. Investors in eXeBlock will be exposed to multiple blockchain applications.

EXEBLOCK’S EXE50/50 DECENTRALIZED APPLICATION

In December 2017, the Company launched its first white paper for the new ‘DApp’, eXe50/50 Draw (“eXe50/50”). Through blockchain technology, the eXe50/50 DApp will allow charities to fundraise in multiple jurisdictions at nominal operational, administrative and audit costs. The white paper is currently available on the Company’s website.

The release of the eXe50/50 white paper is a key milestone towards commercialization and revenue generation for the Company. Full scale commercialization is expected to commence in the second quarter of 2018. DApp revenue will be generated as a percentage of the funds raised during each 50/50 Draw. Following full roll-out, the eXe50/50 application will be established to be used concurrently by multiple charities in any jurisdiction on a local to global basis. Numerous associations, community leagues, professional sports and charities use 50/50 draws for raising funds all around the world. There are 1.8 million non-profits and charities located in Canada, the United States and United Kingdom alone.

Charitable organizations will benefit significantly from the eXe50/50 application as 50/50 draws are a proven low-cost fundraising tool. The eXe50/50 DApp will allow charities to conduct fundraising activities efficiently and cost effectively. The eXe50/50 DApp is easy to use, can be brought to the market in a short period and will have low administrative costs. Charities will target fundraising activities within their existing support groups or utilize web and cellular networks to identify new supporters on a global basis. Charity supporters will benefit from the increased transparency inherent in blockchain technology and the ability to support charities in remote markets. The result will be an efficient, cost effective fundraising tool for charities to scale and use 24 hours a day, seven days a week, year-round.

In early January 2018, the eXe50/50 DApp was posted to TestNet. This phase of development is expected to continue for the next four to six weeks and will result in the accumulation of important user feedback and opinions on the application and test the application prior to full commercial roll-out.

The TestNet phase will act as the starting point for gathering feedback on features and functionality from stakeholders regarding how they would like to see the eXe50/50 DApp operate. Based on user feedback, certain features of the eXe50/50 DApp will be adjusted and implemented to optimize the functionality of the DApp. This process enables TestNet users to utilize the DApp and have it modified where required to enhance the features and performance characteristics of the DApp prior to the DApp’s public release. The TestNet phase does not provide specific details on how the backend application is coded.

Following the TestNet phase, code used in the development of the eXe50/50 DApp will be released publicly on the Peerplays blockchain network. The Peerplays platform has been designed to share revenues generated from all activities carried out within the blockchain network. eXeBlock recently acquired approximately 940,000 Peerplays tokens (“PPY”) and as such will generate revenue from each 50/50 draw completed on the Peerplays’ network.

MULTIPLE DAPP DEVELOPMENT AGREEMENT

In mid-December 2017 the Company entered into an agreement with the Peerplays Blockchain Standards Association to develop four DApps over the course of the next twenty-four months. The DApps will be compatible with the Peerplays blockchain platform. eXeBlock will use its team’s expertise in developing the DApps and will have full discretion in determining which DApps to develop. The Peerplays platform arguably incorporates the fastest, most advanced consensus mechanism in decentralized blockchain technology available today. Each DApp will be released in Beta form on TestNet in advance of any production release, in order to gather feedback from the blockchain user community. The TestNet phase of development provides application developers with an inexpensive way to experiment or “test” DApps and provide functional and operational feedback on new DApps in order to have them gain approval by node operators for a protocol update to include the new DApp into the blockchain.

With the commitment to develop the DApps, eXeBlock will receive approximately 940,000 PPY tokens. PPY tokens are digital assets that will allow holders to vote on operational modifications within the network and share in revenue generated by DApps operating on the Peerplays blockchain platform. The eXeBlock Risk and Disclosure Committee has reviewed the terms of the transaction, issues surrounding the transaction along with the policies and procedures necessary to accept PPY tokens as consideration.

DIRECTORS, OFFICERS AND FOUNDER

Ian Klassen - *Chief Executive Officer, President and Director*

Mr. Klassen has 25 years of experience in public company management, public relations, government affairs and entrepreneurialism. He has extensive experience in public company administration, finance, government/legislative policy, media relationship strategies and project management.

Mr. Klassen is the President of a North American mineral exploration company and sits on the Board of Directors of several private and public companies. Previous to his management activities within private and public companies, Mr. Klassen held a variety of positions within federal Canadian politics including; Senior Political Advisor to the Minister of State (Transportation); and Chief of Staff, Office of the Speaker of the Canadian House of Commons.

Mr. Klassen graduated with an undergraduate Honours Degree from the University of Western Ontario in 1989. In 1992, Mr. Klassen received the Commemorative Medal for the 125th Anniversary of the Confederation of Canada in recognition of his significant contribution to his community and country.

Robert Randall - *Chief Financial Officer and Corporate Secretary*

Mr. Randall has served as a CFO for a number of TSX Venture Exchange listed companies over the past five years and has extensive public company financial experience. Previously, he was the Corporate Controller for Etruscan Resources Inc. and a principal with PricewaterhouseCoopers. Mr. Randall graduated with a Commerce Degree from St. Mary's University in Halifax and obtained his CPA, CA designation in 1987 with Coopers and Lybrand Chartered Accountants where he was appointed as a Principal in 1995. Mr. Randall has been the CFO of Stockport Exploration Limited since June 2012; Antler Gold Inc. since November 2016; Torrent Capital Ltd. since August 2016 and Duckworth Capital Corp. since May, 2017. He previously served as CFO for a number of other public companies from April 2012 to June 2017. He is a member of the Chartered Professional Accountants of Canada and Nova Scotia and the Chair of the Board of the Nova Scotia Sport Hall of Fame.

Jonathan Baha'i – *Founder*

Jonathan is the Founder of eXeBlock Inc. with over 20+ years of experience in the server hosting and telecommunications industry. As an entrepreneur, Jonathan is identifying future trends in technology and has formed technology based companies designed to solve business data needs. From as early as 1997 in establishing a regional ISP, to remote backup solutions, and eventually pioneering virtualization in 2006, he has worked independently to bring innovation and vision to all his ventures. In 2012, he acquired a nuclear bunker data centre in Nova Scotia, Canada, and founded Data Security Node Inc. In 2014, he become involved with Bitshares and soon became a trusted delegated node operator in the blockchain, at one time providing as much as 10% of the entire network block production. Later in 2015, during the operation of Bitshares 2.0, he went on to be elected to the position of Bitshares 2.0 Committee Member in control of maintaining fee infrastructure for a blockchain that currently has more than a $400m market capitalization. In early 2016 he conceived and founded the Peerplays blockchain and has successfully led its development and launch. He is often sought after for speaking engagements and quotes on matters related to blockchain evolution and development.

Paul Thomson - *Director*

Mr. Thomson is the Chief Compliance Officer and Dealing Representative at Numus Capital Corporation, an Exempt Market Dealer focused on investments in the private capital markets. He also serves as Corporate Secretary of publicly traded resource company, Antler Gold Inc., a company listed on the TSX Venture Exchange. Mr. Thomson has also served as the Manager of Investor Relations at Numus Financial Inc., a venture capital firm focused on early-stage, high-growth companies since the firm's inception in 2014.

Mr. Thomson serves on the Board of Governors of the University of King's College, where he is on the Executive Committee, Finance, Audit and Risk Committee and Advancement Committee. He also serves on the University of King's College Alumni Association Board and sits on the Finance Committee.

Carl Sheppard - *Director*

Mr. Sheppard is the founder and President of Strategic Concepts, Inc. and its subsidiary SCI Resource Software Inc., which provides a range of business advisory, consulting and software services to companies throughout Canada. The company has developed proprietary resource management software and other analytical tools to model economic impacts, labour capacity, project commitments, skills availability, employment and industrial benefits. Strategic Concepts, Inc. has been monitoring procurement activities and industrial benefits on various large resource projects throughout Canada since 2002. The company's monitoring activities have included both construction and operations. The company's software is web-based, easily accessible to project owners, operators, contractors and consultants from anywhere with an internet connection.

As a consultant, Mr. Sheppard has participated in numerous start-ups and has provided guidance on strategic plans, cost/benefit reports and business plans targeted at the identification and analysis of business opportunities. Mr. Sheppard has served as an officer, Board member and committee chair for a number of private and public companies including, Stockport Exploration Inc., Duckworth Capital Corp. and Nwest Energy Inc.

Mr. Sheppard has a Masters of Development Economics from Dalhousie University, where his area of concentration was regional development from a Canadian perspective. He also has a Bachelor of Arts Honours degree from York University's Glendon College and a Bachelor of Arts degree from Memorial University.

SELECTED FINALCIAL INFORMATION

The following table sets out the financial operating results for the period from incorporation on July 11, 2017 to August 31, 2017 (fiscal yearend) and the subsequent quarter ended November 30, 2017:

	Three months Ended November 30, 2017	**Period from July 11, 2017 to August 31, 2017**
	$	**$**
Listing fees	942,129	-
Software development	188,776	61,898
Salaries, wages and benefits	100,246	6,472
Professional fees	86,597	87,877
Market development and advertising	67,456	-
Securities and regulatory fees	31,056	3,094
Travel	22,501	-
Rent and administrative costs	14,027	3,104
Net loss	1,452,788	162,445
Loss per share	$0.03	$0.02
Weighted average shares outstanding	54,527,036	8,134,314

eXeBlock expects to record losses until such time as it further develops its DApps and secures users for them. See the *Risk Factors* section of this MD&A and note 1, *Nature of operations and going concern,* of the unaudited financial statements for the period ended November 30, 2017 for further details.

RESULTS OF OPERATIONS

The Company reported a net loss for the three months ended November 30, 2017 of $1,452,788 or $0.03 per share as compared to a net loss for the period ended August 31, 2017 of $162,445 or $0.02 per share.

The listing fee expense in the amount of $942,129, or $0.018 per share, is comprised of the fair value of common shares and warrants of the Company retained by the former shareholders of the Company less the net assets of the Company at September 6, 2017, as well as, other direct expenses of the Reverse Acquisition Transaction.

The listing fee expense is summarized as follows:

	September 6, 2017 $
Accounts payable and accrued liabilities	29,210
Amounts receivable	(2,719)
Cash	(105,318)
	(78,827)
Common shares deemed to be issued re eXeBlock Corp. (5,596,601 shares at $0.10 per share)	559,660
Warrants deemed to be issued re eXeBlock Corp. (2,600,000 warrants exercisable at $0.05 until August 14, 2020)	220,238
Legal and other transaction costs	241,058
Total	942,129

The Company has estimated the fair value of the equity instruments deemed to be issued by the Company. The fair value of the 5,596,601 common shares amounted to $596,660, based upon a private placement financing of eXeBlock Inc. at $0.10 per share. The fair value of the 2,600,000 eXeBlock warrants, exercisable at $0.05 per share with an expected life of three years, amounted to $220,238. The fair value of the warrants was estimated using the Black-Scholes pricing model applying an expected volatility of 140%, a risk free interest rate of 1% with no expected dividend yield.

The Company has continued the development of its 50/50 DApp which was released in White Paper format in December and on the TestNet in January. It also continues to develop its Freedom Ledger DApp as well as continuing to develop new disruptive decentralized applications using blockchain technology. The Company incurred direct software development costs of $188,776 during the current quarter and incurred $61,898 in the period ended August 31, 2017. To aid in its continued development of its DApps, the Company increased its corporate and technical staffing during the period ended November 30, 2017 and continues to increase its Technical and administrative teams in early 2018.

The Company incurred management services fees with Numus Financial in the amount of $60,000 for the current quarter (period ended August 31, 2017 - $76,065) and legal fees associated with the Company's business operations. The Company initiated marketing and advertising of its operations and blockchain technology in general, as well as, the attendance at various technology conferences and presentations. The Company incurred business travel associated with the conferences and its listing activities. The Company also incurred certain securities and regulatory fees associated with its initial listing on the Canadian Securities Exchange.

LIQUIDITY AND CAPITAL RESOURCES

	As at November 30, 2017	**As at August 31, 2017**
	$	**$**
Cash	5,730,791	615,407
Total assets	5,923,511	642,813
Total liabilities	464,941	205,595
Shareholders' equity	5,458,570	442,218
Net working capital	5,458,570	442,218

During the period ended August 31, 2017, the predecessor Company raised net funds through financing activities of $604,662 through the issuance of 19,050,010 common shares which were subsequently exchanged for 38,100,020 shares of the Company under the Agreement.

On October 4 and 6, 2017, the Company completed non-brokered private placements issuing a total 17,707,428 common shares at a price of $0.35 per share to raise aggregate gross proceeds of $6,197,600. A 7.5% finder's fee was payable on the financing. As part of the financing the Company also issued 7.5% brokers' warrants to acquire common shares at an exercise price of $0.35 for two years. The finder's fee and fair value of the brokers' warrants are recorded as share issue costs.

As of November 30, 2017, the Company had cash resources of $5,730,791 (August 31, 2017 - $615,407). Due primarily to the cash received from the issuance of shares, the working capital balance at November 30, 2017 was $5,458,570 (August 31, 2017 - $442,218).

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. The Company has a planning and budgeting process to monitor operating cash requirements, including amounts projected for DApp development costs and operating expenditures, which are adjusted as input variables change. These variables include, but are not limited to, the ability of the Company to generate revenue from current and prospective customers, general and administrative requirements of the Company and the availability of capital markets. As these variables change, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing.

OFF-BALANCE SHEET ARRANGEMENTS

eXeBlock Inc. has no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to eXeBlock Inc.

RELATED PARTY TRANSACTIONS

During the period ended November 30, 2017, the Company incurred rent costs from a related party, Fallout Complex Inc. ("Fallout"), a company controlled by the Founder of eXeBlock Inc., in the amount of $10,516 ($2,904 during the period ended August 31, 2017) and advances for rental deposits of $4,000. As at November 30, 2017, an amount owing to Fallout of $11,569 was included in accounts payable and accrued liabilities ($7,804 as at August 31, 2017).

During the period ended November 30, 2017, the Company incurred cloud hosting and related fees from a related party, Data Security Node Inc. ("Data Security"), a company controlled by the Founder of eXeBlock Inc., in the amount of $600 ($100 during the period ended August 31, 2017) and advances for annual cloud hosting servers in the amount of $7,000. As at November 30, 2017, an amount owing to Data Security of $690 was included in accounts payable and accrued liabilities ($8,065 as at August 31,2017).

During the period ended November 30, 2017, the Company incurred consultancy fees from a related party, Numus Financial Inc. ("Numus") in the amount of $60,000 ($76,065 for the period ended August 31, 2017). As at November 30, 2017, an amount owing to Numus of $56,988 was included in accounts payable and accrued liabilities ($91,073 as at August 31, 2017).

During the period ended November 30, 2017, the Company incurred management consultancy fees to officers and directors of eXeBlock Inc. of $32,588.

During the period ended August 31, 2017, current directors, officers and the founder of the Company subscribed to an aggregate of 12,300,002 common shares of the non-brokered private placement financing for gross proceeds of $5,098.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Market Risk

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk exposure arises from the Company entering into transactions which are denominated in currencies other than its functional currency.

The Company is exposed to currency risk on its accounts payable and accrued liabilities that are held in currencies that are not in the transacting entity's functional currency. As at November 30, 2017, a 5% decrease in the exchange rate between the functional currency and foreign currencies would decrease the net loss by approximately $5,000; a 5% increase would increase the net loss by approximately $5,000. The Company currently does not hedge its currency risk.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. An immaterial amount of interest rate exposure exists in respect of cash balances on the statement of financial position. As a result, the Company is not exposed to material cash flow interest rate risk on its cash balances.

Credit risk
Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. Cash is held with reputable banks in Canada. The long-term credit rating, as determined by Standard and Poor's, was A+.

RISK FACTORS

The Common Shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. In evaluating the Company and its business, investors should carefully consider, in addition to the other information contained in this MD&A, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material but which also may have a material adverse effect on its business, financial condition, operating results or prospects. In that case, the trading price of the Common Shares could decline substantially, and investors may lose all or part of the value of the Common Shares held by them. An investment in securities of the Company should only be made by persons who can afford a significant or total loss of their investment. There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased.

Risk Factors Associated with eXeBlock's Business

Limited Operating History

eXeBlock has limited operating history. The Company and its business prospects must be viewed against the background of the risks, expenses and problems frequently encountered by companies in the early stages of their development, particularly companies in new and rapidly evolving markets such as the cryptocurrency and blockchain market. There is no certainty that the Company will operate profitably.

No Profits to Date

eXeBlock has not made profits since its incorporation and it is expected that it will not be profitable for foreseeable future. Its future profitability will, in particular, depend upon its success in developing DApps for and to the extent to which any of these DApps themselves are able to generate significant revenues. Because of the limited operating history, the changes in the business and the uncertainties regarding the development of blockchain technology, management does not believe that the operating results to date should be regarded as indicators for eXeBlock's future performance.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful at developing its blockchain business. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Negative Operating Cash Flow

eXeBlock does not generate operating revenue and has negative cash flow from operating activities. It is anticipated that the Company will continue to have negative cash flow in the foreseeable future. Continued losses may have the following consequences:

(a) increasing the Company’s vulnerability to general adverse economic and industry conditions;

(b) limiting the Company’s ability to obtain additional financing to fund future working capital, capital expenditures, operating costs and other general corporate requirements; and

(c) limiting the Company’s flexibility in planning for, or reacting to, changes in its business and industry.

Development of Blockchain Technology

Blockchain technology is a young and rapidly growing business area. Currently, blockchain software is dependent on the widespread acceptance of cryptocurrency as a means of payment within the digital economy. For a number of reasons, including, for example, the lack of recognized security technologies, inefficient processing of payment transactions, problems in the handling of warranty claims, limited user-friendliness, inconsistent quality, lack of availability of cost-efficient high-speed services and lack of clear universally applicable regulation as well as uncertainties regarding proprietary rights and other legal issues, it cannot be ruled out that such cryptocurrency activities may prove in the long run to be an unprofitable means for businesses.

In particular, the factors affecting the further development of the cryptocurrency industry include:

(a) Worldwide adoption and usage of bitcoins and other cryptocurrencies;

(b) Regulations by governments and/or by organizations directing governmental regulations (such as the European Union) regarding the use and operation of and access to bitcoins and cryptocurrencies;

(c) Changes in consumer demographics and public behavior, tastes and preferences;

(d) Redirection and liberalization of using fiat currencies as well as the development of other forms of publicly acceptable means of buying and selling goods and services; and

(e) General economic conditions and the regulatory environment relating to cryptocurrencies.

Regulatory Risks

Changes in or more aggressive enforcement of laws and regulations could adversely impact the Company's business. Failure or delays in obtaining necessary approvals could have a materially adverse effect on the Company's financial condition and results of operations. Furthermore, changes in government, regulations and policies and practices could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Regulatory agencies could shut down or restrict the use of platforms or exchanges using virtual currencies or blockchain based technologies. This could lead to a loss of any investment made in the Company and may trigger regulatory action by the BCSC or other securities regulators.

The legal status of cryptocurrency varies substantially from country to country and is still undefined and changing in many of them. While some countries have explicitly allowed its use and trade, others have banned or restricted it. Likewise, various government agencies, departments, and courts have classified cryptocurrencies differently.

Dependence on Third Party Relationships

The Company is dependent on a number of third party relationships to conduct its business and implement expansion plansincluding the out-sourceing of a variety of business functions reanging from accounting and bookkeeping services, employee salary and deduction providers, server and email providers and similar vendors. It cannot be assured that all of these partnerships will turn out to be as advantageous as currently anticipated or that other partnerships would not have proven to be more advantageous. In addition, it is impossible to assure that all associated partners will perform their obligations as agreed or that any strategy agreement will be specifically enforceable by the Company.

Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change

The success as a developer of blockchain platforms will depend by and large upon the continued development of a stable public infrastructure, with the necessary speed, data capacity and security, and the timely development of complementary products such as high-speed modems for providing reliable internet access and services. Cryptocurrency has experienced, and is expected to continue to experience significant growth in the number of users, amount of content and bandwidth availability. It cannot be assured that the cryptocurrency infrastructure will continue to be able to support the demands placed upon it by this continued growth or that the performance or reliability of the technology will not be adversely affected by this continued growth. It is further not assured that the infrastructure or complementary products or services necessary to make cryptocurrency a viable medium for digital payments will be developed in a timely manner, or that such development will not result in the requirement of incurring substantial costs in order to adapt the Company's services to changing technologies.

Intellectual Property Rights

The only significant intellectual property rights are certain domain names which eXeBlock owns as well as the licenses which have to be in accordance with certain industry standards**.** The Company does not believe that it is dependent on any of these intellectual property rights; however, the loss of several of them at any one time could harm its business, results of operations and its financial condition. Although the Company is not aware of violating commercial and other proprietary rights of third parties, there can be no assurance that its products do not violate proprietary rights of third parties or that third parties will not assert or claim that such violation has occurred. Although no legal disputes in this respect or perceptible detrimental effects on eXeBlock business have arisen to date, any such claims and disputes arising may result in liability for substantial damages which in turn could harm the Company's business, results of operations and financial condition.

Volatilities in Cryptocurrency Prices

The markets for cryptocurrencies have experienced much larger fluctuations than other security markets. There can be no assurances that cryptocurrency price might show erratic swings in the future, which could be related not only to improper payment activities involving cryptocurrency but also regulations by law makers in various countries Furthermore, cryptocurrencies have not been widely adopted as a means of payments for goods and services by the majority of retail and commercial outlets. On the other hand, a significant portion of the demand for cryptocurrency is generated by investors and speculators focusing on generating profits by buying and holding cryptocurrency which might create limitations on the availability of cryptocurrencies to pay for goods and services resulting in increased volatility of cryptocurrency which could adversely impact an investment in the Company.

Several factors may affect the price and the volatility of cryptocurrency, including, but not limited to:

(a) Global cryptocurrency demand depending on the acceptance of cryptocurrency by retail merchants and commercial businesses, the perception that the use and holding of cryptocurrency is safe and secure as well as the lack of regulatory restrictions;
(b) Investor's expectations with respect to the rate of inflation;
(c) Interest rates;
(d) Currency exchange rates, including exchange rates between cryptocurrency and fiat currency;
(e) Fiat currency withdrawal and deposit policies on cryptocurrency exchanges and liquidity on such cryptocurrency exchanges
(f) Interruption of services or failures of major cryptocurrency exchanges;
(g) Large investment and trading activities in cryptocurrency;
(h) No regulated exchanges for cryptocurrencies;
(i) Monetary policies of governments, trade restrictions, currency devaluations and revaluations;
(j) Regulatory measures restricting the use of cryptocurrency as a form of payment or the purchase of cryptocurrency;
(k) Global or regional political, economic or financial events and situations, including increased threat of terrorist activities; and/or
(l) Self-fulfilling expectations of changes in the cryptocurrency market.

Stability of Bitcoin Exchanges

The price of cryptocurrency is established by public exchanges that have, by nature of their business, a limited operating history. So far, even the largest cryptocurrency exchanges have been subject to operational interruptions or even collapse (Mt. Gox). The interruption and the collapse of cryptocurrency exchanges may limit the liquidity of cryptocurrencies resulting in volatile prices and a reduction in confidence in the cryptocurrency network and the cryptocurrency exchange market. The deposit or withdrawal of fiat currency into or from the cryptocurrency exchanges may also affect the price of cryptocurrency. Operational limits regarding the settlement with fiat currencies may also reduce the demand to use cryptocurrency exchanges which would adversely affect an investment in the Company. Cryptocurrency exchanges are relatively new and largely unregulated, and may, therefore, be more exposed to fraud and failure than other, more established currency and commodity exchanges. While smaller cryptocurrency exchanges are lacking infrastructure and capitalization the larger cryptocurrency exchanges are more likely to become targets of hackers and malware. Also, arbitraging activities between cryptocurrency exchanges may destabilize some of the smaller cryptocurrency exchanges. A lack of stability in the cryptocurrency exchange market may reduce the confidence in the cryptocurrency network affecting adversely an investment in the Company.

Changes in the Blockchain Network Protocol

The cryptocurrency network is based on a protocol governing the peer-to-peer interactions between computers that are connected to each other within the cryptocurrency network. The governing code regulating such math-based protocol is informally managed by a development team. This development team, though, might propose and implement amendments to the cryptocurrency network's source code through software upgrades altering the original protocol, including fundamental ideas such as the irreversibility of transactions and limitations on the validation of blockchain software distributed ledgers. Such changes of the original protocol and software may adversely affect an investment in the Company.

Acceptance of Virtual Currencies
Although the Company believes that the usage of cryptocurrencies will be focused on the technology to transmit and clear fiat currencies their usage as virtual currency will be an important factor as well. Hence, in the event that companies or individuals will be increasingly reluctant to accept virtual currencies, such limited usage of cryptocurrencies could adversely affect an investment in the Company.

Misuse of Cryptocurrencies
Ever since the existence of cryptocurrencies and, especially, bitcoins, there has been attempts to use them for speculation purposes and manipulations by hackers to use cryptocurrencies for malicious purposes. Although law makers increasingly regulate the use and applications of cryptocurrencies and software is being developed to curtail hacker activities as well as misuses by speculators no assurances can be given that those measures will sufficiently deter those illegal activities in the future.

In particular, misuses could occur if a malicious actor or botnet (i.e. a series of computer controlled by a networked software coordinating the actions of the computers) obtains a majority of the processing power controlling the cryptocurrency validating activities and altering the blockchain which cryptocurrency transactions rely upon.

Moreover, if the award for solving transaction blocks declines and transaction fees are not sufficiently high, the incentive to continue validating blockchain transactions would decrease and could lead to a stoppage of validation activities. The collective processing power of the blockchain network would be reduced, which would adversely affect the confirmation process for transactions by decreasing the speed of the adaption and adjustment in the difficulty for transaction block solutions. Such slower adjustments would make the blockchain network more vulnerable to malicious actors or botnets obtaining control of the blockchain network processing power.

Recording of Transactions
It is feasible that blockchain validators will cease to record transactions in solved transaction blocks. In particular, transactions that do not include the payment of transaction fees will not be recorded on the blockchain until a transaction block is solved by validators who are not required to pay such transaction fees. Any widespread delays in the recording of transactions could result in a loss of confidence in the blockchain network which could adversely affect an investment in the Company.

Competition
The market for blockchain technology and DApps is highly competitive on both a local, national and international level. The Company believes that the primary competitive factors in this market are:

- product features, functionality and ease of use;
- ongoing product enhancements;
- price;
- quality service and support; and
- reputation and stability of the vendor.

The current marketplace in Canada is dominated by other new adopters to this new technology and the Company will face substantial competition from other established competitors, which have greater financial, technical, and marketing resources than it does. The Company’s competitors may also have a larger installed base of users, longer operating histories or greater name recognition than the Company will.

There can be no assurance that the Company will successfully differentiate its DApps from the products of its competitors, or that the marketplace will consider the Company's DApps to be superior to competing products.

Key Personnel

The future success of the Company will depend, in large part, upon its ability to retain its key management personnel and to attract and retain additional qualified marketing, sales and operational personnel to form part of its technical and customer services support center. The Company may not be able to enlist, train, retain, motivate and manage the required personnel. Competition for these types of personnel is intense. Failure to attract and retain personnel, particularly marketing, sales and operational personnel as well as consultants, could make it difficult for the Company to manage its business and meet its objectives.

Failure to manage growth successfully may adversely impact the Company's operating results. The growth of the Company's operations places a strain on managerial, financial and human resources. The Company's ability to manage future growth will depend in large part upon a number of factors, including the ability to rapidly:

(a) build and train development, sales and marketing staff to create an expanding presence in the evolving marketplace for the Company's products;

(b) attract and retain qualified technical personnel in order to administer technical support required for customers located in Canada, the United States and other countries around the world;

(c) develop customer support capacity as sales increase, so that customer support can be provided without diverting resources from product sales efforts; and

(d) expand internal management and financial controls significantly, so that control can be maintained over operations as the number of personnel and size of the Company increases.

(e) Inability to achieve any of these objectives could harm the business and operating results of the Company.

Management of Growth

The Company may be subject to growth-related risks including pressure on its internal systems and controls. The Company’s ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems. The inability of the Company to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Company's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate and manage its employees. There can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company’s operations or that the Company will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

Conflicts of interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA.

To the best of the Company's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest between the Company and its directors and officers except that certain of the directors and officers may serve as directors and/or officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

Currency Risk

To the extent that the Company expands its business into the United States and Europe, the Company will be exposed to foreign currency fluctuations to the extent that certain operations are located in the United States and Europe and therefore certain expenditures and obligations are denominated in US dollars and Euros, yet the Company is headquartered in Canada, has applied to list its Common Shares on a Canadian stock exchange and typically raises funds in Canadian dollars. As such, the Company's results of operations are subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Company.

No dividend history

No dividends have been paid by the Company to date. The Company anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the board after taking into account many factors, including the Company's financial condition and current and anticipated cash needs.

CRITICAL ACCOUNTING POLICIES

eXeBlock's significant accounting policies and new accounting standards issued but not yet effective are disclosed in note 2, *Summary of Significant Accounting Policies*, of the financial statements of eXeBlock Inc. for the period ended August 31, 2017.

Information about critical accounting judgments and estimates in applying accounting policies that have the most significant impact on the amounts recognized in the financial statements are outlined below.

Valuation and amortization of internally generated intangible assets

The Company will capitalize certain costs incurred for the development of its DApps. Estimates are used in order to determine the point in time whereby the recognition criteria are met and the allocation and nature of costs to capitalize in accordance with IAS 38, *Intangible Assets*. The capitalized costs may include the cost of direct labour and other costs directly attributable to preparing the intangible asset for its intended use. Management will then estimate the expected term over which the Company will receive benefits from the software application. A change in these estimates may have a significant impact on the carrying value of an intangible asset and the amortization and expenses recognized in the statements of loss and comprehensive loss.

SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements in conformity with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates. Estimates are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical accounting judgments and estimates in applying accounting policies that have the most significant impact on the amounts recognized in the consolidated financial statements are outlined below.

Valuation and amortization of internally generated intangible assets

The Company will capitalize certain costs incurred for the development of its DApps. Estimates are used in order to determine the point in time whereby the recognition criteria are met and the allocation and nature of costs to capitalize in accordance with IAS 38, *Intangible Assets*. The capitalized costs may include the cost of direct labour and other costs directly attributable to preparing the intangible asset for its intended use. Management will then estimate the expected term over which the Company will receive benefits from the software application. A change in these estimates may have a significant impact on the carrying value of an intangible asset and the amortization and expenses recognized in the statements of loss and comprehensive loss.

OUTSTANDING SHARE INFORMATION

The Company has authorized an unlimited number of common shares without par value. As of November 30, 2017, the Company had 61,404,031 (August 31, 2017 - 19,050,001) common shares outstanding. Subsequent to November 30, 2017, the Company issued an additional 37,500 common shares on the exercise of share purchase warrants for proceeds of $1,875. As at January 29, 2018, the Company has 61,441,531 common shares outstanding.

As of November 30, 2017, the Company had 2,600,000 outstanding warrants with an exercise price of $0.05 per share and an expiry date of August 14, 2020. Subsequent to November 30, 2016, 37,500 of these warrants were exercised for proceeds of $1,875. As at January 29, 2018, the Company has 2,562,500 outstanding warrants.

As at November 30, 2017 and January 29, 2018, the Company does not have any outstanding stock options.

OTHER INFORMATION

Additional information regarding the Company is available on the Company's website at www.exeblock.com