

# **AXS BLOCKCHAIN SOLUTIONS INC.**

**(formerly “Canadian Data Preserve Inc.”)**

## **FORM 2A**

## **LISTING STATEMENT**

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## GLOSSARY

Whenever used in this Listing Statement, including the summary hereof, unless the context otherwise requires, the following terms shall have the indicated meanings and grammatical variations of such words and terms have corresponding meanings. Words importing the singular number, where the context requires, include the plural and vice versa and words importing any gender include all genders. In this Listing Statement, unless otherwise noted, all dollar amounts are expressed in Canadian dollars.

“**Additional Resale Restrictions**” means, in addition to resale restrictions imposed on the AXS Shares, as a result of the policies of the CSE and Canadian Securities Laws, the additional resale restrictions as reflected on the AXS share certificates as set forth herein.

“**Affiliate**” means a corporation that is affiliated with another corporation if (a) one of them is a subsidiary of the other, (b) both of them are subsidiaries of the same corporation, or (c) each of them is controlled by the same person. A corporation is “controlled” by a person if (a) shares of the corporation are held, other than by way of security only, by the person, or are beneficially owned, other than by way of security only, by (i) the person, or (ii) a corporation controlled by the person, and (b) the votes carried by the shares are sufficient, if exercised, to elect or appoint a majority of the directors of the corporation.

“**Amalco**” means the continuing corporation resulting from the Amalgamation.

“**Amalco Shares**” means the common shares in the capital of Amalco, having the rights, privileges, restrictions and conditions set out in Schedule B to the Amalgamation Agreement.

“**Amalgamating Corporations**” means Subco and DSM.

“**Amalgamation**” means the amalgamation of DSM and Subco under the provisions of Section 270 of the BCBCA, on the terms set out in the Amalgamation Agreement.

“**Amalgamation Agreement**” means the amalgamation agreement (including the schedules attached thereto) dated December 18, 2017, between AXS, DSM and Subco as supplemented, modified or amended.

“**Amalgamation Resolution**” means the special resolution to approve the Amalgamation and to confirm, ratify and approve the Amalgamation Agreement.

“**Amalgamation Application**” means the amalgamation application in respect of the Amalgamation, substantially in the form set out in Schedule A of the Amalgamation Agreement, required under subsection 282 of the BCBCA to be filed with the Registrar to give effect to the Amalgamation.

“**API**” means an application program interface, which is a set of routines, protocols, and tools for building software applications that specifies how software components should interact and are used when programming graphical user interface (GUI) components.

“**Associate**”, if used to indicate a relationship with any person, means (a) a partner, other than a limited partner, of that person; (b) a trust or estate in which that person has a substantial beneficial interest or for which that person serves as trustee or in a similar capacity; (c) a company in respect of which that person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, or (d) a relative, including the spouse, of that person or a relative of that person’s spouse, if the relative has the same home as that person.

“**AXS**” or “**the Company**” means AXS Blockchain Solutions Inc., formerly known as Canadian Data Preserve Inc., a corporation incorporated pursuant to the BCBCA.

“**AXS Board**” means the board of directors of AXS.

“**AXS Consolidated Shares**” means the common shares in the capital of AXS after the AXS Consolidation and “**AXS Consolidated Share**” means any one of them.

“**AXS Consolidation**” means, prior to the completion of the AXS Financing and the issuance of any additional securities, the consolidation of AXS Shares on the basis of one AXS Consolidated Share for every five AXS Shares held prior to the consolidation such that there will be approximately 5,127,733 AXS Consolidated Shares issued and outstanding immediately prior to the completion of the AXS Financing.

“**AXS Financing**” means a non-brokered subscription receipt private placement of AXS comprising subscription receipts convertible into 42,325,870 AXS Consolidated Shares at \$0.35 per share for gross proceeds of \$14,814,054.50.

“**AXS Private Placement Units**” means the 2,000,000 AXS Consolidated Shares and 2,000,000 AXS Warrants issued to holders of subscription receipts on November 14, 2017, upon the completion of a subscription receipt private placement.

“**AXS Shareholders**” means the holders of AXS Shares or AXS Consolidated Shares.

“**AXS Shares**” means the common shares in the capital of AXS before the AXS Consolidation and “**AXS Share**” means any one of them.

“**AXS Units**” means the 36,750,000 AXS Consolidated Shares and 36,750,000 AXS Warrants issued to holders of DSM Units upon completion of the Amalgamation.

“**AXS Warrants**” means common share purchase warrants of AXS, with each full warrant entitling the holder to acquire one AXS Consolidated Share at an exercise price of \$0.05 per share for a period of 12 months from the closing date of issuance and “**AXS Warrant**” means any one of them.

“**BCBCA**” means the *Business Corporations Act (British Columbia)*, S.B.C. 2002, c.57, as from time to time amended, and including any regulations promulgated thereunder.

“**BLOC**” means Blockcorp Sociedad Anonima, a corporation incorporated pursuant to the laws of Costa Rica.

“**BLOC Acquisition**” means the acquisition by AXS of the BLOC Assets.

“**BLOC Acquisition Agreement**” means the asset acquisition agreement dated as of December 18, 2017, between AXS, BLOC and DSM, pursuant to which, *inter alia*, DSM assigned to AXS its right to purchase the BLOC Assets from BLOC and AXS is purchasing the BLOC Assets.

“**BLOC Assets**” means certain assets of BLOC, being inventories of various cryptocurrencies, certain software technologies, and hardware infrastructure, which assets do not represent all of the undertaking of BLOC.

“**Business Agreements**” means the Amalgamation Agreement and the BLOC Acquisition Agreement.

“**Business Day**” means a day other than a Saturday, Sunday or a day when banks in the City of Vancouver, British Columbia are not generally open for business.

“**Canadian Securities Authorities**” means the British Columbia Securities Commission and other applicable securities commissions and securities regulatory authorities of the provinces and territories of Canada.

“**Canadian Securities Laws**” means *The Securities Act*, (British Columbia), RSBC 1996, Chapter 418, and other applicable corporate and securities laws in force in Canada, including the rules, regulations, notices, instruments, orders and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Effective Date.

“**Certificate**” means the certificate of amalgamation to be issued by the Registrar, pursuant to subsection 281 of the BCBCA, in respect of the Amalgamation.

“**Cryptocurrency**” means a digital currency, unlike fiat or physical currency, which is based on mathematics alone and is produced by solving mathematical problems based on cryptography.

“**CSE**” or the “**Exchange**” means the Canadian Securities Exchange.

“**CSE Issuer**” means a company which has its securities qualified for listing on the CSE or which has applied to have its securities qualified for listing on the CSE, as applicable.

“**Dissent Rights**” means the rights of dissent that will apply in relation to the Amalgamation as provided for by Section 242 of the BCBCA.

“**DSM**” means Do Some Marketing Block Corp Canada Inc., a corporation incorporated pursuant to the BCBCA.

“**DSM Board**” means the board of directors of DSM.

“**DSM Debentures**” means convertible debentures of DSM totaling \$1,837,500, which debentures are convertible into 36,750,000 DSM Units, consisting of 36,750,000 DSM Shares and 36,750,000 DSM Warrants.

“**DSM Dissenting Shareholder**” means a registered DSM Shareholder that validly exercises Dissent Rights in connection with the Amalgamation.

“**DSM Shareholders**” means the holders of DSM Shares and “**DSM Shareholder**” means any one of them.

“**DSM Shares**” means the common shares in the capital of DSM and “**DSM Share**” means any one of them.

“**DSM Units**” means a DSM Share and DSM Warrant issuable upon the conversion of DSM Debentures.

“**DSM Warrants**” means common share purchase warrants of DSM, with each full warrant entitling the holder to acquire one DSM Share at an exercise price of \$0.05 per share for a period of 12 months from the closing date of issuance and “**DSM Warrant**” means any one of them.

“**Effective Date**” means the date shown on the Certificate.

“**Effective Time**” means the time immediately following the issuance of the Certificate by the Registrar.

“**Governmental Entity**” means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (b) subdivision, agent, commission, board, or authority of any of the foregoing, or (c) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing.

“**Hash**” refers to a mathematical process that takes a variable amount of data and produces a shorter, fixed-length output and which has two important characteristics: (i) it is mathematically difficult to work out what the original input was by looking at the output; and (ii) changing even the smallest part of the input will produce an entirely different output.

“**ITA**” means the *Income Tax Act* (Canada), R.S.C., 1985, c.1 (5<sup>th</sup> Supp.) and the regulations thereunder from time to time, as amended.

“**Listing Statement**” means this Form 2A Listing Statement prepared in connection with AXS’s fundamental change pursuant to CSE Policy 8 *Fundamental Changes and Changes of Business*, including all appendices hereto.

“**Material Adverse Change**” or “**Material Adverse Effect**” with respect to AXS or DSM, as the case may be, means any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision by the

board of directors is probable), event, violation, inaccuracy, circumstance or effect that is materially adverse to the business, assets (including intangible assets), liabilities, capitalization, ownership, financial condition or results of operations of AXS or DSM, as the case may be, on an aggregated basis.

“**MI 61-101**” means Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, as from time to time amended.

“**Name Change**” means the Company changing its name from “Canadian Data Preserve Inc.” to “AXS Blockchain Solutions Inc.”.

“**Person**” means and includes an individual, firm, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, a trustee, executor, administrator or other legal representative, Governmental Entity, or other entity, whether or not having legal status.

“**Registrar**” means the Registrar of Companies for the Province of British Columbia duly appointed under section 400 of the BCBCA.

“**Related Entity**” means, in respect of a CSE Issuer, (a) a person (i) that is an affiliated entity of the CSE Issuer, (ii) of which the CSE Issuer is a control block holder; (b) a management company or distribution company of a mutual fund that is a CSE Issuer; or (c) a management company or other company that operates a trust or partnership that is a CSE Issuer.

“**Related Party Transaction**” means a related party transaction with AXS as defined in MI 61-101.

“**Related Person**” means, in respect of a CSE Issuer, (a) a Related Entity of the CSE Issuer; (b) a partner, director or officer of the CSE Issuer or Related Entity; (c) a promoter of or person who performs investor relations activities for the CSE Issuer or Related Entity; (d) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the CSE Issuer or Related Entity; and (e) such other person as may be designated from time to time by the Exchange.

“**Resulting Issuer**” means the resulting issuer from the proposed transaction.

“**SEDAR**” means System for Electronic Document Analysis and Retrieval being the official website that provides access to most public securities documents and information filed by companies and investment funds with the Canadian Securities Administrators (CSA) in the SEDAR filing system at the website address of [www.sedar.com](http://www.sedar.com).

“**Securities Regulatory Authority**” means the Canadian Securities Administrators.

“**Securities Laws**” means the Canadian Securities Laws and the rules of any applicable stock exchange, including the CSE.

“**Subco**” means 1145394 B.C. Ltd., a wholly-owned subsidiary of AXS.

**“Subco Board”** means the board of directors of Subco.

**“Subco Shares”** means the common shares in the capital of Subco.

**“Subsidiary”** has the meaning ascribed thereto in the BCBCA (and shall include any partnerships directly or indirectly owned by AXS or DSM, as the case may be unless the context otherwise requires).

Certain other terms used herein but not defined herein are defined in the Amalgamation Agreement and, unless the context otherwise requires, shall have the same meanings herein as in the Amalgamation Agreement.

### **NOTICE TO READER**

No person is authorized to give any information or to make any representation not contained in this Listing Statement and, if given or made, such information or representation should not be relied upon as having been authorized. This Listing Statement does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

Unless otherwise noted, all information in this Listing Statement is provided as of April 16, 2018.

**NEITHER THE CANADIAN SECURITIES EXCHANGE NOR ANY SECURITIES REGULATORY AUTHORITY HAS IN ANY WAY PASSED UPON THE MERITS OF THE TRANSACTIONS DESCRIBED IN THIS LISTING STATEMENT.**

### **SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION**

This Listing Statement contains certain forward-looking information. Words such as “may”, “would”, “could”, “will”, “expects”, “anticipates”, “believes”, or variations of such words and similar expressions are intended to identify such forward-looking information. Specifically, and without limiting the generality of the foregoing, all information included in this Listing Statement that addresses activities, events or developments that AXS expects or anticipates will or may occur in the future, including, but not limited to, such things as future capital (including the amount and nature thereof), projects under development, goals, objectives, plans, and references to the future success of such entities is forward-looking information, including, without limitation, such information contained in this Listing Statement.

Readers are cautioned not to place undue reliance on forward-looking information contained in this Listing Statement, which reflects the analysis of the management of AXS, as appropriate, only as of the date of this Listing Statement. There can be no assurance that the actual results or developments anticipated by AXS will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, AXS or its business or operations. Unless otherwise required by applicable securities laws, AXS does not intend, nor does it undertake any



obligation, to update or revise any forward-looking information contained, or incorporated by reference, in this Listing Statement to reflect subsequent information, events, results, circumstances or otherwise.

## **MARKET AND INDUSTRY DATA**

This Listing Statement includes market and industry data that have been obtained from third party sources, including industry publications, as well as industry data prepared by AXS management on the basis of its knowledge and experience in its industry (including management's estimates and assumptions relating to the industry based on that knowledge). The knowledge of management of AXS of the industry has been developed through their experience and participation in such industry. Although management of AXS believes this information to be reliable, neither AXS nor its management have independently verified any of the data from third party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources. References in this Listing Statement to any publications, reports, surveys or articles prepared by third parties should not be construed as depicting the complete findings of the entire publication, report, survey or article. The information in any such publication, report, survey or article is not incorporated by reference in this Listing Statement.

## **2. CORPORATE STRUCTURE**

### **2.1 Corporate Name and Office**

The full corporate name of AXS is AXS Blockchain Solutions Inc., formerly known as Canadian Data Preserve Inc. The registered office of AXS is Suite 1140-1185 West Georgia Street, Vancouver, B.C., V6E 4E6. The corporate head office is Suite 1140-1185 West Georgia Street, Vancouver, B.C., V6E 4E6.

### **2.2 Jurisdiction of Incorporation**

The Company was incorporated under the name "Canadian Data Preserve Inc." on June 11, 2010, pursuant to the BCBCA, as a wholly-owned subsidiary of Tulox Resources Inc. ("**Tulox**"), a reporting company incorporated pursuant to the BCBCA on May 12, 1999.

On or about January 12, 2011, the Company completed a plan of arrangement with Tulox pursuant to the terms and conditions of the arrangement agreement dated effective June 14, 2010, between Tulox, the Company, Greenfab Build Systems Inc., Manuweb Software Systems Inc., Media Script Marketing Inc., Tulox HR Online Management Inc., and Tulox Real Estate Development Inc. Under the arrangement agreement, Tulox assigned to the Company the Canadian agency and licensing agreement with DataPreserve, Inc., dated May 25, 2010, in exchange for \$15,000 in cash and 6,038,667 common shares of the Company. Tulox received shareholder approval of the arrangement agreement at a special meeting of Tulox's shareholders held on August 5, 2010, and approval from the Supreme Court of British Columbia on August 6, 2010. For more information about the arrangement agreement, please refer to Tulox's management information circular dated June 24, 2010, and filed on July 9, 2010 under Tulox's profile at [www.sedar.com](http://www.sedar.com).

On March 14, 2018, the Company filed a Notice of Alteration with the Registrar and changed its

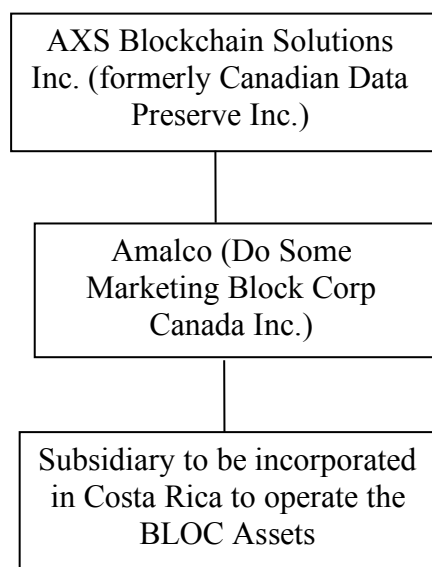
name to “AXS Blockchain Solutions Inc.”

### 2.3 Intercorporate Relationships

On December 18, 2017, AXS entered into the Business Agreements pursuant to which AXS agreed to acquire from BLOC the BLOC Assets for the consideration of 82,500,000 AXS Consolidated Shares, and contemporaneously with the BLOC Acquisition, complete the Amalgamation, which will result in AXS issuing 36,750,000 AXS Units in exchange for the DSM Units.

In consideration for acquiring the BLOC Assets, AXS issued 82,500,000 AXS Consolidated Shares to BLOC, representing approximately 49.5% of the issued and outstanding AXS Consolidated Shares calculated on a non-fully diluted basis (40.16% on a fully diluted basis) after the closing of the Consolidation, the BLOC Acquisition, the Amalgamation, and the AXS Financing.

The following chart illustrates the intercorporate relationships that will exist among the Company and its subsidiaries as of the closing date contemplated in the Amalgamation Agreement.



#### *Information Concerning DSM*

DSM is a Vancouver, British Columbia-based company engaged in the business of holding the assets of BLOC. DSM is not a reporting issuer or the equivalent in any jurisdiction of Canada.

#### *Information Concerning BLOC*

BLOC is a San Jose, Costa Rica-based corporation involved in the business of acquiring mining machines and mining alt-coins such as PURA and Dash, and other cryptocurrencies. BLOC is not a reporting issuer or the equivalent in any jurisdiction of Canada. The BLOC Assets do not represent the entire undertaking of BLOC.

There are no common shareholders of BLOC and DSM.

#### *Information Concerning Subco*

Subco is a private company, incorporated under the BCBCA for the sole purpose of completing the Amalgamation with DSM. All of the issued and outstanding Subco Shares are held by AXS.

#### *Information Concerning Amalco*

Amalco is the company that will be formed upon the completion of the Amalgamation on the Effective Date. All of the issued and outstanding securities of Amalco will be held by AXS.

### **2.4 Fundamental Change**

AXS is requalifying following the fundamental change, being the acquisition of the BLOC Assets and completion of the Amalgamation on the Effective Date.

### **2.5 Non-Corporate Issuers and Issuers Incorporated Outside of Canada**

AXS is not a non-corporate issuer or a company incorporated outside of Canada.

## **3. GENERAL DEVELOPMENT OF THE BUSINESS**

### **3.1 General Development of the Business**

The Company was formed on June 11, 2010, with the intention of pursuing the business of providing data backup and recovery services to small and medium-sized enterprises. As a result of the plan of arrangement with Tulox, the Company acquired the rights to a letter of intent dated May 25, 2010, with DataPreserve, Inc. of Arizona (“**DataPreserve**”). The Company subsequently acquired 4,500,000 common shares of DataPreserve, representing 10% of the issued and outstanding shares of DataPreserve in exchange for 8,000,000 common shares of the Company.

On April 28, 2011, the Company completed a private placement of 1,600,000 common shares at a price of \$0.0625, generating a total of \$100,000 for the Company.

On May 5, 2011, the Company issued 8,000,000 common shares at a price of \$0.02 per share for the purpose of acquiring a 10% interest in DataPreserve for deemed consideration of \$160,000. In the year ending 2011, the Company wrote off the investment in the amount of \$500,000 as DataPreserve filed for bankruptcy.

On November 14, 2017, the Company closed a \$100,000 subscription receipt financing by issuing 2,000,000 units at \$0.05 per unit. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at \$0.05 for a period of 12 twelve months from the date of issuance. The funds raised will be used for working capital purposes.

On December 18, 2017, the Company entered into the Business Agreements pursuant to which the Company agreed to acquire from BLOC the BLOC Assets for consideration of \$4,125,000, which amount shall be satisfied through the issuance of 82,500,000 AXS Consolidated Shares and contemporaneously with the BLOC Acquisition, the Company will complete the Amalgamation which will result in the Company issuing 36,750,000 AXS Units in exchange for the DSM Units.

On the Effective Date, AXS completed the AXS Consolidation, the purchase of the BLOC Assets, the Amalgamation, the Name Change, and the AXS Financing. AXS also completed the AXS Financing for gross proceeds of \$14,814,054.50.

AXS issued to BLOC the consideration of 82,500,000 CDP Consolidated Shares for the BLOC Assets, representing approximately 49.5% of the issued and outstanding AXS Consolidated Shares calculated on a non-fully diluted basis (40.16% on a fully diluted basis) after the closing of the Consolidation, the Amalgamation, the AXS Financing, and the purchase of the BLOC Assets, assuming exercise of outstanding warrants including the AXS Warrants.

On the completion of the Amalgamation, AXS will commence developing cryptocurrency financial services which are agnostic to virtually all cryptocurrencies and provide a stable and recognized medium or exchange wherein financial transactions using cryptocurrencies can be facilitated.

AXS will initially focus on developing four key activities involving cryptocurrency transactions: 1) mining cryptocurrencies; 2) debt card payment processing system; 3) trading and holding arbitrage; and 4) token creation.

### **3.2 Significant Acquisitions and Dispositions**

On December 18, 2017, the Company entered into the Business Agreements wherein the Company agreed, subject to receipt of all necessary shareholder and regulatory approval, including CSE approval:

- (a) under the BLOC Acquisition Agreement, to purchase the BLOC Assets for the consideration of \$4,125,000, which amount shall be satisfied through the issuance of 82,500,000 AXS Consolidated Shares; and
- (b) under the Amalgamation Agreement, to amalgamate with DSM and Subco.

On December 20, 2017, AXS announced the Business Agreements, AXS Consolidation, AXS Financing, and Name Change.

On April 11, 2018, AXS announced the completion of the AXS Consolidation, the purchase of the BLOC Assets, the Amalgamation, the Name Change, and the AXS Financing.

### **Amalgamation**

#### *General Details of the Amalgamation*

Under the Amalgamation Agreement, DSM and Subco will amalgamate as one corporation, being Amalco, under the name “Do Some Marketing Block Corp Canada Inc.” and, among other things:

- (a) each issued and outstanding Subco Share will be exchanged for one (1) Amalco Share, following which all such Subco Shares shall be cancelled;
- (b) all outstanding DSM Debentures will be converted into DSM Units in accordance with their terms;
- (c) each issued and outstanding DSM Share that comprises a DSM Unit will be exchanged for one AXS Consolidated Share following which all such DSM Shares shall be cancelled;
- (d) Amalco will issue to AXS one fully paid and non-assessable Amalco Common Share for each AXS Consolidated Share issued; and
- (e) each DSM Warrant that comprises a DSM Unit shall be exchanged for one AXS Warrant, entitling the holder to acquire one AXS Consolidated Share on the same terms and conditions as the DSM Warrants, taking into account an exchange ratio of one-to-one, and thereafter all DSM Warrants shall be cancelled.

### **Rights of Dissent for DSM Shareholders**

The DSM Shareholders may exercise Dissent Rights in respect of the Amalgamation pursuant to, in the manner set forth in, and in strict compliance with Section 242 of the BCBCA.

As there were no DSM Dissenting Shareholders, AXS issued approximately 36,750,000 CDP Units in exchange for all of the issued and outstanding DSM Units, with the share portion representing approximately 22.05% of the issued and outstanding AXS Consolidated Shares after the closing of the BLOC Acquisition Agreement and the AXS Financing.

On the Effective Date, AXS completed the Consolidation, the purchase of the BLOC Assets, the Amalgamation, the CDP Financing, and the Name Change.

Neither BLOC nor DSM is a Related Party of AXS.

### **3.3 Trends, Commitments, Events or Uncertainties**

#### **The Cryptocurrency Industry**

Cryptocurrency refers to any digital currency that employs principles of cryptography (communication that is secure from view of third parties) to ensure security, privacy, and anonymity. All types of cryptocurrencies are decentralized -- they operate independently and are not coined or regulated by a single central authority. Consequently, the value of a cryptocurrency is not set by anyone other than market participants, who engage in the process of buying and selling on an exchange platform. Cryptocurrencies are often referred to as electronic or digital currencies as they all share the same inherent qualities of encryption.

Global cryptocurrency enthusiasts, users, and promoters have given different names and titles to cryptocurrency and its era. The nomenclature given to the digital currency by its promoters depends on their sentiment towards this groundbreaking financial innovation.

Over the past few years, cryptocurrency has triggered interest regarding ‘alternative money’ among masses and has grown exponentially. Bitcoin is the most popular and the most traded cryptocurrency in the world. It is the world’s first decentralized, peer-to-peer digital currency, which has gained mixed reactions over time.

Advocates for bitcoin consider it as a superior payment mechanism, one that operates outside the control of governments, is global in scope, is more secure than the traditional payments systems, and which brings about a much-needed revolution in the almost ‘static and stagnant’ global financial industry in terms of money.

At the same time, the growth of this unregulated payment mechanism has led to heightened concerns about its usage, legality, accountability, and control.

Over the years since bitcoin’s birth, hundreds of digital ‘coins’ have taken to the crypto marketplace, reaching up to a mark of almost 900 cryptocurrencies available on the web's digital currency bazaar.

By market capitalization, bitcoin is currently the largest blockchain network, followed by Ethereum, Bitcoin Cash, Ripple and Litecoin.

The top 10 cryptocurrencies to date according to Crypto Currency Chart as of April 11, 2018 (18:54 UTC) are (in USD\$):

- **Bitcoin (BTC):** Currently trading at \$6,908.87, the market capitalization of the world’s first decentralized cryptocurrency is more than \$117 billion.
- **Ethereum (ETH):** Ethereum is a decentralized platform that runs smart contracts: applications that run exactly as programmed without any possibility of downtime, censorship, fraud or third-party interference. Currently trading at \$422.08, market capitalization of Ethereum is over \$41 billion.
- **Ripple (XRP):** This cryptocurrency claims to be the world’s only enterprise blockchain solution for global payments, connecting banks, payment providers, digital asset exchanges and corporates via RippleNet to provide a frictionless experience to send money globally. Though Ripple is now trading at \$0.50, its market capitalization is more than \$19 billion.
- **Bitcoin Cash (BCH):** Since its launch this August, the infant cryptocurrency had at one point doubled in value from \$300 to a price touching \$2,000, and investors are now wondering if its popularity poses a serious threat to the Bitcoin throne. Currently trading at \$653.16, the market capitalization of Bitcoin Cash is over \$11 billion. Bitcoin

Cash is essentially a clone of the existing Bitcoin blockchain with one important feature of additional block size capacity.

- **Litecoin (LTC):** Litecoin is an open-source, peer-to-peer Internet currency that enables instant, near-zero cost payments to anyone in the world. Currently trading at \$114.58, the market capitalization of Litecoin is over \$6 billion.
- **EOS (EOS):** EOS is a cryptocurrency token and blockchain that operates as a smart contract platform for the deployment of decentralized applications and decentralized autonomous corporations. Currently trading at \$7.90, the market capitalization of EOS is over \$6 billion.
- **Cardano (ADA):** Cardano is a fully featured, smart-contract capable platform designed by teams of PhDs across multiple continents, offering fast transaction speeds, solid reliability, and quantum computing resistance, among other features. It started trading in October 2017 at around \$0.02 and is now trading at \$0.17 with a market capitalization of over \$4 billion.
- **Stellar (XLM):** The Stellar network is a distributed blockchain based ledger and database that facilitates cross-asset transfers of value, including payments. Lumens (XLM) is the native digital asset of Stellar and at a trading price of \$0.20, the market capitalization is over \$3 billion.
- **NEO (NEO):** NEO is a blockchain platform and cryptocurrency designed to build a scalable network of decentralized applications. The base asset of the NEO blockchain is the non-divisible NEO token which generates GAS tokens that can be used for transaction fees generated by applications on the network. Currently trading at \$57.59, the market capitalization of NEO is over \$3 billion.
- **IOTA (MIOTA):** IOTA calls itself the ‘backbone of IoT’ with its core invention of the ‘blockless Tangle’, which is a revolutionary new blockless distributed ledger. The IOTA is trading at \$1.03, and its market capitalization is more than \$2 billion.

Source: (<http://www.cryptocurrencychart.com/top/10>)

## 4. NARRATIVE DESCRIPTION OF THE BUSINESS

### 4.1 General Description of the Business

AXS will be focusing on developing and providing a suite of cryptocurrency products that are agnostic to virtually all cryptocurrencies with the intention to compound revenues earned from providing these products by conducting internal trading and arbitrage activities.

The current demand for cryptocurrency products that are both easily accessible and simple to use is severely outpacing the ability of vendors to supply such products.

There have been vendors who, in their attempt to offer cryptocurrency products, have failed to acquire access to the proper licensing, or failed to implement the required banking infrastructure, or failed to institute the required anti-money laundering (AML) and know your customer (KYC) procedures, among other challenges.

To solve these issues, AXS intends to commercially develop and implement a payment processing platform which will allow for the instantaneous conversion of digital currencies into fiat currencies for immediate use in routine debit card transactions. AXS intends to engage AML and KYC experts to help with the development of the platform as well as the development of the internal policies, procedures and AML and KYC monitoring systems, and have these controls independently tested before the system goes live. If AXS is successful in implementing such a platform, it will work entirely with existing fully-licensed digital currency exchanges, and will abide by their existing AML and KYC practices and standards. AXS will need to conduct strict KYC due diligence on all potential clients in order to meet the requirements of these exchanges. This due diligence will be conducted through the use of application questionnaires, and will allow AXS to verify an individual's identity and background prior to facilitating any transaction.

AXS will not assist in the facilitation or processing of transactions until the identity of an individual is determined. AXS's payment platform is not intended to conceal the identity of any parties to a transaction, or to facilitate anonymous over-the-counter transactions.

The AML policies of the exchanges that AXS intends to work with are designed to ensure compliance with international legislation, regulations and guidance for the financial services sector, and provide for the minimum standards which must be complied with by all clients and employees. These policies include:

- Establishing and maintaining a risk-based approach towards assessing and managing money laundering and terrorist financing risks;
- Establishing and maintaining risk-based customer due diligence, identification, verification and KYC procedures, including enhanced due diligence for those customers presenting a higher risk, such as politically exposed persons;
- Establishing and maintaining risk-based systems and procedures to monitor ongoing customer activity;
- Procedures for reporting suspicious activity internally and to the relevant law enforcement authorities as appropriate;
- Procedures for reporting suspicious fraudulent use of identification documents to the relevant law enforcement authorities as appropriate;
- The maintenance of appropriate records for the minimum prescribed periods;
- Training and awareness for all relevant employees; and
- The provision of appropriate management information and reporting to senior management of the AXS group's compliance with the requirements.

#### **4.1(1) Narrative Description of the Business**



A summary description of each of AXS's planned products and revenue sources is set forth below:

(i) **Cryptocurrency Mining**

*Blockchain's Significance in Mining*

People are constantly sending cryptocurrencies to each other over the blockchain network, but unless someone keeps a record of all these transactions, no one would be able to keep track of who had paid what. The blockchain network deals with this by collecting all of the transactions made during a set period into a list, called a block. It's the miners' job to confirm those transactions, and write them into a general ledger.

This general ledger is a long list of blocks, known as the 'blockchain'. It can be used to explore any transaction made between any cryptocurrency addresses, at any point on the network. Whenever a new block of transactions is created, it is added to the blockchain, creating an increasingly lengthy list of all the transactions that ever took place on the blockchain network. A constantly updated copy of the block is given to everyone who participates, which is how participants follow the value.

The digital general ledger has to be trusted and secure. The blockchain must therefore stay intact and never be tampered with. The mining activity facilitates and enables this to occur. When a block of transactions is created, miners put it through a process. The miner takes the information in the block, and applies a mathematical formula to it, turning it into a shorter, seemingly random sequence of letters and numbers known as a hash. This hash is stored along with the block, at the end of the blockchain at that point in time.

Hashes have some interesting properties. It is easy to produce a hash from a collection of data like a bitcoin block, but it is practically impossible to work out what the data was just by looking at the hash. And while it is very easy to produce a hash from a large amount of data, each hash is unique. If there is a change to just one character in a bitcoin block, its hash will change completely.

Miners do not just use the transactions in a block to generate a hash. Some other pieces of data are used as well. One of these pieces of data is the hash of the last block stored in the blockchain. Since each block's hash is produced using the hash of the block before it, it becomes a digital version of a wax seal. It confirms that this block – and every block after it – is legitimate, because if it is tampered with, everyone would know.

If one tried to fake a transaction by changing a block that had already been stored in the blockchain, that block's hash would change. If someone checked the block's authenticity by running the hashing function on it, they would find that the hash was different from the one already stored along with that block in the blockchain. The block would be instantly spotted as a fake.

Because each block's hash is used to help produce the hash of the next block in the chain, tampering with a block would also make the subsequent block's hash wrong too. That would continue all the way down the chain, thus destroying the authenticity of the entire block.

Miners ‘seal off’ a block and compete with each other to do this, using software written specifically to mine blocks. Every time someone successfully creates a hash, in the bitcoin network for instance, they get a reward of 25 Bitcoins, the blockchain is updated, and everyone on the network hears about it. That’s the incentive to keep mining, and keep the transactions working.

The problem is that it is very easy to produce a hash from a collection of data. Computers are really good at this. The bitcoin network has to make it more difficult, otherwise everyone would be hashing hundreds of transaction blocks each second, and all of the Bitcoins would be mined in minutes. The bitcoin protocol deliberately makes it more difficult, by introducing what is referred to as a ‘proof of work’.

The bitcoin protocol will not just accept any old hash. It demands that a block’s hash has to look a certain way; it must have a certain number of zeroes at the start. There is no way of telling what a hash is going to look like before it is produced, and as soon as one includes a new piece of data in the mix, the hash will be completely different.

Miners are prevented from altering transaction data in a block. Miners must, however, change the data used to create a different hash. This is done using another, random piece of data called a ‘nonce’. This is used with the transaction data to create a hash. If the hash does not fit the required format, the nonce is changed, and the whole thing is hashed again. It can take many attempts to find a nonce that works, and all the miners in the network are trying to do it at the same time. That is how miners earn their Bitcoins.

#### *Technical Details Facilitating AXS’s Mining Activities*

##### Hardware Advantages:

The X11 ASIC miner is superior to the hardware used by competitive mining companies insofar as it has a significantly higher hash rate and supports 5 algorithms. AXS plans to acquire about 400 of these machines, which are scheduled to be operational in Q2 2018.

##### Software Advantages:

The software to be employed allows AXS to change the coins each machine produces based on real-time profitability analysis. Competitive mining software dedicates the mining activity to one coin only for the entire lifetime of the coin regardless of profitability.

#### **(ii) Debit Cards**

The number of coin wallets activated has increased from approximately 0.6 million to 2.6 million in early 2013 to 5.8 million to 11.5 million as of April 2017, according to The Global Cryptocurrency Benchmarking Study by the Cambridge Centre for Alternative Finance at the University of Cambridge. As the number of coin wallet users continues to increase exponentially, the demand for the ability to convert the cryptocurrencies held in these wallets into conventional fiat currencies shall increase in direct proportion.

In response, AXS intends on acquiring certain software code developed by BLOC as part of the BLOC Assets, which can be further developed to convert some of the major digital currencies such as: Bitcoin, Litecoin, and Ethereum, into fiat currencies to allow users to utilize them on a debit card platform for common, day to day transactional uses. AXS intends to develop and launch a debit card solution that allows coin wallet users to easily exchange their coins for the conventional currency of their preference to be loaded on the debit card. The debit card can then be used just like a regular debit card to make purchases at any vendor accepting conventional debit payments.

The software code developed by BLOC is built on the foundations of a reputable payment processing and online merchant services company specializing in state-of-the-art payment services, and this code works with thousands of merchants worldwide.

In the event AXS is able to develop the software into a platform for the processing of transactions, the platform would rely on this services company for the clearing of transactions and the issuance of physical debit cards, as well as existing private infrastructure for the processing of debit card transactions.

AXS plans to charge fees to obtain a debit card, and processing fees each time the user wishes to load the debit card. The cryptocurrency bought from the debit card customers is then entered into AXS's exchange program to be traded (see below).

### **(iii) Internal Trading (Including Arbitrage) and Holding of Cryptocurrencies**

With the acquisition of the BLOC Assets, AXS will hold an initial inventory of the digital currency PURA having a market value of USD\$3,500,000. Depending on fluctuations in the market value of PURA, the Company anticipates holding this digital currency and utilizing it, or converting it to fiat currencies, as needed in order to satisfy the working capital requirements of its ongoing business operations.

AXS also anticipates holding an "inventory" of other digital currencies and will be developing proprietary application programs that monitor in real time the trading value of these currencies and trades one against the other for internal trading profits or losses on trading.

AXS will operate a dedicated internal trading budget, and will also utilize revenues earned from the offering of debit cards for trading purposes. The size of the internal budget will be determined by the board of directors of AXS, based on the available working capital within AXS at any given time. The board of directors will provide AXS's management team with guidelines and thresholds intended to manage and reduce the risks associated with trading activity. These guidelines and thresholds will be reviewed on an ongoing basis to account for changes in market conditions and the working capital needs of AXS at any given time. Initially, the board of directors intends to limit the internal budget, and overall exposure to trading activity, to an amount which does not exceed 25% of the available working capital within AXS at any given time. In determining this amount, the board of directors will take into account the market values of any digital currencies held within the Company's portfolio. The board of directors believes this limitation will provide AXS with sufficient exposure to maximize returns from trading activity, while at the same time reducing overall risk to AXS's other operations. It is anticipated that the internal budget will be

deployed, at a minimum, once every 5-7 days, with revenues from debit cards being deployed twice per month on average.

AXS will use proprietary methods to trade digital currencies with anticipated returns each time the currencies are traded or rolled over. These methodologies will recognize specific currencies as strong opportunities to hold. When AXS selects a currency to hold at scale, they may participate in what is referred to as “Masternode Holding”, where AXS earns additional coins on a daily basis simply for holding a large quantity of coins. The holding program thus generates revenue, both as the coins held continue to accumulate, and as the coins held appreciate in value.

AXS intends to have its day-to-day trading activities managed with existing major digital currency exchanges which are fully-licensed, regulated and operated in compliance with established AML and KYC policies. For example, certain countries have officially recognized cryptocurrency exchanges as regulated financial service providers, allowing the companies to fully operate as legal financial companies within the country, including the Japanese government and its financial regulator the Financial Services Agency (FSA). In October 2017, the FSA officially authorized and licensed 11 cryptocurrency exchanges, including bitFlyer, which subsequently became the fourth digital currency exchange to receive approval from the New York State Department of Financial Services for a BitLicense to operate as a virtual currency exchange in New York, bringing the total number of states in which bitFlyer is licensed up to 40. In the United States, cryptocurrency exchanges are currently regulated as money-transmission services, with licenses granted on a state-by-state basis. This falls outside the purview of the Securities and Exchange Commission and the commodities futures regulator, the CFTC. One of the world’s biggest cryptocurrency exchanges, Coinbase, headquartered in San Francisco, has obtained such licenses from 35 U.S. states, the District of Columbia, and Puerto Rico. In Europe, as part of a two-year application process that tested its security and customer protection systems, and included audits by accounting firm Ernst & Young, Luxembourg granted a payment institution license, which went into effect in July 2016, to bitcoin exchange Bitstamp, making it Europe’s first fully regulated payment institution for the cryptocurrency. Under the European Union’s “passport” program, this allows financial services providers legally established in one member state to operate in others, which means Bitstamp is licensed across all 28 European Union countries.

AXS intends to have its day-to-day transactions managed by reputable cryptocurrency exchanges which may be either fully licensed government-registered cryptocurrency exchanges and/or have a valid MSO (Money Service Operator) license, depending on the jurisdiction in which it operates, and thus also subject to regulation. These exchanges must follow global best practices for AML compliance and comply with strict KYC due diligence procedures that actively monitor and report any suspicious activities that may occur on its exchanges to global law enforcement agencies.

AXS anticipates that trading activities will augment revenues derived from operations involving digital currency mining and the offering of debit cards. AXS anticipates that approximately 15% of its revenues in the 12 months following the acquisition of the BLOC Assets will be derived from digital currency trading and arbitrage activities.

#### Third-party cryptocurrency exchanges

AXS anticipates working closely with the major cryptocurrency exchanges it intends on using for its day-to-day funds for transactional purposes. The security protocols, procedures, and standards of the exchanges AXS intends to work with must meet certain requirements.

#### *Security protocols, procedures, and standards*

The infrastructure of any exchange's cryptocurrency and blockchain asset trading platform must be designed by security specialists from major financial institutions. Their systems need to be monitored around the clock and their security team ready to respond to any irregular activity as soon as it happens in order to safeguard its client's assets and information.

The exchanges AXS intends to use have strict security protocols and procedures and are audited by major international security firms to ensure they are at the forefront of global financial institution security. All funds are held separately in segregated client accounts with some of the world's largest financial institutions. All cryptocurrency funds are held separately in segregated wallets; they store most cryptocurrency balances in secure multi-signature cold wallets and only keep a minimum amount in hot wallets on their online servers.

The exchange's consumer facing websites use 256-bit encryption via SSL certificates. Passwords and API keys are salted, hashed and never stored in the code or database. All personal identity documents and personal data are also encrypted. The exchange maintains continuous auditing, logging, backups and safe-guarding of data in geographically redundant encrypted storage.

To further protect against malicious attacks, exchange's run numerous security tests on their own software and systems and maintain the very latest virus protection software. Their software infrastructure is updated regularly with the latest security patches and their products run on a dedicated network which is locked down with firewalls and carefully monitored. They also work with world-class security researchers to keep up to date with the latest innovations in web security.

#### **(iv) Digital currencies**

With the acquisition of the BLOC Assets, AXS holds an initial starting inventory of the digital currency PURA having a market value of USD\$3,500,000.

PURA is a self-funded, self-governed, private, instant and secure cryptocurrency based on Dash (itself based on Bitcoin), elaborated with democratically-decided blockchain-transparent social contribution executed without a central authority. PURA allows users to transact with anyone in the world directly, anonymously and instantly while protecting the planet by being the world's first socially and environmentally conscious digital currency. By protocol design, 10% of the mining rewards of PURA will go towards the common good. Unlike single layer systems like Bitcoin, where miners voluntarily support the network as long as their equipment is competitive, and where changes to the code require lengthy periods of time to implement and depend on parties who do not always agree, PURA's paid master-node layer, a derivative from Dash, means PURA can scale more efficiently and deploy services more quickly than a blockchain run entirely by unpaid volunteers. For more in depth information, please refer to the PURA coin white paper, available here: [https://pura.one/wp-content/uploads/2017/11/Pura\\_Whitepaper\\_0.2.pdf](https://pura.one/wp-content/uploads/2017/11/Pura_Whitepaper_0.2.pdf).

PURA has an existing and active market and can be purchased and sold through established digital currency exchange platforms, such as: [coinexchange.io](http://coinexchange.io), [kucoin.com](http://kucoin.com), and [cryptopia.co.nz](http://cryptopia.co.nz).

PURA's daily volume of trading against fiat currencies for the month of January 2018, was a daily average of 485,525 coins, representing daily average trading value of approximately USD\$274,196.27. Volume against fiat currencies reached a low of 87,577 coins on January 26, 2018, and a high of 3,870,420 coins on January 31, 2018 (Source: <https://coinmarketcap.com/currencies/pura/historical-data/>). The market capitalization of PURA as of January 31, 2018 was USD\$57,720,200, and the total circulating supply was approximately 172,622,000 coins. The maximum supply is 350,000,000 coins.

These figures do not include trading activity against other digital currencies which PURA can be converted into. As an example, should AXS wish to trade all USD\$3,500,000 of its initial PURA inventory for BitCoin, this could be done within one day with no limitation on liquidity (Source: <https://www.coinexchange.io/market/PURA/BTC>).

#### Accounting for digital currencies

Many aspects of digital currencies are not specifically addressed by current IFRS guidance. AXS has determined it will account for its digital currency assets based on a review of its business model at the time, the economic substance of any transactions and International Financial Reporting Standards that could be applicable to digital currencies. Digital currencies that consist of cryptocurrency denominated assets such as PURA will be included in the financial statements of AXS as current assets. Digital currencies will be recorded and carried at their fair market value determined by an average spot rate of the most liquid digital currency exchanges (ex. <https://coinmarketcap.com>). AXS's holdings of digital currencies will be adjusted at each reporting date for revaluation gains and losses through the statement of profit and loss as well as when digital currencies are exchanged or sold for traditional (fiat) currencies, such as the US dollar. AXS intends to disclose its presentation, recognition and derecognition, and measurement of digital currencies, and the recognition of revenue as well as significant assumptions and judgements. If specific guidance is enacted by the IASB in the future, the impact may result in changes to AXS's earnings and financial position as presented.

#### Security and custody of digital assets

AXS's inventory of significant digital currency holdings such as PURA will be held in cold storage. Two-factor authentication will be utilized in all cases before accessing funds, and no one individual will have full access to the wallet, password or account recovery phrase. AXS will ensure appropriate segregation of duties between the different individuals that hold this information, so that all of the information is never held and accessible by one person, in one place, at the same time. AXS will also retain multiple backups, with one set kept in a secure location, and a second set with a third-party trust company.

#### (v) AXS's Token

AXS intends to explore the possibility of developing various token programs. Token launches create opportunities for customers to gain exposure to blockchain-based companies, and to receive the benefits thereof.

The laws and regulations governing the offering of new tokens are rapidly evolving as regulators look to adapt to this new sector. AXS intends to conduct an ongoing review of the regulatory landscape in the jurisdictions in which it intends to operate, and any new token offering would be subject to compliance with applicable regulations in the jurisdiction in which it is offered.

Management of AXS is aware of the position taken by the Canadian Securities Administrators with respect to new token offerings, and will work to ensure that any token offering is undertaken in accordance with this position and applicable securities laws.

#### **4.1(1)(a) Business Objectives**

AXS expects to accomplish the following business objectives over the 12-month period:

##### **I. Launch AXS's mining operation:**

- Setup, configure, activate mining hardware;
- Update software to support additional algorithms;
- Continue to add to hardware inventory to scale the operation.

##### **II. Launch AXS's Debit Card Offering**

- Complete the execution of all pending strategic partnership agreements required to finalize the logistics infrastructure, processing infrastructure, licensing requirements, and know your customer (KYC) and anti-money laundering (AML) procedural requirements.
- Activate a digital marketing agency to initiate performance marketing campaigns supported by:
  - o Commission-on-card-sale-only affiliate programs;
  - o Strategic direct-to-publisher media placements on select crypto-focused digital publications and apps;
  - o Display Native retargeting campaigns, delivered only to a white list of domains and apps, during specific times of day to maximize campaign engagement.
- Initial sales channels will be launched online, with an aim to acquire customers in such countries as Japan, China, Malaysia, Thailand, Indonesia, India, Philippines, Vietnam, Spain, Italy, France, United Kingdom, Sweden, Germany, and Latin America.
- Launch customer service desk to support each focus region, with localized web chat support, a "frequently asked questions" (FAQ) section and online knowledge base, customer support ticketing system, and customer support hotline.

- Engage with prospective debit card white label partners to launch sales channel partnership programs.

III. Launch AXS's internal trading, arbitrage, and holdings departments:

- Make initial cryptocurrency purchases from strategic exchange partners;
- Deploy debit card sales and service revenue, as generated, into the internal trading program;
- Lock down masternodes with the initial set of selected coins for the holding program;
- Commence the use of proprietary methodology to manage coin holding strategies and optimize gains based on coin appreciation and rewarded masternode coins.

**4.1(1)(b) Milestones**

To achieve the business objectives set out in subsection 4.1(1)(a) above, the following milestones must be met by AXS:

Timeline	Milestones
Q2 2018	<ul style="list-style-type: none"> <li>• Hire staff and specialists to develop AXS's business lines</li> <li>• Setup, configure, activate mining hardware assets</li> <li>• Update mining software to support additional algorithms</li> <li>• Implement appropriate infrastructure requirements to be able to launch Debit Card Processing Platform</li> <li>• Negotiate and establish exchange partnerships required to support internal trading and arbitrage programs</li> <li>• Deploy internal trading budget and commence trading</li> <li>• Commence process of deploying debit card sales and service revenue into a trading program</li> <li>• Lock down masternodes with selected coins</li> </ul>
Q3 2018	<ul style="list-style-type: none"> <li>• Continue to add mining hardware to scale mining operation as conditions warrant and assess on an ongoing basis</li> <li>• Initiate online debit card sales</li> <li>• Launch arbitrage program to serve higher volume client base</li> <li>• Commence investigation into token development initiative</li> </ul>
Q4 2018/Q1 2019	<ul style="list-style-type: none"> <li>• Increase scale of debit card sales and marketing activities</li> <li>• Increase scale of trading and holding operations, optimize holding programs based on maximum profitability opportunities per coin held (ongoing process)</li> </ul>

**4.1(1)(c)(d) Funds Available**

Prior to the Effective Date, AXS had working capital of \$50,000, and as a result of closing the CDP Financing, after the Effective Date, AXS has a working capital of \$16,000,000. The following



table represents the available funds of AXS and the principal use of those funds over a 12-month period:

<i>Use of Available Funds</i>	<i>Amount, Assuming Completion of Acquisition<sup>(1)</sup></i>
Expenses related to the completion of the transaction	\$200,000
Cryptocurrency mining equipment	\$2,500,000
Technology platform research and redevelopment	\$850,000
Other business objectives	\$500,000
Audit, legal and other professional fees	\$200,000
Filing fees and transfer agent fees	\$50,000
Management and consulting fees	\$750,000
Business development and marketing	\$2,000,000
General and administrative costs	\$1,000,000
Unallocated working capital	\$7,950,000
<b>Total</b>	<b>\$16,000,000</b>

Notes:

(1) Funds available as of the Effective Date after giving effect to the BLOC Acquisition and the AXS Financing.

There may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary. The actual amount that AXS spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above, and will depend on a number of factors, including those referred to under “Risk Factors”. However, it is anticipated that the available funds will be sufficient to satisfy AXS's objectives over the next 12 months.

#### **4.1(2) Principal Products**

AXS is currently developing its products which are further described in section 3.1 *Narrative Description of the Business* of this Listing Statement

#### **4.1(3) Production and Sales**

Not applicable.

#### **4.1(4) Competitive Conditions**

*Competitor overview*

Competition in most global blockchains is relatively new when it comes to the supply chain side of business, with few companies dominating.

In order to know how best to compete, and assuming the analysis outlined above is correct, AXS will need to know the way competitors measure themselves, how they have positioned themselves and their strategies to date, their major weaknesses and strengths, and how they intend to position themselves in the future.

### *Blockchain-enabled supply chain providers*

Chain, Inc., a San Francisco-based blockchain technology solutions provider, has recently released “Chain Core Developer Edition,” a free and open source version of its distributed ledger platform that enables organizations to issue and transfer assets on permissioned blockchain networks.

Founded in 2014, Chain, Inc. is a technology company that partners with leading organizations “to build, deploy, and operate blockchain networks that enable breakthrough financial products and services.” The technology company has raised more than \$40 million in funding from RRE Ventures, Khosla Ventures, and strategic partners including Capital One, Citigroup, Fiserv, Nasdaq, Orange, and Visa.

### *Major players*

At the highest level are the few well-established major names in “big tech” such as IBM, Salesforce, Adobe, Oracle, SAP, and Microsoft.

IBM is a global technology and innovation company headquartered in Armonk, New York. It is the largest technology and consulting employer in the world, with more than 375,000 employees serving clients in 170 countries. The IBM Blockchain Platform is an integrated platform designed to accelerate the creation of a “built for business” global blockchain network across industries and use cases. IBM has worked with more than 400 clients globally and across industries from design to implementation. Its experts aim to help clients achieve tangible outcomes to uncover new revenue streams, save time, cut costs, and reduce risk. IBM is now emerging as a cognitive solutions and cloud platform company. Its work and people can be found in all sorts of interesting places. IBM is helping transform healthcare, improving the retail shopping experience, rerouting traffic jams, and even designing the next generation fan experience in sports stadiums around the world.

Salesforce will enter the blockchain space in some way, perhaps through acquisition or partnership. Blockchain seems like an inevitable move for Salesforce. They are renowned for being innovative, and they offer software which records transactions between parties. The question is not whether or not they will, but when and how. Brett Colbert, Solutions CTO, Vice President of Enterprise Architecture, leads the customer-facing Salesforce Enterprise Architecture team which helps customers and prospects strategically transform their business systems. Colbert has been researching blockchain for more than three years, leading customer implementations and collaborating with blockchain industry thought leaders.

Adobe will most likely enter the blockchain space as well. Jason Lopatecki, Senior Director of Innovation, Adobe Advertising Cloud, states: “Blockchain has the potential to be one of the more revolutionary technologies of our lifetime, but it is still early innings. Blockchain can automate contract fulfilment, consolidate identity management, and simplify supply-chain logistics; from a consumer perspective, it can provide peace of mind through enhanced security and verification.”

Oracle is working hard to be a SaaS vendor that matters, whether with its new autonomous database service or getting involved with blockchain. The database giant has announced a new blockchain service at Oracle OpenWorld that aims to give enterprise customers, who want to get

involved with the blockchain, a fully managed approach. The Oracle blockchain service is built on the open source Hyperledger Fabric project. Oracle joined the Hyperledger project in August ahead of this announcement. Oracle joins IBM in building a blockchain cloud service on top of the Hyperledger Fabric project.

SAP has launched a Blockchain-as-a-Service (BaaS) product and the “ready-to-use blockchain technology” will sit in the SAP Cloud. The offering is part of the new SAP Leonardo product line, with the blockchain element based on the Hyperledger open source blockchain platform, like Oracle, using its standards and protocols. SAP joined Hyperledger as a premier member early in 2017. SAP describes Leonardo as a “comprehensive digital innovation system” because it includes the blockchain cloud service element alongside other emerging technologies such as machine learning, the Internet of Things (IoT), and so on, all of which are integrated into the “one ecosystem”.

SAP believes the network benefit of automatically ordering new parts or consumables in a business supply chain, net-connected IoT system would, for example, need to use artificial intelligence (AI) inspired machine learning to automate procedures, and the blockchain could be used to enact smart contract orders and/or pay for goods. The interconnectivity of the technologies aids their effectiveness if the people, process, and technology are correctly aligned.

Microsoft Inc. is looking to make its Blockchain-as-a-Service offering easier to use in real-world scenarios by enterprises with a new framework. With a handful of user inputs and a simple single-click deployment through the Azure portal, you can provision a fully configured blockchain network topology in minutes, using Microsoft Azure compute, networking, and storage services across the globe. Rather than spending hours building out and configuring the infrastructure, they have automated these time-consuming pieces to allow for focus on building out various scenarios and applications. Customers are charged for the underlying infrastructure resources consumed, such as compute, storage, and networking. There are no incremental charges for the solution itself.

### *Competitive Advantage*

AXS will deploy blockchain at the core of everything it does; it’s a proven technology and framework for applications, receiving worldwide praise for its security, scalability, and forward-thinking, decentralised approach to verifying, moving, and securing data. AXS’s competitors’ implementation of blockchain-enabled solutions validates this approach.

A critical competitive position for AXS will be its role in tapping into opportunities first for upstream advantage in the value chain with reliable system that encompasses trust, transparency, provenance, and secure facility conditions that support financial transactions.

AXS’s agility, collaborative approach and focus give it further competitive advantage. AXS will be the only provider in this space so it has a distinct competitive advantage with its focus on one industry, one product, while providing a customized, flexible, and unified solution for government oversight, producers, and dispensaries.

## **4.1(5) Lending Operations**

Not applicable.

#### **4.1(6) Bankruptcy or Receivership Proceedings**

Not applicable.

#### **4.1(7) Material Restructuring Transactions**

Not applicable.

#### **4.1(8) Social or Environmental Policies**

Not applicable.

#### **4.2 Companies with Asset-Backed Securities Outstanding**

Not applicable.

#### **4.3 Mineral Projects**

Not applicable.

#### **4.4 Company with Oil and Gas Operations**

Not applicable.

### **5. SELECTED CONSOLIDATED FINANCIAL INFORMATION**

The consolidated financial statements of AXS are prepared in accordance with IFRS. The following table sets out selected financial data of AXS derived from its audited financial statements for the periods ended May 31, 2017, 2016, and 2015. This summary of financial data should be read together with Section 6 Management's Discussion and Analysis and the financial statements of AXS and notes thereto available on SEDAR.

	<b>As at November 30, 2017 and for the year then ended (audited) (\$)</b>	<b>As at May 31, 2017 and for the year then ended (audited) (\$)</b>	<b>As at May 31, 2016 and for the year then ended (audited) (\$)</b>	<b>As at May 31, 2015 and for the year then ended (audited) (\$)</b>
Net sales or total revenues	-	-	-	-
Expenses	(38,444)	(129,279)	(121,047)	(121,857)
Foreign exchange gain	266	4,000	2,019	939
Net profit/net (loss)	(38,178)	(125,279)	(119,028)	(120,918)

	<b>As at November 30, 2017 and for the year then ended (audited) (\$)</b>	<b>As at May 31, 2017 and for the year then ended (audited) (\$)</b>	<b>As at May 31, 2016 and for the year then ended (audited) (\$)</b>	<b>As at May 31, 2015 and for the year then ended (audited) (\$)</b>
Net profit/net (loss) per basic and diluted share	(0.002)	(0.008)	(0.008)	(0.008)
Total assets	79,669	848	781	673
Total long-term financial liabilities	-	-	-	-

#### Quarterly Information

	<b>As at August 31, 2017 and for the three-month period then ended (\$)</b>	<b>As at February 28, 2017 and for the three-month period then ended (\$)</b>	<b>As at November 30, 2016 and for the three-month period then ended (\$)</b>	<b>As at August 31, 2016 and for the three-month period then ended (\$)</b>
Revenue	-	-	-	-
Net profit/net (loss)	(25,596)	(28,246)	(34,307)	(31,002)
Net profit/net (loss) per basic and diluted share	(0.002)	(0.002)	(0.002)	(0.002)

	<b>As at August 31, 2016 and for the three-month period then ended (\$)</b>	<b>As at February 29, 2016 and for the three-month period then ended (\$)</b>	<b>As at November 30, 2015 and for the three-month period then ended (\$)</b>	<b>As at August 31, 2015 and for the three-month period then ended (\$)</b>
Revenue	-	-	-	-
Net profit/net (loss)	(31,002)	(38,674)	(34,262)	(29,653)
Net profit/net (loss) per basic and diluted share	(0.002)	(0.002)	(0.002)	(0.002)

## 6. MANAGEMENT'S DISCUSSION AND ANALYSIS

The full text of AXS's management discussion and analysis for the periods ended May 31, 2017, 2016, and 2015 are available on SEDAR.

## 7. MARKET FOR SECURITIES

The AXS Shares are currently listed for trading on the CSE under the symbol “DPC”. Concurrently with the Amalgamation, the Company changed its name to “AXS Blockchain Solutions Inc.” and has reserved the symbol “BAXS” with the CSE.

## 8. CONSOLIDATED CAPITALIZATION

The following table sets forth the capitalization of AXS as of May 31, 2017, based on AXS’s audited financial statements and as of the date of this Listing Statement based on estimates made by management.

Security	Amount Authorized	Outstanding as of May 31, 2017	Outstanding as of the date of the Listing Statement
AXS Shares	Unlimited	15,638,667	166,703,603 <sup>(1)</sup>
AXS Warrants	-	-	38,750,000 <sup>(1)</sup>
AXS Broker Warrants	-	-	-

Notes:

(1) Includes the AXS Consolidated Shares issued pursuant to the BLOC Acquisition Agreement, the AXS Units issued pursuant to the Amalgamation, the AXS Private Placement Units issued pursuant to the private placement completed in November 2017, and the AXS Consolidated Shares issued pursuant to the AXS Financing.

## 9. OPTIONS TO PURCHASE SECURITIES

The following table sets out the information on the outstanding options of AXS as of the date of this Listing Statement:

Holders	Number of AXS Options
Officers and past officers	Nil
Directors and past directors	Nil
Employees	Nil
Consultants	Nil
Other persons	Nil
Total number of AXS options	Nil

## 10. DESCRIPTION OF THE SECURITIES

The authorized capital of AXS consists of an unlimited number of AXS Shares with no par value. The holders of AXS Shares are entitled to receive notice of and attend all meetings of the AXS Shareholders and are entitled to one vote in respect of each AXS Share held at such meetings. Upon any liquidation, dissolution or winding-up of AXS, the holders of AXS Shares are entitled to share rateably in the remaining assets of AXS.

During the twelve-month period prior to the date of this Listing Statement, the following sales of securities of AXS occurred:

On November 14, 2017, AXS raised necessary working capital for gross proceeds of \$100,000 by completing a subscription receipt private placement for 2,000,000 AXS Private Placement Units.

On March 27, 2018, AXS completed the AXS Financing of 42,325,870 subscription receipts at a price of \$0.35 per subscription receipt, for gross proceeds of \$14,814,054.50. On the Effective Date, each subscription receipt was converted into one AXS Consolidated Share. The proceeds of the AXS Financing are intended to be used in the development of the Company's proposed payment processing system, to purchase certain cryptocurrency mining machines, and to satisfy working capital requirements of the Company.

### ***Stock Exchange Price***

The following table sets forth the high and low closing prices and volumes of the trading of the AXS Consolidated Shares on the CSE for the periods indicated:

<b>Period</b>	<b>Low (\$)</b>	<b>High (\$)</b>	<b>Volume</b>
December 2017	0.06	0.06	115,000
November 2017	0.02	0.05	510,527
October 2017	0.01	0.03	106,500
September 2017	0.01	0.01	117,000
August 2017	0.01	0.01	235,000
July 2017	0.01	0.02	10,000
June 2017	0.02	0.02	3,250
May 2017	0.02	0.04	96,000
April 2017	0.04	0.19	1,445,857
March 2017	0.02	0.05	307,000
February 2017	0.01	0.01	0
January 2017	0.01	0.01	0
December 2016	0.01	0.01	0

*Notes:*

(1) *The AXS Shares were halted from trading on the CSE on December 20, 2017, pending a fundamental transaction and the review of disclosure information. As of the date of the Listing Statement, the trading of the AXS Shares on the CSE remains halted.*

## **11. ESCROWED SECURITIES**

The following table sets forth the number of securities of each class of securities of AXS held, to the knowledge of AXS, in escrow (which includes any securities subject to a pooling agreement) and the percentage that number represents of the outstanding securities of that class.

### **Escrow Agreement**

Pursuant to the policies of the CSE, an escrow agreement will be entered into among Computershare Trust Company of Canada, AXS, and BLOC (the “Escrow Agreement”). The following table shows the securities of AXS that are subject to the Escrow Agreement:

<b>Designation of class</b>	<b>Number of securities held in escrow</b>	<b>Percentage of class</b>
Common Shares	82,500,000	49.5% <sup>(1)</sup>

Notes:

(1) Based on 166,703,603 issued and outstanding AXS Consolidated Shares after the closing of the Consolidation, the BLOC Acquisition, the Amalgamation, and the AXS Financing.

## 12. PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and executive officers of AXS, as of the date of this Listing Statement, there are no persons or companies who beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to the voting securities of AXS. Upon completion of the AXS Consolidation, the BLOC Acquisition, the Amalgamation, and the AXS Financing, the following persons or companies who beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to the voting securities of AXS will be:

<b>Name</b>	<b>Beneficially, of record only, or beneficially only</b>	<b>Number and Percentage of CDP Consolidated Shares following the completion of the Consolidation, the BLOC Acquisition, the Amalgamation, and the CDP Financing (including Associates and Affiliates) <sup>(1)</sup></b>	<b>Number and Percentage of CDP Consolidated Shares following the completion of the CDP Consolidation, the BLOC Acquisition, the Amalgamation, and the CDP Financing (including Associates and Affiliates) on a Fully Diluted Basis <sup>(2)</sup></b>
Blockcorp Sociedad Anonima, Costa Rica		82,500,000 (of record and beneficial) (49.5%)	82,500,000 (of record and beneficial) (40.16%)

Notes:

(1) Presented on a non-diluted basis of 166,703,603 AXS Consolidated Shares, including an aggregate of 36,750,000 AXS Units and 2,000,000 AXS Private Placement Units.

(2) Presented on a fully diluted basis of 205,453,603 AXS Consolidated Shares, assuming the exercise of an aggregate of 36,750,000 AXS Units and 2,000,000 AXS Private Placement Units.

## 13. DIRECTORS AND OFFICERS

### *Summary Information on Directors and Officers*



The following table sets out the names and municipalities of residence of those individuals who are serving as directors and officers of AXS, their positions and offices with AXS, their principal occupations during the last five years, the number of AXS Consolidated Shares that each holds, and the percentage of the class that such holdings represent. The information concerning each director is as furnished by such director.

<b>Name and Municipality of Residence</b>	<b>Position with Resulting Issuer</b>	<b>Present Occupation</b>	<b>Number of CDP Consolidated Shares Beneficially Held</b>	<b>Percentage of CDP Consolidated Shares Beneficially Held</b>
Mohammad Ahmad, British Columbia	President, CEO, and Director	Founder and managing partner of Westmark Tax Group, Chartered Professional Accountant	Nil	0%
Brian Cameron, Arizona	CFO and Director	Chief Financial Officer, Certive Solutions Inc.	60,000	0.04%
Yasmine Roulleau, British Columbia	Director	Global strategic advisor in healthcare, gaming and technology	Nil	0%
Jon Malach, British Columbia	Director	CEO, NativeAds.com	Nil	0%
Marco Parente, British Columbia	Director	Chartered Professional Accountant, Certified Public Accountant	Nil	0%
Van Potter, Arizona <sup>(1)</sup>	Former Chief Executive Officer	Chief Executive Officer, Certive Solutions Inc.	Nil	0%

Notes:

(1) Mr. Mo Ahmad is expected to be appointed as CEO upon closing of the Amalgamation.

## **Biographical Information**

Biographical information for the AXS directors and officers is summarized below:

### **Mohammad Ahmad – President, CEO, and Director**

Mr. Ahmad has over 20 years of experience in leadership roles within the tax and accounting industry. He is able to build deep and lasting relationships with clients. Mr. Ahmad was directly responsible for the establishment and growth of the Vancouver & Calgary Trowbridge offices. Prior to joining Trowbridge, Mr. Ahmad had over 12 years of experience with Ernst & Young LLP and PWC LLP, including extensive advisory experience on cross-border tax issues.

Mr. Ahmad is a lawyer by training and entrepreneurial by nature. As such, he brings a unique focus to any business venture. Key success factors include: (i) commitment to client service through direct, open and honest communication; (ii) develop and follow an efficient and proven process to ensure quality of client deliverables; and (iii) commitment to employees through team oriented firm culture.

### **Brian Cameron – CFO and Director**

Mr. Brian Cameron has been Chief Financial Officer of Canadian Data Preserve, Inc. since May 30, 2011. Mr. Cameron served as the Chief Financial Officer at Datapreserve, Inc. Since 1982, Mr. Cameron has operated a private corporate finance consultancy, often serving as Interim Chief Financial Officer during transitions. His consultancy also includes practices in strategic planning and resources planning to ensure clients execute and achieve the desired results. Mr. Cameron was a securities regulator with the British Columbian Securities Commission in Canada. He has been a Director of Canadian Data Preserve, Inc. since August 10, 2012. He operates his practice from Phoenix, Arizona where he also represents the Canadian Securities Exchange in assisting companies to secure capital through its facilities.

### **Yasmine Roulleau - Director**

As a strategist, Ms. Roulleau provides consulting services both nationally and internationally to government, public and private sectors. She has extensive expertise in global healthcare and gaming, both with international casino operators and online gaming platforms. Ms. Roulleau has developed a well-regarded, dynamic style for positioning companies from inception to success, specializing in leveraging funds, corporate networks, and partnerships for investment. Her knowledge and interest in global innovators, knowledge translation, and innovative technology solutions have enabled her to create market share and data sales for brands in healthcare, gaming, and corporations investing in social responsibility. Her ability to take technology platforms from start-up to exit and her extensive knowledge in regulatory requirements and commercialization of data are key assets as a strategic advisor to blockchain and cryptocurrency.

### **Jon Malach – Director**

Mr. Malach is currently focused on changing the landscape of online advertising by providing leadership to NativeAds.com. Previously Mr. Malach worked as the COO of an online advertising and media company focusing on assisting both advertisers and publishers to increase results. Models supported ranged from PPI, CPM/CPV, CPC-search, CPC-Shopping, and CPA/CPL, and throughout his tenure Mr. Malach connected over 30,000 advertisers to over 80,000 publishers. Before working in digital advertising, Mr. Malach grew a boutique software start-up to earn Profit

100 honors for fastest growing companies in Canada (2007). In the past as a consultant, he has personally assisted over 2,000 businesses providing income generation strategies, staff management advisory, performance pay structures, marketing collateral guidance, and more. Mr. Malach prides himself on leading by example in sales, product & platform development, business analysis, partner relations, marketing, staff training, exhibit design, event planning, and public speaking.

### **Marco Parente - Director**

Marco Parente is a qualified Chartered Accountant and Certified Public Accountant. A proven performer with a strong knowledge of financial reporting standards, corporate taxation, and strategic planning, Mr. Parente has over 10 years of experience working in management and accounting. A key contributor within an organization, he looks to find solutions to problems, drive change, and make a significant impact.

Mr. Parente began his career at a local mid-sized accounting firm. He has also worked as a controller for a Fortune 500 technology company. Presently, he is a controller for a large global commercial real estate company. Mr. Parente has served on the board of directors of several TSX Venture Exchange-listed entities. During his spare time, he enjoys playing sports and contributes significantly to a local charity providing underprivileged children with the opportunity to play organized sports.

### **Non-Compliance or Non-Disclosure Agreements**

None of the directors or officers of AXS have entered into any non-compliance or non-disclosure agreements with AXS, nor do any of the directors or officers of AXS propose to do so with AXS.

### **Board Committees**

As of the date of this Listing Statement, the board of directors of AXS has one committee, the Audit Committee. Following completion of the BLOC Acquisition, the Audit Committee will be comprised of Marco Parente (chair), Jon Malach, and Mohammad Ahmad. Messrs. Parente and Malach are considered independent of AXS for the purposes of National Instrument 52-110 *Audit Committees*.

### **Corporate Cease Trade Orders or Bankruptcies**

To the best of AXS's knowledge, no director or executive officer of AXS is, at the date hereof, or within the ten years prior to the date hereof, has been, a director or officer of any company (including AXS) that, while that person was acting in that capacity:

- was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemptions under securities legislation, that was in effect, for a period of more than 30 consecutive days; or
- was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemptions under securities legislation, that was in effect for a period of more than

30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the best of AXS's knowledge, no director or officer of AXS is, at the date hereof, or within the ten years prior to the date hereof, has been, a director or officer of any company (including AXS) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### **Individual Bankruptcies**

No director, officer, promoter or principal shareholder of AXS is, or has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

### **Penalties or Sanctions**

No director or officer of AXS has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making a decision about the BLOC Acquisition or the Amalgamation.

### **Conflicts of Interest**

Certain directors and officers of AXS currently, or may in the future, act as directors or officers of other companies and, consequently, it is possible that a conflict may arise between their duties as a director or officer of AXS and their duties as a director or officer of any other such company. There is no guarantee that while performing their duties for AXS, the directors or officers of AXS will not be in situations that could give rise to conflicts of interest. There is no guarantee that these conflicts will be resolved in favour of AXS. The directors and officers of AXS are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors and officers of conflicts of interest and the fact that AXS will rely upon such laws in respect of any director's or officer's conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts must be disclosed by such directors or officers in accordance with the BCBCA, and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

## 14. CAPITALIZATION

In addition to the information set out in the capitalization table above at Section 8 Consolidated Capitalization, the following table sets out the fully diluted share capital of AXS following completion of all of the transactions contemplated herein.

### Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully- diluted)	%of Issued (non- diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding (A)	166,703,603	205,453,603	100%	100%
Held by Related Persons or employees of AXS or Related Person of AXS, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in AXS (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in AXS upon exercise or conversion of other securities held) (B)	92,500,000	92,500,000	55.49%	45.02%
Total Public Float (A-B)	74,203,603	112,953,603	44.51%	54.98%
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	124,825,870	124,825,870	74.88%	60.76%
Total Tradeable Float (A-C)	41,877,733	80,627,733	25.12%	39.24%

Public Securityholders (Registered)

**Instruction:** For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

**Class of Security**

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	<u>nil</u>	<u>nil</u>
100 – 499 securities	<u>5</u>	<u>1,100</u>
500 – 999 securities	<u>1</u>	<u>700</u>
1,000 – 1,999 securities	<u>nil</u>	<u>nil</u>
2,000 – 2,999 securities	<u>nil</u>	<u>nil</u>
3,000 – 3,999 securities	<u>nil</u>	<u>nil</u>
4,000 – 4,999 securities	<u>5</u>	<u>20,000</u>
5,000 or more securities	<u>219</u>	<u>84,181,803</u>
Total	<u>230</u>	<u>84,203,603</u>

## Public Securityholders (Beneficial)

**Instruction:** Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where CDP has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

### **Class of Security**

<b><u>Size of Holding</u></b>	<b><u>Number of holders</u></b>	<b><u>Total number of securities</u></b>
1 – 99 securities	<u>nil</u>	<u>nil</u>
100 – 499 securities	<u>nil</u>	<u>nil</u>
500 – 999 securities	<u>60</u>	<u>17,760</u>
1,000 – 1,999 securities	<u>5</u>	<u>5,400</u>
2,000 – 2,999 securities	<u>10</u>	<u>22,417</u>
3,000 – 3,999 securities	<u>4</u>	<u>13,305</u>
4,000 – 4,999 securities	<u>2</u>	<u>8,200</u>
5,000 or more securities	<u>30</u>	<u>3,696,218</u>
Unable to confirm		<u>1,364,433 (OBOs)</u>
DSM Shareholders	<u>9</u>	<u>36,750,000</u>
AXS Financing shareholders	<u>166</u>	<u>42,325,870</u>
Total	<u>Minimum 286</u>	<u>84,203,603</u>

## Non-Public Securityholders (Registered)

**Instruction:** For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

### **Class of Security**

<b><u>Size of Holding</u></b>	<b><u>Number of holders</u></b>	<b><u>Total number of securities</u></b>
1 – 99 securities	nil	nil
100 – 499 securities	nil	nil
500 – 999 securities	nil	nil
1,000 – 1,999 securities	nil	nil
2,000 – 2,999 securities	nil	nil
3,000 – 3,999 securities	nil	nil
4,000 – 4,999 securities	nil	nil
5,000 or more securities	2	82,500,000
	<u>2</u>	<u>82,500,000</u>

### **Securities Convertible or Exchangeable into AXS Consolidated Shares**

<b>Description of Security (include conversion/exercise terms, including conversion/exercise price)</b>	<b>Number convertible/exchangeable securities outstanding</b>	<b>of</b>	<b>Number of listed securities issuable upon conversion/exercise</b>
Common share purchase warrants entitling the holder to acquire one additional AXS Share at an exercise price of \$0.05 per share for a period of 12 months from the closing date.	38,750,000		38,750,000
Broker warrants with the same terms as the common share purchase warrants described above	nil		nil



## 15. EXECUTIVE COMPENSATION

No material changes to AXS’s compensation practices are currently expected.

The following table sets forth detailed information on the compensation of the Chief Executive Officer, the Chief Financial Officer, and each of AXS’s other most highly compensated executive officers (collectively, the “**Named Executive Officers**” or “**NEOs**”) as prescribed by National Instrument 51-102 Continuous Disclosure Obligations (“**NI 51-102**”), for services rendered in all capacities during the financial year ended May 31, 2017 and the prior year:

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Chief Executive Officer	2017	36,000	Nil	Nil	Nil		Nil	Nil	36,000
	2016	48,000	Nil	Nil	Nil		Nil	Nil	48,000
Chief Financial Officer	2017	36,000	Nil	Nil	Nil		Nil	Nil	36,000
	2016	48,000	Nil	Nil	Nil		Nil	Nil	48,000

Other than the commitment to fund the compensation of its incoming President and Chief Executive Officer, Mo Ahman, at \$5,000 per month and its Chief Financial Officer, Brian Cameron, at \$2,000 per month, no material changes to AXS’s practices are currently expected following the BLOC Acquisition.

## 16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer, member of management, nominee for election as director of AXS, nor any of their Associates or Affiliates, is indebted to AXS as of the date of this Listing Statement.

## 17. RISK FACTORS

The AXS Shares should be considered highly speculative due to the nature of AXS’s business and the present stage of its development. In evaluating AXS, DSM, and BLOC, investors should carefully consider, in addition to the other information contained in the Listing Statement, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in AXS or in connection with AXS’s operations.

## **Cryptocurrency Risks**

The following summarizes the primary risk factors associated with cryptocurrencies:

### **General Cryptocurrency Risks**

#### *Government Regulation*

The activities of AXS will be subject to regulation by governmental authorities. If AXS is unable to comply with current or future government regulations of its products and production activities, AXS may be forced to discontinue future services. AXS is subject to federal, state, local, and foreign laws and regulations governing its services and activities. Each service offering that is developed, deployed, marketed, or licensed presents unique regulatory problems and risks. If it is unable to comply with these practices and procedures, AXS may be unable to offer its services.

Cryptocurrencies are a controversial phenomenon that have risen from a technical experiment, with zero monetary value, to an industry of more than 500 cryptocurrencies with a combined market capitalization of over US\$300 billion. Confronted with international regulators' intensifying scrutiny of digital currency fund-raising, known as initial coin offerings, many entrepreneurs are moving businesses to locations more welcoming to crypto-currencies and known for low taxes. Registrations in "friendly" jurisdictions show how hard it is for national watchdogs to regulate digital coin sales. It is a challenge that regulators are beginning to recognize. It is still uncertain how regulators will react in Canada. Although there could already be companies that claim to have the platform to allow the exchange of cryptocurrency into fiat, their operational scalability and functionality fall short, in part due to their foundation (one based on crypto processing channels, which are limited due to regulation) as well as lack of experience in an already complicated-fiat-only industry.

#### *Banking*

A number of companies providing cryptocurrency-related services have had challenges finding banks willing to provide them with banking services and a number of cryptocurrency-based companies have had their existing bank accounts closed by their banks for various reasons. Banks may not provide banking services, or may cut off banking services, to businesses that provide cryptocurrency-related services or that accept cryptocurrencies as payment for a number of reasons, such as perceived compliance risks or costs. The inability to open bank accounts may make it difficult to operate AXS's cryptocurrency operations.

#### *Cryptocurrency exchanges*

Cryptocurrency businesses rely on cryptocurrency exchanges. If these exchanges are involved in fraud or experience security failures or other operational issues, this could impact, directly or indirectly, the prices set on exchanges. Furthermore, if any of these exchanges AXS uses are closed, shut down, or go bankrupt, it may significantly impact AXS's customers and operations.

### *Cryptocurrency price volatility risks*

A significant portion of AXS's assets are and will be held in cryptocurrency which is subject to price volatility risks. Cryptocurrency market prices are determined primarily using data from various exchanges, over-the-counter markets, and derivative platforms, and has resulted and may continue to result, in speculation regarding future appreciation (or depreciation) in the value of cryptocurrencies. This volatility could adversely affect the value of AXS's cryptocurrency holdings and thereby affect AXS's shareholders.

### *Audit Risks*

Little guidance currently exists on how to account for cryptocurrencies. International Financial Reporting Standards (IFRS) and generally accepted accounting principles (GAAP) have not yet caught up to the cryptocurrency industry. The Accounting Standards Board (AcSB) have also not caught up to the technology and agreement on how to account for and audit cryptocurrencies and cryptomining operations under Generally Accepted Auditing Standards (GAAS) has not been reached.

### **Specific Cryptocurrency Risks for AXS**

#### *Loss or destruction of the private key*

Cryptocurrencies are stored in digital wallets and are controllable only by the possessor of both the public key and the private key relating to the digital wallet in which the cryptocurrencies are held, both of which are unique. If a private key is lost, destroyed or otherwise compromised, an investor may be unable to access the particular cryptocurrency held in the related digital wallet which will essentially be lost. If a private key is acquired by a third party then this third party may be able to gain access to the cryptocurrency.

#### *Cyber risks such as malicious activity*

Trading platforms and third-party service providers may be vulnerable to hacking or other malicious activities. If one or more malicious actors were to control sufficient consensus nodes on a given blockchain network, then the blockchain could be altered.

#### *Incorrect or fraudulent coin transactions may be irreversible*

Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred coins may be irretrievable. As a result, any incorrectly executed or fraudulent coin transactions could adversely affect AXS's investments and are not reversible without the consent and active participation of the recipient of the transaction. A risk very specific to cryptocurrencies is loss of money due to an error in the address to which the money transfer is made. It is possible that, through computer or human error, or through theft or criminal action, AXS's coins could be transferred in incorrect amounts or to unauthorized third parties, or to uncontrolled accounts.

### *Risks associated with peer to peer transactions*

Digital currencies can be traded on numerous online platforms, through third party service providers and as peer-to-peer transactions between the parties. Many marketplaces simply bring together counterparts without providing any clearing or intermediary services and without being regulated. In such a case, all risks, such as double selling, remain between the parties directly involved in the transaction.

### *Risks related to trading platforms*

Digital currency trading platforms are largely unregulated and provide only limited transparency with respect to their operations. As such, they have come under increasing scrutiny due to cases of fraud, business failure or breaches, where compensation for losses has not occurred. Although one does not need a trading platform or an exchange to trade cryptocurrencies, such platforms are often used to convert fiat currency into cryptocurrency or to trade one cryptocurrency for another. AXS intends to mitigate this risk by having its day-to-day trading activities managed with existing major digital currency exchanges which are fully-licensed, regulated and operate in compliance with established AML and KYC policies.

### *Loss of confidence in digital currencies*

Digital currencies are part of a new and rapidly evolving digital asset industry, which in itself is subject to a high degree of uncertainty. For a relatively small use of digital currencies in the retail and commercial marketplace, online platforms have generated a large trading activity by speculators seeking to profit from short and long term holding of digital currencies. Most cryptocurrencies are not backed by a central bank, national or international organization, or assets, and their value is determined by the value that market participants place on them by way of their transactions. Therefore, any loss of confidence may bring about a collapse of trading activity and an abrupt drop in value.

### *Regulations restricting or preventing trading in digital currencies*

There are significant inconsistencies among various regulators with respect to the legal status of digital currencies. Regulators are also concerned that cryptocurrencies may be used by criminals or terrorist organizations. In the future, certain countries may restrict the legal right to acquire, own, hold, sell or use digital currencies.

### *Currency conversion risks*

Policies or interruptions in the deposit or withdrawal of fiat currency into or out of the trading platforms may impact the ability of certain investors to convert. If for example, margin lending or withdrawals were curtailed and regulators implemented stricter anti-money laundering policies, this could trigger an immediate decrease in both pricing and trading volume.

### *Taxation of digital currencies*

For investors in cryptocurrencies, it should be noted that there is substantial uncertainty with

respect to the tax treatment of an investment in digital currencies. Cryptocurrencies may be considered assets in certain jurisdictions and currencies in others. Sales or value added taxes may be imposed on purchases or sales of digital currencies.

#### *Dilution due to competition or “fork” in the Blockchain*

Cryptocurrencies are based upon protocols which govern the peer-to-peer interactions between various users. Dissent between users as to protocols to be used may result in a “fork” opening two separate networks. For example, Ethereum experienced a permanent fork in its blockchain that resulted in two versions of its digital currency, Ethereum (ETH) and Ethereum Classic (ETC).

#### *Risks related to technological obsolescence and difficulty in obtaining hardware*

To remain competitive, AXS will invest in hardware and equipment required for maintaining AXS’s cryptocurrency mining operations. Cryptocurrency mining hardware and its underlying technology may become obsolete quickly and require substantial capital to replace such equipment. The increase in interest and demand for cryptocurrencies may lead to shortages of mining hardware and the components necessary to manufacture the hardware. If AXS’s mining equipment is damaged or destroyed, any industry shortages may lead to downtime.

#### *Risks related to insurance*

AXS may become subject to liability for risks against which it cannot insure or against which it may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for AXS’s usual business activities. Payment of liabilities for which it does not carry insurance may have a material adverse effect on its financial position and operations. AXS intends to insure its operations in accordance with technology industry practice. However, given the novelty of cryptocurrency mining and associated businesses, such insurance may not be available, uneconomical for AXS, or the nature or level may be insufficient to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on AXS.

### **Risks Related to AXS**

#### **Limited Operating History**

AXS has no history of operations in the blockchain business and must be considered a start-up. As such, AXS is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues.

#### **Development Stage Business**

AXS has only a limited history upon which an evaluation of its prospects and future performance can be made. AXS has a limited operating history, has never operated at a profit, and there can be no assurance of its ability to operate at a profit. AXS’s proposed operations are subject to all business risks associated with new enterprises. The likelihood of AXS’s success must be

considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with the expansion of a business, operation in a competitive industry, and the performance of its customers. There is a possibility that AXS could continue to sustain losses in the future. If AXS is unable to generate revenues or profits, investors might not be able to realize returns on their investment or keep from losing their investment.

### **The BLOC Business Plan Makes Certain Assumptions that May Not Be Realized and There May Be Unanticipated Obstacles to Execution of the Business Plan**

AXS's business plans may change significantly. AXS believes that its chosen activities and strategies are achievable in light of current economic and legal conditions with the skills, background, and knowledge of its principals, advisors, and consultants. AXS reserves the right to make significant modifications to any of AXS's stated strategies depending on future events.

### **Inadequacy of Funds**

CDP has negative operating cash flow at May 31, 2017, and will continue to have negative operating cash flow until revenues increase. CDP currently has inadequate funds to fully develop its business and needs additional debt or equity financing or other capital investment to fully implement their business plans, although assuming completion of the BLOC Acquisition, the Amalgamation, and CDP Financing, CDP will have sufficient funds to develop its business objectives for the next 12 months. There is no assurance that future debt or equity financing or other capital investment can be secured. Failure to obtain such financing on a timely basis could result in CDP being unable to fully develop its business and reduce or terminate its operations.

### **Capitalization and Commercial Viability**

AXS may not have sufficient funds to carry out the completion of all proposed activities, and may have to obtain other financing or raise additional funds. AXS has limited financial resources, and there is no assurance that additional funding will be available to AXS to carry out the completion of all proposed activities. Although AXS has been successful in the past in obtaining financing through the sale of securities, there can be no assurance that AXS will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of its business plan.

### **Buyers' Preference & Spending Trends; Possible Fluctuations in Operating Results**

AXS's operating results may fluctuate significantly from period to period as a result of a variety of factors, including purchasing patterns of its customer, competitive pricing, and general economic conditions. There is no assurance that AXS will be successful in marketing any of its services, or that the revenues from the purchase of such services will be significant. Consequently, AXS's revenues may vary by quarter, and their operating results may experience fluctuations.

### **Advertising and Promotional Risk**

AXS's future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional costs, including its ability to create brand recognition and maintaining

acceptable operating margins on such costs. There can be no assurance that advertising and promotional costs will result in revenues for AXS in the future, or will generate awareness of its cryptocurrency products and services. In addition, no assurance can be given that AXS will be able to manage its advertising and promotional costs on a cost-effective basis.

### **The Market Price of the Shares May Be Subject to Wide Price Fluctuation**

The market price of the AXS Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of AXS, divergence in financial results from expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for AXS and its subsidiaries, general economic conditions, changes in material sources, legislative changes, and other events and factors outside of AXS's control. In addition, stock markets have, from time to time, experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the AXS Consolidated Shares.

### **Return on Investment**

There is no assurance that AXS will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

### **Dilution**

Issuance of additional securities pursuant to future financing will result in dilution of the equity interests of persons who become shareholders of AXS.

### **Tax Issues**

Income tax consequences in relation to the AXS Consolidated Shares will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to subscribing.

### **Dividends**

AXS has not declared any dividends on the AXS Shares since incorporation and does not anticipate paying any dividends on the AXS Consolidated Shares in the foreseeable future. Payment of any future dividends will be at the discretion of AXS board of directors.

### **Issuance of Debt**

From time to time, AXS may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase AXS's debt levels above industry standards. Neither AXS's articles nor its by-laws limit the amount of indebtedness that they may incur. The level of AXS's indebtedness from time to time could impair their ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

## **Dependence on Management**

AXS's business is significantly dependent on their management team including outside management advisors and consultants. The loss of AXS's directors or senior officers, other employees, advisors, or consultants could have a material adverse effect on AXS.

## **Reliance on Key Personnel and Consultants**

AXS's success depends, in part, on its ability to attract and retain key technical, management, and operating personnel, including consultants and members of its board of directors. AXS needs to develop sufficient expertise and add skilled employees or retain consultants in areas such as research and development and marketing in order to successfully execute its business plan. AXS may be unable to attract and retain qualified personnel or develop the expertise needed in these areas. If AXS fails to attract and retain key personnel it may be unable to execute its business plan, or its business could be adversely affected.

## **Inability to Manage the Potential Growth of the Business**

AXS's potential growth may place significant demands upon its personnel, management, and financial resources. There is no assurance that its current or proposed personnel, systems, procedures, and controls will be adequate to support its future operations, that AXS will be able to train, retain, motivate, and manage necessary personnel, or that its management will be able to identify, manage and exploit existing and potential strategic relationships and market opportunities. If AXS is unable to effectively manage any future growth, its business and financial condition could be adversely affected.

## **Customer Base and Market Acceptance**

Although AXS believes that its services will offer advantages over competitive companies and products, no assurance can be given that their services will attain a degree of market acceptance on a sustained basis or that it will generate revenues sufficient for sustained profitable operations.

## **Competition**

If AXS fails to compete effectively against larger, more established companies with greater resources, then its business may suffer. Competition in the market for AXS services is intense. Factors affecting competition include financial resources, research and development capabilities, and technological and market expertise and resources. Many of these companies will have financial, technical, and marketing resources greater than AXS's. In addition, AXS may be unaware of technologies or technologies that may be developed in the future that could adversely affect its perceived technical and competitive advantage.

## **No Assurances of Protection for Patents, Proprietary Rights, or Trade Secrets**

AXS relies on patents and trade secrets, which it has developed, licensed or acquired, or may develop in the future, to protect its proprietary technology and processes and maintain its competitive position. There can be no assurances that secrecy obligations will be honoured or that



others will not independently develop similar or superior technology. The protection of proprietary technology through patents or claims of trade secret status has been the subject of increasing claims and litigation by various companies both in order to protect proprietary rights as well as for competitive reasons even where proprietary claims are unsubstantiated. The prosecution of proprietary claims or the defence of such claims is costly and uncertain given the uncertainty and rapid development of the principles of law pertaining to this area. AXS, in common with other firms, may also be subject to claims by other parties with regard to the use of technology information and data, which may be deemed proprietary to others.

### **Future Litigation**

AXS may be subject to litigation arising out of its operations, although there currently are no such lawsuits. Damages claimed under such litigation may be material or may be indeterminate, and the outcome of such litigation may materially impact AXS's business, results of operations, or financial condition. While AXS will assess the merits of any lawsuit and defend itself accordingly, it may be required to incur significant expense or devote significant financial resources to defending itself against such litigation. In addition, the adverse publicity surrounding such claims may have a material adverse effect on AXS's business.

## **18. PROMOTERS**

Except as disclosed herein, to the knowledge of the management of AXS, as of the date hereof, no professional person or any Associate or Affiliate of such person has any beneficial interest, direct or indirect, in the securities of AXS or of an Associate or Affiliate of any of them, and, except as disclosed herein, no professional person is expected to be elected, appointed or employed as a director, senior officer or employee of AXS or of an Associate or Affiliate of any of them, or as a promoter of any such entity or of an associate or affiliate of any such entity.

## **19. LEGAL PROCEEDINGS**

AXS is not a party to and none of its assets is the subject of any legal proceedings as at the date of this Listing Statement or from the date of incorporation, and AXS knows of no such legal proceedings currently contemplated.

## **20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as set forth in this Listing Statement and other than transactions carried out in the ordinary course of business of AXS or any of its subsidiaries, none of the directors or executive officers of AXS, a director or executive officer of a person or company that is itself an informed person or subsidiary of AXS, nor any shareholder beneficially owning, directly or indirectly, AXS Shares, or exercising control or direction over common shares of AXS, or a combination of both, carrying more than 10% of the voting rights attached to the outstanding AXS Shares nor an associate or affiliate of any of the foregoing persons has since June 1, 2016 (being the commencement of AXS's last completed financial year) any material interest, direct or indirect, in any transactions which materially affected or would materially affect AXS or any of its subsidiaries.

## **21. AUDITORS, TRANSFER AGENTS AND REGISTRARS**

Buckley Dodds LLP, Chartered Professional Accountants, of Suite 1140, 1185 West Georgia Street, Vancouver, British Columbia, are currently auditors of AXS.

Computershare Trust Company of Canada, at its office at 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, is the registrar and transfer agent for the AXS Shares.

## **22. MATERIAL CONTRACTS**

Over the last two years, AXS has entered into the following material contracts, other than contracts entered into in the ordinary course of business:

- BLOC Acquisition Agreement
- Amalgamation Agreement

## **23. INTEREST OF EXPERTS**

Certain legal matters relating to the AXS Meeting and proposed transactions will be passed upon on behalf of AXS by Buttonwood Law Corporation. Buttonwood Law Corporation, its partners and employees currently own 426,000 AXS Shares, representing less than 1% of the total issued and outstanding AXS Shares as of the date of this Listing Statement. Buckley Dodds LLP (the current auditor of AXS) prepared an auditors' report to the directors of AXS on the consolidated financial statements of May 31, 2017, 2016 and 2015. Buckley Dodds LLP are independent from AXS within the meaning of applicable policies. To the knowledge of the management of AXS, as of the date hereof, no professional person or any associate or affiliate of such person has any beneficial interest, direct or indirect, in the securities or assets of AXS or of an Associate or Affiliate of any of them, and, except as disclosed herein, no professional person is expected to be elected, appointed or employed as a director, senior officer or employee of AXS or of an Associate or Affiliate of any of them, or as a promoter of any such entity or of an Associate or Affiliate of any such entity.

## **24. OTHER MATERIAL FACTS**

Other than as disclosed herein, AXS's management is not aware of any other material facts concerning AXS nor the proposed transaction.

## 25. DSM FINANCIAL STATEMENTS

### Selected Consolidated Financial Information

The consolidated financial statements of DSM are prepared in accordance with IFRS. The following table sets out selected financial data of DSM derived from its audited financial statements for the period ended November 30, 2017.

	As at November 30, 2016 (audited) (\$)	As at November 30, 2017 (audited) (\$)
Net sales or total revenues	-	-
Expenses	50,286	12,231
Impairment of exploration and evaluation assets	-	(53,014)
Net profit/net (loss)	(50,286)	42,783
Net profit/net (loss) per basic and diluted share	(50,286)	42,783
Total assets	-	-
Total long-term financial liabilities	-	-

### Quarterly Information

DSM is not a reporting issuer and has not prepared quarterly financial statements since incorporation.

**CANADIAN DATA PRESERVE, INC.**

**Financial Statements**

**For the Years Ended May 31, 2017 and 2016**

*(Expressed in U.S. Dollars)*

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INDEPENDENT AUDITORS' REPORT

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To the Shareholders of Canadian Data Preserve, Inc.

We have audited the accompanying financial statements of Canadian Data Preserve, Inc., which comprise the statements of financial position as at May 31, 2017 and 2016 and the statements of operations and comprehensive loss, cash flows, and changes in shareholders' deficit for the years then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Data Preserve, Inc. as at May 31, 2017 and 2016 and its operations and cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

**Emphasis of Matter**

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Canadian Data Preserve, Inc.'s ability to continue as a going concern.

*Buckley Dodds Parker LLP*

Chartered Professional Accountants  
Vancouver, British Columbia  
September 28, 2017

**CANADIAN DATA PRESERVE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**(EXPRESSED IN U.S. DOLLARS)**  
**AS AT**

	Notes	May 31, 2017	May 31, 2016
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 132	\$ 651
Receivables		716	130
Total assets		<u>\$ 848</u>	<u>\$ 781</u>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	6	\$ 73,505	\$ 35,687
Due to related parties	8	597,836	510,308
Loans payable	9	22,500	22,500
Total liabilities		<u>693,841</u>	568,495
<b>SHAREHOLDERS' DEFICIT</b>			
Share capital	7	275,000	275,000
Contributed surplus		361,117	361,117
Deficit		<u>(1,329,110)</u>	<u>(1,203,831)</u>
Total shareholders' deficit		<u>(692,993)</u>	<u>(567,714)</u>
Total liabilities and shareholders' deficit		<u>\$ 848</u>	<u>\$ 781</u>

Nature of operations and going concern (Note 1)

**ON BEHALF OF THE BOARD OF DIRECTORS:**

<u>"Brian Cameron"</u>	Director	<u>"Van Potter"</u>	Director
Brian Cameron		Van Potter	

The accompanying notes are an integral part of these audited financial statements



**CANADIAN DATA PRESERVE, INC.**  
**STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
**(EXPRESSED IN U.S. DOLLARS)**  
**FOR THE YEARS ENDED**

	Notes	May 31 2017	May 31 2016
<b>EXPENSES</b>			
Consulting fees	8	\$ 96,000	\$ 104,000
CNSX fees		9,265	7,475
Interest and bank charges		2,667	5,333
Professional fees		10,295	929
Transfer agent and filing fees		11,052	3,310
		<u>(129,279)</u>	<u>(121,047)</u>
Foreign exchange gain		4,000	2,019
		<u>(125,279)</u>	<u>(119,028)</u>
<b>LOSS AND COMPREHENSIVE LOSS FOR THE YEAR</b>			
		\$ (0.008)	\$ (0.008)
<b>Basic and diluted loss per common share</b>			
		\$ (0.008)	\$ (0.008)
<b>Weighted average number of common shares outstanding</b>			
		15,638,667	15,638,667

The accompanying notes are an integral part of these audited financial statements

**CANADIAN DATA PRESERVE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**(EXPRESSED IN U.S. DOLLARS)**  
**FOR THE YEARS ENDED**

	<b>May 31,</b> <b>2017</b>	May 31, 2016
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Loss for the year	\$ (125,279)	\$ (119,028)
Changes in non-cash working capital:		
Receivables	(586)	84
Due to related parties	87,528	144,241
Accounts payable and accrued liabilities	37,818	(25,105)
Net cash provided by (used in) operating activities	<u>(519)</u>	192
<b>CHANGE IN CASH DURING THE YEAR</b>	<b>(519)</b>	192
<b>CASH, BEGINNING OF YEAR</b>	<u>651</u>	459
<b>CASH, END OF YEAR</b>	<u>\$ 132</u>	<u>\$ 651</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid for interest and income taxes	\$ -	\$ -

**CANADIAN DATA PRESERVE, INC.**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT**  
**(EXPRESSED IN U.S. DOLLARS)**

	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Contributed Surplus</b>	<b>Deficit</b>	<b>Total Deficit</b>
Balance as of May 31, 2015	15,638,667	\$ 275,000	\$ 361,117	\$ (1,084,803)	(448,686)
Loss and comprehensive loss	-	-	-	(119,028)	(119,028)
Balance as of May 31, 2016	15,638,667	275,000	361,117	(1,203,831)	(567,714)
Loss and comprehensive loss	-	-	-	(125,279)	(125,279)
<b>Balance as of May 31, 2017</b>	<b>15,638,667</b>	<b>\$ 275,000</b>	<b>\$ 361,117</b>	<b>\$ (1,329,110)</b>	<b>(692,993)</b>

The accompanying notes are an integral part of these audited financial statements

**CANADIAN DATA PRESERVE, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MAY 31, 2017  
(EXPRESSED IN U.S. DOLLARS)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Canadian Data Preserve, Inc. (the "Company") was incorporated on June 11, 2010 under the Laws of British Columbia. The Company is traded on the Canadian Securities Exchange ("CSE"). The head office of the Company is located at 1140 - 1185 West Georgia Street, Vancouver, BC V6E 4E6.

The financial statements of the Company are presented in U.S. dollars, which is the functional currency of the Company, unless otherwise indicated.

The financial statements were prepared on a going concern basis, under the historical cost convention. The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. The Company has minimal capital resources presently available to meet obligations which normally can be expected to be incurred by similar companies and has a working capital deficit of \$692,993, a loss for the year of \$125,279 and a deficit of \$1,329,110.

Management of the Company does not expect that cash flows from operations will be sufficient to cover its operating requirements, financial commitments and business development priorities during the next twelve months. Accordingly, the Company expects that it will need to obtain further financing in the form of debt, equity or a combination thereof for the next twelve months. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. If adequate funds are not available, the Company may be required to delay or reduce the scope of any or all of its operations.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

**2. BASIS OF PRESENTATION**

**Statement of compliance to international financial reporting standards**

These financial statements, including comparatives have been prepared in accordance with International Accounting Standard ("IAS") 1, "Presentation of Financial Statements" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements were authorized by the Board of Directors of the Company on September 28, 2017.

**2. BASIS OF PRESENTATION (cont'd...)**

**Significant accounting judgements and estimates**

The preparation of the financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements. Actual results could differ from these estimates.

Critical Judgements

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company, as previously discussed in Note 1, as well as determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency for the Company has been determined to be the U.S. dollar.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity of IFRS requires management to make estimates that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be material. Significant estimates made by management affecting the consolidated financial statements include:

i) Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future years, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future years.

**Determination of functional currency**

The functional currency is the currency of the primary economic environment in which the entity operates. Management has determined that the functional currency for the Company is the U.S. dollar.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### Foreign exchange

Transactions in currencies other than the U.S. dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are recognized through profit or loss.

#### Cash

Cash includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and subject to an insignificant risk of change value.

#### 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:

<u>Asset or Liability</u>	<u>Category</u>	<u>Measurement</u>
Cash	FVTPL	Fair value
Receivables	Loans and receivables	Amortized cost
Accounts payable	Other liabilities	Amortized cost
Loans payable	Other liabilities	Amortized cost
Due to related parties	Other liabilities	Amortized cost

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Financial instruments (cont'd...)**

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

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

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

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

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

**Income taxes**

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Income taxes (cont'd...)**

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**Share capital**

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

**Loss per share**

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

**Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

**Future accounting pronouncements**

A number of new standards, amendments to standards and interpretations are not yet effective as at the date of issuing these statements, and have not been applied in preparing these financial statements. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

*IFRS 9 - Financial Instruments*, addresses classification, measurement and recognition of financial assets and financial liabilities. This new standard is a partial replacement of IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing multiple impairment methods in IAS 39. IFRS 9 is effective for annual years beginning on or after January 1, 2018, with early adoption permitted.



**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Future accounting pronouncements (cont'd...)**

*IFRS 15 - Revenue from Contracts and Customers ("IFRS 15")* will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual years beginning on or after January 1, 2018, with early adoption permitted.

*IFRS 16 - Leases*, effective for annual periods beginning on or after 1 January 2019. The scope of IFRS 16 includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

**4. MANAGEMENT OF CAPITAL**

The Company manages its common shares, stock options and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its assets and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company is not subject to any externally imposed capital requirements.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt or acquire or dispose of assets.

**4. MANAGEMENT OF CAPITAL (cont'd...)**

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury invested in demand certificates of deposit with major financial institutions.

There have been no changes to the Company's approach to capital management during the year ended May 31, 2017.

**5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

*Financial risk management*

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, receivables, accounts payable, loans payable and due to related parties.

The fair value of cash is measured on the statement of financial position using level 1 of the fair value hierarchy. The fair values of receivables, accounts payable, loans payable and due to related parties 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 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 manages this credit risk by ensuring that these financial assets are placed with a major financial institution with strong investment grade ratings by a primary ratings agency. The Company's receivables consist primarily of harmonized sales tax due from the Canada Revenue Agency. The Company does not believe it has a material exposure to credit risk.

**CANADIAN DATA PRESERVE, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MAY 31, 2017  
(EXPRESSED IN U.S. DOLLARS)

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**5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)**

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as described in Note 4. 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 at May 31, 2017 the Company has no financial assets that are past due or impaired due to credit risk defaults.

*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 functional currency is the U.S. dollar. All of the Company's financial instruments are denominated in U.S. dollars. In management's opinion there is no significant foreign exchange risk to the Company.

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	May 31, 2017	May 31, 2016
Accounts payable	\$ 32,967	\$ 27,837
Accrued liabilities	40,538	7,850
Total	\$ 73,505	\$ 35,687

**7. SHARE CAPITAL**

Authorized

Unlimited common shares without par value  
Unlimited preferred shares without par value

As at May 31, 2017, the company has no stock options or warrants issued or outstanding.

**CANADIAN DATA PRESERVE, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MAY 31, 2017  
(EXPRESSED IN U.S. DOLLARS)

**8. RELATED PARTY TRANSACTIONS**

The Company's related parties consist of companies owned in whole or in part by executive officers and directors as follows:

Name	Position and nature of transactions
Advantive Information Management, Inc.	Common Director - Management services
Brian Cameron	Director - Consulting services
Jack Saltich	Director - Consulting services
Van Potter	Director - Consulting services
Certive Solutions Inc.	Common Director - Management services
Certive Technologies Arizona Inc.	Common Director - Management services

The following summarizes the amount due to related parties:

	May 31, 2017	May 31, 2016
Advantive Information Management, Inc.	\$ 61,675	\$ 61,675
Brian Cameron	36,380	380
Certive Solutions Inc.	55,457	23,552
Certive Technologies Arizona Inc.	408,324	424,701
Van Potter	36,000	-
<b>Total</b>	<b>\$ 597,836</b>	<b>\$ 510,308</b>

The remuneration of directors and other members of key management personnel during the years ended May 31, 2017 and May 31, 2016 were as follows:

	May 31, 2017	May 31, 2016
Consulting fees	\$ 72,000	\$ 104,000

**CANADIAN DATA PRESERVE, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MAY 31, 2017  
(EXPRESSED IN U.S. DOLLARS)

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**9. LOANS PAYABLE**

The loans are made of the following:

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	May 31, 2017	May 31, 2016
Chuck Bowen	\$ 12,500	\$ 12,500
Jim Doyle	10,000	10,000
Total	\$ 22,500	\$ 22,500

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The Company owes its former directors Chuck Bowen and Jim Doyle, \$12,500 and \$10,000 respectively. There are no set terms for repayment, the loans are unsecured, and the interest rates are 7% and 12% respectively. As at May 31, 2017, accrued interest expense of \$16,538 has been included in accrued liabilities.

**CANADIAN DATA PRESERVE, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MAY 31, 2017  
(EXPRESSED IN U.S. DOLLARS)

**10. INCOME TAXES**

The income tax provision recorded differs from the income tax obtained by applying the statutory income tax rate of 26.00% (2016 - 26.00%) to the income for the year and is reconciled as follows:

	May 31, 2017	May 31, 2016
Loss for the year	\$ (125,279)	\$ (119,028)
Expected income tax (recovery)	(32,573)	(29,757)
Change in unrecognized deductible temporary differences	32,573	29,757
Total income tax expense (recovery)	\$ -	\$ -

The significant components of the Company's deferred tax assets are as follows:

	May 31, 2017	May 31, 2016
Deferred tax assets (liabilities)		
Non-capital losses available for future period	\$ 215,569	\$ 182,996
Unrecognized deferred tax assets	(215,569)	(182,996)
Net deferred tax assets	\$ -	\$ -

The deferred tax assets have not been recognized in these financial statements as it is not probable that they will be realized.

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	May 31, 2017	Expiry Date Range	May 31, 2016
Temporary differences			
Non-capital losses available for future period	\$ 829,111	2031-2037	\$ 703,832

Tax attributes are subject to review, and potential adjustment by tax authorities.

**AXS BLOCKCHAIN SOLUTIONS INC.**  
**(formerly Canadian Data Preserve, Inc.)**

**Condensed Consolidated Interim Financial Statements**

**For the Nine Months Ended February 28, 2018**  
*(Expressed in U.S. Dollars)*

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**NOTICE TO READER**

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**NO Auditor Review of the Interim  
Financial Statements**

The accompanying unaudited financial statements of AXS BlockchainSolutions Inc. (formerly Canadian Data Preserve Inc.) (the “Company”), for the nine month period ended February 28, 2018 have been prepared by management and have not been the subject of a review by the Company’s external independent auditor.

*AXZ BlockchainSolutions Inc.*

Vancouver, British Columbia  
April 26, 2018.

**AXS BLOCKCHAIN SOLUTIONS INC.**  
**(formerly Canadian Data Preserve Inc.)**  
Condensed Consolidated Statements of Financial Position  
At February 28, 2018 and May 31, 2017  
(Unaudited – Expressed in U.S. Dollars)

	Notes	February 28, 2018	May 31, 2017
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	\$	26	\$ 132
GST Receivable		1,000	716
Subscriptions receivable		78,540	-
<b>Total assets</b>	\$	<b>79,566</b>	\$ 848
<b>LIABILITIES AND SHAREHOLDERS' DEFECIT</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	4 \$	102,745	\$ 73,505
Due to related parties	6	663,170	597,836
Loans payable	7	22,500	22,500
<b>Total liabilities</b>		<b>788,415</b>	693,841
<b>Shareholders' Deficit</b>			
Capital stock	5	275,000	275,000
Subscriptions to be issued		78,540	-
Contributed surplus		361,117	361,117
Deficit		(1,423,506)	(1,329,110)
<b>Total shareholders' deficit</b>		<b>(708,849)</b>	(692,993)
<b>Total liabilities and shareholders' deficit</b>	\$	<b>79,566</b>	\$ 848

Nature of operations and going concern (Note 1)  
Subsequent events (Note 8)

Approved on behalf of the Board of Directors:

"Brian Cameron" Director  
Brian Cameron

"Van Potter" Director  
Van Potter

**AXS BLOCKCHAIN SOLUTIONS INC.****(formerly Canadian Data Preserve Inc.)**

Condensed Consolidated Statements of Operations and Comprehensive Loss

For the periods ended

(Unaudited – Expressed in U.S. Dollars)

	Notes	Three months ended February 28, 2018	Three months ended February 28, 2017	Nine months ended February 28, 2018	Nine months ended February 28, 2017
<b>EXPENSES</b>					
Bank charges		\$ 19	\$ 43	\$ 80	\$ 148
Consulting fees	6	24,000	24,000	72,000	72,000
Interest expense		612	613	1,837	732
Professional fees		651	1,200	8,513	7,163
Transfer agent and filing fees		5,902	4,191	14,170	16,944
		<u>(31,184)</u>	<u>(30,047)</u>	<u>(96,600)</u>	<u>(96,987)</u>
Foreign exchange gain		562	1,801	2,204	3,432
<b>Net loss and comprehensive loss for the period</b>		<b>\$ (30,622)</b>	<b>\$ (28,246)</b>	<b>\$ (94,396)</b>	<b>\$ (93,555)</b>
<b>Basic and diluted loss per common share</b>		<b>\$ (0.01)</b>	<b>\$ (0.009)</b>	<b>\$ (0.03)</b>	<b>\$ (0.03)</b>
<b>Weighted average number of common share outstanding</b>		<b>3,127,733</b>	<b>3,127,733</b>	<b>3,127,733</b>	<b>3,127,733</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements

**AXS BLOCKCHAIN SOLUTIONS INC.**  
**(formerly Canadian Data Preserve Inc.).**  
Condensed Consolidated Statements of Cash Flows  
For the nine month periods ended  
(Unaudited – Expressed in U.S. Dollars)

	February 28, 2018	February 28, 2017
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Net loss for the period	\$ (94,396)	\$ (93,555)
Non-cash working capital item changes:		
GST receivable	(284)	(925)
Accounts payable and accrued liabilities	29,240	8,110
Due to related parties	65,334	85,976
Net cash used in operating activities	<u>(106)</u>	<u>(394)</u>
<b>Net change in cash during the period</b>	<b>(106)</b>	<b>(394)</b>
<b>Cash, beginning of the period</b>	<b><u>132</u></b>	<b><u>651</u></b>
<b>Cash, end of the period</b>	<b>\$ 26</b>	<b>\$ 257</b>
<b>Cash (paid) received for</b>		
Interest	\$ -	\$ -
Taxes	\$ -	\$ -

The accompanying notes are an integral part of these condensed consolidated interim financial statements

**AXS BLOCKCHAIN SOLUTIONS INC.****(formerly Canadian Data Preserve Inc.)**

Condensed Consolidated Statements of Changes in Shareholders' Deficit

For the nine months ended February 28, 2018 and 2017

(Unaudited – Expressed in U.S. Dollars)

	<b>Capital Stock</b>		<b>Subscriptions to be issued</b>	<b>Contributed surplus</b>	<b>Deficit</b>	<b>Total</b>
	<b>Number of Shares</b>	<b>Amount</b>				
<b>Balance, May 31, 2016</b>	<b>3,127,733</b>	<b>\$ 275,000</b>	<b>\$ -</b>	<b>\$ 361,117</b>	<b>\$ (1,203,831)</b>	<b>\$ (567,714)</b>
Loss for the period	-	-	-	-	(93,555)	(93,555)
<b>Balance, February 28, 2017</b>	<b>3,127,733</b>	<b>\$ 275,000</b>	<b>\$ -</b>	<b>\$ 361,117</b>	<b>\$ (1,297,386)</b>	<b>\$ (661,269)</b>
<b>Balance, May 31, 2017</b>	<b>3,127,733</b>	<b>\$ 275,000</b>	<b>\$ -</b>	<b>\$ 361,117</b>	<b>\$ (1,329,110)</b>	<b>\$ (692,993)</b>
Subscriptions to be issued	-	-	78,540	-	-	78,540
Loss for the period	-	-	-	-	(94,396)	(94,396)
<b>Balance, February 28, 2018</b>	<b>3,127,733</b>	<b>\$ 275,000</b>	<b>\$ 78,540</b>	<b>\$ 361,117</b>	<b>\$ (1,423,506)</b>	<b>\$ (708,849)</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements

## **AXS BLOCKCHAIN SOLUTIONS INC.**

### **(formerly Canadian Data Preserve Inc.)**

Notes to the Condensed Consolidated Financial Statements

For the nine months ending February 28, 2018

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#### **1. NATURE OF OPERATIONS AND GOING CONCERN**

AXS Blockchain Solutions Inc. (formerly Canadian Data Preserve, Inc.) (the “Company”) was incorporated on June 11, 2010 under the Laws of British Columbia. The Company is traded on the Canadian Securities Exchange (“CSE”). The head office of the Company is located at 1140 - 1185 West Georgia Street, Vancouver, BC V6E 4E6.

The condensed consolidated financial statements of the Company are presented in U.S. dollars, unless otherwise indicated, which is the functional currency of the Company.

Subsequent to the period ended February 28, 2018, the Company completed a share consolidation of 5 old common shares for each new common share of the Company (Note 8). All share and per share amounts have been shown on a post-share consolidation basis.

The condensed consolidated financial statements were prepared on a going concern basis, under the historical cost convention. The Company’s ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. The Company has minimal capital resources presently available to meet obligations which normally can be expected to be incurred by similar companies. As at February 28, 2018, the Company has a working capital deficit \$708,849, a loss for the period of \$94,396 and a deficit of \$1,423,506.

Management of the Company does not expect that cash flows for the Company’s operations will be sufficient to cover all of its operating requirements, financial commitments and business development priorities during the next twelve months. Accordingly, the Company expects that it will need to obtain further financing in the form of debt, equity or a combination thereof for the next twelve months. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. If adequate funds are not available, the Company may be required to delay or reduce the scope of any or all of its operations. Subsequent to the period ended February 28, 2018, the Company entered into a transaction and completed a financing, which, management believes will sustain operations over the next 12 months (Note 8).

These condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material

## **AXS BLOCKCHAIN SOLUTIONS INC.**

### **(formerly Canadian Data Preserve Inc.)**

Notes to the Condensed Consolidated Financial Statements

For the nine months ending February 28, 2018

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## **2. BASIS OF PRESENTATION AND CHANGES TO ACCOUNTING POLICIES**

### **Statement of compliance**

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of condensed interim financial statements, including IAS 34, Interim Financial Reporting and using the same accounting policies and methods of computation as the Company’s most recent annual financial statements. The condensed interim financial statements do not include all the information required for full annual financial statements. These condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended May 31, 2017.

The accounting policies followed by the Company are as set out in the audited financial statements for the year ended May 31, 2017 and have been consistently followed in the preparation of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments classified as fair value through profit and loss, and available for sale, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The comparative figures presented in these financial statements are in accordance with IFRS.

These condensed consolidated interim financial statements were reviewed and approved and authorized for issue by the Board of Directors of the Company on April 26, 2018.

### **Basis of consolidation**

During the period ended February 28, 2018, the Company incorporated a wholly owned subsidiary, 1145394 B.C. Ltd. This subsidiary was inactive during the period ended February 28, 2018. All intercompany transactions and balances have been eliminated upon consolidation.

### **Use of estimates and judgments**

The preparation of the condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement. Actual results could differ from these estimates.

### Critical Judgements

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company, as previously discussed in Note 1, as well as determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency for the Company has been determined to be the U.S. dollar.

## **AXS BLOCKCHAIN SOLUTIONS INC.**

### **(formerly Canadian Data Preserve Inc.)**

Notes to the Condensed Consolidated Financial Statements

For the nine months ending February 28, 2018

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## **2. BASIS OF PRESENTATION & CHANGES TO THE ACCOUNTING POLICES (cont'd...)**

### **Use of estimates and judgments (cont'd...)**

#### Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity of IFRS requires management to make estimates that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be material. Significant estimates made by management affecting the consolidated financial statements include:

#### i) Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future years, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future years.

#### **Foreign exchange**

Transactions in currencies other than the U.S. dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are recognized through profit or loss.



## **AXS BLOCKCHAIN SOLUTIONS INC.**

### **(formerly Canadian Data Preserve Inc.)**

Notes to the Condensed Consolidated Financial Statements

For the nine months ending February 28, 2018

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## **2. BASIS OF PRESENTATION & CHANGES TO THE ACCOUNTING POLICES (cont'd...)**

### **Future accounting pronouncements**

A number of new standards, amendments to standards and interpretations are not yet effective as at the date of issuing these statements, and have not been applied in preparing these financial statements. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

*IFRS 9 - Financial Instruments*, addresses classification, measurement and recognition of financial assets and financial liabilities. This new standard is a partial replacement of IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing multiple impairment methods in IAS 39. IFRS 9 is effective for annual years beginning on or after January 1, 2018, with early adoption permitted

*IFRS 15 - Revenue from Contracts and Customers ("IFRS 15")* will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual years beginning on or after January 1, 2018, with early adoption permitted.

*IFRS 16 - Leases*, effective for annual periods beginning on or after 1 January 2019. The scope of IFRS 16 includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

## AXS BLOCKCHAIN SOLUTIONS INC.

(formerly Canadian Data Preserve Inc.)

Notes to the Condensed Consolidated Financial Statements

For the nine months ending February 28, 2018

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### 3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

#### 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:

<u>Asset or Liability</u>	<u>Category</u>	<u>Measurement</u>
Cash	FVTPL	Fair value
Subscriptions receivable	Loans and receivables	Amortized cost
Accounts payable	Other liabilities	Amortized cost
Loans payable	Other liabilities	Amortized cost
Due to related parties	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 is measured at fair value using Level 1 inputs. The carrying value of subscriptions receivable, accounts payable, due to related parties and loan payable approximate their fair values due to their short terms to maturity.

## **AXS BLOCKCHAIN SOLUTIONS INC.**

### **(formerly Canadian Data Preserve Inc.)**

Notes to the Condensed Consolidated Financial Statements

For the nine months ending February 28, 2018

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### **3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)**

#### **Financial instruments (cont'd...)**

##### *Financial risk management*

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, subscriptions receivable, accounts payable, due to related parties and loans payable.

The fair value of cash is measured on the statement of financial position using level 1 of the fair value hierarchy.

The fair values of subscriptions receivable, accounts payable, due to related parties, and loans payable approximate their book values because of the short-term nature of these instruments.

##### *Financial instrument risk exposure*

The Company is exposed 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 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 November 30, 2017 the Company has no financial assets that are past due or impaired due to credit risk defaults.

## AXS BLOCKCHAIN SOLUTIONS INC.

### (formerly Canadian Data Preserve Inc.)

Notes to the Condensed Consolidated Financial Statements

For the nine months ending February 28, 2018

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### 3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

#### Financial instruments (cont'd...)

##### *Financial instrument risk exposure (cont'd...)*

##### *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.

##### (a) *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.

##### (b) *Price risk*

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

##### (c) *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 functional currency is the U.S. dollar. All of the Company's financial instruments are denominated in U.S. dollars. In management's opinion there is no significant foreign exchange risk to the Company.

### 4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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	February 28, 2018		May 31, 2017	
Accounts payable	\$	42,370	\$	32,967
Accrued liabilities		60,375		40,538
	\$	102,745	\$	73,505

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## AXS BLOCKCHAIN SOLUTIONS INC.

(formerly Canadian Data Preserve Inc.)

Notes to the Condensed Consolidated Financial Statements

For the nine months ending February 28, 2018

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### 5. SHARE CAPITAL

#### Authorized

Unlimited common shares without par value

Unlimited preferred shares without par value

On November 14, 2017, the Company initiated a subscription receipt financing of 2,000,000 units at CAD\$0.05 per unit for total proceeds of \$78,540 (CAD\$100,000). As at February 28, 2018, these units had not yet been issued, and are included in subscriptions to be received. The funds from this subscription had not yet been received as at February 28, 2018, and are included in subscriptions receivable on the statement of financial position. Each unit consists of one common share and one common share purchase warrant exercisable at \$0.05 for a period of twelve months.

As at February 28, 2018 and May 31, 2017, the Company has no stock options or warrants issued or outstanding

### 6. RELATED PARTY TRANSACTIONS

The Company's related parties consist of companies owned in whole or in part by executive officers and directors as follows:

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<b>Name</b>	<b>Position and nature of relationship</b>
Advantive Information Management, Inc.	A subsidiary of Certive Solutions Inc., with a common director – Management services.
Certive Technologies Arizona Inc.	A subsidiary of Certive Solutions Inc., with a common director – Management services.
Certive Solutions Inc.	Common director – Management services
Brian Cameron	Director – consulting services
Van Potter	Director – consulting services
Jack Saltich	Former director – consulting services

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The following summarizes the amount due from related parties:

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	<b>February 28, 2018</b>	<b>May 31, 2017</b>
Certive Solutions Inc.	536,790	525,456
Brian Cameron	63,380	36,380
Van Potter	63,000	36,000
Total	\$ 663,170	\$ 597,836

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Balance due to Certive Solutions Inc a consolidated entity comprised of Certive Solutions Inc., Certive Technologies Arizona Inc., Advantive Information Management Inc.

**AXS BLOCKCHAIN SOLUTIONS INC.****(formerly Canadian Data Preserve Inc.)**

Notes to the Condensed Consolidated Financial Statements

For the nine months ending February 28, 2018

**6. RELATED PARTY TRANSACTIONS (cont'd...)**

The remuneration of directors and other members of key management personnel during the nine months ended February 28, 2018 and 2017 is as follows:

	February 28, 2018	February 28, 2017
Consulting fees	\$ 72,000	\$ 72,000

**7. LOANS PAYABLE**

The loans are made of the following:

	February 28, 2018	May 31, 2017
Chuck Bowen	12,500	12,500
Jim Doyle	10,000	10,000
Total	\$ 22,500	\$ 22,500

The Company owes its former directors Chuck Bowen and Jim Doyle, \$12,500 and \$10,000 respectively. There are no set terms for repayment, the loans are unsecured, and the interest rates are 7% and 12% respectively.

**8. SUBSEQUENT EVENTS**

On March 27, 2018, the Company completed a transaction with Do Some Marketing Block Corp Canada Inc. ("DSMBC"), and Blockcorp Sociedad Anonima ("BLOC") under an asset purchase agreement, whereby the Company, through a reverse take over with DSMBC, purchased certain assets from BLOC. In conjunction with this transaction, the Company consolidated its common shares on a basis of 5 old common shares for 1 new common share. All share and per share amounts have been shown on a post consolidated basis. As consideration for the assets purchased from BLOC, the Company issued 82,500,000 common shares to the shareholders of BLOC. As part of the reverse take over transaction with DSMBC, the Company acquired all of the issued and outstanding shares of DSMBC by exchanging all of the previously convertible debt issued by DSMBC on a one-to-one basis into securities of the Company, with substantially the same terms as the original convertible debt owed by DSMBC. As a result, the Company issued 36,750,000 units to DSMBC debenture holders. Each unit consists of common share of the Company and one common share purchase warrant, exercisable at CAD\$0.05 for a period of 12 months. In conjunction with this transaction, the Company changed its name to AXS Blockchain Solutions Inc.

On March 27, 2018, the Company completed a non-brokered private placement of 42,325,870 common shares at a price of CAD\$0.35 per common share, for gross proceeds of \$11,494,255 (CAD\$14,814,055).

On March 27, 2018, the Company completed a non-brokered private placement of 2,000,000 units at a price of CAD\$0.05 per common share, for gross proceeds of \$78,540 (CAD\$100,000). Each unit consists of one common share and one common share purchase warrant exercisable at \$0.05 for a period of twelve months.

**DO SOME MARKETING BLOCK CORP CANADA INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT**

**NOVEMBER 30, 2017 AND 2016**



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## **INDEPENDENT AUDITORS' REPORT**

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To the Director of  
Do Some Marketing Block Corp Canada Inc.

We have audited the accompanying consolidated financial statements of Do Some Marketing Block Corp Canada Inc. which comprise the consolidated statements of financial position as at November 30, 2017 and 2016, and the consolidated statements of comprehensive income (loss), changes in equity (deficiency) and cash flows for the year ended November 30, 2017 and the period from incorporation to November 30, 2016, and the related notes comprising a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Do Some Marketing Block Corp Canada Inc. as at November 30, 2017 and 2016, and its financial performance and its cash flows for the year ended November 30, 2017 and the period from incorporation to November 30, 2016 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### **Emphasis of Matter**

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Do Some Marketing Block Corp Canada Inc. to continue as a going concern.

*Manning Elliott LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, British Columbia  
December 11, 2017



**DO SOME MARKETING BLOCK CORP CANADA INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian dollars)

	November 30, 2017	November 30, 2016
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash held in trust	1,837,500	-
	<b>1,837,500</b>	<b>-</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY (DEFICIENCY)</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	9,502	25,285
Advances from a related party (Note 7)	-	25,000
Convertible debentures (Note 5)	1,713,478	-
	1,722,980	50,285
Deferred income taxes (Note 9)	30,000	-
	1,752,980	50,285
<b>Equity (deficiency)</b>		
Share capital (Note 6)	1	1
Contributed surplus (Note 5)	92,022	-
Deficit	(7,503)	(50,286)
	84,520	(50,285)
	<b>1,837,500</b>	<b>-</b>

Nature of Operations and Going Concern (Note 1)

Approved and authorized for issue on behalf of the Board on December 11, 2017:

"Edward Reisner", Director

**DO SOME MARKETING BLOCK CORP CANADA INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(Expressed in Canadian dollars)

	Year ended November 30, 2017	Period from incorporation to November 30, 2017
	\$	\$
<b>Expenses</b>		
Consulting fees	-	48,721
Management fees	8,000	-
Filing fees	1,716	-
Office and miscellaneous	-	(91)
Professional fees	2,515	1,656
	(12,231)	(50,286)
<b>Other</b>		
Gain on assignment of liabilities (Note 7)	53,014	-
<b>Income (loss) before taxes</b>	<b>40,783</b>	<b>(50,286)</b>
Deferred income tax recovery	2,000	-
<b>Net and comprehensive income (loss)</b>	<b>42,783</b>	<b>(50,286)</b>
<b>Basic and diluted income (loss) per share</b>	<b>42,783</b>	<b>(50,286)</b>
<b>Weighted average number of common shares outstanding</b>	<b>1</b>	<b>1</b>

**DO SOME MARKETING BLOCK CORP CANADA INC.**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (DEFICIENCY)**  
(Expressed in Canadian dollars)

	Common shares		Contributed Surplus	Deficit	Total
	Number of shares	Amount			
		\$	\$	\$	\$
Date of incorporation, May 20, 2016	1	1	-	-	1
Net and comprehensive loss for the period	-	-	-	(50,286)	(50,286)
<b>Balance, November 30, 2016</b>	<b>1</b>	<b>1</b>		<b>(50,286)</b>	<b>(50,285)</b>
Convertible debentures	-	-	92,022	-	92,022
Net and comprehensive income for the year	-	-	-	42,783	42,783
<b>Balance, November 30, 2017</b>	<b>1</b>	<b>1</b>	<b>92,022</b>	<b>(7,503)</b>	<b>84,520</b>

**DO SOME MARKETING BLOCK CORP CANADA INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2017 AND THE PERIOD FROM INCORPORATION ON**  
**MAY 20, 2016 TO NOVEMBER 30, 2016**  
**(Expressed in Canadian dollars)**

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	Year ended November 30, 2017	Period from incorporation to November 30, 2017
	\$	\$
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net income (loss) for the period	42,783	(50,286)
Non-cash items:		
Gain on assumption of liabilities	(53,014)	
Deferred income tax recovery	(2,000)	
Changes in non-cash working capital balance:		
Increase in accounts payable and accrued liabilities	12,231	25,285
Cash provided by (used in) operating activities	-	(25,001)
<b>Financing activity</b>		
Advances from shareholder	-	25,000
Proceeds from issuance of common shares	-	1
Proceeds from issuance of convertible debentures	1,837,500	-
Cash provided by financing activity	1,837,500	25,001
Increase in cash	1,837,500	-
Cash held in trust, beginning of period	-	-
<b>Cash held in trust, end of period</b>	<b>1,837,500</b>	<b>-</b>
Supplemental cash flow disclosures:		
Income taxes paid	-	-
Interest paid	-	-

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**DO SOME MARKETING BLOCK CORP CANADA INC.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED NOVEMBER 30, 2017 AND THE PERIOD FROM INCORPORATION ON  
MAY 20, 2016 TO NOVEMBER 30, 2016  
(Expressed in Canadian dollars)**

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## **1. NATURE OF OPERATIONS AND GOING CONCERN**

Do Some Marketing Block Corp Canada Inc. (the "Company") was incorporated under the Canada Business Corporations Act on May 20, 2016 under the name 1076444 BC Ltd. On October 28, 2016, the Company changed its name to Spanish Valley Mineral Corp. which was later changed to Do Some Marketing Block Corp Canada Inc. on November 8, 2017. The Company is in the process of identifying a suitable business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The head office and the registered head office of the Company are located at 2200 – 885 West Georgia Street, Vancouver, BC, V6C 3E8.

These consolidated financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company is currently in the process of identifying a suitable business and has no operations at this time which will generate revenue. These circumstances indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

The Company is currently investigating prospective acquisitions and is devoting all of its present efforts to securing and establishing a new business. Management cannot provide assurance that the Company will ultimately achieve profitable operations, become cash flow positive, or raise additional debt and/or equity capital. The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of the actions taken or planned, some of which are described above, which management believes will mitigate the adverse conditions and events which raise doubt about the validity of the going concern assumption used in preparing these financial statements. There is no certainty that these and other strategies will be sufficient to permit the Company to continue as a going concern.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities.

## **2. BASIS OF PREPARATION**

### **a) Statement of compliance**

These consolidated financial statements ("financial statements") of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The financial statements were authorized for issue by the Board of Directors on December 11, 2017.

**DO SOME MARKETING BLOCK CORP CANADA INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2017 AND THE PERIOD FROM INCORPORATION ON**  
**MAY 20, 2016 TO NOVEMBER 30, 2016**  
**(Expressed in Canadian dollars)**

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**2. BASIS OF PREPARATION (continued)**

**b) Basis of consolidation and presentation**

The consolidated financial statements (“financial statements”) have been prepared on a historical cost basis in Canadian dollars, which is the Company’s and its wholly owned subsidiary’s functional currency.

These financial statements incorporate the financial statements of the Company and its wholly controlled subsidiary 1076444 Nevada Ltd. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its direct wholly-owned subsidiary. All significant intercompany transactions and balances have been eliminated.

**c) Basis of measurement**

The financial statements have been prepared on a historical cost basis except for certain non-current assets and financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**a) Loss per share**

Basic loss per share is computed by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

**b) Convertible debentures**

Convertible debentures, where applicable, are separated into their liability and equity components and accounted for using the effective interest rate method. The fair value of the liability component at the time of issue was determined based on an estimated interest rate of the debentures without the conversion feature. The fair value of the equity component was determined as the difference between the face value and the fair value of the liability component. Issuance costs of the convertible debentures are applied as a reduction of proceeds and split pro-rata between the liability and equity components. The issuance costs applied to the liability component are recognized as accretion expense over the term of the debenture.

**DO SOME MARKETING BLOCK CORP CANADA INC.**  
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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c) Income taxes**

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

**d) Significant accounting estimates and judgments**

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates include:

- i. The measurement of deferred income tax assets and liabilities.
- ii. Discount rate used for determining the carrying value of the convertible debenture.

Significant accounting judgments include:

- i. The evaluation of the Company's ability to continue as a going concern.

**DO SOME MARKETING BLOCK CORP CANADA INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**(Expressed in Canadian dollars)**

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**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**e) Financial instruments**

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL"). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities.

Financial instruments comprise cash held in trust and accounts payable. At initial recognition management has classified financial assets and liabilities as follows:

*Financial assets* - The Company has classified its cash held in trust at FVTPL. A financial instrument is classified at FVTPL if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Financial instruments at FVTPL are measured at fair value and changes therein are recognized in income.

*Financial liabilities* - The Company has classified its accounts payable, advances from a related party and convertible debentures as other financial liabilities. Accounts payable and advances from shareholder are recognized at the amount required to be paid less, when material, a discount to reduce the payable to fair value. Convertible debentures are recognized at the amount required to be paid less, when material, the equity component which is determined as the difference between the face value of the convertible debenture and the fair value of the liability component. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

**f) New accounting standards issued but not yet effective**

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company is evaluating any impact the standards noted below may have on the Company's financial statements and this assessment has not been completed.

Standards effective for annual periods beginning on or after January 1, 2018:

*IFRS 15 Revenue from Contracts with Customers* - In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2018.



**DO SOME MARKETING BLOCK CORP CANADA INC.**  
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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**f) New accounting standards issued but not yet effective (continued)**

IFRS 9 *Financial Instruments* – In November 2009, as part of the IASB project the ASB intends to replace IAS 39 - Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments (“IFRS 9”) which is intended to reduce the complexity in the classification and measurement of financial instruments. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flows characteristics. The standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 2 *Share-based Payment* - In November 2016, the IASB has revised IFRS 2 to incorporate amendments issued by the IASB in June 2016. The amendment provide guidance on the accounting for i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; ii) share-based payment transactions with a net settlement feature for withholding tax obligations and iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

Standard is effective for annual periods beginning on or after January 1, 2019:

IFRS 16 *Leases* - In June 2016, the IASB issued IFRS 16 - Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019.

**DO SOME MARKETING BLOCK CORP CANADA INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**(Expressed in Canadian dollars)**

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#### **4. CAPITAL MANAGEMENT**

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 a business and continue as a going concern. The Company considers capital to be all accounts in equity. 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.

#### **5. CONVERTIBLE DEBENTURES**

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

For accounting purposes, the Debentures are separated into their liability and equity components using the residual method. The fair value of the liability component at the time of issue is determined based on an estimated rate of 15% for Debentures without the conversion feature. The fair value of the equity component is determined as the difference between the face value of the Debentures and the fair value of the liability component. After initial recognition the liability component is carried on an amortized cost basis and will be accreted to its face value over the term to maturity of the convertible debenture at an effective interest rate of approximately 7%. The Company also recorded a deferred income tax liability of \$32,000 that was recognized in equity relating to the difference between the Company's accounting and tax basis. A recovery on the deferred income tax liability of \$2,000 was recorded to recognize available deferred income tax assets.

#### **6. SHARE CAPITAL**

##### **a) Authorized**

The Company is authorized to issue an unlimited number of common shares without par value.

##### **b) Escrow shares**

As at November 30, 2017 and 2016, there were no shares held in escrow.

##### **c) Issued and outstanding**

As at November 30, 2017 and 2016: 1 common share.

**DO SOME MARKETING BLOCK CORP CANADA INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2017 AND THE PERIOD FROM INCORPORATION ON**  
**MAY 20, 2016 TO NOVEMBER 30, 2016**  
**(Expressed in Canadian dollars)**

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## **7. RELATED PARTY TRANSACTIONS AND BALANCES**

Key management personnel consist of officers and directors of the Company. During the year ended November 30, 2017, the Company entered into a management services arrangement with a company controlled by a director for \$4,000 per month for a term of 24 months. As a result, the Company incurred \$8,000 in management fees during the year ended November 30, 2017, which is recorded within accounts payable. There was no other remuneration paid to key management personnel during the period from May 20, 2016, date of incorporation, to November 30, 2017.

Pursuant to a loan agreement entered into during the period ended November 30, 2016, the Company received an advance from a company controlled by a director of \$25,000. During the year ended November 30, 2017, the amount due was assumed by a company controlled by a director and as at November 30, 2017, the balance payable is \$Nil.

During the year ended November 30, 2017, a company controlled by a director assumed liabilities of the Company totaling \$53,014 in exchange for rights to certain mineral claims in Nevada which the Company held. As a result, a gain on assumption of debt and payables of \$53,014 was recorded on the statement of comprehensive income.

## **8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

### **a) Financial instruments**

#### *Fair value hierarchy*

*The following table summarizes the fair value hierarchy under which the Company's financial instruments are valued.*

*Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;*

*Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and*

*Level 3 - Inputs for the asset or liability that are not based upon observable market data.*

Cash held in trust is carried at fair value using a level 1 fair value measurement. The carrying value of accounts payable and advances from a related party approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

**DO SOME MARKETING BLOCK CORP CANADA INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2017 AND THE PERIOD FROM INCORPORATION ON**  
**MAY 20, 2016 TO NOVEMBER 30, 2016**  
**(Expressed in Canadian dollars)**

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**8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**b) Financial risk factors**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at November 30, 2017, the Company has cash held in trust of \$1,837,500 to settle liabilities due within the next year of \$1,847,002.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipates it will need additional capital in the future to the development or acquisition of a business. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and the success of any business it develops or acquires. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

*Credit risk*

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company does not hold any liquid financial assets to which credit risk may be attributable.

**8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**b) Financial risk factors (continued)**

*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. The Company does not have a practice of trading derivatives.

i. Interest rate risk

The Company does not have any financial assets exposed to interest rate risk.

ii. Foreign currency risk

The majority of the Company's business is conducted in Canada and United States in Canadian and United States dollars. As such, the Company is exposed to foreign currency risk in fluctuations between the Canadian dollar and the US dollar. Fluctuations in the exchange rate between the Canadian dollar and the US dollar may have a material adverse effect on the Company's business and financial condition. Fluctuations do not have a significant impact on operating results.

iii. Price risk

The Company is not exposed to any price risk while it is in the stage of identifying and evaluating businesses.

**DO SOME MARKETING BLOCK CORP CANADA INC.**  
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**(Expressed in Canadian dollars)**

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**9. INCOME TAXES**

The difference between tax expense for the periods and the expected income taxes based on the combined federal and provincial statutory tax rate of 26% arises as follows

	<b>Year ended November 30, 2017</b>	<b>Period from incorporation to November 30, 2016</b>
	<b>\$</b>	<b>\$</b>
Net income (loss) before income taxes	42,783	(50,286)
Income tax recovery based on substantively enacted rates	-	13,000
Changes in tax benefits not recognized	(13,000)	13,000
Net deferred tax (recovery)	-	-

Significant components of the company's deferred income tax assets (liabilities) are as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Non-capital loss carry forward	2,000	13,000
Convertible debentures	(32,000)	-
Deferred tax assets – unrecognized	-	(13,000)
Deferred tax liability - recognized	(30,000)	-

The Company has available for deduction against future taxable income, Canadian non-capital losses of approximately \$8,000 which will begin to expire in 2036.

AXS BLOCKCHAIN SOLUTIONS INC  
(formerly Canadian Data Preserve Inc.).

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(Unaudited)  
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November 30, 2017

**AXS BLOCKCHAIN SOLUTIONS INC.**  
**(formerly Canadian Data Preserve Inc.)**  
**PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
(Unaudited)  
(Expressed in US Dollars)

	AXS Blockchain Solutions Inc (formerly Canadian Data Preserve Inc.). as at November 30, 2017	Do Some Marketing Block Corp Canada Inc. as at November 30, 2017 (Note 4)	Notes	Pro-forma Adjustments	Pro-forma Consolidated
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	\$ 619	\$ 1,425,716	2f	\$ 11,494,225 (155,180)	\$ 12,765,380
Subscriptions receivable	78,540	-		-	78,540
Receivables	510	-		-	510
Digital currencies	-	-	2c	2,818,128	2,818,128
	79,669	1,425,716		14,157,173	15,662,558
<b>Property and equipment</b>	-	-	2c	382,460	382,460
<b>TOTAL ASSETS</b>	\$ 79,669	\$ 1,425,716		\$ 14,539,633	\$ 16,045,018
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current liabilities</b>					
Payables and accrued liabilities	\$ 92,729	\$ 7,373		\$ -	\$ 100,102
Due to related parties	642,668	-		-	642,668
Loans payable	22,500	-		-	22,500
Convertible debenture	-	1,329,488	2d	(1,329,488)	-
	757,897	1,336,861		(1,329,488)	765,270
<b>Deferred income taxes</b>	-	23,277		-	23,277
<b>Warrant derivative liability</b>	-	-	2d 2e	1,250,400 68,000	1,318,400
	757,897	1,360,138		(11,088)	2,106,947
<b>Equity (Deficit)</b>					
Capital stock	275,000		1 2b 2b 2c 2d 2f	(275,000) (1) 3,200,588 1,329,488 11,494,225	16,024,301
Subscriptions to be issued	78,540	-	2b	(78,540)	-
Reserves	361,117	71,400	2b	(361,117)	71,400
Cumulative translation allowance	-	(356)		-	(356)
Deficit	(1,392,885)	(5,467)	2b 2b 2b 2d 2e 2g	1,392,885 (678,228) 1 (1,250,400) (68,000) (155,180)	(2,157,274)
	(678,228)	65,578		14,550,721	13,938,071
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	\$ 79,669	\$ 1,425,716		\$ 14,539,633	\$ 16,045,018

The accompanying notes are an integral part of these consolidated pro-forma statement of financial position.



**AXS BLOCKCHAIN SOLUTIONS INC.**

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PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited)

(Expressed in US Dollars)

November 30, 2017

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**1. PROPOSED ARRANGEMENT AND BASIS OF PRESENTATION**

**Proposed arrangement**

AXS Blockchain Solutions Inc. (formerly Canadian Data Preserve Inc.) (“AXS”, or the “Company”), with its wholly owned subsidiary 1145394 B.C. Ltd (“Subco”), entered into an agreement with Do Some Marketing Block Corp Canada Inc. (“DSM”) on December 18, 2017, whereby AXS will acquire from the shareholders of DSM all of the issued and outstanding shares of DSM (the “Amalgamation Agreement”). On March 27, 2018, concurrent with the acquisition, AXS effected an amalgamation of DSM and Subco in order to form a newly amalgamated company (“Amalco”) which is a wholly owned subsidiary of AXS (the “Amalgamation”). As part of the Amalgamation, AXS issued 36,750,000 units to DSM debenture holders in order to convert the DSM debentures outstanding as at November 30, 2017 into units of the Company. Each unit of AXS issued consists of one common share of AXS and one common share purchase warrant, entitling the holders to purchase an additional AXS share at CAD\$0.05 for a period of 12 months from the closing of the Amalgamation.

In conjunction with the Amalgamation, Amalco purchased certain assets from Blockcorp Sociedad Anonima (“BLOC”) by the issue of 82,500,000 AXS post consolidated shares to the shareholders of BLOC.

The transaction will be considered a reverse take over (“RTO”) under the policies of the Canadian Securities Exchange (“CSE”), whereby the acquirer for accounting purposes will be DSM.

**AXS BLOCKCHAIN SOLUTIONS INC.**

**(formerly Canadian Data Preserve Inc.)**

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited)

(Expressed in US Dollars)

November 30, 2017

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**1. PROPOSED ARRANGEMENT AND BASIS OF PRESENTATION (continued)**

**Basis of presentation**

The accompanying unaudited pro-forma consolidated statement of financial position of AXS has been prepared by management in accordance International Financial Reporting Standards (“IFRS”) from information derived from the financial statements of AXS and the financial statements of DSM using the same accounting policies as described in AXS’s annual financial statements together with other information available to the Company. The unaudited pro-forma consolidated statement of financial position has been prepared for inclusion in the Listing Statement in conjunction with the amalgamation of AXS and DSM, as described above. In conjunction with this Amalgamation and purchase of the BLOC assets, AXS will consolidate its common stock on the basis of five old common shares for one new common share. All shares and per share amounts have been referred to on a post-consolidated basis. The Amalgamation is subject to certain securities regulatory approvals. In the opinion of the Company’s management, the pro-forma consolidated statement of financial position includes all adjustments necessary for fair presentation of the transactions as described in Note 2.

The unaudited pro-forma consolidated statement of financial position of the Company has been compiled from and includes:

- a) AXS’s unaudited financial statements as at November 30, 2017, and for the six month period then ended.
- b) DSM’s audited financial statements as at November 30, 2017, and for the year then ended.
- c) AXS’s audited financial statements as of May 31, 2017 and for the year then ended.
- d) the additional information set out in Note 2.

The unaudited pro-forma consolidated statement of financial position has been prepared for illustrative purposes only and may not be indicative of the combined entities’ financial position and results of operations that would have occurred if the Amalgamation had been in effect at the date indicated as set out in Note 2.

The effective tax rate for the Company is 26%.

**AXS BLOCKCHAIN SOLUTIONS INC.****(formerly Canadian Data Preserve Inc.)**

## PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited)

(Expressed in US Dollars)

November 30, 2017

**2. PRO-FORMA TRANSACTIONS**

The pro-forma consolidated statement of financial position was prepared based on the following assumptions:

- a) The unaudited pro-forma consolidated statement of financial position gives effect to the amalgamation of AXS and DSM as if it had occurred on November 30, 2017.
- b) AXS acquired all of the issued and outstanding shares of DSM. No shares were given to the DSM shareholders for the acquisition; however, AXS did settle the convertible debt owed by DSM by the issuance of AXS units (see Note 2c below). Upon the acquisition of the DSM shares by AXS, the DSM shares outstanding prior to any convertible debt settlement, were cancelled and returned to treasury. This will result in a \$1 decrease to share capital, and a \$1 decrease to the deficit. This acquisition has been accounted for as an RTO as described in Note 1.

The acquisition has been allocated as follows:

Consideration		\$	-
Net assets (liabilities)			
Cash	\$	619	
Subscriptions receivable		78,540	
Receivables		510	
Payables and accrued liabilities		(92,729)	
Due to related parties		(642,668)	
Loans payable		(22,500)	
			(678,228)
Loss on acquisition			678,228
		\$	-

- c) Amalco purchased certain assets from BLOC, being inventories of various digital currencies valued at \$2,818,128, certain software technologies valued at \$161,036, and hardware infrastructure valued at \$221,424 for the consideration of 82,500,000 AXS post-consolidated shares. The fair value of these shares is CAD\$0.05, which is the conversion price of the DSM convertible debentures (Note 2d), for a total of \$3,200,588 (CAD\$4,125,000).
- d) The outstanding convertible debentures of DSM were converted into 36,750,000 AXS units. Each unit consists of one common share of AXS and one share purchase warrant exercisable at CAD\$0.05 for a period of 12 months from closing. Since the warrants of AXS are convertible into a currency other than the functional currency of the Company, a warrant derivative liability of \$1,250,400 is to be recorded.

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**2. PRO-FORMA TRANSACTIONS (continued)**

- e) The Company is to issue 2,000,000 post-consolidated units in connection with a subscription to be issued as at November 30, 2017. Each unit consists of one common share and one common share purchase warrant, with each warrant exercisable at CAD\$0.05 for a period of twelve months. Since these warrants will be convertible into a currency other than the functional currency of the Company, a warrant derivative liability of \$68,000 is to be recorded.
  
- f) The Company completed a subscription financing of 42,325,870 AXS shares at CAD\$0.35 per share for total proceeds \$11,494,225 (CAD\$14,814,055).
  
- g) The costs related to the completion of the Amalgamation are estimated to be \$155,180 (CAD\$200,000).

**AXS BLOCKCHAIN SOLUTIONS INC.****(formerly Canadian Data Preserve Inc.)**

## PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited)

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**3. COMMON STOCK AND CONTRIBUTED SURPLUS****Authorized**

Unlimited common shares without par value

**Issued**

Capital Stock						
	Number of Shares	Amount	Subscriptions Receivable	Reserves	Cumulative translation allowance	Deficit
Capital stock of AXS as at November 30, 2017	3,127,733	\$ 275,000	\$ 78,540	\$ 361,117	\$ -	\$ (1,392,885)
Capital stock of DSM as at November 30, 2017	1	1	-	71,400	(356)	(5,467)
Acquisition of DSM (Note 2b)	-	(275,000)	(78,540)	(361,117)	-	714,657
Return of DSM share to treasury (Note 2b)	(1)	(1)	-	-	-	1
Shares issued to purchase BLOC assets (Note 2c)	82,500,000	3,200,588	-	-	-	-
Shares issued on conversion of convertible debt (Note 2d)	36,750,000	1,329,488	-	-	-	(1,250,400)
Shares issued for subscriptions to be issued (Note 2e)	2,000,000	-	-	-	-	(68,000)
Private placement (Note 2f)	42,325,870	11,494,225	-	-	-	-
Transaction costs (Note 2g)	-	-	-	-	-	(155,180)
<b>Balance, November 30, 2017</b>	<b>166,703,603</b>	<b>\$ 16,024,301</b>	<b>-</b>	<b>\$ 71,400</b>	<b>\$ (356)</b>	<b>\$ (2,157,274)</b>

**Stock options**

The Company has no stock options outstanding as at November 30, 2017.

**Warrants**

As of November 30, 2017, the Company has 38,750,000 warrants outstanding, exercisable at CAD\$0.05 for a period of twelve months following closing of the Amalgamation.

As at November 30, 2017, there is a warrant derivative liability of \$1,318,400 associated with these warrants as they are convertible in a currency other than the US dollar, which is the functional currency of the Company.

**AXS BLOCKCHAIN SOLUTIONS INC.**  
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PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL  
(Unaudited)  
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**4. TRANSLATION OF DSM**

The financial statements of DSM are reported in Canadian dollars. Below is a schedule that translates the statements of DSM as at November 30, 2017 into US dollars. The financial statements were translated from Canadian to US dollars at the November 30, 2017 exchange rate of 0.7759. The deficit was translated using the average exchange rates over the periods it was incurred of 0.7287.

	Do Some Marketing Block Corp Canada Inc. as at November 30, 2017 (Canadian dollars)		Do Some Marketing Block Corp Canada Inc. as at November 30, 2017 (US dollars)	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	CAD\$	1,837,500	US\$	1,425,716
<b>TOTAL ASSETS</b>	CAD\$	1,837,500	US\$	1,425,716
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>Current liabilities</b>				
Payables and accrued liabilities	CAD\$	9,502	US\$	7,373
Convertible debenture		1,713,478		1,329,488
		1,722,980		1,336,861
<b>Deferred income taxes</b>		30,000		23,277
		1,752,980		1,360,138
<b>Equity (Deficit)</b>				
Capital stock		1		1
Reserves		92,022		71,400
Cumulative translation allowance		-		(356)
Deficit		(7,503)		(5,467)
		84,520		65,578
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	CAD\$	1,837,500	US\$	1,425,716

## CERTIFICATE OF THE COMPANY

Pursuant to a resolution duly passed by its Board of Directors, AXS Blockchain Solutions Inc. (formerly Canadian Data Preserve Inc.), hereby applies for the listing of the above-mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the Company). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia

this 16<sup>th</sup> day of April, 2018.

*“Mohammad Ahmad”*

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Mohammad Ahmad, Chief Executive Officer

*“Brian Cameron”*

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Brian Cameron, Chief Financial Officer

*“Yasmine Roulleau”*

\_\_\_\_\_  
Yasmine Roulleau, Director

*“Jon Malach”*

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Jon Malach, Director

*“Marco Parente”*

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Marco Parente, Director

## CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to Do Some Marketing Block Corp Canada Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia

this 16<sup>th</sup> day of April, 2018.

*“Edward Reisner”*

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Director