Axios Mobile Assets Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2015

Management has all monetary amounts, unless otherwise indicated, expressed in Canadian dollars. Where we say "we", "us", "our", or the "Company" we mean Axios Mobile Assets Corp. and its subsidiaries unless otherwise indicated. All amounts are presented in Canadian dollars unless otherwise indicated.

Report Date

This management discussion and analysis was approved by the board of directors on, and is dated June 1, 2015. It is in respect of the three months ended March 31, 2015 and should be read in conjunction with the consolidated financial statements for the period then ended.

Overall Performance and Outlook

Overview
Axios Mobile Assets Corp. (the "Company" or "Axios") is a logistics enabler featuring a next generation, bio-based pallet technology, which can be bundled with its proprietary cross-platform tracking and information system that helps improve the value chain in the logistics market. The Company's bundled offering is targeted at providing lower total cost, longer useful life, customized configurations and a revenue stream through carbon credit generation, monitoring and the monetizing of carbon emissions reductions.

The Company's predecessor, Axios Mobile Assets Inc. ("Axios Canada") was incorporated in Ontario, Canada on December 1, 2009 and the Company is the continuing company resulting from a reverse takeover of the Company (then named Microlab Online Inc. ("Microlab") by Axios Canada on March 26, 2010.

Microlab was incorporated under the Ontario *Business Corporations Act* ("OBCA") on September 25, 1998 as Active Investor Inc. By Articles of Amendment dated May 18, 1999, the name of the Company was changed to Microlab Online Inc. By Articles of Amendment dated March 18, 2010, the name of the Company was changed to Axios Mobile Assets Corp.

The Company's operating subsidiaries are Axios Mobile Assets Inc. ("Axios Canada"), Axios Mobile Assets, Inc. ("Axios USA") and Axios Logistics Solutions Inc. Each of Axios Canada and Axios USA were incorporated December 1, 2009, and Axios Logistics Solutions Inc. was incorporated April 10, 2014. The three subsidiaries are in the business of producing and supplying technology enabled engineered logistic product solutions. The first product solution developed is the AXIOS™ edge rackable pallet (an environmentally "friendly" structural and trackable mobile assets platform).

Axios Canada owns:

1. The intellectual property pertaining to a technology that enables production of a very strong, lightweight and environmentally friendly pallet. In addition to the mechanical prowess of the physicality of the pallet, the developer enhanced these mechanical properties by augmenting the pallet with a Radio Frequency Identification ("RFID") technology further enhanced through a software unification platform, in order to develop and implement the concept of "transactional triangulation". The developer has formulated a concept where the traditional tenets of "Recycle", "Reuse", and "Reduce" are fulfilled and proven with all of the pallets attributes, but the additional tenets of "Redesign" and "Reimagine" are now added to the mix. The combination of which, makes this pallet offering the most holistic logistical pallet concept in the industry to date, which will deliver, efficiency, flexibility, and true business value to its users, product manufacturers, wholesalers and retailers.
2. A software unification platform which it intends to utilize as the base software platform solution to perform "transactional triangulation" from any and all disparate systems information its customers use, allowing both traceability of palletized loads and reduction in systemic parasitic pallet losses.

Axios USA adopted a pre-incorporation contract whereby it acquired a branding/marketing strategy and implementation process from Gyro Creative Group. Currently, to our knowledge, no other pallet manufacturer has ever branded its pallet to a multi-level audience (poolers, 3rd party logistics, end-consumers, etc.) Gyro is one of the leaders in building brand architectures, naming conventions, visual language and applying those elements to a product. Gyro will target the "end consumer", build brand value and awareness by educating the different audience segments on the pallets positive health and safety attributes by being resistant to infestation and food contamination while promoting the pallet as the new "green" alternative.

Overall performance

The Company launched its first pallet logistics pool in June 2014 with Trillium and Centrum Valley Farms located in Ohio and Iowa respectively. Four months after providing the farms with 4,000 pallets servicing two Retail distribution centers (DC's) of one of the world's leading egg retailers the statistics clearly demonstrate that the Company's pooled lightweight pallet protocol [solution] clearly outperforms wood and plastic pallets that can carry the same loads -- most notably in the area of carbon emissions reduction, pooling operations and cleanliness.

Highlights of Axios' operations to date are as follows:

- Exceptionally high turn rate: With an average run rate of 18 turns per pallet per year, Axios nearly quadruples the turn rate of wooden pallets.
- More pallet miles: In just four months, the contract logged and accumulated 5.9 million pallet miles.
- Less product damage: The contract produced 1 claim out of 248 truck load shipments (0.4%), an exceptionally low level of product damage in the egg sector.
- Higher return rates: The pilot delivered an impressive 84% return rate on pallets shipped with 16% still within the customer supply chain -- Axios has not lost a pallet from its pool through misplacement or pool leakage.
- Carbon offset: Axios' pallets produced an estimated carbon offset of 26.6 metric tons the equivalent of eliminating the annual greenhouse gas emissions from 5.6 passenger vehicles, 9.5 tons of waste sent to landfill, or 28,571 pounds of coal burned. For Retailers or Vendors who use millions of pallets and transport their products millions of miles over the course of business each year, significant verified carbon reductions can be applied against a business's carbon footprint and in some cases monetized. There are approximately 2.1 billion pallets in use in North America.
    - Forecasts indicate that the sale of new and refurbished pallets will continue to grow through 2017(1). Multiply even a fraction of that number by the emissions reductions offered by the Axios platform, which has the only Verified Carbon Standard Protocol approved by the VCS. The scale of potential carbon benefit would be staggering.

(1) US Industry Study with Forecasts for inspection liquid absorption property, Freedonia Group.

Below is a recap of management's Plan of Operation and a current status of the plan (current status shown in bold):

i. Obtain certification (FM Global – fire retardancy; and green protocols) for at least 1 initial product, a rackable 40" x 48" pallet – **FDA compliance, ISO 8611 durability tests and FM Global testing passed successfully – completed in 2014**.
ii. Continue the brand development campaign: product differentiators - quality; economic and environmental benefits of its green protocols, utility of its tracking systems, and its overall value proposition, trademarks – **Phase I of the awareness campaign has been completed in 2014. Phase II of the branding and social media campaign has started in 2014 and is ongoing.**
iii. Complete tooling modifications and produce production pallets from a third party manufacturing site - **tooling of a pallet design has been completed and production began during Q2 2014**.
iv. Convince major end users of pallets to sign letters of intent to use Axios pallets, and to purchase units for commercial purposes. – **first commercial order began May 1, 2014**
v. Distribute at least 500 production intent pallets to potential customers for testing purposes. – **completed during Q2 2014.**
vi. Convert at least 1 test customer to a formal contract to supply Axios pallets – **completed Q2 2014.**
vii. Continue developing enhancements to software tracking systems to meet market needs – **Generation I of the software platform is complete. Enhancements to the platform are ongoing.**

viii. Get into the pooling and logistics business **– Started Axios Logistics Solutions, Inc., added 2 pooling contracts in 2014 and the addition of several moreare in process.**

Our plan of operation is prone to significant risks and uncertainties certain of which can have an immediate impact on our financial condition and results of operations. We expect to fund our growth through private placements, although there is no certainty the same can be achieved, or achieved at reasonable cost or dilution. Upon completion of our funding objectives we will continue to focus on our customer and market trials in order to have absolute certainty that we will be in a position to market our product effectively and meet the requirements of regulatory regimes worldwide.

Outlook

Logistics represent a vast, untapped opportunity for cost efficiencies, and retailers are looking for big data solutions. Axios offers an integrated platform that addresses critical supply chain management needs for tracking, monitoring, data collection, pooling and enabling measurable ROI.

Management believes Axios is the first to provide both the pooling and pallet markets with a full-service pooling platform with an integrated logistics and data offering. The Company's solution addresses unmet supply-chain needs in a seamless, scalable manner, with low capital requirements. The Company has taken the ubiquitous pallet commodity and turned it into a value-add logistics chain enabler for Vendors and Retailers. And although it's viewed as disruptive to the pooling industry, management believes the market is looking for this type of a technology shift and data solution.

By providing access to data that has never been mined and introducing new units of measurement, the platform can exponentially drive efficiencies and process improvements.

The Company's objective by 2017: Increase pallet volume to a minimum of 350,000, with up to 7 million turns or issuances.

Selected Annual Information

Audited data, for fiscal years ended December 31,	2014 $	2013 $	2012 $
Revenue	72,721	307,841	35,554
Net loss before and after taxes	3,100,121	3,373,230	1,984,283
Basic & diluted loss per share	0.03	0.04	0.03
Total Assets	7,163,932	6,405,366	7,239,401

Selected Quarterly Information

Result of Operations for the three months ended March 31, 2015

For the quarter ending March 31, 2015 a net loss of $1,498,788 (2013 – 1,458,144) was recorded. Excluding depreciation and amortization expenses, the net loss for the first quarter 2015 is higher as compared to the same quarter in the prior year; this reflects higher operational costs ramping up the Axios Logistics Solutions Inc. business in the United States.

Summary of Quarterly Results

Selected information for the 8 quarters ended March 31, 2015.

Quarter	3/31/15	12/31/14	9/30/14	6/30/14	3/31/14	12/31/13	9/30/13	6/30/13
	$	$	$	$	$	$	$	$
Revenue	8,914	(71,445)	103,127	41,039	Nil	Nil	113,850	193,991
Net Loss	1,498,788	1,394,442	103,575	143,960	1,458,144	690,399	1,426,840	664,149
Loss/share	0.01	0.01	0.00	0.00	0.02	0.01	0.02	0.01

Quarterly net losses over the periods noted above are affected by timing of certain administrative activities but generally do not vary significantly apart from expenses for stock based compensation. During the quarter ending March 31, 2015, management continues to ramp up its Axios Logistics Solutions Inc. business in the United States.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure is contained in the financial statements to which this MD&A relates.

Disclosure of Outstanding Share Data

As of March 31, 2015 the company has 209,207,777 shares (which includes 1,906,926 shares to be issued); 79,776,515 warrants; 5,748 broker warrants; and 6,224,688 options issued and outstanding. As of the date hereof the company has 223,625,713 shares (which includes 1,906,926 shares to be issued); 99,069,451 warrants; 15,874,688 options; and 165,841 Broker Warrants issued and outstanding.

Liquidity and Capital Resources

At March 31, 2015 the Company had cash on hand of $3,997,697 (December 31, 2013 - $1,428,848) and working capital of $1,940,772 (December 31, 2013 – working capital deficiency of $1,469,273).

Additional funding is required for the Company to continue operations. Management believes that it has the ability to raise sufficient funds for the continuation of operations. While management has been historically successful in raising the necessary capital, we cannot provide any assurance that such additional financing will be available or that, if available, it can be obtained on terms favourable to our shareholders and the Company. In addition, any equity financing would result in dilution to our shareholders and any debt financing could involve restrictive covenants with respect to future capital raising activities or other financial or operational matters. Our inability to obtain adequate funds will adversely affect our operations and the ability to implement our plan of operation.

Transactions with Related Parties

During the three months ended March 31, 2015, the Company had the following related party transactions:

- Director's fees, professional fees and other compensation in the amount of $217,168 (2013 - $179,329 which included $23,286 (2015 – Nil) share-based compensation), was paid to directors and key management personnel in the form of short term salaries and benefits.
  - In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (executive and non-executive) of the Company.
  - The remuneration of directors and key executives is determined by the compensation committee.
- The Company loaned an amount of $50,000 to Mobius Business Solutions LLC, a company controlled by a director of the Company; the loan was repaid with interest in the amount of $50,748.
- A loan from Axsense Logistics Solutions Inc., a company owned approximately 25% by two directors of the Company, was repaid in the amount of $100,000. The loan was outstanding at December 31, 2014.

- A director of the Company surrendered 100,000 common shares for nil proceeds. The shares had been issued inadvertently and had not been approved by the stock exchange, hence they were returned to the Company.

The following balances were outstanding with related parties at March 31, 2015:

- Included in accounts payable and accrued liabilities at March 31, 2015 was $961,097 owing to directors, and officers, and companies owned by directors and officers.
- During the year ended December 31, 2014, a shareholder group loaned funds to the Company to fund the manufacture of pallets. The balance outstanding on the loan at March 31, 2015 is $693,182. The loan is unsecured, bears interest at 21%, and has no fixed terms of re-payment.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Subsequent Events

The following events occurred subsequent to March 31, 2015:

(a) On April 3, 2015 the Company reached an agreement to settle outstanding debt of $781,345 owed to outside directors, consultants and accrued wages to employees to the company in exchange for 10,417,936 units of the company. Each Unit consists of one common share in the capital of the Company at $0.075 and one common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share at a price of $0.15 until April 1, 2017.

(b) On April 13 2015 1,375 convertible unsecured debenture units were issued at a price of $1,000 per Debenture Unit to raise aggregate gross proceeds of $1,375,000. Each $1,000 Debenture Unit consists of (a) one debenture with a principal amount of $1,000 and convertible into common shares in the capital of the Company at a price of $0.10 per common share, and (b) 5,000 common share purchase warrants. Each whole warrant entitles the holder thereof to acquire one common share at a price of $0.20 for 3 years from date of issue, subject to acceleration if the closing price of the outstanding common shares is greater than $0.70 with an average daily volume of at least 30,000 common shares for a period of 60 consecutive trading days at any time after August 13, 2015. A cash commission equal to 8% of the gross proceeds of the offering was paid, and broker options entitling the holders to purchase up to 93.2 Debenture Units at $1,000 per Debenture Unit until April 13, 2018 were issued in connection with the closing of the offering.

(c) On April 13, 2015 2,000,000 equity units were issued at a price of $0.075 per Equity Unit to raise aggregate gross proceeds of $150,000. Each Equity Unit consists of one common share in the capital of the Company and one common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share at a price of $0.15 for 2 years from date of issue. Agents for the transaction received cash commission equal to 8% of the gross proceeds, and broker options entitling the agents to purchase an aggregate of up to 160,000 Equity Units at $0.075 per Equity Unit until April 13, 2017.

(d) On May 13, 2015 the Company announced that it had acquired Mobius Logistics, Inc. ("Mobius"), an industry-leading supply chain, freight and management services provider. The purchase price was satisfied by US$300,000 cash and 2,000,000 common shares of Axios with a value of $0.15 per share. A director of Axios is also a director of Mobius, hence the transaction is a related party transaction. The independent board members of the Company reviewed and considered the acquisition, obtained independent advice and thereby satisfied themselves as to the desirability of the transaction.

Financial Instruments

Fair value of financial instruments

The Company's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. The fair value of these financial instruments approximate carrying value due to their current nature.

Financial risk

The Company's activities expose it to a variety of financial risks: liquidity risk and market risk (including interest rate risk and foreign exchange risk).

Risk management is carried out by the Company's management team with guidance from the Board of Directors.

a. Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at March 31, 2015, the Company has cash of $3,997,697 (December 31, 2014 – $1,428,848) to settle current liabilities of $2,369,269 (December 31, 2014 – $3,069,034). All of the Company's financial liabilities, except notes payable and convertible debt, have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

b. Market risk

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

Interest rate risk

Fluctuations in market rates of interest do not have a significant impact on the Company's results of operations. The Company's cash includes highly liquid investments that earn interest at market rates and interest paid on the Company's convertible debentures is based on a fixed interest rate. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

Foreign currency risk

As of March 31, 2015, the Company funds certain operations and administrative expenses in the United States on a cash call basis using US Dollar currency converted from its Canadian Dollar bank accounts held in Canada. The Company maintains US bank accounts and is subject to gains and losses from fluctuations in the Canadian Dollar and United States Dollar.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve-month period:

(i) Cash is subject to fixed interest rates. Management believes interest rate risk is minimal.

(ii) The Company holds balances in foreign currencies, which could give rise to exposure to foreign exchange risk. Management believes a plus or minus 10% change in foreign exchange rate against the US Dollar would have a minimal effect on reported (loss) income and comprehensive (loss) income as minimal balances are held in foreign currencies.

Significant accounting judgments and estimates

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The following are the critical judgments that have been made in applying the Company's accounting policies and that have the most significant effect on the amounts in the consolidated financial statements:

Income taxes and recovery of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements.

Intangible assets

Judgment is required in determining whether costs incurred relating to the ongoing development of intangible assets meet the criteria for capitalization. In making this determination management assesses whether costs represent improvements to the underlying assets and whether the intangible assets are able to generate probable future economic benefits for the Company.

Going Concern

The assessment of the validity of the going concern assumption, given facts and circumstances described in Note 1, requires significant judgment by management relating to the Company's ability to achieve profitable operations, raise debt and/or equity financing in the future and meet its obligations as they come due.

The Company makes estimates and assumptions that affect the carrying amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from estimates. The estimates and assumptions that are critical to determining the amounts reported in the consolidated financial statements relate to the following:

Impairment of assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. The recoverable amount is the greater of value-in-use and fair value less costs to sell. Determining the value-in-use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value. As at March 31, 2015 and December 31, 2014, the Company did not record any impairment of non-financial assets.

Useful life of property and equipment and intangible assets

Property and equipment and intangible assets are amortized over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of amortization recorded during the period.

Share-based compensation

The Company is required to make certain estimates when determining the fair value of stock option awards and the number of awards that are expected to vest. These estimates affect the amount recognized as share-based compensation in the consolidated statements of loss and comprehensive loss.

Warrants

The Company is required to make certain estimates when determining the fair value of warrants. The Company uses the Black-Sholes pricing model to determine the fair value. The Black-Scholes option-pricing model requires the input of subjective assumptions, such as stock price volatility.

Convertible debentures

The holder has the right to convert the convertible debentures into equity. Accordingly the Company bifurcates the debentures between liabilities and equity. The conversion feature is recognized initially at its fair value, as a component of equity. In determining the fair value of the liability the Company estimates the market rate of the liability with the absence of a conversion feature.

Accounting standards issued but not yet effective

The Company has identified new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company:

IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments: Recognition and Measurement, and is currently being developed in stages by the IASB. The IASB has decided to delay implementation until periods beginning on or after January 1, 2015, with early application permitted. The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. IFRS 9 has also been amended not to require the restatement of comparative period financial statements for the initial application of the classification and measuring requirements of IFRS 9, but instead requires modified disclosures on transition to IFRS 9. The Company has not early adopted this standard and is currently assessing the impact that this standard will have on the consolidated financial statements.

Risk Factors

Overview
The business of the Company consists of the Axios business of producing and supplying an environmentally “friendly” structural and trackable technology enabled mobile assets platform (pallets). There are a number of inherent risks associated with such a business and its development. Many of these risks are beyond the control of the Company.

Stage of Development
The Company and Axios have a limited history of operations, earnings or revenue. Its proposed operations are subject to all of the risks inherent in the establishment of a new business enterprise, including the absence of an operating history. The likelihood of the success of Axios must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the formation of a new business, and the competitive environment in which Axios will operate.

Additional Financing Requirements
The Company will be dependent on raising equity capital to fund its operations. The exact amount of future capital requirements will depend on numerous factors. Any future financings may result in substantial dilution to the holdings of current shareholders of the Company and could have a negative impact on the market price of its common shares. There can be no assurance that additional financing, when required, will be available on commercially reasonable terms or at all. If adequate funds are not available or are not available on acceptable terms, The Company may not be able to fund its operations and/or research and development programs or take advantage of strategic opportunities. Such inability to obtain additional financing when needed could have a material adverse effect on the Company's business, results of operations, cash flow, financial condition and prospects.

Implementation of Strategy
The Company’s inability to implement its business strategy could have a material adverse effect on the Company, including the ability to attain profitable operations.

Start-Up Losses
The Company is not expected to be profitable initially; furthermore, there is no assurance that the Company will ever operate profitably.

Reliance on Management
Holders of securities of the Company must rely on the ability, expertise, judgment, discretion, integrity and good faith of management of the Company.

Conflicts of Interest
Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* and other governing legislation in Michigan. All the directors of the Company may not devote their time on a full-time basis to the affairs of the Company.

Price Point
The Axios product is priced above the cost of a wooden pallet. The Company believes that the overall lifetime cost of its product is cheaper than its competitors, but, there is no assurance that its potential customers will change their value propositions to pay more now, to save money over the life of a pallet. The Company also rents pallets into pallet pools, on this basis the price point is competitive with a wood pallet rental.

Market Risk
The Company is moving into a well-established market with a new product. Consequently, its competitors are the incumbents in each potential customer. The Company may not be successful in converting customers to its products. The Company has an untried distribution chain, which may not be successful in converting customers to its products.

Failure to Patent the Material Composition
Axios has relied on trade secret protection for its competitive advantage. It decided that patent protection could not adequately occupy the entire field, and would give its competitors too great an opportunity to see how Axios does what it does, and to design around the patents. There is no assurance that a competitor could not reverse engineer Axios' designs and formulai.

Sales model
The Company believes that targeting large end users for pallet and pooling sales will enable Axios to penetrate the market for pallets. It believes that its pallets can differentiate markets for some end users, achieving volume sales for Axios to entities sufficiently funded to pay the capital cost required. Axios is required to sell the pallets and pooling services across the entire supply chain enterprise from getting approval to use from Retailer to approval of purchase or rental from Vendor. There is no assurance the Company's strategy will be successful, and if it is not successful, Axios will be shut out of major markets.

Carbon Credit Risks
One differentiator the Company is using to market its products is the potential for a purchaser to obtain carbon credits for using Axios' pallets. The economic value of that differentiator is in part a function of the level of certification Axios can achieve with certifying bodies, and on continuing government support for carbon reduction programs and other environmental initiatives. These are uncertainties.

Production Issues
The Company has not produced pallets in commercial quantities. There may be delays in completing the manufacturing facilities, and production difficulties in the initial phases of start-up manufacturing and in scaling production to commercial quantities. Management does not foresee any such delays or difficulties being material, but there is no assurance that such issues will not arise.

Material shortages
Axios uses a commercial polyester and / or soy resin, natural structural based materials, and calcium carbonate filler. Commodity shortages (weather, shipping delays, labour disruptions, competition for supplies) could affect Axios' ability to scale production or to produce product on a timely basis.

Commodity Price Fluctuations
Our production costs are subject to fluctuations in prices of the natural commodities used in production of pallets.

Patents
Axios has secured a design patent for the design of the initial pallet. We have another design patent pending along with a utility patent pending.

Technology Rollout
Axios' tracking technology has been tested on a small scale. Further refinements will be ongoing. There are no assurances that the tracking technology will be accepted in the marketplace or that it will achieve the intended results in all physical conditions and uses. Some limitations on the effectiveness of our technology will not be known before we have had significant use of our products in the field.

Forward Looking Statements

This document may contain "forward-looking statements" within the meaning of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements are made as of the date of this document and the Corporation does not intend, and does not assume any obligation, to update these forward-looking statements. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Corporation expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Corporation's businesses, operations, plans and other such matters are forward- looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks related to potential joint venture operations, actual results of current activities, unavailability of financing, and other factors. Although the Corporation has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Additional Information

Additional regulatory filings for the Company can be found on the SEDAR website at www.sedar.com and the Company's website can be found at www.axiosma.com