

NOTICE TO READER

April 22, 2024

Axe2 Acquisitions Inc. (the “Company”) – Refiling of Management Discussion and Analysis for the year ended December 31, 2023.

The management discussion and analysis of the Company for the year ended December 31, 2023 (the “**Management Discussion and Analysis**”) appended hereto is being refiled to reflect the amended effective date of March 4, 2024, the date of the auditor’s report on the Company’s annual financial statements. Additionally, references to SEDAR are updated from “SEDAR” to “SEDAR+” and from “www.sedar.com” to “www.sedarplus.ca”.

No other changes have been made to the contents of the Management Discussion and Analysis.

This notice does not form part of the Management Discussion and Analysis.

AXE2 ACQUISITIONS INC.
(a Capital Pool Company)

FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND TWELVE MONTH PERIOD ENDED DECEMBER 31, 2023

The following Management's Discussion and Analysis ("MD&A") for Axe2 Acquisitions Inc. (the "Company") is prepared as of **March 4, 2024** and should be read together with the Company's audited financial statements for the twelve month period ended December 31, 2023 and related notes attached thereto (the "financial statements"). The reader should also refer to the Company's audited financial statements and accompanying notes for the year ended December 31, 2023.

The financial statements are prepared in accordance with Financial Reporting Standard ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All dollar figures included therein and in this MD&A are quoted in Canadian dollars. Additional information related to the Company is available for view on SEDAR+ under the Company's profile at www.sedarplus.ca.

Description of Business

The Company was incorporated under the *Business Corporations Act* (British Columbia) on October 14, 2020 and is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4. The Company completed its initial public offering of 4,286,468 common shares of the Company ("Common Shares") at \$0.10 per Common Share resulting in gross proceeds of \$428,646.80 on November 23, 2022. The principal business of the Company is the identification and evaluation of assets or a business (a "Qualifying Transaction") 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 Company's head office is located at 25 King Street West, 29th Floor, Toronto, Ontario, M5L 1G3 and the records and registered office is located at 2900, 550 Burrard Street, Vancouver, British Columbia, V6C 0A3.

As a CPC, the Company's business objective will be to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction, as defined in the Exchange Policy 2.4 subject, in certain cases, to shareholder approval and acceptance by the Exchange. The Company has not commenced operations and has no assets other than cash. The Company's continued operations are dependent upon its ability to successfully identify, evaluate and negotiate an agreement to acquire an interest in a sustainable/viable business operation. There is no assurance that the Company will identify a business or asset that warrants acquisition or participation, and/or will be able to obtain the financing necessary to support a new business acquisition.

On August 29, 2022, the Company received a receipt notice from the Ontario Securities Commission for its amended and restated final prospectus dated August 26, 2022 of the Company ("A&R Prospectus"), which offered 4,286,468 Common Shares at a price of \$0.10 per Common Share (the "Offering") and engaged PI Financial Corp. as its agent (the "Agent") in connection with the Offering. The Company paid the Agent a commission equal to 10% of the gross proceeds of the Offering (other than for persons on the President's List), being \$32,174.68, and a corporate finance fee of \$10,500.00 (including applicable taxes). The Company also reimbursed the Agent for its legal fees and expenses incurred in connection with the Offering in the amount of \$22,717.38. The Company issued 321,747 compensation options (the "Compensation Options") to the Agent with each such Compensation Option entitling the Agent to acquire one (1) Common Share at an exercise price of \$0.10 for a period of sixty (60) months from the date of listing of the Common Shares on the Exchange.

Following completion of the Offering, the Company has 6,886,468 Common Shares issued and outstanding, of which 2,907,468 Common Shares are held in escrow and will be released from escrow in tranches over an 18-month period following the Final Qualifying Transaction Exchange Bulletin. In addition, on November 23, 2022, the Company issued an aggregate of 688,647 stock options of the Company (the "Options") to its directors and officers upon closing of the Offering with each such stock option entitling the holder thereof to acquire one (1) Common Share at an exercise price of \$0.10 for a period of 10 years from the date of grant.

The Common Shares were listed on the Exchange at the close of business on November 22, 2022 under the trading symbol of AXET.P and commenced trading shortly after the closing of the Offering on November 23, 2022.

The net proceeds of the Offering, together with the unspent proceeds from the prior sales of Common Shares, will be used by the Company to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction under the Exchange's capital pool company program.

Overall Performance

As at December 31, 2023, the Company had \$238,627 (December 31, 2022 - \$436,038) in cash and working capital was \$229,735 (December 31, 2022 - \$337,421). The Company incurred a loss of \$107,689 (December 31, 2022 - \$118,995) during the twelve month period ended December 31, 2023.

Other Events and Transactions

- (a) On July 21, 2022, the Company announced the passing of Graham Donahue, Chief Executive Officer and director of the Company at the time, and the appointment of David Dattels as interim Chief Executive Officer.
- (b) On August 29, 2022, the Company received receipt notice from the OSC for its Offering under the A&R Prospectus.
- (c) On November 23, 2022, the Company completed the Offering. The Agent in the Offering received a cash commission of \$32,174.68, a corporate finance fee of \$10,500.00 (including applicable taxes) and 321,747 Compensation Options with each such Compensation Option entitling the Agent to acquire one (1) Common Share at an exercise price of \$0.10 for a period of sixty (60) months from the date of listing of the Common Shares on the Exchange. The Common Shares were listed on the Exchange at the market close on November 22, 2022 under the trading symbol of AXET.P and commenced trading shortly after closing of the Offering on November 23, 2022. Upon closing of the Offering, the Company granted 688,647 Options to its directors and officers with each such stock option entitling the holder thereof to acquire one (1) Common Share at an exercise price of \$0.10 for a period of 10 years from the date of grant.

Summary of Quarterly Results

	Three month period ended December 31, 2023	Three month period ended September 30, 2023	Three month period ended June 30, 2023	Three month period ended March 31, 2023
Total assets	\$238,627	\$ 286,356	\$ 311,879	\$ 386,981
Working capital	229,732	254,774	287,852	329,251
Shareholders' deficiency	(305,711)	(280,669)	(247,591)	(206,192)
Comprehensive loss	(25,042)	(33,078)	(41,399)	(8,170)
Loss per share	(0.00)	(0.00)	(0.01)	(0.00)

	Three month period ended December 31, 2022	Three month period ended September 30, 2022	Three month period ended June 30, 2022	Three month period ended March 31, 2022
Total assets	\$ 449,202	\$ 87,859	\$ 86,345	\$ 77,095
Working capital	337,421	7,049	17,471	2,086
Shareholders' deficiency	(198,022)	(122,951)	(112,529)	(97,914)
Comprehensive loss	(75,071)	(10,422)	(14,615)	(18,887)
Loss per share	(0.02)	(0.00)	(0.01)	(0.01)

On October 14, 2020, the Company received gross proceeds of \$100,000 for the issuance of 2,000,000 Common Shares at \$0.05 per Common Share pursuant to a private placement.

On June 6, 2022, the Company received gross proceeds of \$30,000 for the issuance of 600,000 Common Shares at \$0.05 per Common Share pursuant to a private placement.

On November 23, 2022, the Company received gross proceeds of \$428,646.80 for the issuance of 4,286,468 Common Shares at \$0.10 per Common Share pursuant to the completion of the Offering.

Results of Operations

Three month period ended December 31, 2023:

During the three month period ended December 31, 2023, the Company had a comprehensive loss of \$25,042 (2022 - comprehensive loss of \$75,071). The comprehensive loss is comprised of the following items:

- Office and general costs of \$20,690 (2022 - \$14,908) which is comprised of general and administrative expenses of \$16,520 (2022 - \$11,908) and occupancy expense of \$4,170 (2022 - \$3,000).
- Professional fees of \$6,370 (2022 - \$25,430), which is comprised of \$720 (2022 - \$20,60) for legal fees and \$5,650 (2022 - \$4,830) for audit and accounting fees.
- Interest income of \$2,029 (2022 - \$412).
- Interest and bank charges of \$11.

Twelve month period ended December 31, 2023:

During the twelve month period ended December 31, 2023, the Company had a comprehensive loss of \$107,689 (2022 - comprehensive loss of \$118,995). The comprehensive loss is comprised of the following items:

- Office and general costs of \$66,452 (2022 - \$45,889) which is comprised of general and administrative expenses of \$52,892 (2022 - \$32,719) and occupancy expense of \$13,560 (2022 - \$13,170).
- Professional fees of \$50,941 (2022 - \$38,536), which is comprised of \$33,036 (2022 - \$28,816) for legal fees and \$17,905 (2022 - \$9,720) for audit and accounting fees.
- Interest income of \$9,770 (2022 - \$631).
- Interest and bank charges of \$66 (2022 - \$80).
- Share-based compensation expense of nil (2022 - \$35,121)

Related Party Transactions

During the three month period ended December 31, 2023, the Company paid \$9,000 to NewGen Asset Management Limited, a related party owned by certain of the directors and officers of the Company, for reimbursement of office rental, administrative and regulatory expenses, as follows:

- (a) Office rent of \$3,390 (2022 - \$3,390), comprising 3 months of office rent paid to NewGen Asset Management Limited; and
- (b) Administration expense of \$6,780 (2022 - \$6,780), comprising 3 months of expenses of \$2,000/month plus HST paid to NewGen Asset Management Limited.

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Directors members.

Other than as disclosed above, there was no compensation paid to key management during the three month period ended December 31, 2023 and the period from incorporation on October 14, 2020 to December 31, 2023.

Liquidity and Capital Resources

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	December 31, 2023	December 31, 2022
Working Capital	\$ 229,732	\$ 337,421
Deficit	(305,711)	(198,022)

Net cash used in operating activities for the twelve months ended December 31, 2023 was \$197,411 (2022 – \$30,855). This amount consists of a net operating loss of \$107,689 (2022 - \$118,995) adjusted for share-based compensation expense of nil (2022 - \$35,121), and changes in non-cash working capital items consisted of an increase in government remittance receivables of \$5,474 (2022 – decrease of \$5,474), an increase of prepaid expenses of \$7,690 (2022 – \$12,810), and a decrease in accounts payable and accrued liabilities of \$102,886 (2022 – increase of \$45,683).

There were no investing activities during the current and comparative period.

Financing activities provided net cash of \$nil (2022 - \$412,822), which was comprised of proceeds from the issuance of Common Shares.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company has sufficient funds to cover anticipated administrative expenses throughout the year. It will continue to focus on identifying and evaluating assets or a business to acquire which will serve as its Qualifying Transaction.

Financial Instruments and Risk Management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivable, accounts payable and accrued liabilities and due to shareholder approximate their carrying value. Cash is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and long-term receivable. The Company has deposited the cash with its bank from which management believes the risk of loss is remote.

(b) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period.

(c) *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(d) *Currency risk*

The Company's operations and financing activities are conducted in Canadian dollars and as a result, the Company is not subject to significant exposure to market risks from changes in foreign currency rates.

(e) *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk on its cash balances is currently insignificant.

Capital Management

The Company defines its capital as shareholder's equity. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company may invest its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns on unused capital. The Company does not pay dividends. The Company is not subject to any externally imposed capital requirements.

The Company raises capital to fund its corporate and other obligations through the sale of its Common Shares in order to operate its business and safeguard its ability to continue as a going concern. There have been no changes to the Company's approach to capital management during the period.

The proceeds raised from the issuance of Common Shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy 2.4.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at December 31, 2023.

Outstanding Share Data

The following table summarizes the Company's outstanding share data as of the date of this MD&A:

	Number of Common Shares issued or issuable
Common Shares	6,886,468
Options	688,647
Compensation Options	321,747

As at the date of this MD&A, there are 2,907,468 Common Shares subject to escrow, which will be released from escrow in tranches over 18 months of 25% every six months following the Final Qualifying Transaction Exchange Bulletin.

Critical Judgments and Estimates

The information provided in this report, including the financial statements, is the responsibility of management. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates on the resulting effects of the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The most significant accounts that require estimates as the basis for determining the stated amounts include the valuation of share-based payments and recognition of deferred tax amounts.

Share-based payments

The fair value of share options granted is measured using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the option, expected volatility, expected life of the options, expected dividends and the risk-free rate. These estimates will impact the amount of share-based payments recognized.

Income taxes

Related assets and liabilities are recognized for the estimated tax consequences between amounts included in the financial statements and their tax base using substantively enacted future income tax rates. Timing of future revenue streams and future capital spending changes can affect the timing of any temporary differences and, accordingly, affect the amount of the deferred tax asset or liability calculated at a point in time.

New Standards Not Yet Adopted

None.

Risks and Uncertainties

An investment in the Company's Common Shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. In evaluating the company and its business, the reader should carefully consider the following risk factors in addition to the other information contained in this MD&A. These risk factors are not a definitive list of all risk factors associated with the Company. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Investors should not rely upon forward-looking statements as a prediction of future results. The Company is unlikely to generate revenues or pay dividends in the immediate or foreseeable future.

No Operating History

The Company was incorporated on October 14, 2020, has not commenced commercial operations and has minimal working capital. Until completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of a potential Qualifying Transaction. The Company has only limited funds with which to identify and evaluate a potential Qualifying Transaction and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

Global Economic Conditions

Global economic conditions could have a negative effect on the Company's business and results of operations. Economic activity throughout much of the world has been volatile. Market disruptions have included extreme volatility in securities prices, as well as severely diminished liquidity and credit availability. An economic crisis may adversely affect the Company in a variety of ways. Access to lines of credit or the capital markets may be severely restricted, which may preclude the Company from raising funds required to commence profitable operations. It may be more difficult for the Company to complete strategic transactions with third parties. Such developments could decrease the Company's ability to obtain financing.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful at identifying and acquiring new business opportunities or assets. No assurances can be given that the Company will be able to identify any assets or businesses to acquire or have the financial resources necessary to complete an acquisition. Nor can there be any assurance that the Company will be able to raise additional capital that it may require for future developments. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Dependence on Management Team

The Company's success depends to a certain degree upon its senior management team as a whole. It is expected that this team will be a significant factor in our growth and success. The loss of the management team could have a material adverse effect on the Company.

Smaller Companies

Market perception of junior companies may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds through the issue of additional Common Shares or otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

Outlook

The Company's current objectives are to identify and evaluate assets or a business to acquire which will serve as its Qualifying Transaction subject to shareholder and regulatory approval.

Corporate Governance

The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Audit Committee of the Company fulfills its role of ensuring the integrity of the reported information through its review of the interim and audited annual financial statements prior to their submission to the Board of Directors for approval. The Audit Committee, comprised of three directors, two of whom are independent, meets with management of the Company on a quarterly basis to review the financial statements, including the MD&A, and to discuss other financial, operating and internal control matters as required.

Forward-Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "might", "objective", "plan", "potential", "predict", "project", "seek", "should", "targeting", "will", and similar expressions. These forward-looking statements include statements regarding the net proceeds of the Offering, identifying and evaluating assets or a business to acquire which will serve as its Qualifying Transaction, the Company's strategies and objectives, the Company's ability to meet its financial obligations as they become due, and its ability to raise sufficient capital for short-term operations and to fund a Qualifying Transaction. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained into this report should not be unduly relied upon. These statements speak only as of the date of this MD&A. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about the general business and economic conditions, the availability of financing, the ability to identify and evaluate assets or a business to acquire which will serve as a Qualifying Transaction and the ability to attract and retain skilled staff.

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in the general business and economic conditions, the availability of financing, the ability to identify and evaluate assets or a business to acquire which will serve as a Qualifying Transaction and the ability to attract and retain skilled staff. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. The forward-looking statements are made as of the date hereof and the Company disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements or forward-looking information contained herein to reflect future results, unless so required by Canadian securities laws. **Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.**