PEAK POSITIONING TECHNOLOGIES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis, (MD&A) provides Management's point of view on the financial position and results of operations of Peak Positioning Technologies Inc., on a consolidated basis, for the three and six-month periods ended June 30, 2019 (Fiscal 2019) and June 30, 2018 (Fiscal 2018).

Unless otherwise indicated or unless the context requires otherwise, all references in this MD&A to "Peak", the "Company", the "Corporation", "we", "us", "our" or similar terms refer to Peak Positioning Technologies Inc. and its subsidiary Peak Positioning Corporation on a consolidated basis. This MD&A is dated August 28, 2019 and should be read in conjunction with the Audited Consolidated Financial Statements and the notes thereto for the year ended December 31, 2018. Unless specified otherwise, all amounts are in Canadian dollars.

The financial information contained in this MD&A relating to the unaudited Consolidated Financial statements for the three and six-month period ended June 30, 2019, and June 30, 2018, has been prepared in accordance with International Financial Reporting Standards, (IFRS).

The unaudited consolidated financial statements and MD&A have been reviewed by our Audit Committee and approved by our Board of Directors as at August 28, 2019.

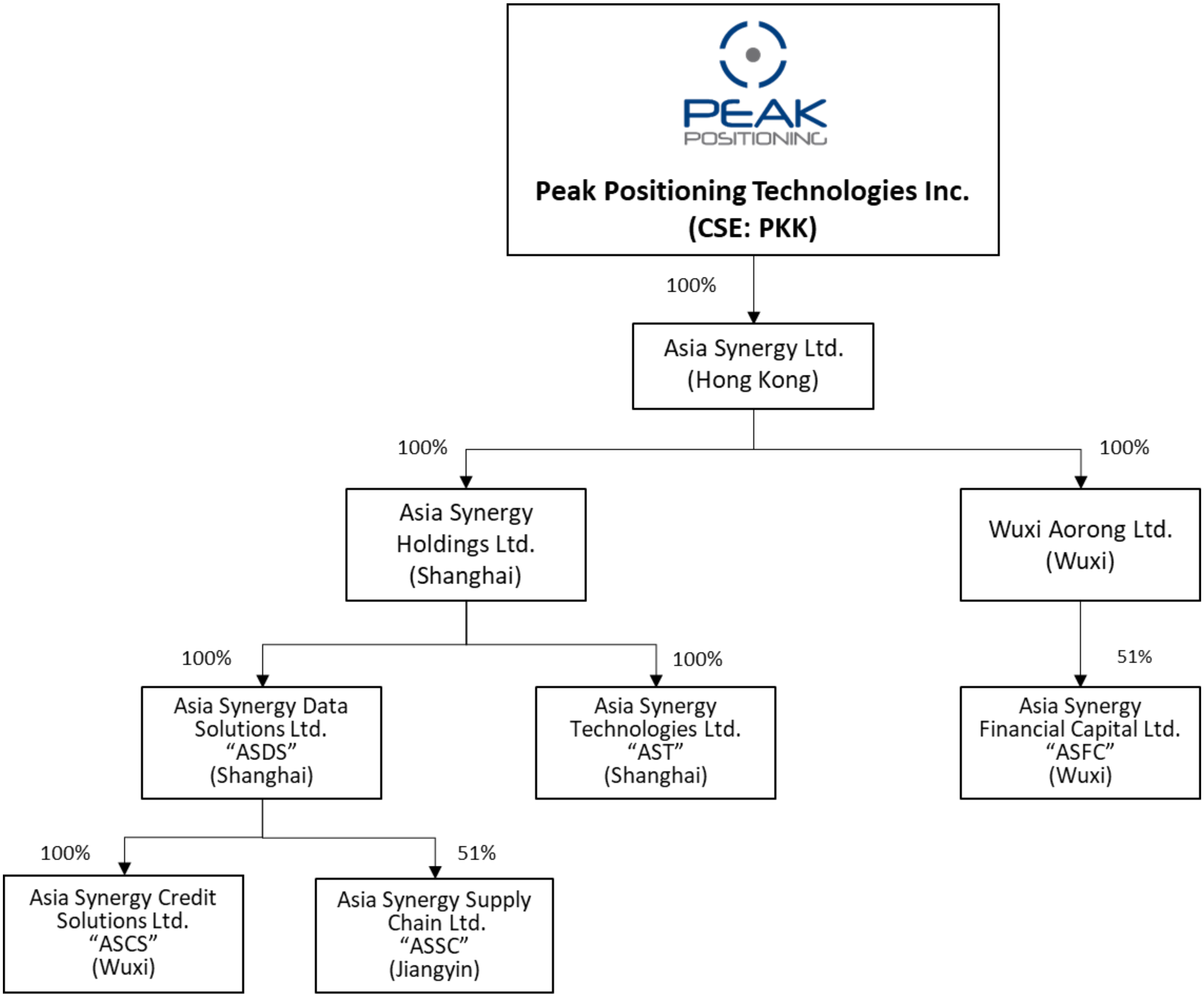
Forward looking information

Certain statements contained in this MD&A may constitute forward-looking information, which can generally be identified as such because of the context of the statements including words such as believes, anticipates, expects, plans, estimates, or words of similar nature. The forward-looking statements are based on current expectations and are subject to known and unknown risks, uncertainties, and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results. We refer potential investors to the "Risks and Uncertainties" section of this MD&A. The reader is cautioned to consider these and other risks and uncertainties carefully and not to put undue reliance on forward-looking information. Forward-looking information reflects current expectations regarding future events and speaks only as of the date of this MD&A and represents the Company's expectations as of that date.

The Company undertakes no obligation to update or revise the information contained in this MD&A, whether as a result of new information, future events or circumstances or otherwise, except as may be required by applicable law.

Structure

The following chart summarizes the corporate structure of the Company.



Business Overview

Peak (CSE: PKK) (PINK SHEETS: PKKFF), is an IT portfolio management company whose mission is to assemble, finance and manage a portfolio of promising companies and assets in some of the fastest growing tech sectors in China, including fintech, e-commerce and cloud-computing. Peak provides a bridge for North American Investors who wish to participate in the continued digitization of China's industrial sectors through the latest advancements in technology.

Operating Highlights for the Quarter

The most noteworthy events that took place during the period, which also largely accounted for the significant increase in the Company's revenue from Q1 to Q2, occurred in the last few weeks of the quarter. Among them was the creation of a new joint-venture entity called Asia Synergy Supply Chain ("ASSC"), which resulted from an agreement between the Company's Asia Synergy Data Solutions ("ASDS") subsidiary and Jiangsu Zhongpu Financial Outsourcing Service Ltd. ("ZFOS"). ASSC was able to benefit from an established clientele of ZFOS supply chain business clients and ASDS' Cubeler Lending Hub platform to sell a series credit analysis reports and quickly contribute to the Company's revenue. In less than one full month of operation during the quarter, ASSC accounted for nearly 20% of the Company's revenue in Q2. An agreement signed in late June between ASDS and Xian Fenghui Automobile Service Company ("FASC"), whereby ASDS provides FASC with credit analysis reports on potential clients looking to purchase or lease vehicles from FASC for their businesses, also had a significant impact on the Company's revenue. Over 10% of the Company's revenue in the second quarter came as a result of that agreement.

The Cubeler Lending Hub has so far been used by ASDS and Asia Synergy Credit Solutions ("ASCS") to generate service fees for either servicing or facilitating loans issued by their respective financial institution partners. In addition to such uses, ASDS and ASSC both began during the quarter to use Cubeler to generate and sell credit analysis reports to financial services companies regardless of whether or not the reports led to the issuance of loans. This represents a new revenue stream for the Company which, judging by the impact the service had on Q2 revenue in a relatively short time span, may continue to significantly impact the Company's results over the next quarters and beyond.

ASCS and Asia Synergy Financial Capital ("ASFC") also had strong performances during the quarter. The average interest rate on ASFC's loans increased for the fourth consecutive quarter to reach an average of 17.1% in Q2, while its revenue increased by 20.8% compared to Q1 revenue. The second quarter marked the first full quarter of operation for ASCS, which also saw an increase in revenue compared to Q1. ASCS also added a handful of new financial institutions to its growing list of clients during the quarter, most notably, Hua Xia Bank, China's 14th largest bank, for which ASCS began to service loans in the latter part of Q2.

Business plan and Outlook for 2019

The Company's plan to use its Cubeler Lending Hub platform to bring better efficiency to the Chinese commercial lending space, to attract financial institution clients and partners, and to help grow the Company's business through acquisitions and/or joint-ventures was on full display during the second quarter. While ASFC and ASCS continued to set an example for financial institutions of how Cubeler can be used to facilitate and service loans, which led to new clients for ASCS, ASDS was able to use Cubeler as the centerpiece of its joint-venture agreement with ZFOS, which resulted in the creation of ASSC. The Company expects the platform to continue to plan a very important role in its business plan and for ASDS, which manages Cubeler, to continue to account for an increasingly larger portion of the Company's revenue. Fueled by its new line of credit analysis report service, ASDS and ASSC combined to account for a third of the Company's revenue in Q2, compared to less than 5% in the first quarter. That percentage is expect to increase in future quarters and for ASDS to eventually become the Company's largest revenue contributor.

Although ASCS saw an increase in revenue in Q2 compared to Q1, that increase was largely due to the fact that Q2 was simply ASCS' first full quarter of operation. The Company will be looking for ASCS to accelerate its rate of transactions in future quarters in order to somewhat keep pace with the anticipated rate of revenue growth of ASDS and ASSC.

The vast majority of the Company's services were provided in Wuxi and in the neighboring city of

Jiangyin during the second quarter, with the exception of the services provided to FASC by ASDS in Xian. The Company will look to expand its service offering to a handful of new cities during the balance of 2019 to help sustain or even accelerate its rate of growth. This planned expansion is expected to take place either in partnership with established entities in the targeted new markets or through the acquisition of such entities.

ASFC is expected to continue to provide the Company with a solid and reliable base of revenue, while the other subsidiaries should account for the majority of the Company's revenue growth for the remainder of 2019. That trend became clearly apparent in the second quarter as ASFC's revenue went from representing over 75% of the Company's total revenue in Q1 compared to 45.8% in Q2.

Overall, the second quarter provide affirmation of various aspects of the Company's business plan as it was able to leverage its technology to facilitate an increasing number of commercial lending transactions, develop a new service offering, and create a new joint-venture. That affirmation was also reflected in the Company's financial results for the second quarter, putting it on pace to meet its objectives for 2019.

Selected Quarterly Information

	June 30, 2019	**June 30, 2018**	**June 30, 2019**	**June 30, 2018**
	Three months	**Three months**	**Six months**	**Six months**
Revenues	$ 1,901,723	$ 224,611	$ 2,851,233	$ 229,758
Expenses before finance costs, tax, depreciation and amortization	$ 1,561,991	$ 802,379	$ 2,533,223	$ 1,485,035
EBITDA(1)	$ 339,732	$ (577,768)	$ 318,010	$ (1,255,278)
Finance costs, Tax , depreciation and amortization	$ 635,719	$ 394,126	$ 1,182,776	$ 772,384
Net loss	$ (295,987)	$ (971,895)	$ (864,766)	$ (2 ,027,662)
Net (loss) profit attributable to:				
Non-controlling interest	$ 228,932	$ 74,731	$ 342,320	$ 74,731
Owners of the parent	$ (524,919)	$ (1,046,626)	$ (1,207,086)	$ (2,102,393)
Basic and diluted loss per share	$ (0.000)	$ (0.001)	$ (0.001)	$ (0.003)

(1) EBITDA is provided as a supplementary earning measure to assist readers in determining the ability of Peak Positioning Technologies Inc. to generate cash-flow from operations and to cover financial charges. It is also widely used for business valuation purposes. This measure does not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies.

EBITDA equals the results before finance cost, as defined in the interim consolidated financial statement, income tax, depreciation of property and equipment and amortization of intangible assets and financing of initial costs.

Reconciliation of EBITDA to net loss	Three-month periods ended		Six-month periods ended	
	June 30, 2019	June 30, 2018	June 30,2019	June 30, 2018
Net loss for the period	$ (295,987)	$ (971,895)	$ (864,766)	$ (2,027,662)
Add:				
Income tax	$ 156,213	$ 67,058	$ 266,143	$ 67,058
Finance costs	$ 256,430	$ 189,899	$ 487,968	$ 417,645
Depreciation and amortization	$ 223,076	$ 137,168	$ 428,666	$ 287,681
EBITDA	$ 339,732	$ (577,768)	$ 318,010	$ (1,255,278)

	June 30. 2019	December 31, 2018
Total assets	$ 27,297,417	$ 24,689,303
Total Liabilities	$ 9,196,965	$ 5,202,827
Long-term liabilities	$ 651,209	$ 398,015
Total Equity	$ 18,100 453	$ 19,486 475
To Non-controlling interest	$ 9,890,891	$ 9,989,774
To Owners of parent	$ 8,209,560	$ 9,496,701

Results of Operations

Revenue for Three Months Ended June 30, 2019

The Company generated $1,901,723 in revenue during the second quarter of 2019, compared to $224,611 for the same period in 2018. The considerable increase in revenue is largely attributed to a new credit analysis report service offering from ASDS and new joint-venture ASSC. ASDS and ASSC combined to account for one third of the Company's revenue in the quarter while ASFC and ASCS accounted for approximately 45% and 22% respectively.

ASFC's revenue came in the form of interest earned on loans extended to Chinese small and medium-sized business owners. The loans yielded an effective average annual interest rate of 17.1% with an average maturity of 16.1 months during the period ended June 30, 2019.

ASCS's revenue for the quarter came in the form of loan servicing fees received from its bank and commercial lending clients related to an average of 266 loans serviced by ASCS during the period.

Revenue for Six Months Ended June 30, 2019

On a cumulative basis, the Company generated $2,851,233 in revenue during the first half of 2019, compared to $229,757 for the same period in 2018. Whereas the near totality of the Company's revenue in the first six months of 2018 was generated by ASFC after less than two months of operation, four operating subsidiaries contributed to the Company's revenue during the first six months of 2019. Of those four subsidiaries, only ASFC had a mature service offering for the entire six-month period ended June 30, 2019. The Company's other subsidiaries were either inactive for part or all of the period, had not yet been created or had service offerings that were still being formulated by the end of the period.

Operating expenses

The following schedule summarizes the operating expenses:

	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	(3 months)	(3 months)	(6 months)	(6 months)
	$	$	$	$
Salaries and fringe benefits	429,614	240,973	831,640	446,519
Service fees	384,399	-	411,834	-
Board remuneration	17,589	35,311	34,383	66,706
Consulting fees	139,168	123,360	253,869	203,671
Management fees	39,482	45,023	75,388	110,010
Expected credit loss	32,576	-	37,043	-
Administrative and indirect costs	88,841	-	147,941	-
Professional fees	35,731	65,024	85,106	138,724
Public relations and press releases	35,595	157,280	66,912	254,125
Office supplies, software and utilities	71,589	25,392	98,019	38,371
Lease expenses	11,665	(2,766)	24,942	17,025
Depreciation of right-of use-assets	120,715	-	173,506	-
Insurance	8,039	3,425	15,278	9,881

Finance costs	256,430	189,899	487,968	417,645
Translation & Other	8,471	15,638	27,010	17,078
Travel and entertainment	98,837	41,877	204,061	104,883
Stock exchange and transfer agent costs	19,008	26,999	26,246	39,385
Depreciation of property and equipment	10,147	883	19,536	903
Amortization of intangible assets	203,774	133,010	390,921	265,844
Amortization of financing initial costs	9,155	3,275	18,209	20,934
Loss (gain) on foreign exchange	20,672	7,292	20,045	21,105
Total expenses before income tax	**2,041,497**	**1,129,448**	**3,449,856**	**2,190,362**

Three Months Ended June 30, 2019

Salaries and fringe benefits amounted to $429,614 for the second quarter of 2019 (compared to $240,973 for the same period in 2018). Except for the Company's CEO and CFO, all salaries are paid out to employees working for the Company's subsidiaries' in China. The increase in salary expense for the period is attributed to the creation of the Company's recently created subsidiaries. There were therefore no salary expenses related to those subsidiaries for the quarter ended June 30, 2018. The share-based remuneration is included within this caption, which amounted to $47,509 for the second quarter of 2019 compared to $78,181 for the corresponding quarter in 2018.

Service fees related to consulting and business development services provided to the Company's ASFC, ASCS and ASSC subsidiaries by third-party companies amounted to $384,399 in the second quarter of 2019, compared to none for the corresponding period of 2018.

Board remuneration refers to share-based remuneration received by members of the Company's board of directors and amounted to $17,589 in the second quarter of 2019 compared to $35,311 for the same period in 2018.

Consulting fees totalling $139,168 incurred during the quarter ended June 30, 2019 ($123,360 for the same period in 2018), mainly relate to corporate financing consulting and business development consulting in China. The company did not incur expenses relating to services rendered by consultants on the day-to-day accounting and financial operations in the second quarter of 2019 compared to $24,558 for the same period in 2018. Share-based remuneration received by consultants' amount to $9,779 in the second quarter of 2019 compared to $12,730 in the same quarter of 2018.

Management fees of $39,482 for the second quarter of 2019 relate to services rendered to the Company in Canada and to its subsidiaries in China (compared to $45,021 for the same period in

2018). The share-based portion of the management fees amounted to $15,148 in the second quarter of 2019 compared to $30,176 for the same period of 2018.

Administrative and indirect costs of $88,841 in the second quarter of 2019 (compared to none in the first quarter of 2018) relate to administrative support expenses and other indirect costs for the Company's ASFC subsidiary in China.

Professional fees such as audit fees and legal fees totalled $35,731 for the three-month period ended June 30, 2019 (compared to $65,024 for the same period ended June 30, 2018). The difference is mainly due to legal fees incurred in Canada and China in the second quarter of 2018 for the creation of a new subsidiary.

Public relations and press release expenses amounted to $35,595 for the second quarter of 2019 (compared to $157,280 for the same period of 2018). The significant decrease is due to the fact that certain public relations and investor awareness agreements entered into by the Company with certain service providers in 2018 were not renewed in 2019.

Office supplies, website and utility expenses increase from $25,392 in the second quarter of 2018 to $71,589 for the same period in 2019 following set-up cost of a new office for ASCS and website update cost of $21,000 paid to Cubeler, an affiliated company in the second quarter of 2019.

Depreciation of right-of use assets of $120,715 in the second quarter of 2019 (compared to none in the first quarter of 2018) follows the adoption of IFRS 16 on January 1, 2019, and relates to the depreciation of right-of-use assets associated with new office lease agreements of the Company's operational subsidiaries in China.

Finance costs include mainly interest charges and accretion of debentures. Those costs amounted to $256,430 for the three–month period ended June 30, 2019, compared to $189,899 for the same period in 2018. Following the adoption of IFRS 16 on January 1, 2019, interest related to lease liabilities are presented as finance cost. Also include in that caption is interest paid to a third party for the security deposit to guarantor for ASCS.

Travel and entertainment expenses amounted to $98,837 in the second quarter of 2019 compared to $41,877 for the same period in 2018. These expenses are mainly attributed to travel expenses incurred by the Company's Chinese management related to business development initiatives and operations in China.

Amortization of intangible assets amounted to $203,774 for the three-month period ended June 30, 2019, compared to $133,010 for the same period in 2018. This increase is due to the amortization of the loan service agreements that accompanied the acquisition by ASCS of Wenyi's business operations on January 1, 2019, and the amortization of the Fintech platform, which was offset by a reduction of the amortization of the Gold River platform following the partial impairment of Gold River at the end of 2018.

The Company reported a currency translation adjustment loss of $518,817 in the second quarter of 2019 (compared to a gain of $4,161 for the same period in 2018) reflecting the depreciation of the Chinese renminbi against the Canadian dollar during the period. This adjustment only represents a theoretical loss that would only be realized in the event of a material transaction involving the underlying assets to which the loss is attributed, in this case the Company's subsidiaries, such as if the assets were disposed of.

Six Months Ended June 30, 2019

Salaries and fringe benefits amounted to $831,640 for the first half of 2019 (compared to $446,519 for the same period in 2018). Except for the Company's CEO and CFO, all salaries are paid out to employees working for the Company's subsidiaries' in China. The increase in salary expense for the period is attributed to the creation of the Company's ASFC and ASCS subsidiaries, which respectively began their operations in June 2018 and January 2019. There were therefore no salary expenses related to those two subsidiaries for the quarter ended June 30, 2018. The share-based remuneration is included within this caption, which amounted to $88,424 for the first half of 2019 compared to $143,882 for the corresponding period in 2018.

Service fees related to consulting and business development services provided to the Company's ASFC, ASCS and ASSC subsidiaries by third-party companies amounted to $411,834 in the first half of 2019, compared to none for the corresponding period of 2018.

Board remuneration refers to share-based remuneration received by members of the Company's board of directors and amounted to $34,383 in the first two quarters of 2019 compared to $66,706 for the same period in 2018.

Consulting fees totalling $253,869 incurred during the semester ended June 30, 2019 ($203,671 for the same period in 2018), mainly relate to corporate financing consulting and business development consulting in China. The company did not incur expenses relating to services rendered by consultants on the day-to-day accounting and financial operations in the first half of 2019 compared to $48,495 for the same period in 2018. Share-based remuneration received by consultants' amount to $9,779 in the first two quarters of 2019 compared to 12,730 in the same period of 2018.

Management fees of $75,388 for the first half of 2019 relate to services rendered to the Company in Canada and to its subsidiaries in China (compared to $110,010 for the same period in 2018). The share-based portion of the management fees amounted to $30,534 in the first two quarters of 2019 compared to $56,001 for the same period of 2018.

Administrative and indirect costs of $147,941 in the first half of 2019 (compared to none in the first two quarters of 2018) relate to administrative support expenses and other indirect costs for the Company's ASFC subsidiary in China.

Professional fees such as audit fees and legal fees totalled $85,106 for the six-month period ended June 30, 2019 (compared to $138,624 for the same period ended June 30, 2018). The difference is mainly due to legal fees incurred in Canada and China in the second quarter of 2018 for the creation of a new subsidiary and audit fees for our Chinese subsidiaries.

Public relations and press release expenses amounted to $66,912 for the first half of 2019 (compared to $254,125 for the same period of 2018). The significant decrease is due to the fact that certain public relations and investor awareness agreements entered into by the Company with certain service providers in 2018 were not renewed in 2019.

Office supplies, website and utility expenses increase from $38,371 in the first two quarters of 2018 to $98,019 for the same period in 2019 following set-up cost of a new office for ASCS and website update cost of $21,000 paid to Cubeler, an affiliated company in the second quarter of 2019.

Depreciation of right-of use assets of $173,506 in the first half of 2019 (compared to none in the first quarter of 2018) follows the adoption of IFRS 16 on January 1, 2019, and relates to the depreciation of right-of-use assets associated with new office lease agreements of the Company's operational subsidiaries in China.

Finance costs include mainly interest charges and accretion of debentures. Those costs amounted to $487,968 for the six-month period ended June 30, 2019, compared to $417,645 for the same period in 2018. Following the adoption of IFRS 16 on January 1, 2019, interest related to lease liabilities are presented as finance cost. Also include in that caption is interest paid to a third party for the security deposit to guarantor for ASCS.

Travel and entertainment expenses amounted to $204,061 in the first two quarters of 2019 compared to $104,883 for the same period in 2018. These expenses are mainly attributed to travel expenses incurred by the Company's Chinese management related to business development initiatives and operations in China.

Amortization of intangible assets amounted to $390,921 for the six-month period ended June 30, 2019, compared to $265,844 for the same period in 2018. This increase is due to the amortization of the loan service agreements that accompanied the acquisition by ASCS of Wenyi's business operations on January 1, 2019, and the amortization of the Fintech platform, which was offset by a reduction of the amortization of the Gold River platform following the partial impairment of Gold River at the end of 2018.

The Company reported a currency translation adjustment loss of $444,610 in the first half of 2019 (compared to $90,795 for the same period in 2018) reflecting the depreciation of the Chinese renminbi against the Canadian dollar during the period. This adjustment only represents a theoretical loss that would only be realized in the event of a material transaction involving the underlying assets to which the loss is attributed, in this case the Company's subsidiaries, such as if the assets were disposed of.

Net Results.

The Company incurred a net loss of $295,987 in the second quarter of 2019 (compared to a net loss of $ 971,895 in the corresponding period of 2018).

Summary of Quarterly Results

	June 30, 2019 Three months	June 30, 2018 Three months	March 31, 2019 Three months	March 31, 2018 Three months
Revenues	$ 1,901,723	$ 224,611	$ 949,511	$ 5,147
Expenses (1)	$ 2,197,710	$ 1,196,506	$ 1,518,290	$ 1,060,915
Net Loss	$ (295,987)	$ (971,895)	$ (568,779)	$ (1,055,768)
Net (loss) profit attributable to:				
Non-controlling interest	$ 209,628	$ 74,731	$ 113,388	$ -
Owners of the parent	$ (505,615)	$ (1, 046,626)	$ (682,167)	$ (1,055,768)
Earnings per Share (2)	$ (0.000)	$ (0.001)	$ (0.001)	$ (0.002)

	December 31, 2018 Three months	December 31, 2017 Three months	September 30, 2018 Three months	September 30, 2017 Three months
Revenues	$ 742,038	$ 1,622	$ 709,739	$ 3,958
Expenses (1)	$ 1,697,596	$ 737,933	$ 1,335,437	$ 1,137,647
Net Loss	$ (955,559)	$ (736,321)	$ (625,698)	$ (1,113,680)
Net (loss) profit attributable to:				
Non-controlling interest	$ 24,705	$ -	$ 144,324	$ -
Owners of the parent	$ (980,263)	$ (736,321)	$ (770,022)	$ (1,113,680)
Earnings per Share (2)	$ (0.001)	$ (0.002)	$ (0.001)	$ (0.002)

Note (1): Including income tax expenses

Note (2): Earnings per share is calculated using the net loss and the weighted average number of outstanding shares.

Liquidity

The level of revenue currently being generated by the Company is not presently sufficient to meet its working capital requirements. Until that happens, the Company will continue to use financing means to help meet its financial obligations. As of August 28, 2019, the Company's working capital is estimated at approximately $480,000. The Company's cash flow position is expected to improve significantly as its operating subsidiaries continue to grow their revenue and generate new revenue streams and eventual profits for the Company. This is expected to eventually allow the Company to meet its working capital needs. However, until that happens, the Company will continue to assess its working capital needs and undertake whatever initiative it deems necessary to ensure that it continues to be in a position to meet its financial obligations. In the opinion of management, the Company's current cash position and its access to additional capital will be sufficient to meet its current obligations and allow it to continue as a going concern for the next 12 months.

Financing

In January 2019, the Company issued 700,000 common shares to settle $35,000 of debt related to consulting services received by the Company.

On April 26, 2019, the Company closed a private placement consisting of the sale of 28 units of unsecured convertible debentures at $10,000 per unit for gross proceeds of $280,000. Each unit sold is comprised of $10,000 face value debentures, maturing on April 26, 2021, bearing interest at a nominal annual rate of 8% payable monthly, plus 200,000 purchase warrants exercisable into Company common share at $0.10 per share for a period of 24 months from the date of issuance. Also, the Company issued 75,000 purchase warrants as a finder's fee to eligible persons related to this private placement exercisable into common share of the Company at an exercisable price of $0.05 for a period of 24 months from the date of issuance.

In May 2019, the Company issued 1,800,000 common shares to settle $95,000 of debt related to consulting services received by the Company.

On July 16, 2019, the Company closed a private placement financing consisting in the sale of 1,400,000 units (a "Unit") at a price of $0.05 per Unit for gross proceeds of $70,000. Each Unit is comprised of one (1) common share and one (1) common share purchase warrant entitling the warrant holder to purchase one (1) common share at a price of $0.08 for a twenty-four (24) month period. The value attributed to the warrants is $19,948.

In August 2019, the Company issued 900,000 common shares to settle $45,000 of debt related to consulting services received by the Company.

On August 28, 2019, the Company closed a private placement financing consisting in the sale of 22,800,000 units (a "Unit") at a price of $0.025 per Unit for gross proceeds of $570,000. Each Unit is comprised of one (1) common share and one half of one (1/2) common share purchase warrant entitling the warrant holder to purchase one (1) common share at a price of $0.05 for a twelve (12) month period. The value attributed to the warrants is $35,151.

Capital Stock

The Company's capital stock as of June 30, 2019, was $22,884,673 compared to $22,759,673 as of December 31, 2018. The variation is explained by the issuance of 2,500,000 common shares to settle $125,000 of debt related to consulting services received by the Company.

Common Shares

As of August 28, 2019, the Company had 702,742,135 common shares outstanding. The following table summarizes the changes in shares outstanding from January 1, 2011, until August 28, 2019.

Date	Description	Number	Cumulative number
Dec 31, 2010	Outstanding as of December 31, 2010	10,000,000	10,000,000
February 8, 2011	Acquisition of Peak Corp	30,000,000	40,000,000
2011	Issuance 2011	27,481,335	67,481,335
2012	Issuance 2012	11,325,800	78,807,135
2013	Issuance 2013	9,831,834	88,638,969
2014	Issuance 2014	43,747,920	132,386,889
2015	Issuance 2015	60,212,625	192,599,514
2016	Issuance 2016	227,319,050	419,918,564
2017	Issuance 2017	209,740,491	629,659,055
January 2018	Private placement	5,000,000	634,659,055
January 2018	Shares for debt	1,500,000	636,159,055
February 2018	Surrender of Debenture	20,000,000	656,159,055
March 2018	Shares for debt	600,000	656,759,055
April 2018	Surrender of Debenture	1,000,000	657,759,055
May 2018	Shares for debt	400,000	658,159,055
June 2018	Surrender of Debenture	10,000,000	668,159,055
July 2018	Shares for debt	700,000	668,859,055
July 2018	Shares for debt	250,000	669,109,055
July 2018	Shares for debt	640,000	669,749,055
August 2018	Shares for debt	393,080	670,142,135
August 2018	Surrender of Debenture	5,000,000	675,142,135
January 2019	Shares for debt	700,000	675,842,135
May 2019	Shares for debt	1,800,000	677,642,135
July 2019	Private placement	1,400,000	679,042,135
August 2019	Shares for debt	900,000	679,942,135
August 2019	Private placement	22,800,000	702,742,135
Total		702,742,135	

Share Purchase Options

As of August 28, 2019, the Company had 53,800,000 common share purchase options outstanding. The following table summarizes the options outstanding as of August 28, 2019.

Date of grant	Optionee	Number	Exercise Price	Expiration
May 2015	Employees	2,000,000	$0.05	May 2020
May 2015	Board members	750,000	$0.05	May 2020
May 2015	Investor relation consultants	500,000	$0.05	May 2020
May 2015	Consultants	550,000	$0.05	May 2020
November 2015	Employees	2,000,000	$0.05	November 2020
November 2015	Board members	600,000	$0.05	November 2020

Date of grant	Optionee	Number	Exercise Price	Expiration
December 2015	Consultant	2,500,000	$0.05	December 2020
May 2016	Consultant	150,000	$0.05	May 2021
July 2016	Board members and officers	10,500,000	$0.085	July 2021
June 2017	Consultant	350,000	$0.105	June 2022
June 2017	Board members and officers	7,450,000	$.105	June 2022
November 2017	Officer	375,000	$0.055	November 2022
December 2017	Board members and officers	5,000,000	$0.08	December 2022
April 2018	Employee	100,000	$0.05	April 2023
June 2018	Board members and officers	7,175,000	$0.05	June 2023
June 2018	Consultants	100,000	$0.05	June 2023
February 2019	Officer	750,000	$0.05	November 2023
May 2019	Consultant	1,000,000	$0.05	May 2024
May 2019	Consultant	3,000,000	Variable	May 2024
May 2019	Board members, officers and employees	8,950,000	$0.05	May 2024
	Total outstanding	53,800,000		

Share Purchase Warrants

As of August 28, 2019, the Company had 133,095,000 common share purchase warrants outstanding. The following table summarizes the changes in warrants outstanding as of August 28, 2019:

Date	Description	Number	Exercise Price	Expiration
June 2016	Warrants issued to subscribers in connection with private placement	199,000,000	$ 0.050	June 2018
Fiscal year 2017	Exercise of Warrants	(1,000,000)	$ 0.050	N/A
December 2017	Transfer to debenture holders and extension	(198,000,000)	$ 0.050	N/A
March 2017	Warrants issued to subscribers in connection with private placement	1,640,359	$ 0.200	March 2019

Date	Description	Number	Exercise Price	Expiration
June 2017	Warrants issued to subscribers in connection with private placement	14,000,000	$ 0.120	June 2022
August 2017	Warrants issued to subscribers in connection with private placement	3,333,333	$ 0.061	June 2022
August 2017	Warrants issued to subscribers in connection with private placement	5,800,000	$ 0.0567	June 2022
December 2017	Warrants transferred to debenture holders	191,000,000	$ 0.050	December 2019
December 2017	Extension of warrants	7,000,000	$ 0.050	December 2019
December 2017	Warrants issued to debenture holders	49,000,000	$ 0.050	December 2019
December 2017	Exercise of warrants to surrender the debentures	(127,000,000)	$ 0.050	N/A
January 2018	Exercise of warrants to surrender the debentures	(20,000,000)	$ 0.050	N/A
April 2018	Exercise of warrants to surrender the debentures	(1,000,000)	$ 0.050	N/A
May 2018	Warrants issued to subscribers in connection with private placement	2,900,000	$ 0.100	May 2020
June 2018	Exercise of warrants to surrender the debentures	(10,000,000)	$ 0.050	N/A
August 2018	Exercise of warrants to surrender the debentures	(5,000,000)	$ 0.050	N/A
December 2018	Warrants issued to subscribers in connection with private placement	510,000	$ 0.100	December 2020
December 2018	Warrants issued to subscribers in connection with private placement	210,000	$ 0.050	December 2020
December 2018	Warrants issued to subscribers in connection with private placement	3,866,667	$ 0.050	June 2022
March 2019	Expiration of March 2017 issuance	(1,640,359)	$ 0.200	N/A
April 2019	Warrants issued to subscribers in connection with private placement	5,600,000	$ 0.100	April 2021
April 2019	Warrants issued to subscribers in connection with private placement	75,000	$ 0.050	April 2021
July 2019	Warrants issued to subscribers in connection with private placement	1,400,000	$ 0.080	July 2021
August 2019	Warrants issued to subscribers in connection with private placement	11,400,000	$ 0.050	August 2020

Date	Description	Number	Exercise Price	Expiration
Total		**133,095,000**		

Segment reporting

The Company presents and discloses segmental information, as disclosed in Note 16 of the Company's Interim Consolidated Financial Statements for the six months ending June 30, 2019, based on information that is regularly reviewed by the chief operating decision maker who has been identified as the Company's senior management team, which makes strategic and operational decisions.

Debentures

As of August 28, 2019, the Company had debentures outstanding as described in the notes to the interim consolidated financial statements for the three and six-month periods ended June 30, 2019.

Escrowed shares

As of August 28, 2019, the Company had no escrowed shares.

Related Party Transactions

During the three-month period ended June 30, 2019, salaries paid to officers and directors amounted to $96,249 (three-month period ended June 30, 2018: $95,513) compared to $191,667 for the six-month period ended June 30, 2019 (six-month period ended June 30, 2018: $192,606).

During the three-month period ended June 30, 2019, share-based payments associated with salaries, board members and management fees amounted to $79,422 compared to $143,079 for the same period of 2018. The share-based remuneration for the six-month period ended June 30, 2019, amounted to $152,121 compared to $265,999 for the same period last year.

During the three-month period ended June 30, 2019, the Company incurred management fees of $12,575 as remuneration to a company held by a director (three-month period ended June 30, 2018: $18,675). The management fees for the six-month period ended June 30, 2019, amount to $20,900 (Six-month period ended June 30, 2018: $54,008)

During the three-month period ended June 30, 2019, the company incurred interest expense on debentures from officers of $348 (three-month period ended June 30, 2018: $200). For the six-month period ended June 30, 2019, interest expense on debentures from officers amounted to $548 (six-month period ended June 30, 2018: $400).

During the three-month period ended June 30, 2019, the company incurred $21,000 of fees related to the improvement of his website, compared to nil for the same period of 2018. During the six-month period ended June 30, 2018, the Company incurred $43,680 in technical and marketing support fees from a related company in connection with the Cubeler platform compared to nil for the same period in 2019 for this type of support. Also, during the three-month period ended June 30, 2019, advance to the same related company, Cubeler, increased from $72,000 to $103,520. During the six-month period ended June 30, 2019, this advance increased from $32,000 to $103,520. There was no such advance in 2018. The advance is payable back to the Company at its request and constitutes an interest-free demand note.

Off-Balance-Sheet Arrangements

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

Accounting policies

The unaudited Interim Consolidated Financial Statements have been prepared in accordance with the same accounting policies used by the Company in the preparation of its recently filed annual financial statements for the year ended December 31, 2018, with the exception of the implementation of IFRS 16 during the preparation of the unaudited Interim Consolidated Financial Statements.

Legal proceedings

As of August 28, 2019, there were no legal proceedings against the Company.

Financial Instruments

The Company has classified its financial instruments as described in the note 4.10 of the audited Consolidated Financial Statements for the period ending December 31, 2018. The Company is exposed to various risks as described in the note 18.3 of the audited Consolidated Financial Statements as of December 31, 2018.

RISKS AND UNCERTAINTIES

Risk factors that may adversely affect or prevent the Corporation from carrying out all or portions of its business strategy are discussed in the Corporation's Filing Statement dated January 6, 2011, available on SEDAR at www.sedar.com. Other risks include:

Liquidity Risk

The Company does not have a long history of operations, is in the early stage of development and has just begun to generate operational revenue through its subsidiaries. As such, it is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personal, financial and other resources and the lack of revenue. There is no assurance that the Company 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.

Additional Financing

The Company may require additional financing in order to repay its creditors or other debts, make further acquisitions, investments or take advantage of unanticipated opportunities. The ability of the Company to arrange such financing in the future will depend upon prevailing capital market conditions, and the business success of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on satisfactory terms. If additional financing is raised by the issuance of shares from the treasury, control of the Company may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Patents

As of the date of this MD&A, the Company had no patents granted or pending. It should be noted, however, that being granted patent protection on its technology is not a prerequisite to the commercialization of the Company's product offerings, and should have no material impact on the Company's short-term performance.

Foreign Jurisdiction Risks

The Company has made significant investments in the pursuit of business opportunities in China, which exposes it to different considerations and other risks not typically associated with companies in Canada.

FURTHER INFORMATION

Additional information about the Company can be found at www.sedar.com

August 28, 2019

(s) Jean Landreville	***(s) Johnson Joseph***
Jean Landreville, Chief Financial Officer	Johnson Joseph, President & CEO