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 nine-month periods ended September 30, 2019 (Fiscal 2019) and September 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 November 18, 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 nine-month period ended September 30, 2019, and September 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 November 18, 2019.

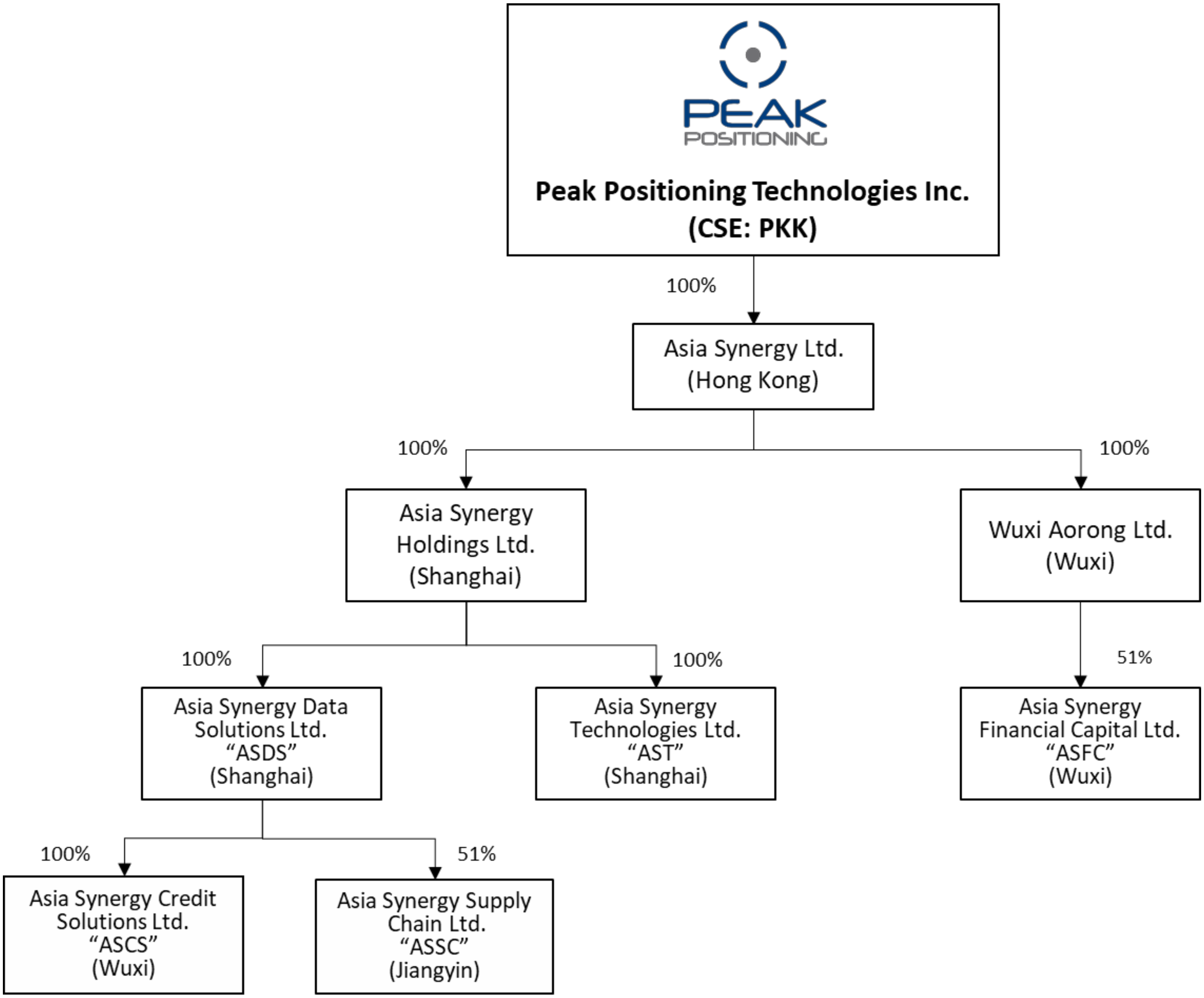
Forward looking information

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 the parent company of a group of innovative financial technology (Fintech) subsidiaries operating in China's commercial lending industry. Peak's subsidiaries use technology, analytics and artificial intelligence to create an ecosystem of lenders, borrowers and other participants in China's commercial lending space where lending operations are conducted rapidly, safely, efficiently and with the utmost transparency.

Operating Highlights for the Quarter

The level of activity by the Company's Asia Synergy Supply Chain ("ASSC") subsidiary during the third quarter gave it a first-hand appreciation for Jiangyin's reputation as the manufacturing capital of Jiangsu province. Supply-chain related services provided by ASSC to some of the city's smaller manufacturers, as well as their clients and suppliers along the supply-chain, accounted for most of its activity during the period. Part of that activity was spurred on by new relationships between ASSC and prominent supply-chain leaders Jiangyin Longding Decoration Materials Company Ltd. and Jiangyin Golden Bridge Chemical Company Ltd. ASSC's services to its clients in Q3 ranged from helping them, or their clients in some cases, qualify for financing through the production of credit analysis reports, to providing them with logistics and warehousing solutions. Although some services were outsourced until ASSC is able to provide them on its own, which limited its profit margin in the quarter, ASSC's revenue from all sources helped the Company realize its first operating profit and accounted for over 50% of its revenue for the period.

The services provided by ASSC in Q3 represent phase one of the Company's three-phased plan for its newest subsidiary. The second phase of the plan involves the integration of a supply-chain module to the Cubeler Lending Hub that will allow ASSC to earn a service fee on financings provided to its supply-chain clients. The development of that module was prioritized in Q3 by the Company's Asia Synergy Data Solutions ("ASDS") subsidiary as financing service fees are expected to eventually account for the largest share of ASSC's revenue stream. The third and final phase of the plan calls for the integration of Asia Synergy Technology's ("AST") Gold River product procurement platform to Cubeler. This will allow supply-chain clients to use Gold River to source their materials and will combine with ASSC's existing services to provide supply-chain participants with an all-encompassing service offering. This last phase however, is not expected to be implemented until sometime in 2020. As a result of this expected additional prolonged lack of activity on Gold River, going back to 2017, the Company decided in Q3 to proceed with the impairment of Gold River, and to re-evaluate the platform once it has been re-affected as a supply-chain product procurement platform and integrated to the Cubeler Lending Hub.

The Company's Asia Synergy Financial Capital ("ASFC") subsidiary's loan portfolio once again operated at maximum capacity for the quarter and made a significant contribution to the Company's operating profit. ASFC's revenue was up by about 10% from Q2 primarily due to a slight increase of the average annual interest rate of its loan portfolio, going from 17.1% in Q2 to 17.5% in Q3.

As the Company's software development subsidiary and operator of the Cubeler Lending Hub, ASDS spent most of the quarter on the continued enhancement of the platform. In addition to the development work done on the supply-chain module to implement phase two of the Company's plan for ASSC, ASDS also developed a WeChat Mini Program in Q3 to cater to the specific needs of the Company's Asia Synergy Credit Solutions ("ASCS") subsidiary. The program allows potential borrowers to quickly see if they qualify for loans from any of ASCS' lending clients.

Although most of the lending and credit facilitated by the Company since the launch of its services has thus far been done by non-bank financial institutions, traditional banks continue to show increasing interest in the Company's services. During the quarter, Hua Xia Bank, one of China's top 15 largest banks, joined a vehicle financing program created by Xian Fenghui Automobile Service Company ("FASC") in collaboration with ASDS. By joining the program, Hua Xia Bank essentially accepted to rely on ASDS' credit analysis services as a determining factor to decide whether or not to finance vehicle purchases by FASC clients. Less than a month later, the industrial and Commercial Bank of China, China's largest bank, also joined the program.

Finally, as demand for the Company's service offering is now firmly rooted in Wuxi and steady progress continues to be made in Jiangyin and Xian, the Company stepped up its initiatives for large-scale expansion of its services to other cities. Following months of due diligence, discussions and negotiations between the Company and a potential acquisition target that would allow the Company to rapidly expand its services across the country, the Company and the target tabled the terms of the potential acquisition during the quarter. As of the date of this MD&A, senior executives from the Company's Head Office were scheduled to travel to China before the end of 2019 to finalize and sign the acquisition agreement.

Outlook for Remainder of 2019

By all accounts, the Company was able to achieve most of its objectives for the third quarter and will look to continue to execute its business plan during the balance of the year. The development of the supply-chain module to be added to the Cubeler Lending Hub will be an area of emphasis for the Company going forward. This should allow ASSC to add an important new source of revenue, in the form of financing service fees, to its existing revenue stream. The Company will look to complete the supply-chain module and allow for the first supply-chain financing transaction on Cubeler to take place prior to the end of 2019.

The other major milestone that the Company will look to achieve in the fourth quarter of 2019 will be to close on the strategic acquisition that will allow it to rapidly begin expanding its services all across China. The acquisition is expected to impact all of the Company's subsidiaries and to generate considerably more business for each one of them.

In addition to the aforementioned strategic acquisition opportunity, the Company was also presented with, and will spend the remainder of 2019 to study and assess, a handful of business development opportunities. Any such opportunity deemed exploring may be incorporated into the Company's business plan for 2020, which the Company will also review and adjust prior to the end of 2019 based on information collected and events that occurred throughout the year.

Barring any unforeseeable adverse event taking place in the last quarter of 2019, the Company expects to exceed most of its 2019 financial objectives.

Selected Quarterly Information

	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	Three months	Three months	Nine months	Nine months
Revenues	$ 4,499,953	$ 709,739	$ 7,351,186	$ 939,496
Expenses before finance costs, tax, depreciation and amortization	$ 4,365,416	$ 945,290	$ 6,725,133	$ 2,430,326
EBITDA(1)	$ 134,537	$ (235,552)	$ 626,053	$ (1,490,829)
Impairment of intangible assets	$ 584,189	-	$ 584,189	-
Adjusted EBITDA (2)	$ 718,727	$ (235,552)	$ 1,210,242	$ (1,490,829)
Finance costs, Tax , depreciation and amortization	$ 911,854	$ 390,146	$ 2,268,136	$ 1,162,530
Net loss	$ (777,316)	$ (625,698)	$ (1,642,082)	$ (2,653,359)
Net (loss) profit attributable to:				
Non-controlling interest	$ 165,756	$ 144,324	$ 488,772	$ 219,055
Owners of the parent	$ (943,072)	$ (770,022)	$ (2,130,854)	$ (2,872,414)
Basic and diluted loss per share	$ (0.001)	$ (0.001)	$ (0.002)	$ (0.004)

(1) EBITDA is provided as a supplementary earnings measure to assist readers in determining the Company's ability to generate cash-flow from operations and to cover finance 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 Note 14 of the interim Unaudited Consolidated Financial Statements, income tax, depreciation of property and equipment and amortization of intangible assets and financing of initial costs.

(2) Adjusted EBITDA equals EBITDA as described above less impairment expense of intangible assets for the period.

Reconciliation of EBITDA to net loss	Three-month periods ended		Nine-month periods ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Net loss for the period	$ (777,316)	$ (625,698)	$ (1,642,082)	$ (2,653,359)
Add:				
Income tax	$ 278,902	$ 58,818	$ 545,044	$ 125,876
Finance costs	$ 267,283	$ 188,428	$ 755,251	$ 606,073
Depreciation and amortization (1)	$ 365,669	$ 142,900	$ 967,840	$ 430,581
EBITDA	$ 134,537	$ (235,552)	$ 626,053	$ (1,490,829)

(1) On January 1, 2019, the Company retrospectively adopted IFRS 16, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The application of this new standard resulted in the addition of right-of-use assets and lease liabilities to the consolidated statements of financial position. Starting on January 1, 2019, instead of lease expenses, right-of-use asset depreciation and financing costs related to the lease liabilities are recorded to the statement of income. For the three-month period ended September 30, 2019, the adoption of IFRS 16 added $115,522 in right-of-use asset depreciation and $12,513 in financing expenses. For the nine-month period ended September 30, 2019, the adoption of IFRS 16 added $289,028 in right-of-use asset depreciation and $34,343 in financing expenses.

	September 30. 2019	December 31, 2018
Total assets	$ 29,554,996	$ 24,689,303
Total Liabilities	$ 11,709,063	$ 5,202,827
Long-term liabilities	$ 371,171	$ 398,015
Total Equity	$ 17,845 932	$ 19,486 475
To Non-controlling interest	$ 9,575,313	$ 9,989,774
To Owners of parent	$ 8,270,619	$ 9,496,701

Results of Operations

Revenue for the Three Months Ended September 30, 2019

The Company generated $4,499,953 in revenue during the third quarter of 2019, compared to $709,739 for the same period in 2018. The considerable increase in revenue is largely attributed to the new service offerings from ASDS, ASCS and ASSC, which include credit analysis reports, loan management outsourcing, and supply-chain related services. Those services combined to account for $3,544,814 of the Company's revenue in the third quarter of 2019. There were no such services or revenue in the third quarter of 2018.

ASFC's revenue of $955,139 in the quarter, compared to $709,738 for the same period in 2018, came in the form of interest earned on loans extended to Chinese small and medium-sized business owners. The average loan balance in the quarter of $20,778,895 was 4.3% higher than the average loan balance in Q3-2018.The loans yielded an effective average annual interest rate of 17.5%, compared to 15.4% in Q3-2018 with an average maturity of 16.6 months during the period ended September 30, 2019 (15.5 months for the same period in 2018).

Revenue for the Nine Months Ended September 30, 2019

On a cumulative basis, the Company generated $7,351,186 in revenue during the first three quarter of 2019, compared to $939,496 for the same period in 2018. Whereas the near totality of the Company's revenue in the first nine months of 2018 was generated by ASFC, four operating subsidiaries contributed to the Company's revenue during the first nine months of 2019. Of those four subsidiaries, only ASFC had a mature service offering for the entire nine-month period ended September 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.

Total expenses before taxes

The following schedule summarizes the Company's total expenses before taxes:

	September 30, 2019	**September 30, 2018**	**September 30, 2019**	**September 30, 2018**
	(3 months)	**(3 months)**	**(9 months)**	**(9 months)**
	$	$	$	$
Salaries and fringe benefits	401,598	220,620	1,233,238	667,139
Service fees	32,132	144,049	443,967	144,049
Board remuneration	19,179	35,521	53,562	102,227
Royalty	30,427	-	30,427	-
Consulting fees	33,427	132,501	287,296	336,172
Management fees	29,878	55,526	105,266	165,536
Outsourcing services	2,619,916	-	2,619,916	-
Expected credit loss	176,103	-	213,146	-
Administrative and indirect costs	47,269	89,623	195,210	89,623

Professional fees	132,386	50,507	217,492	189,233
Public relations and press releases	44,689	85,234	111,601	339,358
Office supplies, software and utilities	52,035	36,276	150,054	74,648
Lease expenses	8,447	13,693	33,390	30,717
Depreciation of right-of use-assets	115,522	-	289,027	-
Insurance	6,279	7,354	21,557	17,235
Finance costs (1)	267,283	188,428	755,251	606,074
Translation & Other	3,734	10,334	30,744	44,964
Travel and entertainment	70,717	68,169	274,778	173,052
Stock exchange and transfer agent costs	12,138	14,410	38,384	53,795
Loss on deposit	43,583	-	43,583	-
Depreciation of property and equipment	10,382	2,182	29,918	3,085
Impairment of intangible assets (1)	584,189	-	584,189	-
Amortization of intangible assets and financing cost	239,765	140,717	648,895	427,496
Loss (gain) on foreign exchange	17,289	(18,525)	37,333	2,579
Total expenses before income tax	**4,998,367**	**1,276,619**	**8,448,224**	**3,466,980**

(1) Interest and accretion on debentures (included under finance costs) as well as impairment of intangible assets expenses are excluded from the calculation of operating expenses for the purposes of determining the Company's operating profit or operating loss.

Expenses for the Three Months Ended September 30, 2019

Salaries and fringe benefits amounted to $401,598 for the third quarter of 2019 (compared to $220,620 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 three (3) subsidiaries in China between mid-2018 and 2019. Except for ASFC, there were therefore no salary expenses related to those subsidiaries for the quarter ended September 30, 2018. The share-based remuneration is included within this caption, which amounted to $61,154 for the third quarter of 2019 compared to $75,485 for the corresponding quarter in 2018.

Board remuneration refers to share-based remuneration received by members of the Company's board of directors and amounted to $19,179 in the third quarter of 2019 compared to $35,521 for the same 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 $32,132 in the third quarter of 2019, compared to $144,049 for the corresponding period of 2018.

Royalty expenses of $30,427 for the third quarter of 2019 relate to royalty on software payable to Canadian software company Cubeler Inc., a related company. The royalty expense is calculated on revenue primarily generated by ASDS in the preceding quarter. There was no such expense in 2018.

Consulting fees totalling $33,427 incurred during the quarter ended September 30, 2019 ($132,501 for the same period in 2018), mainly relate to corporate financing consulting and business development consulting in China. Share-based remuneration received by consultants' amount to $10,339 in the third quarter of 2019 compared to $12,815 in the same quarter of 2018.

Management fees of $29,878 for the third quarter of 2019 relate to services rendered to the Company in Canada and to its subsidiaries in China (compared to $55,526 for the same period in 2018). The share-based portion of the management fees amounted to $14,672 in the third quarter of 2019 compared to $32,460 for the same period of 2018.

Outsourcing service costs of $2,619,916 in the third quarter of 2019 (compared to none in the third quarter of 2018) relate to the outsourcing of supply-chain related services that ASSC is not yet in a position to provide on its own. They include warehousing, logistics and related support.

Professional fees such as audit fees and legal fees totalled $132,386 for the three-month period ended September 30, 2019 (compared to $50,507 for the same period ended September 30, 2018). The increase is mainly due to legal fees incurred in China by ASFC in the third quarter of 2019 for normal course legal proceeding to recuperate unsettle loans.

Administrative and indirect costs of $47,269 in the third quarter of 2019 (compared to $89,623 in the third quarter of 2018) relate to administrative support expenses and other indirect costs for the Company's ASFC subsidiary in China.

Public relations and press release expenses amounted to $44,689 for the third quarter of 2019 (compared to $85,234 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.

Depreciation of right-of use assets of $115,522 in the third 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 operating subsidiaries in China.

Finance costs include mainly interest charges and accretion of debentures. Those costs amounted to $267,283 for the three–month period ended September 30, 2019, compared to $188,428 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 third parties for providing security deposits as guarantor for loans serviced by ASCS and for advances made to ASSC.

Expected credit loss of $176,103 in the third quarter of 2019 relates to the allowance for a credit loss provision on ASFC's loan balance for the period as described in Note 6 of the Company's Unaudited Consolidated Financial Statements. The increase is attributed to new regulations in China that increases the amount of time it would typically take recuperate loans advanced to delinquent debtors. It should be noted that despite the increased expected credit loss amount, ASFC had not written off any loans as September 30, 2019.

Travel and entertainment expenses amounted to $70,717 in the third quarter of 2019 compared to $68,169 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 $230,675 for the three-month period ended September 30, 2019, compared to $132,494 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 Financial Services Co. Ltd.'s business operations on January 1, 2019, and the amortization of the Cubeler 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.

Following a periodical impairment test on the Gold River platform, an amount of $584,189 was accounted for as an impairment loss in the third quarter of 2019 (compared to nil in the third quarter of 2018). The Company took the decision to impair the remaining residual value of the Gold River platform after considering that the platform had been inactive since 2017 and would remain so until it was re-affected to be used as a supply-chain procurement platform and integrated to the Cubeler Lending Hub.

The Company reported a currency translation adjustment loss of $1,027,084 in the third quarter of 2019 (compared to a gain of $603,256 for the same period in 2018) reflecting the depreciation of the Chinese renminbi against the Canadian dollar during the period. This adjustment 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, if the Company's subsidiaries were sold or otherwise disposed of.

<u>Expenses for the Nine Months Ended September 30, 2019</u>

Salaries and fringe benefits amounted to $1,233,238 for the nine months' period ended September 30, 2019 (compared to $667,139 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 nine-month 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 ASCS subsidiaries for the quarter ended September 30, 2018. The share-based remuneration is included within this caption, which amounted to $149,578 for the first nine months of 2019 compared to $219,368 for the corresponding period in 2018.

Board remuneration refers to share-based remuneration received by members of the Company's board of directors and amounted to $53,562 in the first three quarters of 2019 compared to $102,226 for the same 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 $443,967 for the nine-month period ended September 30, 2019, compared to none for the corresponding period of 2018.

Royalty expenses of $30,427 for the first three quarters of 2019 relate to royalty on software payable to Canadian software company Cubeler Inc., a related company. The royalty expense is calculated on revenue primarily generated by ASDS in the preceding quarter. There was no such expense in 2018.

Consulting fees totalling $287,296 incurred during the first three quarters ended September 30, 2019 ($336,172 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 for the nine-month period ended September 30, 2019, compared to $50,245 for the same period in 2018. Share-based remuneration received by consultants' amount to $20,118 in the first three quarters of 2019 compared to 25,545 in the same period of 2018.

Management fees of $105,266 for the nine-month period ending September 30, 2019, relate to services rendered to the Company in Canada and to its subsidiaries in China (compared to $165,536 for the same period in 2018). The share-based portion of the management fees amounted to $45,206 for the first nine months of 2019 compared to $88,460 for the same period of

2018.

Outsourcing service costs of $2,619,916 in the first nine months of 2019 (compared to none for the same period of 2018) relate to the outsourcing of supply-chain related services that ASSC is not yet in a position to provide on its own. They include warehousing, logistics and related support.

Administrative and indirect costs of $195,210 in the first nine months of 2019 (compared to $89,623 for the same period of 2019) relate to administrative support expenses and other indirect costs for the Company's ASFC subsidiary in China that began its operation in June 2018.

Professional fees such as audit fees and legal fees totalled $217,492 for the nine-month period ended September 30, 2019 (compared to $189,233 for the same period ended September 30, 2018). The increase is mainly due to legal fees incurred by ASFC in China for legal procedures in the normal course of business to recuperate unsettled loans.

Public relations and press release expenses amounted to $111,601 for the first three quarters of 2019 (compared to $339,358 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 $74,648 in the first three quarters of 2018 to $150,054 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 an affiliated company in the second quarter of 2019.

Depreciation of right-of use assets of $289,027 in the nine months 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 $755,251 for the nine-month period ended September 30, 2019, compared to $606,074 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 third parties for providing security deposits as guarantor for loans serviced by ASCS and for advances made to ASSC.

Travel and entertainment expenses amounted to $274,778 in the first three quarters of 2019 compared to $173,052 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.

Following a periodical impairment test on the Gold River platform, an amount of $584,189 was accounted for as an impairment loss in the third quarter of 2019 (compared to nil in the third quarter of 2018). The Company took the decision to impair the remaining residual value of the Gold River platform after considering that the platform had been inactive since 2017 and would remain so until it was re-affected to be used as a supply-chain procurement platform and integrated to the Cubeler Lending Hub.

Amortization of intangible assets amounted to $621,596 for the nine-month period ended September 30, 2019, compared to $398,339 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 Cubeler 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 $1,471,694 in the first three months of 2019 (compared to $694,051 for the same period in 2018) reflecting the depreciation of the Chinese renminbi against the Canadian dollar during the period. This adjustment 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, if the Company's subsidiaries were sold or otherwise disposed of.

Net Results.

The Company incurred a net loss of $777,316 in the third quarter of 2019 (compared to a net loss of $625,698 in the corresponding period of 2018). On a year-to-date basis, the company reported a net loss of $1,642,082 for the first 3 quarters of 2019 compared to a net loss of $2.653.359 for the same period in 2018.

Summary of Quarterly Results

	September 30, 2019	September 30, 2018	June 30, 2019	June 30, 2018
	Three months	Three months	Three months	Three months
Revenues	$ 4,499,953	$ 709,739	$ 1,901,723	$ 224,611
Expenses (1)	$ 5,277,269	$ 1,335,436	$ 2,197,709	$ 1,196,506
Net Loss	$ (777,316)	$ (625,698)	$ (295,986)	$ (971,895)
Net (loss) profit attributable to:				
Non-controlling interest	$ 165,756	$ 144,324	$ 209,628	$ 74,731
Owners of the parent	$ (943,073)	$ (770,022)	$ (505,615)	$ (1, 046,626)
Earnings per Share (2)	$ (0.001	$ (0.001)	$ (0.000)	$ (0.001)

	March 31, 2019	March 31, 2018	December 31, 2018	December 31, 2017
	Three months	Three months	Three months	Three months
Revenues	$ 949,511	$ 5,147	$ 742,038	$ 1,622
Expenses (1)	$ 1,518,290	$ 1,060,915	$ 1,697,596	$ 737,933
Net Loss	$ (568,779)	$ (1,055,768)	$ (955,559)	$ (736,321)
Net (loss) profit attributable to:				
Non-controlling interest	$ 113,388	$ -	$ 24,705	$ -
Owners of the parent	$ (682,167)	$ (1,055,768)	$ (980,263)	$ (736,321)
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 November 18, 2019, the cash available to operate the Company, including cash at ASFC for loan purposes, amounted to approximately $1,400,000. 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, its access to additional capital and the possibility of negotiation of its debt terms, 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. The 5,600,000 share purchase warrants were subsequently repriced with an exercise price of $0.05 with the same maturity date of April 26, 2021. 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.

On September 5, 2019, the Company issued 4,750,000 and 250,000 common shares as a result of conversion of debentures previously issued in April 2019 at prices of $0.02 and $0.04 respectively for a total face value of $105,000 of debentures. The total debenture amount outstanding was reduced by that same amount as a result of the transactions.

On September 18, 2019, the Company issued 5,000,000 common shares as a result of conversion of debentures previously issued in December 2018 at prices of $0.05 for a total face value of $250,000 of debentures. The total debenture amount outstanding was reduced by that same amount as a result of the transactions.

In September 2019, the Company issued 800,000 common shares at a price of $0.05 per common shares to settle $40,000 of debt related to consulting services received by the Company.

Also in September 2019, the Company re-priced a total of 2,900,000 share purchase warrants that had an original exercise price of $0.10 to $0.05. The expiry date, which remains the same, is May 7, 2020.

In October 2019, the Company issued 1,250,000 common shares as compensation related to an ongoing consulting agreement.

Capital Stock

The Company's capital stock as of September 30, 2019, was $23,873,285 compared to $22,759,673 as of December 31, 2018. The variation is explained by the common shares issued in connection with private placements financing for net proceeds of $640,000, common shares issued in lieu of cash payments totalling $210,000 and common shares issued as a result of the conversion of debentures for a face value of $355,000.

Common Shares

As of November 18, 2019, the Company had 714,542,135 common shares outstanding. The following table summarizes the changes in shares outstanding from January 1, 2011, until November 18, 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
September 2019	Conversion of debenture	10,000,000	712,742,135
September 2019	Shares for debt	800,000	713,542,135
October 2019	Shares for service	1,250,000	714,792,135
Total		714,792,135	

Share Purchase Options

As of November 18, 2019, the Company had 54,000,000 common share purchase options outstanding. The following table summarizes the options outstanding as of November 18, 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
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
September 2019	Employee	200,000	$0.05	September 2024
	Total outstanding	54,000,000		

Share Purchase Warrants

As of November 18, 2019, the Company had 133,095,000 common share purchase warrants outstanding. The following table summarizes the changes in warrants outstanding as of November

18, 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
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	$ 0.050	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	$ 0.050	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
Total		**133,095,000**		

Segment Reporting

The Company presents and discloses segmental information, as disclosed in Note 16 of the Company's Unaudited Consolidated Financial Statements for the nine months ending September 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 November 18, 2019, the Company had debentures outstanding as described in the Notes to the interim Unaudited Consolidated Financial Statements for the three and nine-month periods ended September 30, 2019.

Escrowed shares

As of November 18, 2019, the Company had no escrowed shares.

Related Party Transactions

During the three-month period ended September 30, 2019, salaries paid to officers and directors amounted to $91,076 (three-month period ended September 30, 2018: $92,039) compared to $282,743 for the nine-month period ended September 30, 2019 (nine-month period ended September 30, 2018: $284,645).

During the three-month period ended September 30, 2019, share-based payments associated with salaries, board members and management fees amounted to $92,873 compared to $142,581 for the same period of 2018. The share-based remuneration for the nine-month period ended September 30, 2019, amounted to $244,994 compared to $408,580 for the same period last year.

During the three-month period ended September 30, 2019, the Company incurred management fees of $3,925 as remuneration to a company held by a director (three-month period ended September 30, 2018: $7,250). The management fees for the nine-month period ended September 30, 2019, amount to $24,825 (Nine-month period ended September 30, 2018: $61,258)

During the three-month period ended September 30, 2019, the company incurred interest expense on debentures from officers of $333 (three-month period ended September 30, 2018: $200). For the nine- month period ended September 30, 2019, interest expense on debentures from officers amounted to $881 (nine-month period ended September 30, 2018: $600).

During the three-month period ended September 30, 2019, the company incurred $30,427 of royalty expense for the usage of the Cubeler software, compared to nil for the same period of 2018. During the nine-month period ended September 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 September 30, 2019, advances to the same related company, Cubeler Inc., decrease from $103,520 to $72,758. During the nine-month period ended September 30, 2019, this advance increased from $32,000 to $72,758. There was no such advance in 2018. The advance is payable back to the Company at its request. The advance is in the form of a promissory note bearing interest since July 1, 2019, at an annual rate of 8.5%. As security, in the event that the principal and interest is not fully paid on December 16, 2019, by the debtor to the Company, the debtor shall execute and deliver a hypothec on the universality of the present and future movable assets of the debtor to the Company During the third quarter of 2019, interest was billed and paid by the debtor for an amount of $2,164.

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 November 18, 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

November 18, 2019

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