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, 2018 (Fiscal 2018) and June 30, 2017 (Fiscal 2017).

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 16, 2018 and should be read in conjunction with the Audited Consolidated Financial Statements and the notes thereto for the year ended December 31, 2017. Unless specified otherwise, all amounts are in Canadian dollars.

The financial information contained in this MD&A relating to the unaudited interim Consolidated Financial statements for the three-month periods ended June 30, 2018, and June 30, 2017, has been prepared in accordance with International Financial Reporting Standards, (IFRS).

The unaudited interim consolidated financial statements and MD&A have been reviewed by our Audit Committee and approved by our Board of Directors as at August 16, 2018.

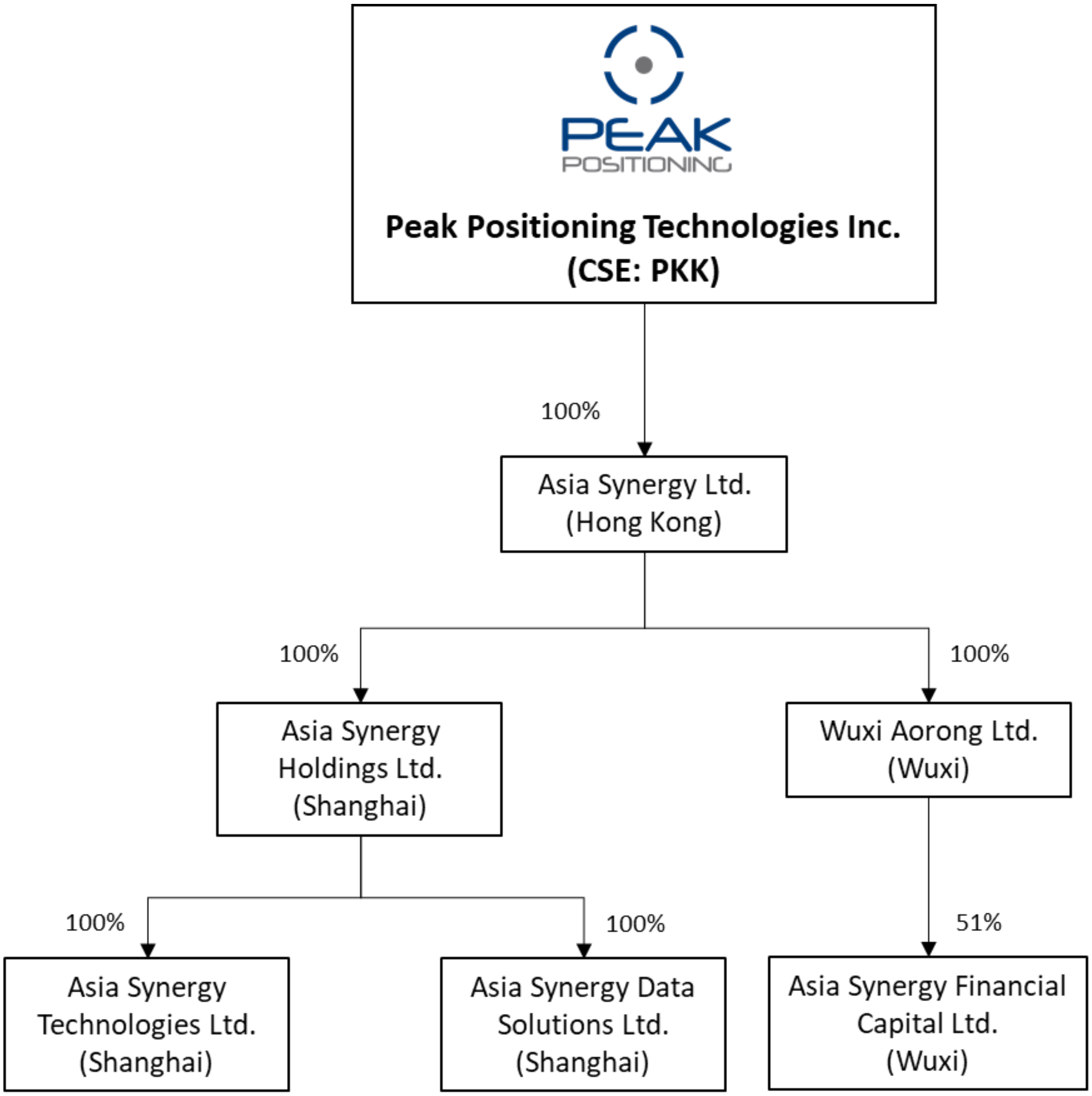
Forward looking information

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 official launch of the Company's Asia Synergy Financial Capital ("ASFC") subsidiary was easily the most significant event that took place during the quarter. ASFC is not only expected to be an important revenue contributor to the Company, but is also expected to help showcase the benefits of the Company's Cubeler commercial lending platform to other financial services companies to entice those companies to also join the platform. ASFC wasted little time forging relationships with Chinese small and medium-sized business owners by extending loans to more than 1,000 of them within its first two weeks of operation. ASFC went on to close the quarter having made almost 1,700 loans worth a combined $20.1M in about 30 days of operation. Extending that many loans in such a short period of time in and of itself isn't necessarily that impressive. However, doing so while maintaining a relatively low loan default rate certainly would be. Having the ability to instantly find qualified loan candidates and quickly processing loan requests while maintaining a low default rate is precisely Cubeler's value proposition to the lending financial services companies that Asia Synergy Data Solutions ("ASDS"), which manages the Cubeler platform, is trying to attract to the platform.

As expected, the arrival of ASFC on Cubeler contributed to having the first two non-affiliated financial services companies, Wuxi Jinxin Internet Small Loans Co. and Hua Xin Lending Co., join the platform during quarter. As a result of discussions between ASDS and these two non-affiliated lenders concerning the fee structure of Cubeler's service offering to lenders, the Company was able to make certain assumptions about ASDS' future revenues and develop a model able to project the Company's financials over time. That financial model revealed that a significant portion of the Company's future revenues will be based on the number of lenders who join the Cubeler platform and on each joining lenders' lending capacity.

Having ASFC as one of its portfolio companies has also put the Company in a position to be able to cater to the financial needs of Canadian entrepreneurs looking for assistance with their Chinese operations. Several exchanges between the Company and the Canada China Business Council ("CCBC") during the quarter led the Company to officially join the CCBC to discuss the financial needs of Canadian SMEs operating in China.

Outlook for Remainder of 2018

The Company's management is committed to delivering value to its shareholders by building a company that has a combination of sound fundamentals and above-average growth potential. The Company's second quarter financial statements provide clear evidence that management is on the right path to fulfilling that commitment. A comparison of the Company's balance sheet over the past eight to ten quarters shows a company that has steadily gotten stronger during that period. This is a trend that is expected to continue throughout the balance of 2018, while the Company's revenue growth potential continues to emerge in the second half of 2018.

Each of the Company's three operating subsidiaries are expected to contribute a specific type of revenue to the Company's total revenues. ASFC, the Company's financial services subsidiary, is expected to provide a steady and relatively predictable revenue stream. As the demand for loans from Chinese SMEs far outpaces the supply of lending capital in the Chinese commercial lending space, demand for ASFC's services and thus ASFC's future revenues shouldn't vary too much from quarter to quarter. Any significant growth in ASFC's revenues will depend on its ability to increase its lending capacity, and that ability depends in large part on ASFC's loan default rate. So ASFC will look to stay the course in its initial year of operation to keep loan defaults to a minimum for the rest of 2018. Unlike ASFC, ASDS' revenues are expected to almost be in a perpetual state of growth. ASDS's objective is to continually add more lenders to the Cubeler platform. As ASDS earns a service fee representing a percentage of each loan made on Cubeler, ASDS' revenue potential increases with each new lender added to the platform. ASDS' revenue model brings a rarely-seen growth potential dimension to the Company's revenue potential. For the balance of 2018, shareholders can look for the Company to regularly keep them informed as to the number of new lenders who join Cubeler and the number and value of loans conducted on the platform by its lending partners. Revenues coming from the Company's third subsidiary, Asia Synergy Technologies ("AST"), which manages the Company's Gold River product procurement platform, are expected to be a mix between the stable and predictable revenue stream coming from ASFC and the constantly-growing revenue stream coming from ASDS. The Company plans to release more details about AST's revenue model in the second half of 2018.

The arrival of two non-affiliated lenders on the Cubeler platform during the quarter provided ASDS with an opportunity to obtain valuable feedback from these lenders to make the platform more attractive to prospective lenders. This led to a number of new features and improvements as well as the testing of various credit products to be offered by potential future lending partners on the platform. Once the necessary training, system integration and testing has been completed by the lenders, the Company's shareholders can then look forward to a series of transactions from these lenders in the second half of 2018.

Finally, although no concrete action was taken during the second quarter of 2018 to that end, the Company is planning to continue to work with the CCBC and possibly one or more Canadian financial institutions to formulate a plan in 2018 to bring better financing solutions to Canadian SMEs operating in China. In the Company's opinion, doing so would allow the Company to tap into another under-served market with significant revenue growth potential using assets already at the Company's disposal. This would also be in line with management's commitment to bring value in the form of sound fundamentals and remarkable growth potential to the Company's shareholders.

Selected Quarterly Information

	June 30, 2018	**June 30, 2017**	**June 30, 2018**	**June 30, 2017**
	Three months	**Three months**	**Six months**	**Six months**
Revenues	$ 224,611	$ 144,823	$ 229,758	$ 7,469,822
Net Loss	$ (967,734)	$ (984,270)	$ (2,118,457)	$ (1,693,422)
Net loss attributable to:				
Non-controlling interest	$ 69,768	$ -	$ 69,768	$ -
Owners of the parent	$ (1,037,502)	$ (984,270)	$ (2,188,225)	$ (1,693,422)
Basic and diluted loss per share	$ (0.001)	$ (0.002)	$ (0.003)	$ (0.004)

	June 30, 2018	**December 31, 2017**
Total assets	$ 28,431,090	$ 15,740,382
Total Liabilities	$ 7,781,884	$ 4,553,365
Long-term liabilities	$ 3,315,362	$ 4,263,913
Total Equity	$ 20,649,206	$ 11,187,017
Non-controlling interest	$ 9,815,868	-
Owners of parent	$ 10,833,338	$ 11,187,017

Results of Operations

Revenues

With the arrival of ASFC, the second quarter marked the beginning of what is expected to be a steady and predictable stream of long-term revenue for the Company. The Company generated $224,611 in revenue in the second quarter of 2018 almost exclusively from ASFC's operations, which began in May 2018. The revenue came in the form of interest earned on loans extended to 1,694 Chinese small and medium-sized business owners totalling a combined $20.2M. The loans yielded an effective average annual interest rate of approximately 10% with maturities between 12 and 24 months. On a cumulative basis, the Company generated $229,758 in revenue for the six-month period ended June 30, 2018, compared to $7,469,822 for the six-month period ended June 30, 2017. It should be noted that revenue for the three-month ($144,823) and six-month periods ended June 30, 2017 were generated from the sale of low-margin raw materials by the Company's AST subsidiary. The Company has since adjusted its business model and has suspended all AST activities related to the trading of low-margin raw materials, which explains the considerable discrepancy between revenues reported for the comparable periods of 2018 and 2017.

Operating expenses

The following schedule summarizes the operating expenses:

	June 30, 2018 (3 months)	June 30, 2017 (3 months)	June 30, 2018 (6 months)	June 30, 2017 (6 months)
	$	$	$	$
Costs of materials		144,104	-	7,432,747
Salaries and fringe benefits	240,973	125,714	446,519	282,482
Board remuneration	35,311	36,513	66,706	48,947
Sales taxes and additions	8,530	4,649	8,530	4,778
Consulting	123,360	203,707	203,671	317,913
Management fees	45,023	77,475	110,010	90,795
Professional fees	65,024	111,082	138,724	210,106
Public relations and press releases	149,585	15,081	244,718	52,628
Office supplies, software and utilities	25,392	14,568	38,371	28,663
Rental expenses	(2,766)	8,544	17,025	22,704
Insurance	3,425	2,070	9,881	12,485
Finance costs	193,174	6,444	438,579	36,560

	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(3 months)	(3 months)	(6 months)	(6 months)
	$	$	$	$
Interface development cost	17,553	-	17,553	-
Other	*7,108*	*21*	*8,548*	*743*
Travel and entertainment	41,877	95,008	104,883	118,829
Stock exchange costs	34,694	9,715	48,792	14,285
Depreciation of property and equipment	883		903	40
Amortization of intangible assets—technology platform	133,010	191,912	265,844	383,825
Loss (gain) on foreign exchange	7,292	(460)	21,105	(1,567)
Total	**1,129,448**	**1,046,147**	**2,190,362**	**9,056,965**

<u>Three Months Ended June 30, 2018</u>

Cost of materials in the second quarter of 2017 relate to the cost of acquisition of the material sold by AST during the period. Given that no such transactions took place in the second quarter of 2018, there were no such costs for the reporting period.

Salaries and fringe benefits amounted to $240,973 for the second quarter of 2018 (compared to $125,714 for the same period in 2017). Except for the Company's CEO and CFO, all salaries are paid out to employees working out of the Company's subsidiaries' offices in China. Within this caption is also included all share-based remuneration, which amounted to $78,181 for the second quarter of 2018 compared to $98,043 for the corresponding quarter in 2017. The Company hired a new salaried financial controller in April 2018 to help manage its Chinese operations. The Company's former CFO was retained to provide management consulting services on a part-time basis, for which the remuneration paid is included under management fees.

Board remuneration refers to share-based remuneration received by members of the Company's board of directors and amounted to $35,311 in the second quarter of 2018 compared to $36,513 for the same period last year.

The consulting fees of $123,360 for the quarter ending June 30, 2018, include an amount of $12,730 ($5,160 for the same period in 2017) representing share-based remuneration to consultants in China and Canada and business development activities in China. Consulting fees totalled $203,707 for the same period of 2017, of which $87,410 were directly related to business development activities in China and $120,000 for technical support and marketing service fees rendered by a related company for the Cubeler platform. The rest of consulting fees for both periods relate to services rendered by consultants for the day-to-day accounting and management of the Company's operations.

Management fees amounting to $45,023 were incurred in the second quarter of 2018 (compared to $77,425 for the same period of 2017). The decrease in management fees is attributed to a reduction in the number of hours for which management consulting services were used due to the arrival of a new full-time salaried employee to the Company's management team. The share-based portion of the management fees amounted to $30,176 in 2018 compared to $31,100 for the same period of 2017.

Professional fees such as audit fees, legal fees and quarterly accounting costs totalled $65,024 for the three-month period ended June 30, 2018 (compared to $111,082 for the three-month period ended June 30, 2017). The reduction is mainly due to expense recognition timing differences between the two periods compared.

Public relations expenses amounted to $149,585 for the second quarter of 2018 (compared to $15,081 for the same period of 2017). The increase is due primarily to concerted efforts made by the Company to promote itself as an attractive long-term investment vehicle to Canadian investors by entering into agreements with third-party investor awareness and promotional companies.

Rental expenses amounted to $(2,766) in the second quarter of 2018 and represented the rent expense incurred by the Company at its Head Office in Montreal and by its operating subsidiaries in China (compared to $8,544 for the same period of 2017). The Company's Wuxi based subsidiaries received rent subsidies from the Jiangsu provincial government and were reimbursed all of the rent paid during the period for having established new entities in the province.

Finance costs include interest charges and accretion of debentures, reduced by interest revenue from short-term deposits. Those costs amounted to $189,899 for the three-month period ended June 30, 2018, following the issuance of debentures in December of 2017, compared to $60,444 for the same three-month period of 2017.

Interface development cost amounted to $17,553 in the second quarter of 2018 following software development on the Cubeler platform for the Chinese commercial lending market. Management is actually assessing the possibility to capitalize part or all of these cost in the coming months.

Travel and entertainment expenses amounted to $41,877 for the second quarter of 2018 compared to $95,008 for the same period in 2017, as management took fewer trips to China during the quarter compared to the previous year.

Amortization of the Gold River platform, which was acquired in 2016, amounted to $133,010 for the three-month period ended June 30, 2018 compared to $191,192 for the same period in 2017. The decrease is due to a reduction in the development efforts required to adjust the product procurement platform than was originally estimated.

Six months ended June 30, 2018

Salaries and fringe benefits amounted to $446,519 for the first half of 2018 (compared to $282,482 for the same period in 2017). Except for the Company's CEO and CFO, all salaries are paid out to employees working out of the Company's subsidiaries' offices in China. Within this caption is also included all share-based remuneration, which amounted to $142,794 for the second quarter of 2018 compared to $143,850 for the corresponding period in 2017. The Company hired a new salaried financial controller to help manage its Chinese operations in April 2018. The Company's former CFO was retain to provide management consulting services on a part-time basis. The remuneration for those services is presented under management fees.

Board remuneration corresponds to the share-based remuneration received by the Company's board members calculated at the fair market value of the stock options granted. For the six-month period ended June 30, 2018, share-based remuneration amounted to $66,706 compared to $48,947 for the same period in 2017.

The consulting fees of $203,671 for the six-month period ended June 30, 2018, include an amount of $12,730 ($5,160 for the same period in 2017), which represents share-based remuneration paid to consultants in both China and Canada and business development activities in China. Consulting fees totalled $317,913 for the same period of 2017, of which $87,410 were directly related to business development activities in China and $120,000 for technical support and marketing service fees rendered by a related company for the Cubeler platform. The rest of the consulting fees for both periods relate to services rendered by consultants for the day-to-day accounting and management of the Company's operations.

Management fees amounting to $110,010 were incurred for the six-month period ended June 30, 2018 ($90,795 for the same period in 2017) in conjunction with work done by officers of the Company. This caption includes $50,001 of share-based remuneration for 2018 compared to $41,569 in 2017.

Professional fees such as audit fees, legal fees and quarterly accounting costs totalled $138,724 for the six-month period ended June 30, 2018 (June 30, 2017: $210,106). The reduction is mainly attributed to expense recognition timing differences between the two periods compared.

Finance costs include interest charges on promissory notes, debentures and accretion of debentures, reduced by interest revenue from short-term deposits. Those costs amounted to $417,645 for the six-month period ended June 30, 2018 (June 30, 2017: $36,560). This increase in finance cost is attributed to the issuance of a debenture in the last quarter of 2017.

Public relations expenses amounted to $244,718 for the six-month period ended June 30, 2018 (compared to $52,628 for the same period of 2017). The increase is due primarily to concerted efforts made by the Company to promote itself as an attractive long-term investment vehicle to Canadian investors by entering into agreements with third-party investor awareness and promotional companies.

For the six-month period ended June 30, 2018 the Company incurred $104,883 in travel expenses (compared to $118,829 for the same period of 2017).

Amortization of the Gold River technology platform, which was acquired in 2016, amounted to $265,844 for the six-month period ended June 30, 2017 ($383,825 in 2017). The decrease is due to a reduction in the development efforts required to adjust the product procurement platform than was originally estimated.

<u>Net Results</u>

The Company incurred a net loss of $967,734 in the second quarter of 2018 (compared to a net loss of $984,270 for the same period of 2017). The loss for the six-month period ended June 30, 2018 amounts to $2,118,457 compared to a loss of $1,693,422 for the same period of 2017.

Summary of Quarterly Results

	June 30, 2018 Three months	June 30, 2017 Three months	March 31, 2018 Three months	March 31, 2017 Three months
Revenues	$ 224,611	$ 144,823	$ 5,147	$ 7,324,999
Expenses	$ 1,125,287	$ 1,129,093	$ 1,060,915	$ 8,010,434
Net Loss	$ (967,734)	$ (984,270)	$ (1,150,724)	$ (685,435)
Earnings per Share	$ (0.001)	$ (0.002)	$ (0.002)	$ (0.002)

	December 31, 2017 Three months	December 31, 2016 Three months	September 30, 2017 Three months	September 30, 2016 Three months
Revenues	$ 1,622	$ 32,204,815	$ 3,958	$ 25,887,092
Expenses	$ 881,085	$ 33,562,649	$ 887,304	$ 26,363,424
Net Loss	$ (879,463)	$ (1,357,834)	$ (883,346)	$ (476,332)
Earnings per Share	$ (0.002)	$ (0.003)	$ (0.002)	$ (0.001)

Operations

All of the activities from which revenues were derived during the quarter were conducted by ASFC as it officially launched its operations and more than lived up to the Company's expectations, both from a revenue and an operational standpoint. Although ASFC was the sole subsidiary in the revenue spotlight during the quarter, ASDS took steps during the quarter, including adding two non-affiliated lenders to the Cubeler platform and negotiating a fee structure for Cubeler's services, that should see ASDS in that revenue spotlight in quarters to come.

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 16, 2018, after accounting for the return of funds advanced by shareholders related to the establishment of ASFC, the Company's liquidity stood at approximately $450,000. The launch of ASFC's operations in May 2018 has already begun and is expected to continue to have a positive effect on the Company's cash-flow and its future cash requirements. Future revenue from ASDS is expected to have a similar impact on the Company and eventually combine to meet the Company's working capital needs. However, until that happens, the Company will continue to assess its working capital needs throughout 2018 and take all appropriate measures 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 2018, the Company closed a private placement financing consisting in the sale of 5,000,000 common shares at a price of $0.05 per share for gross proceeds of $250,000 and issued 1,500,000 common shares as a finder's fee to eligible persons related to a series of private placements conducted in October and December 2017.

Between January 1, 2018, and June 30, 2018, $1,550,000 of secured debentures was surrendered to exercise share purchase warrants at a price of $0.05 per share pursuant to the private placement closed in December 2017. The Company therefore issued 31,000,000 common shares at a price of $0.05 per share to the debenture holders. The total debenture amount outstanding was reduced by that same amount as a result of the transactions.

Between March 3, 2018, and July 4, 2018, the Company issued 1,700,000 common shares to settle $85,000 of debt related to consulting services received by the Company.

Capital Stock

The Company's capital stock as of June 30, 2018, was $22,401,158 compared to $20,550,873 as of December 31, 2017. The variation is explained by the common shares issued in connection with a private placement financing for net proceeds of $230,000, common shares issued in exchange of consulting fees for $125,000, common shares issued as a result of the surrendering of debentures to exercise warrants for a face value of $1,550,000, reduced by issuance cost of $65,658 related to the fair market value of warrants issued to a consultant.

Common Shares

As of August 16, 2018, the Company had 669,749,055 common shares outstanding. The following table summarizes the changes in shares outstanding from January 1, 2011, until August 16, 2018.

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
January 2017	Exercise of Warrants	30,000	419,948,564
February 2017	Conversion Debenture	2,882,440	422,831,004
February 2017	Exercise of Warrants	870,000	423,701,004
March 2017	Exercise of Warrants	9,053,150	432,754,154
March 2017	Private Placement	1,533,666	434,287,820
April 2017	Exercise of Options	900,000	435,187,820
April 2017	Exercise of Warrants	4,155,000	439,342,820
May 2017	Exercise of Warrants	7,800,000	447,142,820
June 2017	Exercise of Warrants	400,000	447,542,820
June 2017	Exercise of Options	150,000	447,692,820
June 2017	Conversion Debenture	2,120,320	449,813,140
August 2017	Private Placement	9,133,333	458,946,473
August 2017	Shares for debt	1,372,632	460,319,105
September 2017	Private Placement	3,000,000	463,319,105
October 2017	Private Placement	2,000,000	465,319,105
October 2017	Exercise of Warrants	2,088,400	467,407,505
November 2017	Exercise of Warrants	5,051,550	472,459,055
December 2017	Private Placement	5,000,000	477,459,055
December 2017	Shares for debt	950,000	478,409,055
December 2017	Exercise of Warrants	4,250,000	482,659,055
December 2017	Surrender of Debenture	127,000,000	609,659,055
December 2017	Private Placement	20,000,000	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

Total		669,749,055	

Share Purchase Options

As of August 16, 2018, the Company had 43,120,000 common share purchase options outstanding. The following table summarizes the options outstanding as of August 16, 2018.

Date of grant	Optionee	Number	Exercise Price	Expiration
August 2013	Employees	425,000	$0.05	August 2018
August 2013	Board members	795,000	$0.05	August 2018
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	1,000,000	$0.05	May 2020
May 2015	Consultants	550,000	$0.05	May 2020
September 2015	Consultants	500,000	$0.05	September 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	7,950,000	$.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	400,000	$0.05	June 2023
	Total outstanding	43,120,000		

Share Purchase Warrants

As of August 16, 2018, the Company had 116,673,692 common share purchase warrants outstanding. The following table summarizes the changes in warrants outstanding as of August 16, 2018:

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	$ 0.100	May 2020
June 2018	Exercise of warrants to surrender the debentures	(10,000,000)	$ 0.050	N/A
Total		**116,673,692**		

Debentures

As of August 16, 2018, the Company had debentures outstanding as described in the notes to the interim consolidated financial statements for the six-month ended June 30, 2018.

Escrowed shares

As of August 16, 2018, the Company had no escrowed shares.

Related Party Transactions

During the three-month period ended June 30, 2018, the Company incurred management fees of $48,851 as remuneration to a director (three-month period ended June 30, 2017: $77,475 for officers and directors). The management fees for the six-month period ended June 30, 2018, amount to $110,008 (Six-month period ended June 30, 2017: $90,795)

During the three-month period ended June 30, 2018, salaries paid to officers and directors amounted to $95,513 (three-month period ended June 30, 2017: $50,077) compared to $192,606 for the six-month period ended June 30, 2018 (six-month period ended June 30, 2017: $108,500).

During the three-month period ended June 30, 2018, share-based payments associated with salaries and management fees amounted to $77,591 compared to $98,043 for the same period of 2017. The share-based remuneration for the six-month period ended June 30, 2018, amounted to $143,292 compared to $143,850 for the same period last year.

During the three-month period ended June 30, 2018, the company incurred interest expense on promissory notes and debentures from officers and directors of $200 (three-month period ended June 30, 2017: $4,475). For the six-month period ended June 30, 2018, interest expense on promissory notes and debentures from officers and directors amounted to $400 (six-month period ended June 30, 2017: $9,085)

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 $120,000 for the same period in 2017.

Off-Balance-Sheet Arrangements

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

Accounting policies

The principal IFRS accounting policies set out in note 1.1 to the Consolidated Financial Statements have been consistently applied to all periods presented in such financial statements.

Legal proceedings

As of August 16, 2018, there were no legal proceedings against the Company.

Financial Instruments

The Company has classified its financial instruments as described in the note 3.3.1 of the Interim Consolidated Statements for the period ending June 30, 2018. The Company is exposed to various risks as described in the note 19.3 of the Consolidated Financial Statements as of December 31, 2017.

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 has no history of operations and is in the early stage of development and has not received significant revenues. 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 revenues. 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 16, 2018

(s) Jean Landreville

Jean Landreville, Chief Financial Officer

(s) Johnson Joseph

Johnson Joseph, President & CEO