POWERBAND SOLUTIONS INC.
(formerly Marquis Ventures Inc.)
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS
FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2019

Introduction

The following Interim Management Discussion & Analysis ("Interim MD&A") of PowerBand Solutions Inc. (the "Company", "PowerBand") has been prepared and written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations and should be read in conjunction with the audited annual financial statements of the Company for the years ended December 31, 2018 and December 31, 2017 and the unaudited interim financial statements for the three and nine months ended September 30, 2019, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three and nine months ended September 30, 2019 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at November 29, 2019 unless otherwise indicated.

The unaudited interim financial statements for the three and nine months ended September 30, 2019, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of PowerBand's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Caution Regarding Forward-Looking Statements

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement.

Forward-looking statements	Assumptions	Risk factors
For fiscal 2019, the Company's operating expenses are estimated to be approximately $450,000 per month for recurring corporate operating costs	The Company has anticipated all material costs; the operating activities of the Company for the twelve-month period ending September 30, 2020, and the costs associated therewith, will be consistent with PowerBand's current expectations.	Unforeseen costs to the Company will arise; any particular operating costs increase or decrease from the date of the estimation; changes in economic conditions.
The Company will be required to raise additional capital in order to meet its ongoing operating expenses and complete its planned business development activities for the twelve-month period ending September 30, 2020.	The operating and business development activities of the Company for the twelve-month period ending September 30, 2020, and the costs associated therewith, will be consistent with PowerBand's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to PowerBand.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; interest rate and exchange rate fluctuations; changes in economic conditions.
Management's outlook regarding future trends.	Financing will be available for PowerBand's business development and operating activities; the financing market will be receptive to the Company's technological cloud-based software solution.	Industry-wide deterioration of the automotive industry; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions.
Sensitivity analysis of financial instruments.	Based on management's knowledge and experience of the financial markets, the Company believes that there would be no material changes to its results for the nine months ending September 30, 2018 as a result of a change in the foreign currency exchange rates or interest rates.	Changes in debt and equity markets; interest rate and exchange rate fluctuations.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond PowerBand's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause PowerBand actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

PowerBand Solutions Inc. (the "Company") (formerly Marquis Ventures Inc.) was incorporated under the Business Corporations Act (British Columbia) on September 29, 2009, and is domiciled in Ontario, Canada. The registered office is located at 3385 Harvester Road, Suite 225 Burlington, Ontario, Canada L7N 3N2.

On February 8, 2018, the Company closed its Qualifying Transaction under TSX Venture Exchange ("Exchange") Policy 2.4 – Capital Pool Companies and changed its name to PowerBand Solutions Inc.

Effective February 9, 2018, the Company's shares trade on the Exchange under the symbol "PBX".

PowerBand is a technology company that has developed (i) an online auction format, (ii) a standardized appraisal system, (iii) a market intelligence report, (iv) a desking tool, and (v) a finance portal for utilization in the automotive industry. In November 2018 the Company entered into a 50/50 joint venture agreement with Bryan Hunt operate D2D Auto Auctions, an online auction, remarketing platform in the U.S. In July 2019 the Company acquired a 60% in MUSA Holdings, LLC, a new and used vehicle leasing platform in the U.S.

The significant assets owned by PowerBand are web based vehicle auction, remarketing, leasing and finance service and software programs for automotive dealers and consumers. The software is hosted in Microsoft's Azure cloud and offers a number of distinct but interconnected product offerings to its clients. PowerBand's core product is responsive and has published an IOS and Android mobile application for use by its customers. A summary of the product offerings that PowerBand provides is listed below.

Online Auction Formats

PowerBand offers two distinct online formats within its auction portal: LiveNet and MarketPlace.

LiveNet is a real-time, targeted, mobile online auction. LiveNet allows dealers to quickly and efficiently launch vehicle "auction calls" which are comprised of condition reports, photos, disclosures and third party history reports to various networks of qualified buyers. These buyers are then encouraged to participate in a short duration auction (*via* smartphone) that results in a verified real time valuation of the described vehicle at that moment of time, and often the sale of the vehicle from the seller to the buyer.

MarketPlace, a more familiar style of online auction, allows dealers, rental and leasing companies to post used vehicles for sale to qualified wholesale buyers. This auction type features fixed length auctions, reserve bids, make an offer and buy it now functionality, and is complementary to the LiveNet auction type. MarketPlace targets dealers looking to discover new inventory for their used lots and/or dispose of excess inventory. Both auctions provide a system generated bill of sale and has arbitration policies in place to ensure the buyer's confidence.

Standardized Appraisal System

The Standardized Appraisal System is PowerBand's proprietary electronic used vehicle appraisal system. The appraisal system ensures full compliance with the regulations and vehicle disclosure rules set forth by governing bodies (such as the *Motor Vehicle Dealers Act* of Ontario) and can be customized to meet the applicable compliance requirements of any province or state. The appraisal system can be utilized on any portable device and does not depend on network coverage so is available for use anywhere.

Market Intelligence

Market Intelligence provides automotive dealerships with retail market price valuation from over two hundred and fifty thousand vehicles in the database. This product allows dealerships to customize their search within a geographic region for local market pricing on targeted vehicles identified down to the trim level of the vehicle. The analytical tools and reporting functions produce graphs, tables, maps and reports to summarize the information and enable dealers to make quick decisions based on the information presented.

Desking Tool

PowerBand's desking tool, referred to as PowerDesk, is a robust, user-friendly platform that allows a dealer to quickly and accurately prepare payment scenarios for their customers, including all manufacturer supported incentives, rebates and programs. It also allows for the industry's easiest finance to lease comparison. PowerBand's integration partners allow for one time entry of the deal, reducing time and user error. After adding any Financial & Insurance products, the deal is then pushed through to the partner's Finance Portal and in many cases, right through to the dealer's Dealer Management System.

Finance Portal

PowerBand has developed a state of the art Finance Portal, an electronic indirect lending platform that facilitates loan originations on any asset type. Target audiences for this software are new and independent automotive dealers, lenders, and original equipment manufacturers ("OEM"). The Finance Portal is a hosted service that is virtual and adaptable and can be integrated with LiveNet and Marketplace to offer banks, and other vehicle financial institutions, direct loan origination sources.

New and Used Vehicle Leasing Portal

MUSA Holdings, LLC's product offering streamlines leasing for consumers and dealers, as well as incorporates first-of-its-kind technology to navigate the underwriting, funding, and delivery process, allowing MUSA to complete the entire customer experience in minutes.

Outlook

As the use of the Internet to conduct everyday activities and commerce has become ubiquitous in today's society, and as the rise in importance of the Millennial generation (demographic following Generation Y, typically defined as those born between early 1980's and early 2000's) who crave empowerment, the traditional business model of how new and used vehicles are purchased and sold has quickly become outdated. Customers want to spend 30 minutes at a dealership, not 5 hours. Within this background and context PowerBand's management believes that the used vehicle industry is increasingly incorporating digital technologies in both the retail and wholesale markets. Management believes that this industry trend represents a strong demand for the services and technologies that PowerBand provides and the Company is well-positioned to capitalize on this opportunity.

Operational Highlights

During the three-month period ended September 30, 2019 the following corporate events took place:

1. On July 11, 2019 the Company appointed Ivan Buzbuzian to its board of directors (the "Board"). In relation to his appointment to the Board PowerBand granted Ivan Buzbuzian incentive stock options to acquire 500,000 common shares of the Company at an exercise price of $0.10. The options expire five years from the date of grant and will vest over a two year period.

2. On July 11, 2019 the Company granted incentive stock options to employees, consultants, officers and directors to acquire 6,300,000 common shares of PowerBand at an exercise price of $0.10. The options expire five years from the date of grant. 2,000,000 of the options vest immediately, with 4,300,000 options vesting over a two year period.

3. On July 17, 2019 the Company executed a Unit Purchase Agreement to acquire 60% of MUSA Holdings, LLC, and its subsidiaries, including MUSA Auto Finance, LLC ("MUSA"). MUSA is a leading new and used vehicle leasing platform with licenses to operate in 33 States in the U.S. In 2018 MUSA was chosen by Tesla Motors to be a national finance partner. The aggregate consideration paid by PowerBand was USD$300,000 in cash, and 4,300,000 shares of PowerBand stock. At closing, MUSA Companies, LLC was issued 2,500,000 common shares of PowerBand. The shares have a hold period expiry date of December 1, 2019 and are subject to a restriction legend under SEC Rule 144. The Company will issue 900,000 shares of PowerBand stock to MUSA Companies, LLC on the first anniversary of the closing date of the transaction, and an additional 900,000 shares of PowerBand stock to MUSA Companies, LLC on the second anniversary of the closing date, for a total of 4,300,000 shares of PowerBand.

4. To finance the acquisition of MUSA, on July 17, 2019 the Company entered into a USD$2.5 million Bridge Note facility with Kelly Jennings, CEO and an Insider of the Company. The Bridge Note has a term of six months and an interest rate of 9.0% per annum.

5. On August 1, 2019, as part of the purchase price of the MUSA Holdings, LLC acquisition the Company issued 2,500,000 common shares to MUSA Companies, LLC. The common shares have a hold period expiry date of December 1, 2019 and are subject to a restriction legend under SEC Rule 144.

6. On September 20, 2019 the Company announced the unfortunate passing of Mr. Frank Ciaramella, a member of PowerBand's Board of Directors. Mr. Ciaramella had been a director of PowerBand since February 2018 and was the Chair of the Company's Audit Committee.

7. On September 24, 2019 the Company announced the appointment of Mr. Bill Butler to its Board of Directors.

8. On September 25, 2019 the Company announced the appointment of Dr. William Chai and Mr. Sean Lee as Senior Advisors to the Company to provide advice and guidance on PowerBand's ambitious Chinese and southeast Asian expansion plans, and to present business opportunities to PowerBand through their expansive and high-level contacts in China.

Off-Balance-Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Discussion of Operations

Three month period ended September 30, 2019

For the three month period ended September 30, 2019, PowerBand generated revenue of $461,116. Revenues are derived primarily from three sources: commissions from both buyers and sellers on auction transactions that are completed using the software solution, revenue earned from buying vehicles for export, and fees earned on software development and design for customers.

For the three month period ended September 30, 2019, PowerBand incurred an operating loss of $2,361,408 with basic and diluted loss per share of $0.01. Included in the expenses outlined below are expenses attributable to MUSA Holdings, LLC for the period of July 17, 2019 through September 30, 2019. The Company acquired a 60% interest in the Units of MUSA Holdings, LLC on July 17, 2019. The primary expenses that comprised the operating loss include:

- Accretion expense of $275,375 was accrued to account for the lease liability of PowerBand's head office location in Burlington, Ontario and MUSA Holdings, LLC's head office location in Addison, Texas.

- Amortization expense of intangible assets of $180,798, representing the quarterly amortization expense of intangible assets.

- Amortization expense of tangible assets of $748,591, representing the quarterly amortization expense of tangible assets, which is comprised of Property, plant and equipment of MUSA Holdings, LLC and the Right of Use assets for PowerBand's head office location in Burlington, Ontario and MUSA Holdings, LLC's head office location in Addison, Texas.

- Sales and marketing expenses totaled $95,913 representing costs associated with online marketing campaigns and design costs for new marketing material and branding.

- Consulting Fees of $273,565 for sales, operations and finance-related Management Consulting fees.

- Insurance expenses of $29,480, representing costs associated with the Company's Director's & Officers, Cyber Technology and Commercial General Liability Insurance policies for Powerband, as well as insurance expenses incurred by MUSA Holdings, LLC during the quarter.

- Investor Relations expenses of $2,850, representing costs associated with shareholder communications.

- Office expenses of $77,475, representing various office supplies and expenses for Powerband and MUSA Holdings, LLC.

- Professional fees of $78,562 which is composed of legal expenses, as well as accounting and audit fees for Powerband and MUSA Holdings, LLC.

- Regulatory fees of $29,927, representing regulatory filing fees and expenses associated with the Company's public listing on the TSX Venture Exchange, the OTCQB Market, and the Frankfurt Exchange.

- Telephone expenses of $6,643, representing costs associated with the telephone system in the Company's Head Office, MUSA Holdings, LLC's head office, as well as cellular phones for certain management.

- Travel expenses of $20,900, primarily related to the management of the D2D partnership in Arkansas, United States, and management of the Company's 60% controlling interest of MUSA Holdings, LLC in Dallas, Texas.

- Salaries and wages of $875,861 for PowerBand's management, sales and software development personnel and for the personnel of MUSA Holdings, LLC.

- Utilities of $26,282 representing utility costs for MUSA Holdings, LLC's head office in Addison, Texas.

For the nine month period ended September 30, 2019, PowerBand incurred an operating loss of $3,841,525 with basic and diluted loss per share of $0.01. The primary expenses that comprised the operating loss include:

- Accretion expense of $350,215 was accrued to account for the lease liability of PowerBand's head office location in Burlington, Ontario and MUSA Holdings, LLC's head office location in Addison, Texas.

- Amortization expense of intangible assets of $486,480, representing the quarterly amortization expense of intangible assets.

- Amortization expense of tangible assets of $782,747, representing the quarterly amortization expense of tangible assets, which is comprised of Property, plant and equipment of MUSA Holdings, LLC and the Right of Use assets for PowerBand's head office location in Burlington, Ontario and MUSA Holdings, LLC's head office location in Addison, Texas.

- Sales and marketing expenses totaled $255,693 representing costs associated with online marketing campaigns and design costs for new marketing material and branding.

- Consulting Fees of $742,004 for sales, operations and finance-related Management Consulting fees.

- Insurance expenses of $35,419, representing costs associated with the Company's Director's & Officers, Cyber Technology and Commercial General Liability Insurance policies for Powerband, as well as insurance expenses incurred by MUSA Holdings, LLC during the quarter.

- Investor Relations expenses of $89,348, representing costs associated with shareholder communications.

- Office expenses of $125,112, representing various office supplies and expenses for Powerband and MUSA Holdings, LLC.

- Professional fees of $286,519 which is composed of legal expenses, as well as accounting and audit fees for Powerband and MUSA Holdings, LLC.

- Regulatory fees of $80,979, representing regulatory filing fees and expenses associated with the Company's public listing on the TSX Venture Exchange, the OTCQB Market, and the Frankfurt Exchange.

- Share-based compensation of $235,571, representing the fair market value of incentive stock options granted to employees, directors and consultants of the Company using the Black-Scholes valuation model and the implied value of the 3,000,000 common shares granted to the President of the Company. The closing share price of the Company's common shares on the TSX Venture Exchange on the day prior to the issuance of the shares was $0.07

- Telephone expenses of $15,912, representing costs associated with the telephone system in the Company's Head Office, MUSA Holdings, LLC's head office, as well as cellular phones for certain management.

- Travel expenses of $91,309, primarily related to the management of the D2D partnership in Arkansas, United States, and management of the Company's 60% controlling interest of MUSA Holdings, LLC in Dallas, Texas.

- Salaries and wages of $1,191,606 for PowerBand's management, sales and software development personnel and for the personnel of MUSA Holdings, LLC.

- Utilities of $26,282 representing utility costs for MUSA Holdings, LLC's head office in Addison, Texas.

Liquidity and Financial Position

Cash flows from operating activities were negative $962,378 for the nine month period ended September 30, 2019. Operating activities were affected by the net loss of $3,236,107 offset by non-cash items of $486,480 for amortization of intangible assets, $782,707 for amortization of tangible assets, $350,215 in Accretion on the lease, Foreign exchange loss of $38,424, $235,571 in share-based compensation, and $422,925 in the Share of Results of the D2D joint venture. Operating activities were also affected by non-cash working capital items of $666,423 in Trade receivables, $2,942 in Income tax credits receivable, $267,290 in Goodwill, $172,799 in HST recoverable, $27,520 in Prepaid expenses, $18,175 of the

Federal Development loan, $730,678 in accounts payable and accrued liabilities, $5,153,249 of Right of use asset, and $5,134,489 of Lease liability.

Cash flows from investing activities included Intangible asset additions of $1,307,848 and $391,590 for the acquisition of a controlling interest in MUSA Holdings, LLC.

Cash Flows from financing activities included $1,090,284 in gross proceeds from the issuance of shares, share issuance costs of $148,320, and Net advances from shareholders of $1,573,917.

At September 30, 2019, PowerBand had $171,132 in cash and cash equivalents, $670,631 in Trade receivables, $197,342 in HST recoverable, $267,260 in Deposit, $2,942 in Investment tax credits receivable, and $197,480 in Prepaid expenses.

The Company has limited operating revenues and therefore must utilize its funds obtained from the equity financing and other financing transactions to maintain its capacity to meet ongoing business development and operating activities.

As of September 30, 2019 the Company had 88,262,492 common shares issued and outstanding.

As of September 30, 2019 the Company had an outstanding shareholder loan in the amount of $2,158,826, accounts payable and accrued liabilities in the amount of $1,413,200. The shareholder loan matures on January 17, 2020 and carries an annual interest rate of 9.0%.

The Company's use of cash at present occurs, and in the future will occur, in several areas, including, funding of its business development efforts, completing and implementing its strategic partnerships, developing a customer support infrastructure, enhancing its software development efforts, and for general and administrative expenditures. For fiscal 2019, the Company's expected operating expenses are estimated to average $450,000 per month for recurring operating costs. Management may reassess its planned expenditures based on the Company's working capital resources, the success of adding new customers to the PowerBand and MUSA Platforms, and the overall condition of the financial markets.

As of September 30, 2019, the Company had a net working capital deficit of $2,534,155.

Change in accounting policy

IFRS 16 – Leases. This IFRS, which supersedes IAS 17 – Leases, specifies how to recognize, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. The Company adopted IFRS 16 – Leases on January 1, 2019.

Recent Accounting Pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2016 or later. Updates that are not applicable or are not consequential to the Company have been excluded.

Capital risk management

The Company manages and adjusts its capital structure based on available funds in order to support its business development efforts, completing and implementing its strategic partnerships, developing a customer support infrastructure, enhancing its software development efforts, and for general and administrative expenditures. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. As of September 30, 2019 the capital of the Company consisted of common shares and common share purchase warrants.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Financial Instruments

Existing and future strategic partnerships in the United States, as well as other foreign countries, exposes the Company to risks associated with fluctuations in foreign currency exchange rates. To date, the Company has not used derivative financial instruments to manage this risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company is not successful in generating revenue through the addition of customers to the PowerBand Platform, or the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company expects to generate cash flow from financing activities, as well as operating activities. As of September 30, 2019, the Company had working capital deficit of $2,534,155.

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to accounts receivable from customers that utilize its PowerBand Platform service offering. The Company has no significant concentration of credit risk arising from operations as the monthly accounts receivable from any one customer will not negatively impact the cash flow of the Company.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate significantly due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, prices and foreign exchange rates. Management believes the risk of loss related to market risk to be remote.

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates.

Fair value hierarchy

Cash and cash equivalents has been classified as loans and receivables and is measured at amortized cost. Accounts payable and accrued liabilities is classified as other financial liabilities and are measured at amortized cost.

IFRS 7 Financial Instruments: Disclosures requires classification of fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and,
Level 3: Inputs for the asset or liability that are not based on observable market data

As at September 30, 2019 and December 31, 2018, none of the Company's financial instruments were held at fair value.

Related Party Transactions

(a) Compensation of key management personnel of the Company

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of the Board of Directors, corporate officers, including the Chief Executive Officer, the President, the Chief Financial Officer, and the Chief Technology Officer.

Key management personnel compensation for the three month period ended September 30, 2019 was as follows:

i.	CEO	$45,000
ii.	President	$62,500
iii.	Chief Financial Officer	$8,340
iv.	Chief Technology Officer	$32,400

(b) Loans from Officers and Directors

Shareholder loans outstanding at September 30, 2019 were $2,185,826 (refer to Note 12 of the Financial Statements).

(c) Transactions with Related Parties

The Company recorded sales transactions to companies during the three-month period ended September 30, 2019 which would be considered related party transactions as they are between the Company and a related party (companies under common control):

	September 30, 2019
Revenue Earned	$440,710

These transactions were recorded at market rates, terms and conditions that are consistent with those reported with unrelated parties.

Share Capital

As of the date of this MD&A, the capital structure of the Company was as follows:

Capital Structure (as of November 29, 2019)

Common Shares Issued	104,225,581
Broker Unit Warrants(1)	
Underlying Common Shares	2,645,188
Underlying Warrants(2)	1,322,594
Warrants (2)	16,683,093
Options (3)	11,829,750
Convertible Debentures (4)	21,266,968
Total	**157,973,174**

(1) Broker Unit Warrants have a strike price of $0.30, expire on February 1, 2020 and are comprised of a Common Share and a half Warrant

(2) Every four (4) Warrants entitle the holder to acquire one Common share at a price of $0.60, with an expiration date of February 1, 2021

(3) 1,929,750 Options have a strike price of $0.30, and an expiration date of February 1, 2023
400,000 Options have a strike price of $0.225, and an expiration date of April 24, 2021
500,000 Options have a strike price of $0.165, and an expiration date of August 13, 2023
500,000 Options have a strike price of $0.125, and an expiration date of November 5, 2023
6,800,000 Options have a strike price of $0.10, and an expiration date of July 10, 2024
500,000 Options have a strike price of $0.10, and an expiration date of October, 3, 2024
1,200,000 Options have a strike price of $0.10, and an expiration date of October 17, 2024

(4) $1,000,000 of Convertible Debentures were issued on October 22, 2019. The conversion price is $0.065, which would convert into 15,384,615 common shares being issued. An additional $500,000 of Convertible Debentures were issued on October 22, 2019. The conversion price is $0.085, which would convert into 5,882,353 common shares being issued. The Convertible Debentures mature on October 22, 2020 and carry an annual interest rate of 9.0%.

Disclosure of Internal Controls

Management has established processes to provide them sufficient with knowledge to support representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risks and Uncertainties

The operations of the Company are speculative due to the high-risk nature of its business, which is the development and implementation of automotive industry-related software. These risk factors, although not exhaustive, could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward–looking information relating to the Company.

<u>Liquidity Concerns and Future Financings</u>

The Company will require significant capital and operating expenditures in connection with the development of software platform and the operation of its auction and finance portal services. There can be no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favourable terms, if at all. Failure to generate positive operating cash flow, or to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, or reduce or terminate some or all of its activities.

Dilution Risk

In order to finance future operations and development efforts, the Company may raise funds through the issue of common shares or securities convertible into common shares. The constating documents of the Company will allow it to issue, among other things, an unlimited number of common shares for such consideration and on such terms and conditions as may be established by the directors of the Company, in many cases, without the approval of shareholders. The size of future issues of commons shares or securities convertible into common shares or the effect, if any, that future issues and sales of the common shares will have on the price of the common shares cannot be predicted at this time. Any transaction involving the issue of previously authorized but unissued common shares or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective shareholders of the Company.

Limited Revenues

To date, the Company has recorded limited revenues, however revenue has increased quarter over quarter, and year over year, and the management believes that revenue growth will increase each quarter into the near future. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants, partners and personnel to advance the Company's product offering.

Foreign Exchange

The Company will be subject to foreign exchange risks relating to the relative value of the Canadian dollar as it expand its product offering to other jurisdictions, namely the United States. Presently, the Company supports its operations by raising financing in Canadian dollars and incurs expenditures in both Canadian and United States dollars.

Competition

PowerBand competes with many other automotive software development companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire sufficient number of customers to achieve profitability, recruit or retain qualified employees or acquire the capital necessary to fund its operations. The Company's inability to compete with other automotive software development companies for these resources would have a material adverse effect on the Company's results of operation and business.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of PowerBand may have a conflict of interest in negotiating and concluding terms respecting such participation.

Dividends

To date, PowerBand has not paid any dividends on its outstanding securities and does not expect to do so in the foreseeable future. Any decision to pay dividends on the common shares will be made by the board of directors on the basis of the Company's earnings, financial requirements and other conditions.

Litigation

PowerBand has entered into legally binding agreements with various third parties on a consulting basis. The interpretation of the rights and obligations that arise from such agreements is open to interpretation and PowerBand may disagree with the position taken by the various other parties resulting in a dispute that could potentially initiate litigation and cause PowerBand to incur legal costs in the future. Given the speculative and unpredictable nature of litigation, the outcome of any such disputes could have a material adverse effect on PowerBand.

In August 2018 the Company was served a Notice of Civil Claim in the Superior Court of British Columbia by Advanced Media Solutions Limited ("AMSL"), a company incorporated pursuant to the laws of the British Virgin Islands. AMSL is seeking payment of USD$450,000. The Company disputes the facts set out in the Civil Claim and has filed a Response to Civil Claim, as well as a Counterclaim to the Plaintiff and other individuals and entities involved for damages. A further claim was then filed against the Company for a further USD$455,000. The Company believes the claim is without merit. The Company has assessed the claims totaling USD$905,000 as highly unlikely to be successful.

On May 1, 2019 the Company was served a Notice of Civil Claim in the Superior Court of British Columbia by Paul Mountney and Paulette Mountney, a former consultant of the Company and the sole shareholder of LeadSource Canada Inc., respectively. The amount of the Claim is approximately CAD$565,000. The Company believes the claim is without merit. The Company has assessed the claim as highly unlikely to be successful.

On July 17, 2019 the Company acquired a 60% interest in the Units of MUSA Holdings, LLC. The following legal claims and litigation involve MUSA Holdings, LLC:

Frunzi v. MUSA Auto Holdings, LLC, Texas District Court, Dallas County, Case # DC-18-14445:
Mr. Frunzi's employment was terminated for cause on September 5, 2018. Mr. Frunzi subsequently asserted a claim for breach of his employment agreement. He seeks money damages in the amount of the severance payment specified in his employment agreement, which is an amount comprised of 18 months' base salary, his prior year's bonus, and health insurance premiums for 18 months. He also seeks the value of the profit interest units that vested under his grant agreement before his employment was terminated. In addition to money damages, Mr. Frunzi seeks a declaratory judgment that MUSA breached his employment agreement and an accounting that can be used to determine the value of the profit interest units that vested before the termination. The amount in controversy is about $427,500, not including the value of any profit interest units claimed by Frunzi.

MUSA Auto Leasing and Edward Lee Mitchell v. Family Dealership Group, LLC et al., Texas 18th Judicial District, Johnson County, Case # DC-C201800765 (stayed):
MUSA purchased Edward Mitchell's lease contract and related vehicle from Reagor Auto Mall ("RAM"). Prior to Mr. Mitchell's lease of the vehicle, RAM took possession of the vehicle on consignment from Family Dealership Group; however, RAM never paid Family Dealership Group for the vehicle. MUSA sued Family Dealership Group based on its refusal to release the title to the vehicle and repeated threats

to repossess the vehicle from Mr. Mitchell, who is current on his lease payments. MUSA has asserted claims against Family Dealership Group for tortious interference with contract and a declaratory judgment that MUSA is the rightful owner of the vehicle. MUSA also asserts claims against RAM for breach of contract and a declaratory judgment that MUSA is the rightful owner of the vehicle. On November 2, 2018, RAM filed bankruptcy and, as a result, this action is currently stayed. MUSA continues to monitor the RAM bankruptcy so that it can (i) gather additional information regarding the transaction; and (ii) determine the most appropriate way to proceed toward a resolution of this dispute.

In Re: Reagor-Dykes Motors, LP, Unites States Bankruptcy Court, Northern District of Texas, Case # 18-50214-rlj11:
The Reagor-Dykes Auto Group bankruptcy includes 11 separate motor vehicle dealership entity bankruptcies that have been filed dating back to as early as August 2018. Each of the debtor entities has filed for bankruptcy under Chapter 11 of the Bankruptcy Code seeking to reorganize their operations and the cases have been consolidated for joint administration. Over 1300 pre- petition consumers of the Reagor-Dykes' entities were negatively impacted when Reagor-Dykes failed to properly transfer titles and register vehicles as contemplated by the applicable consumer contracts. As of today, approximately 700 of these consumer titles still need to be transferred and the consumers cannot obtain the required registrations to operate their vehicles in their respective states until such transfer is complete. MUSA has two remaining lease transactions that have been negatively impacted, for which it has yet to obtain the relevant title or payoff funds. MUSA expects to have all matters related to the Reagor-Dykes Auto Group bankruptcy resolved by year- end.

Paula Bernal v. Account Recovery Service, et al., California Superior Court, Orange County, Case # 30-2019-01042533-CU-BT-CJC:
Ms. Bernal is suing MUSA Auto Finance and ten other defendants for alleged violations of the California Consumer Credit Reporting Agencies Act. MUSA has produced uncontroverted documentary evidence to Plaintiff's counsel demonstrating that credit reporting related to Ms. Bernal's account was accurate. Plaintiff's counsel has represented that Plaintiff will voluntarily dismiss MUSA from the lawsuit.

Foreign Operations

As of September 30, 2019 the Company had operations that were located in Canada, and through its 50% ownership of D2D Auto Auctions LLC and its 60% ownership in MUSA Holdings, LLC, in the United States. The Company may also decide in the future to commence operations in another country. As such, the Company may be exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction.

Subsequent Events

Subsequent to the three month period ended September 30, 2019, the following corporate activities occurred:

1. On October 1, 2019 the Company announced that it had accepted the resignation of Mike Moen as President, COO and Director. The company also announced that Darrin Swenson had been appointed COO, as of October 1, 2019.

2. On October 3, 2019 the Company announced the appointment of Andrea Parliament to its Board of Directors.

3. On October 22, 2019 the Company announced that it had received conditional approval from the TSX Venture Exchange for the issuance of a non-brokered private placement of unsecured

convertible debentures in the principal amount of one million five hundred thousand dollars ($1,500,000).

4. On October 28, 2019 the Company settled an outstanding debt of $712,969.90 owed to the CEO of the Company. A total of 12,963,089 Common Shares in the capital of PowerBand, at a deemed price of $0.055 per Common Share, were issued. The securities issued are subject to a four month hold period which will expire on March 1, 2020.

5. On November 4, 2019 the Company announced that it had closed on unsecured convertible debentures in the principal amount of one million five hundred thousand dollars ($1,500,000). The Convertible Debentures were advanced in two tranches, the first advance on October 22, 2019 in the amount of one million dollars ($1,000,000) and the second advance on October 30, 2019 in the amount of five hundred thousand dollars ($500,000). There were no fees paid to finders in connection with the private placement. The Convertible Debentures will mature on October 22, 2020 and bear interest at a rate of 9% per annum. The principal amount of the Debenture is convertible into common shares of the Company at the option of the holder. The conversion price on the first advance of $1,000,000 is $0.065. The conversion price on the second advance of $500,000 is $0.085. At the election of the convertible debenture holder, any accrued and unpaid interest may be converted into common shares at a conversion price equal to the Market Price (as such term is defined in the Polices of the TSXV) at the time of such conversion.

6. On November 4, 2019 the Company also announced that it had granted 3,000,000 Restricted Share Units ("RSU's") to Directors of the Company. The RSU's vested immediately and 3,000,000 common shares will be issued as fully paid and non-assessable shares in the capital of PowerBand Solutions Inc. The securities issued are subject to a four month hold period which will expire on March 5, 2020.

Additional Information

For additional information, please see www.powerbandsolutions.com.