Condensed Interim Consolidated Financial Statements
(Expressed in Canadian dollars - unaudited)

POWERBAND SOLUTIONS INC.
(formerly Marquis Ventures Inc.)

Three and Nine Months ended September 30, 2019 and 2018

Management's Comments on Unaudited Financial Statements

The accompanying unaudited condensed interim financial statements of Powerband Solutions Inc. (formerly Marquis Ventures Inc.) (the "Company") for the three and nine months ended September 30, 2019 and 2018 have been prepared by management and approved by the Board of Directors of the Company.

These financial statements have not been reviewed by the Company's external auditors.

POWERBAND SOLUTIONS INC
(formerly Marquis Ventures Inc.)
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars - unaudited)

	As at September 30, 2019 $	As at December 31, 2018 $
ASSETS		
Current		
Cash	171,132	311,487
Trade receivables (Note 13)	670,631	4,208
HST recoverable	197,342	370,141
Deposit (Note 4)	267,260	272,840
Investment tax credits receivable (Note 18)	2,942	-
Prepaid expenses	197,480	225,000
	1,506,787	1,183,676
Long Term		
Interest in joint venture (Note 5)	614,402	1,071,335
Intangible assets (Note7)	2,242,201	1,420,832
Goodwill (Note 6)	267,290	-
Property, plant and equipment (Note 8)	338,555	-
Right of use asset (Note 16)	4,440,249	-
Total assets	**9,409,484**	**3,675,843**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 9)	1,413,200	682,522
Federal development loan (Note 10)	-	18,175
Lease liability – current portion (Note 17)	468,916	-
Due to related parties – current portion (Note 12)	2,158,826	169,286
Total current liabilities	4,040,942	869,983
Lease liability – long term portion (Note 17)	4,944,479	-
Due to related parties – long term portion (Note 12)	-	346,936
Total long-term liabilities	4,944,479	346,936
Total liabilities	8,985,421	1,216,919
Shareholders' equity (deficiency)		
Share capital (Note 11)	14,881,116	11,780,221
Obligation to issue shares	171,000	1,091,360
Reserve (Note 11)	1,379,322	1,353,751
Deficit	(15,002,515)	(11,766,408)
Currency translation difference	(605,420)	-
Non-controlling interest	(399,440)	-
Total shareholders' equity (deficiency)	424,063	2,458,924
	9,409,484	**3,675,843**

Approved on behalf of the Board of Directors:

"Kelly Jennings" — Director, Kelly Jennings

"Ivan Buzbuzian" — Director, Ivan Buzbuzian

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

POWERBAND SOLUTIONS INC.
(formerly Marquis Ventures Inc.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars - unaudited)

	For the three month period ended		For the nine month period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Revenue	$ 461,116	$ 139,369	$ 1,581,814	$ 244,393
Cost of goods sold	28,100	-	278,555	-
Gross Margin	433,016	139,369	1,303,259	244,393
Expenses				
Accretion (Note 16)	275,375	52,366	350,215	157,098
Amortization of intangible assets (Note 7)	180,798	-	486,480	-
Amortization of tangible assets (Note 8)	748,591	83,553	782,707	222,804
Interest and bank charges	14,208	12,371	28,390	46,405
Consulting fees	273,565	263,110	742,004	1,265,350
Foreign exchange (gain)/loss	(9,767)	-	38,424	-
Insurance	29,480	21,584	35,419	62,059
Investor Relations	2,850	10,000	89,348	89,288
Office	77,475	7,320	125,112	35,817
Professional fees	78,562	140,395	286,519	384,985
Regulatory fees	29,927	30,248	80,979	108,188
Rent expense	-	26,160	-	48,069
Sales and marketing	95,913	134,919	255,693	1,139,804
Salaries and wages	875,861	88,341	1,191,606	593,844
Share based compensation (Note 11)	-	-	235,571	654,199
Software development	2,219	35,564	9,108	165,896
Utilities	26,282	-	26,282	-
Telephone	6,643	8,765	15,912	20,499
Travel	20,900	59,685	91,309	337,066
Total expenses	2,728,882	974,381	4,871,078	5,331,371
Other items				
Listing expense	-	-	-	(532,846)
Loss attributed to non-controlling interest	754,639	-	754,639	-
Interest in joint venture	(214,761)	-	(422,925)	-
Net Loss	$ 1,755,988	$ 835,012	$ 3,236,105	$ 5,619,824
Currency translation loss	605,420	-	605,420	-
Total Comprehensive loss	$ 2,361,408	$ 835,012	$ 3,841,525	$ 5,619,824
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)
Weighted average number of shares outstanding	83,520,734	54,745,342	72,908,450	50,494,674

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

POWERBAND SOLUTIONS INC.
(formerly Marquis Ventures Inc.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars - unaudited)

		Number of issued and outstanding shares	Share Capital	Obligation to Issue Shares	Reserves	Non-Controlling Interest	Currency translation difference	Deficit	Total Shareholders' equity
	(Note)	#	$	$	$	$	$	$	$
Balance, December 31, 2017		24,207,648	3,870,244		562,049			(5,191,088)	(758,795)
Private placements		28,825,194	8,833,436						8,833,436
Acquisition of Marquis Ventures		1,187,500	131,648						131,648
Share issue costs		525,000	(1,055,107)						(1,055,107)
Share based compensation					654,199				654,199
Loss for the period								(4,784,957)	(4,784,957)
Balance, September 30, 2018		54,745,342	11,780,221	-	1,216,248	-		(9,976,045)	3,020,424
Balance, December 31, 2018		54,745,342	11,780,221	1,091,360	1,353,751			(11,766,408)	2,458,924
Private placements	(Note 10)			832,000					832,000
Debt to share conversion	(Note 10)	7,050,350	705,035						705,035
Obligations to issue shares				171,000					171,000
Issue of shares as consideration for a business combination, net of transaction costs		2,500,000	237,500						237,500
Private placements		20,966,800	2,096,680						2,096,680
Currency translation difference							(605,420)		(605,420)
Non-controlling interest on acquisition of subsidiary						355,199			355,199
Non-controlling interest July 18-September 30						(754,368)			(754,368)
Share issue costs			(148,320)						(148,320)
Share obligations converted to shares				(1,923,360)					(1,923,360)
Share based compensation	(Note 10)	3,000,000	210,000		25,571				235,551
Loss for the period								(3,236,107)	(3,236,107)
Balance, September 30, 2019		88,262,492	14,881,116	171,000	1,379,322	(399,439)	(605,420)	(15,002,515)	424,064

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

POWERBAND SOLUTIONS INC.
(formerly Marquis Ventures Inc.)
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars - unaudited)

For the nine months ended	**September 30, 2019 $**	**September 30, 2018 $**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	(3,236,107)	$ (5,619,824)
Items not affecting cash:		
Amortization of intangible assets	486,480	222,804
Amortization of tangible assets	782,707	-
Accretion on loan	-	157,098
Accretion on lease	350,215	-
Fair value of shares issued to Marquis Shareholders	-	131,648
Foreign exchange (gain) loss	38,424	-
Interest expense	-	39,707
Share based compensation	235,571	654,199
Share of results of joint venture	422,925	-
Changes in non-cash working capital items:		
Trade receivables	(666,423)	(107,264)
Income tax credit receivable	(2,942)	-
Goodwill	(267,290)	(60,000)
HST recoverable	172,799	(241,139)
Prepaid expenses	27,520	(174,227)
Federal development loan	(18,175)	(65,934)
Right of use	(5,153,249)	-
Lease liability	5,134,489	-
Accounts payable and accrued liabilities	730,678	496,242
Net cash used in operating activities	(962,378)	(4,566,690)
CASH FLOWS FROM INVESTING ACTIVITIES		
Refundable deposit	5,580	(258,420)
Intangible asset additions (Note 6)	(1,307,848)	(258,420)
Acquisition of controlling interest in Musa (Note 6)	(391,590)	-
Net cash used in investing activities	(1,693,858)	(516,840)
CASH FLOWS FROM FINANCING ACTIVITIES		
Gross proceeds from issuance of shares	1,090,284	8,675,939
Share issuance costs	(148,320)	(894,607)
Net (payments)/advances (to)/ from shareholders	1,573,917	(1,529,015)
Net cash received from financing activities	2,515,881	6,252,317
Net change in cash	(140,355)	1,168,787
Cash, beginning of the period	311,487	269,005
CASH, END OF THE PERIOD	171,132	1,437,792
Supplemental cash flow information:		
Finder's Fees	-	$157,500

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Powerband Solutions Inc. (formerly Marquis Ventures Inc.) ("Powerband Solutions" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on September 29, 2009. The Company's head office is located in Suite 225, 3385 Harvester Road, Burlington, Ontario, L7N 3N2. The registered office is located at Suite 1700, 666 Burrard Street, Vancouver, BC, Canada V6C 2X8. The Company develops, markets and sells access to online auction software for used vehicles, which includes real time appraisal services, market information and financing solutions. In February 2018, the Company completed the acquisition of Powerband Global Dealer Services Inc. ("PGDSI"), a private Ontario-based company. In connection with the acquisition, the Company changed its name to Powerband Solutions Inc. For accounting purposes, the acquisition of PGDSI was treated as a reverse takeover acquisition as the shareholders of PGDSI acquired control of the consolidated entity.

These consolidated financial statements ("financial statements") have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will realize its assets and discharges its liabilities in the normal course of business. The Company incurred a loss of $2,361,408 during the quarter ended September 30, 2019 (September 30, 2018 - $835,012), and as of that date, the Company had a deficit of $15,002,515 (September 30, 2018 - $10,810,912).

The continuity of the Company's operations is dependent on raising future financings for working capital. Management believes that it will be able to secure the necessary financing through shareholders loans and the issuance of new equity or debt instruments. However, there is no assurance that the Company will be successful in these actions. There can be no assurance that adequate financing will be available or available at terms favorable to the Company. Should it be determined that the Company is no longer a going concern, adjustments which could be significant, could be required to the carrying value of the assets and liabilities. These financial statements do not reflect any adjustments to the carrying value of the assets or liabilities or any impact on the statements of loss and comprehensive loss, and statement of financial position classifications that would be necessary should the going concern assumption not be appropriate. These factors indicate the existence of material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern.

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

These consolidated financial statements were approved by the Board of Directors for issuance on November 29, 2019.

2. BASIS OF PREPARATION

a) Statement of compliance

These unaudited condensed interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". These financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2018, available on www.sedar.com.

2. BASIS OF PREPARATION (continued)

b) **Basis of consolidation**

The consolidated financial statements of Powerband Solutions Inc. include the accounts of the Company and its wholly owned subsidiaries:

i. Powerband Global Dealer Services Inc. (100% owned, incorporated in Canada);
ii. Powerband Solutions US Inc. (100% owned, incorporated in the United States); and
iii. 1070879 BC Ltd. (100% owned, incorporated in Canada)
iv. Musa Holdings LLC (60% owned, incorporated in the United States)

The above subsidiaries are directly controlled by the Company and are fully consolidated. All intercompany balances, transactions and income are eliminated.

c) Basis of measurement

These unaudited condensed interim financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

These unaudited condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

d) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Corporation's functional currency is the Canadian dollar. These financial statements are presented in Canadian dollars ("CAD"), which is the Corporation's presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim financial statements have been prepared according to the same accounting policies and are subject to the same areas of judgement, measurement estimates and uncertainties as those disclosed in Note 3 of the Company's audited financial statements for the year ended December 31, 2018.

Recently adopted accounting standards

The Company has adopted IFRS 16 – Leases, which is effective for annual reporting periods beginning on or after January 1, 2019. Previously, the Company classified leases as operating or finance leases based on IAS 17 Leases.

The Company has applied IFRS 16 in accordance with the modified retrospective approach only to contracts that were previously identified as leases. Contracts that were not identified as leases under previous standards were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019. The Company has determined that there is no change to the comparative periods required as a result of the adoption of this standard. On initial application, for leases previously classified as operating leases under IAS 17, the Company has elected to record right-of-use assets based on the corresponding lease liability. As such, as at January 1, 2019, the Company recorded lease obligations of $315,771 and right-of-use assets of $315,771, with no net impact on deficit.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

When measuring lease liabilities for those leases previously classified as operating leases under IAS 17, the Company discounted future lease payments using its incremental borrowing rate as at January 1, 2019. The weighted-average rate applied is 20%.

The Company has elected to apply the practical expedient on facility leases, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component

The Company's accounting policy for leases under IFRS 16 is as follows:
At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

A lease liability is initially measured at the present value of the unpaid lease payments discounted using the interest rate implicit in in the lease or if that rate cannot be reliably determined, the Company's incremental borrowing rate. Subsequently, the Company measures a lease liability at amortized cost using the effective interest method. It is then remeasured to reflect revised in-substance fixed lease payments. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

4. DEPOSIT

On July 18th, 2018 the Company signed a Letter of Intent with Zoom Blockchain Solutions Inc. to establish a disruptive automotive-related blockchain and application technologies solution. The joint venture will develop a blockchain powered mobile application to buy and sell cars. As part of the transaction a deposit of $200,000 United States dollars was made by the Company. No substantive development work has taken place yet.

5. INTEREST IN JOINT VENTURE

In November 2018 the Company executed a Definitive Agreement to establish a partnership named D2D Automotive Auction ("D2DAA") through the formation of a new United States based limited liability corporation, owned equally by the Company and Bryan Hunt. D2DAA will operate an automotive online remarketing auction network in the U.S. that will involve direct consumer to dealer, as well as dealer to dealer, auction transactions. D2DAA is registered and based in Arkansas, United States.

During the three-month period ended September 30, 2019 D2DAA incurred losses of $429,522. Powerband recognized 50% or $ 214,761 and had foreign exchange gain of $9,767 resulting in an Interest in Joint Venture in Canadian dollar equivalent of $614,402 at September 30, 2019. The Company owns 50% of the voting shares of D2DAA and 50% of the net assets of D2DAA.

6. BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING ASSETS

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39, is measured at fair value with the changes in fair value recognized in the statement of profit or loss in accordance with IAS 39 Financial Instruments: Recognition and measurement. Other contingent consideration that is not within the scope of IAS 39 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognized in accordance with the requirements for provisions in IAS 37 Provisions, Contingent Liabilities and Contingent Assets or the amount initially recognized less (when appropriate) cumulative amortization recognized in accordance with the requirements for revenue recognition.

(Expressed in Canadian dollars - unaudited)

6 . BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING ASSETS (continued)

Acquisitions in 2019

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. PowerBand 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.

For the nine months ended September 30, 2019, MUSA accounted for $17,621 in revenues and $ 1,868,977 in net losses since the July 17, 2019 acquisition date

To finance the acquisition of MUSA, PowerBand 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.

The Company has elected to measure the non-controlling interest using the proportionate share of the acquiree's net identifiable assets.

The fair values of the identifiable assets and liabilities of Musa Holdings LLC at the date of July 17, 2019 acquisition were as follows:

Fair values of the identifiable assets and liabilities	
Cash	161,085
Prepaids	12,349
Leased vehicles net receivable	173,670
Fixed assets (net)	214,297
Deposits	88,737
Intellectual property	326,325
Accounts payable	(133,532)
Accrued expenses	(285,165)
Due to affiliates	(24,966)
Net identifiable assets at fair value	532,800
Goodwill arising on acquisition	267,290
Purchase consideration transferred	(800,090)
	532,800

(Expressed in Canadian dollars - unaudited)

7. INTANGIBLE ASSETS

During the year ended December 31, 2016, the Company acquired a web platform for cash of $1,391,532. During the year ended December 31, 2017, the Company capitalized an additional $2,000 of costs related to the asset. During the year ended December 31, 2018 an additional $854,585 of internal and external development costs related to the asset were capitalized. During the nine-month period ended September 30, 2019 an additional $1,307,849 of internal and external development costs related to the asset were capitalized. The web platform is used by the Company to develop its future software applications and to sell various services. Under the current amortization policy, the web platform and associated development additions are amortized on a straight-line basis over five years.

On August 31st, 2018 the Company acquired 100% of the outstanding shares of 1070879 B.C. Ltd., operating as LeadSource Canada. Based in Kelowna, British Columbia, LeadSource is a next generation automotive private sale event marketing company. As consideration for the transaction Powerband paid LeadSource a cash purchase price of $60,000 for 100% of the outstanding shares. As there were no identifiable assets in 1070879 B.C. Ltd., at the time of closing, the entire purchase price has been allocated to Intangible Assets and is being amortized on a straight-line basis over five years.

The following table summarizes the movements in Intangible Assets for three-month period ended September 30, 2019 and 2018:

Web platform

	2019 $	2018 $
Cost Balance at July 1	3,249,340	1,393,532
Additions during the quarter	306,626	278,543
Cost Balance as at September 30	3,555,966	1,672,075

	2019 $	2018 $
Amortization Balance at July 1	1,182,967	649,678
Charge during the quarter	177,798	83,553
Amortization Balance as at September 30	1,360,765	733,230
Carrying Value at September 30	2,195,201	938,845

LeadSource

	2019 $	2018 $
Cost Balance at July 1	60,000	-
Additions during the quarter	-	-
Cost Balance as at September 30	60,000	-

	2019 $	2018 $
Amortization Balance at July 1	10,000	-
Charge during the quarter	3,000	-
Amortization Balance as at September 30	13,000	-
Carrying Value at September 30	47,000	-
Total Carrying Value at September 30	2,242,201	938,845

During the three-month period ending September 30, 2019, the Company recorded amortization expense of $190,798 (September 30, 2018 - $83,553)

(Expressed in Canadian dollars - unaudited)

8. PROPERTY AND EQUIPMENT

Cost	Furniture Fixtures and Equipment	Computer Equipment	Leasehold Improvements	
Balance at December 31, 2018	-	-	-	-
Additions through business combinations	454,426	33,497	9,521	497,444
Other additions	-	-	-	-
Disposals	-	-	-	-
Effects of movements in exchange rates	-	-	-	-
Balance at September 30, 2019	454,426	33,497	9,521	497,444
Amortization				
Balance at December 31, 2018	-	-	-	-
Additions through business combinations	116,768	19,819	956	137,544
Amortization for the quarter	12,130	9,051	164	21,345
Balance at September 30, 2019	128,898	28,870	1,120	158,889
Effects of movements in exchange rates	-	-	-	-
Net Carrying Amounts				
At December 31, 2018	-	-	-	-
At September 30, 2019	**325,528**	**4,627**	**8,400**	**338,555**

9. TRADE PAYABLES AND ACCRUED LIABILITIES

	September 30, 2019	December 31, 2018
	$	$
Trade payables	$ 1,030,295	575,534
Accrued liabilities	382,905	106,988
Trade payables and accrued liabilities	1,413,200	682,522

10. FEDERAL DEVELOPMENT LOAN

In November 2016, the Company was assigned a Federal Development Loan as part of the web platform purchase (Note 7). As at December 31, 2018, the remaining portion of the federal development loan owed was $18,175. The loan was unsecured, carried no effective interest rate and was repaid in full during the three months ended March 31, 2019.

11. SHARE CAPITAL AND RESERVES

Authorized
The Company is authorized to issue:

- an unlimited number of Common Shares with no stated par value

(Expressed in Canadian dollars - unaudited)

In April 2018, the Company consolidated the Company's issued share capital on a ratio of four (4) old common shares for each one (1) new post-consolidated common share (the "Share Consolidation"). All current and comparative references to the number of common shares, weighted average number of common shares, loss per share, stock options and warrants have been restated to give effect to this share consolidation, unless otherwise noted.

Private Placements:

On February 8, 2018, the Company closed a non-brokered private placement by issuing 1,325,194 units at a price of $0.30 per unit for gross proceeds of $397,561. Each unit was comprised of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at $0.60 per share for a three-year period. There was $nil value assigned to the value of the warrants.

On February 8, 2018, pursuant to the transaction with Marquis (Note 13), Powerband Solutions closed a brokered private placement by issuing 27,500,000 units at $0.30 per unit for gross proceeds of $8,278,375. Each unit was comprised of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common shares at $0.60 per share for a three-year period. There was $nil value assigned to the value of the warrants. Powerband Solutions incurred finders' fees of $1,026,732 which consisted of 400,000 shares and 125,000 units valued at $120,000 and $37,500, respectively and various broker and professional fees totaling $869,232. The finders' units comprised of one common share and one half one of common share purchase warrant with the same terms as the units in the brokered private placement.

On April 25, 2019 Powerband Solutions closed a non-brokered private placement by issuing 20,966,800 common shares for gross proceeds of $2,096,680. There were no warrants issued with the private placement and no finders' fees were incurred.

Shares for Debt:

Effective April 10, 2019 the Company settled the five-year loan of $705,035 owed to the CEO, and a significant shareholder of the Company through the issuance of 7,050,350 common shares of the Company at a deemed price of $0.10 per Common Share.

Share Grant:

On June 7, 2019 the Company issued 3,000,000 common shares to the President of the Company at a deemed price of $0.07 per Common Share.

Share Issuance:

On July 17, 2019 the Company acquired 60% of the Units of MUSA Holdings, LLC. As part of the purchase price the Company issued 2,500,000 common shares to MUSA Companies on August 1, 2019.

Share Purchase Warrants

Share purchase warrant transactions are summarized as follows:

	Number of share purchase warrants	Weighted average exercise price ($)
Balance, December 31, 2018	16,683,093	0.60
Warrants issued	-	0.60
Compensation warrants issued	-	0.60
Balance, September 30, 2019	**16,683,093**	**0.60**

(Expressed in Canadian dollars - unaudited)

11. SHARE CAPITAL AND RESERVES (continued)

A summary of the Company's share purchase warrants outstanding as at September 30, 2019 is presented below:

Number of share purchase warrants (#)	Exercise Price ($)	Expiry Date
16,683,093	0.60	February 8, 2021

The Company's share purchase warrants outstanding represent an aggregate total of 66,732,372 warrants outstanding with an exercise price of $0.15, issued prior to the Company's April 20, 2018 4:1 share consolidation. Pursuant to a rate adjustment applied to the warrants to reflect the consolidation, the 66,732,372 warrants are exercisable to acquire 16,683,093 common shares of the Company at an adjusted price of $0.60 per common share.

The weighted average remaining contractual life of the share purchase warrants is 1.36 years.

Stock Options

The Company has adopted a stock option plan (the "Option Plan") for directors, officers, employees and consultants of the Company. At the Company's Annual General Meeting held on May 29, 2019 the shareholders approved the 2019 Incentive Stock Option Plan (20% Fixed Plan), reserving for issuance up to 16,552,478 common shares of the Company. The shareholders also approved the 2019 Restricted Share Unit Plan, reserving for issuance a maximum of 4,000,000 common shares of the Company. The 4,000,000 Restricted Share Unit are included in the 16,552,478 common shares of the Incentive Stock Option Plan (20% Fixed Plan).

In February 2018, the Company granted 2,931,000 stock options to consultants, directors, officers and employees of the Company which vested immediately on grant. The stock options were issued with an exercise price of $0.30 and an expiry date five years from the date of issuance. The fair value of share-based compensation in connection with this stock option grant was $654,199 recognized upon grant given the immediate vesting.

In April 2018, the Company granted 462,500 stock options to consultants, directors, officers and employees of the Company which vested immediately on grant. The stock options were issued with an exercise price of $0.225 and an expiry date three years from the date of issuance. The fair value of share-based compensation in connection with this stock option grant was $84,419 recognized upon grant given the immediate vesting.

In June 2018, the Company granted 700,000 stock options to consultants, directors, officers and employees of the Company which vest over a three-year period. The stock options were issued with an exercise price of $0.25 and an expiry date five years from the date of issuance. The fair value of share-based compensation in connection with this stock option grant was $141,966 to be recognized over the three-year vesting period, with $16,901 recognized in 2018.

In August 2018, the Company granted 900,000 stock options to consultants of the Company which vest over a three-year period. The stock options were issued with an exercise price of $0.165 and an expiry date five years from the date of issuance. The fair value of share-based compensation in connection with this stock option grant was $120,468 to be recognized over the three-year vesting period, with $nil recognized in 2018.

In November 2018, the Company granted 900,000 stock options to officers of the Company which vest over a three-year period. The stock options were issued with an exercise price of $0.10 and an expiry date five years from the date of issuance. The fair value of share-based compensation in connection with this stock option grant was $91,264 to be recognized over the three-year vesting period, with $36,183 recognized in 2018.

In July 2019, the Company granted 6,800,000 stock options to consultants, directors, officers and employees of the Company which vest over a two-year period. The stock options were issued with an exercise price of $0.10 and an expiry date five years from the date of issuance. The fair value of share-based compensation in connection with this stock option grant was $ 689,550, to be recognized over the three-year vesting period, with $229,850 recognized in 2019.

(Expressed in Canadian dollars - unaudited)

11. SHARE CAPITAL AND RESERVES (continued)

In determining the amount of share-based compensation, the Company used the Black-Scholes option pricing model to establish the fair value of options granted by applying the following:

Grant date share price	\$0.125 - \$0.30
Risk-free interest rate	0.8% – 2.0%
Expected life of options	5 years
Expected annualized volatility	115%
Expected dividend yield	-
Black-Scholes value of each option	\$0.1014 - \$0.2232

Information with respect to the Company's stock options is presented below:

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2018	5,693,500	0.2372
Options issued	6,800,000	0.1000
Options cancelled	(2,363,750)	0.2350
Balance, September 30, 2019	10,129,750	0.1250

A summary of the Company's stock options outstanding as at September 30, 2019 is presented below:

Number of options (#)	Exercise Price ($)	Expiry Date
1,929,750	0.30	February 1, 2023
400,000	0.225	April 24, 2021
500,000	0.165	August 13, 2023
500,000	0.125	November 5, 2023
6,800,000	0.10	July 10, 2024
10,129,750		

The weighted average remaining contractual life of the options is 4.55 years.

12. RELATED PARTY TRANSACTIONS

As at September 30, 2019, total amounts due to related parties was \$2,185,826 (December 31, 2018 - \$516,222).

Revenue transactions

The Company recorded sales transactions to companies during the three months ended September 30, 2019 and 2018 which are considered related party transactions as they are between the Company and a related party (companies under common control) for:

	September 30, 2019 ($)	September 30, 2018 ($)
Revenue earned	440,710	10,969

Shareholder loan

At September 30, 2019 other unsecured, non-interest-bearing balances owed to Directors and Officers totaled \$1,668,783

(Expressed in Canadian dollars - unaudited)

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

13. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The main types of risks are credit risk, liquidity risk and market risk. These risks arise from the normal course of operations and all transactions are undertaken as a going concern. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its trade and other receivables. The nature of the Company's diverse customer base ensures that there is no concentration of credit risk. The aging of the trade receivables is as follows:

	September 30, 2019	December 31, 2018
Current to 30 days past due	$ 576,876	$ 4,208
Past due (31-60 days)	339	-
Past due (> 61 days)	93,416	-
	670,631	4,208

Based on amounts which are past due, historical trends, and available information, there is no indication that a customer could be experiencing liquidity or going concern problems. These write-offs would be charged to sales and marketing expenses.

The Company maintains minimal cash reserves on hand. Adequate liquidity to meet all current payment obligations and future planned capital expenditures are provided by investments from the shareholder.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk to is ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due. This is provided through cash injections of the shareholder when needed. The Company also manages liquidity risk by continuously monitoring actual and budgeted expenses.

13. FINANCIAL INSTRUMENTS (continued)

At September 30, 2019, all the Company's trade payables and accrued liabilities had contractual terms of less than one year.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The company has limited exposure to any market risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company believes that interest rate risk is low as it holds no investments in market instruments. The Company does not have interest rate risk related to its credit facilities; since all credit is made through shareholder loans with set interest rates.

Currency risk

No portion of the Company's revenues and operating costs are realized in currencies other than its functional currency. As a result, the Company is not exposed to currency risk on these types of transactions.

Fair value

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in IFRS 13 - *Financial Instruments: Fair Value Measurement* ("IFRS 13").

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity. As required by IFRS 13, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The fair value of cash, trade receivables, trade payables and accrued liabilities all approximate their carrying values due to their short-term nature. Cash is measured at fair value using Level 1 inputs. The federal development loan and due to related parties' balances are classified as Level 2.

14. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in continue to develop and market its software applications. The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital and deficit. The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, issuing new debt, and controlling the capital expenditures program. The Company is not subject to externally imposed capital requirements. The Company is dependent on financing from shareholders to develop its properties and fund its activities. There were no changes in the Company's approach to capital management during the three months ended September 30, 2019.

15. LEGAL CLAIMS

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 $455,000. The Company believes the claim is without merit. The Company has assessed the claims totaling $905,000 as highly unlikely to be successful.

In May 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 $565,000. The Company believes the claim is without merit. The Company has assessed the claim as highly unlikely to be successful.

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 have 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.

(Expressed in Canadian dollars - unaudited)

15. LEGAL CLAIMS (continued)

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.

16. RIGHT-OF-USE ASSETS

Balance, January 1, 2019	$ -
Additions	5,187,630
Amortization	(747,381)
Balance, September 30, 2019	$4,440,249

17. LEASE LIABLITIES

Balance, January 1, 2019	$ -
Additions	5,187,630
Interest (accretion)	260,933
Lease payment	(35,138)
Balance, September 30, 2019	$ 5,413,395

Allocated as:	
Current	$ 468,916
Long-term	4,944,479
Balance, September 30, 2019	$ 5,413,395

18. INVESTMENT TAX CREDITS RECEIVABLE

As at September 30, 2019, $139,203 of investment tax credits have been recorded related to 2017 research and development expenditures, and $20,542.00 of investment tax credits have been recorded related to 2018 research and development expenditures. As of September 30, 2019, $ 156,803 of this balance has been collected.

19. 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 $1,500,000.

19. SUBSEQUENT EVENTS (continued)

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 $1,500,000. The Convertible Debentures were advanced in two tranches, the first advance on October 22, 2019 in the amount of $1,000,000 and the second advance on October 30, 2019 in the amount of $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.