PUDO INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTH PERIODS ENDED

AUGUST 31, 2016

(EXPRESSED IN CANADIAN DOLLARS)

Prepared by:

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Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of PUDO Inc. ("PUDO" or the "Company"), formerly "Grandview Gold Inc.", constitutes management's review of the factors that affected the Company's financial and operating performance for the three and six month period ended August 31, 2016. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the consolidated financial statements of the Company for the three and six month period ended August 31, 2016, together with the notes thereto and the audited financial statements of PUDO Inc. for the year ended February 29, 2016, 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. Information contained herein is presented as of October 12, 2016, unless otherwise indicated. The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

The Company's fiscal year end is February 28.

Further information about the Company and its operations is available at 400 Brunel Road, Mississauga, Ontario, Canada, L4Z 2C2.

Cautionary Note Regarding Forward-Looking Information

This 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 MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
The Company will be able to continue its business activities	The Company has anticipated all material costs and the operating activities of the Company, and such costs and activities will be consistent with the Company's current expectations; the Company will be able to obtain borrowings or equity funding when required	Unforeseen costs to the Company will arise; any particular operating cost increase or decrease from the date of the estimation; and capital markets not being favorable for funding and/or related parties discontinue funding the Company resulting in the Company not being able to obtain financing when required or on acceptable terms
The Company will be able to carry out anticipated business plans	The operating activities of the Company for the twelve months ending February 28, 2017, will be consistent with the Company's current expectations	Sufficient funds not being available; increases in costs; the Company may be unable to retain key personnel

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" 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 MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's 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.

Overview

The consolidated financial statements for the three and six month period ended August 31, 2016 have been prepared with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

PUDO is listed on the Canadian Securities Exchange under the symbol "PDO".

On February 28, 2016, PUDO Inc. completed a vertical short-form amalgamation pursuant to the Business Corporations Act (Ontario) with its wholly-owned subsidiary, My Courier Depot Inc. ("MCD"). Pursuant to the Amalgamation, all of the issued and outstanding shares of MCD were cancelled and the assets, obligations and liabilities of MCD were assumed by PUDO. No securities of PUDO were issued in connection with the Amalgamation and the share capital of PUDO was unchanged. The amalgamation of

PUDO and MCD has been undertaken in order to simplify the corporate structure of PUDO and to reduce administrative costs. The Amalgamation did not have any significant effect on the business and operations of PUDO.

Description of Business

PUDO's registered office is situated at 400 Brunel Road, Mississauga, Ontario, Canada, L4Z 2C2. PUDO's principal activity is providing E-commerce shipment services through collaboration with specific online retailers for delivery of their products and working with national and international courier companies to provide alternate drop-off and pickup options of packages.

PUDO's business is the last mile delivery solution for parcel pick-up and drop-off services, providing in-store over the counter pick-up services to courier companies, E-tailers and consumers. All PUDO's services are offered on our website and are a full web based service, available over the internet. PUDO's services can be found in convenience stores, gas stations, and other variety stores that are typically open extended hours 7 days a week. ("PUDOpoints™"), allowing registered courier companies and consumers to use these stores as pick-up locations for parcels that require identification and/or signatures to release.

PUDO's services provide courier companies with a retail presence in a broad variety of locations to better serve customers in residential and rural areas. The services also cut costs for courier companies who traditionally rely on their warehouses as pickup locations or suffer the additional costs of repeated delivery attempts to residences and/or small businesses. PUDO's services are also available to consumers for "consumer-to-business" or "consumer-to-consumer" transactions. Registered consumers are able to designate a nearby PUDO Point as the address to which certain parcels are to be sent in lieu of a home delivery. Conversely, registered consumers are able to process shipments online either with PUDO or directly with a registered courier company and drop off the parcel at any PUDOpoint for pickup by the courier.

Overall Performance

Operations

Through the Company's PUDOpoint network, made up of community based businesses such as convenience stores and gas stations, the Company will provide area residents, students, home based work professionals, the e-commerce industry and courier companies with the only national and courier-neutral, last mile delivery solution.

How It Works:

All recipients are notified electronically when a shipment arrives for them to pick up. For the online shopper, purchases made through a Company affiliated E-tailer allow the use of a PUDO address free of charge. This option will be provided at check out and PUDO membership is not required.

For any other personal or business use of a PUDOpoint address, membership is required. Membership is free and allows the member the use of a PUDOpoint address as their ship to address whenever they have a need. Known as our pay as you go service, for a small fee of $3.00 for shipments weighing up to 10 lbs., or $5.00 if over 10 lbs. (but not over 30 lbs.), the member can select the PUDO Point address of their choice to receive any other courier or postal delivery. This includes online purchases made through any non-affiliated E-tailer. The fee is paid at time of pick up.

For couriers, PUDO offers a courier-partner agreement that permits these specific couriers to use PUDOpoints as alternate delivery locations for failed first attempt deliveries.

The Company has developed a technology solution which was rolled out in September 2015 to all dealers. It easily handles the challenges of a dealer's busy check-out counter. One scan of the barcode does it all – fast and simple! The system provides accurate live data on every scan, improving accounting and reporting functions to our dealers. It also provides signature capture to our partnered couriers. For corporate customers, the software sends a notification and details to the customer that the shipment is ready for pick up on which can also be attached a direct marketing message on behalf of the retailer or other vendors.

Highlights

PUDO Customers
On October 1, 2015, PUDO announced its first marketing and sales agreement with Canpar Courier, a Transforce Company. The partnership is for a term of five years, with an option to renew for an additional five years.

By September 1, 2016, the Canadian PUDOpoint network had expanded beyond 750 locations, who have been handling more than 1,000 Canpar parcels each day.

In April of 2016, PUDO signed five year marketing and sales agreements with several major US Regional Couriers. ONTRAC, Eastern Connection, Lonestar and US Cargo will leverage the emerging PUDOPoint network to enhance service levels while reducing operational costs.

PUDOpoint Network
By January 1, 2016, PUDO had registered more than 2,200 Canadian retail locations interested in becoming active PUDOpoints. These locations include partnerships with national and regional convenience store chains.

By August 31, 2016, PUDO had registered more than 3,700 US retail locations interested in becoming active PUDOpoints. These locations include partnerships with independently owned convenience stores as well as a number of national and regional convenience store chains.

On August 11, 2016 PUDO launched "PUDOfuse", an API that interfaces with any IT platform. PUDOfuse provides E-tailers and Consumers with information about the real-time PUDOpoint network for outbound and return shipping. On the same day, Shopify made PUDOfuse available in their App Store to their more than 280,000 E-commerce business.

By the end of Q2, 2016 KINEK had more than 130 active Border Points providing Canadian shoppers with a U.S. address. In PUDO's Q1 and Q2, 2016 KINEK members received more than 109,000 parcels.

Financial

At August 31, 2016, the Company had assets of $1,120,598 (February 29, 2016 - $1,288,409) and a deficit of $3,634,971 (February 29, 2016 – $2,928,682). At August 31, 2016, the Company had liabilities of $528,488 (February 29, 2016 - $375,495). At August 31, 2016, the Company had working capital of $57,609 (February 29, 2016 - $786,969), had not yet achieved profitable operations, had used cash of $541,679 (August 31, 2015 - $359,814) in operating activities during the six month period ended August 31, 2016. The company had cash of $215,886 (February 29, 2016 - $891,301). The Company had sales of $233,891 and $378,824 for the three and six month periods ended August 31, 2016, respectively (August 31, 2015 - $22,487 and 42,109).

Acquisition

On March 3, 2016, the Company acquired certain assets and assumed certain liabilities from 640624 N.B. Ltd. (o/a Kinek) a New Brunswick-based corporation. The Company issued 116,745 common shares to Kinek with a value of $3.00 per share, based on the market share price on the date of issuance, for a total cost of $350,235. The principal reason for this acquisition was to add approximately 109 operating parcel pick up and drop off locations with approximately 179,000 users to the PUDO network. These locations are primarily along the U.S.-Canadian border. Acquisition costs of $8,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the consolidated statement of comprehensive loss. In accordance with IFRS 3, Business Combinations, the substance of the transaction constitutes a business combination as Kinek meets the definition of a business under the standard. The acquisition of Kinek was accounted for as a business combination and, accordingly, the assets acquired and the liabilities assumed have been recorded at their respective fair values as of the acquisition date. The purchase price allocation shown below is preliminary and based on the Company's management's best estimates. The final purchase price allocations are expected to be completed as soon as Company's management has gathered all of the significant information available and considered necessary in order to finalize this allocation. Details of the fair value of identifiable assets and liabilities acquired and purchase consideration are as follows:

Consideration		
Common shares	$	350,235

Identifiable asset (liabilities) acquired		
Prepaid expenses and other assets	$	7,004
Intangible assets – web based software		530,601
Loans and borrowings		(187,370)
Total identifiable net assets	$	350,235

Trends

The growth in eCommerce is resulting in a rapid increase in the number of parcels being sent to residential address's while their occupants are not home to receive them. Currently, shipping companies would continue to attempt delivery, or leave the parcel unattended on the door step. The sector cannot continue to absorb the costs associated with residential delivery surcharges, the cost of multiple delivery attempts, or replacing stolen parcels.

In addition to the trend of alternative not-at-home delivery service, management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Selected Quarterly Information

Three Months Ended	Total Revenue ($)	Profit or Loss	
		Total ($)	Per Share (Basic and Diluted) ($) [9]
2016-August 31	233,891	(326,482) [1]	(0.02)
2016-May 31	144,932	(379,811) [2]	(0.02)
2016-February 29	53,164	(484,054) [3]	(0.03)
2015-November 30	30,004	(357,296) [4]	(0.02)
2015-August 31	22,487	(1,617,682) [5]	(0.17)
2015-May 31	19,622	(118,389) [6]	(0.04)
2015-February 28	4,940	(192,074) [7]	(0.06)
2014-November 30	4,844	(72,444) [8]	(0.02)

1. Net loss of $326,482 consisted of administrative expenses of $466,287, share-based payment of $10,200, and finance costs of $7,006 offset by gross profit of $157,011. Revenue and gross profit from PUDO point customers was $155,217 and $81,681 respectively.
2. Net loss of $379,811 consisted of administrative expenses of $452,956, share-based payment of $25,050, and finance costs of $7,000 offset by gross profit of $105,195. Revenue and gross profit from PUDO point customers was $79,547 and $42,430 respectively.
3. Net loss of $484,054 consisted of administrative expenses of $387,571, share-based payment of $125,168 and finance costs of $35 offset by gross profit of $28,721
4. Net loss of $357,296 consisted of administrative expenses of $373,510, and finance costs of $4 offset by gross profit of $16,218;
5. Net loss of $1,617,682 consisted of RTO transaction costs of $1,307,958, administrative expenses of $160,318, share-based payment of $157,982 and finance costs of $5,012 offset by gross profit of $13,588;
6. Net loss of $118,389 consisted of administrative expenses of $118,696 and finance costs of $9,506 offset by gross profit of $9,813;
7. Net loss of $192,074 consisted of administrative expenses of $184,294 and finance costs of $10,250 offset by gross profit of $2,470;
8. Net loss of $72,444 consisted of administrative expenses of $66,630 and finance costs of $8,236 offset by gross profit of $2,422; and
9. Loss from continuing operations attributable to owners of the parent, on a per-share and diluted per share basis.

Selected Financial Information

The following is selected financial data derived from the consolidated financial statements of the Company for the six month period ended August 31, 2016 and 2015:

	Six months ended August 31, 2016 $	**Six months ended August 31, 2015 $**
Net loss and comprehensive loss	(706,289)	(1,736,071)
Net loss per share (basic and diluted)	(0.04)	(0.27)

Six months ended August 31, 2016, compared with six months ended August 31, 2015

The Company's net loss totaled $706,289 for the six months ended August 31, 2016, with basic and diluted loss per share of $0.04. This compares with a net loss of $1,736,071 with basic and diluted loss per share of $0.27 for the six months ended August 31, 2015. The decrease of $1,029,782 in net loss was principally because:

- The Company incurred RTO transaction costs of $1,307,958 for the six months ended August 31, 2015 and there were no such transaction costs during the six months ended August 31, 2016.

- The Company incurred $35,250 (2015 - $157,982) share-based payment during the six months ended August 31, 2016, a decrease of $122,732.

- The Company had administrative expenses of $919,240 during the six months ended August 31, 2016 compared to $279,014 during the six months ended August 31, 2015. The increase of $640,226 is mainly due to higher salaries and benefits, employment agencies, travel and business development, professional fees, consulting fees, investor relations and agent and filing fees.

- The above increases in the net loss were offset by a higher gross profit of $262,206 for the six months ended August 31, 2016 compared to $23,401 for the six months ended August 31, 2015. The gross profit increased by 238,805.

The following is selected financial data derived from the unaudited condensed interim consolidated financial statements of the Company for the three-month period ended August 31, 2016 and August 31, 2015

	Three months ended August 31, 2016 $	**Three months ended August 31, 2015 $**
Net loss and comprehensive loss	(326,482)	(1,617,682)
Net loss per share (basic and diluted)	(0.02)	(0.17)

Three months ended August 31, 2016, compared with three months ended August 31, 2015

The Company's net loss totaled $326,482 for the three months ended August 31, 2016, with basic and diluted loss per share of $0.02. This compares with net loss of $1,617,682 with basic and diluted loss per share of $0.17 for the three months ended August 31, 2015. The decrease of $1,291,200 in net loss was principally because:

- The Company incurred RTO transaction costs of $1,307,958 for the three months ended August 31, 2015 and there were no such transaction costs during the three months ended August 31, 2016.

- The Company incurred $10,200 (2015 - $157,982) share-based payment during the three months ended August 31, 2016, a decrease of $147,782.

- The Company had administrative expenses of $466,287 during the three months ended August 31, 2016 compared to $160,318 during the three months ended August 31, 2015. The increase of $305,969 is mainly due to higher salaries and benefits, employment agencies, travel and business development, professional fees, consulting fees, and investor relations.

- The above increases in net loss were offset by a higher gross profit of $157,011 for the three months ended August 31, 2016 compared to $13,588 for the three months ended August 31, 2015. The gross profit increased by $143,423.

The statement of financial position as at August 31, 2016 and February 29, 2016 consists of the following:

	As at August 31, 2016 $	**As at February 29, 2016 $**
Current assets	433,476	1,162,464
Long term assets	687,122	125,945
Total assets	**1,120,598**	**1,288,409**
Current liabilities	375,867	375,495
Loans and borrowings	152,621	-
Capital stock	3,716,518	3,366,283
Broker warrants	197,805	197,805
Stock options	312,758	277,508
Deficit	(3, 634,971)	(2,928,682)
Total liabilities and shareholders' deficiency	**1,120,598**	**1,288,409**

- As the Company has minimal revenue, its ability to fund its operations is dependent upon securing additional borrowings or increasing gross profit from increased revenues. See "Trends" and "Risk Factors".

Overall Objectives

PUDO is committed to achieving new cost efficiencies for PUDO clients and enhancing the online customer service experience by providing a truly flexible and convenient community-based last mile delivery solution. See "Risk Factors".

Off-Balance-Sheet Arrangements

The Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations or financial condition, including, without limitation, such considerations as liquidity, capital expenditures and capital resources that would be considered material to investors.

Outlook

The Company is training and activating its dealer network in Canada and the US. PUDO's regional courier partners in the US and Canada are in the process of promoting the use of PUDOpoints to its customers for guaranteed first time 'Ship -To' delivery and as customer pick up points for any failed first attempt deliveries.
With our network of staffed PUDOpoints waiting to be activated, coupled with the fact that the majority are open long hours, 7 days per week, we see this as a major advantage over any other service provider's solutions in our sector. Our rollout strategy allows us to surgically activate the network throughout North America whereby partner couriers can drop first attempt failure parcels into designated PUDOpoints, and Retailers can save money no matter which courier they use.

PUDO currently has registered to over 2,200 potential PUDOpoints across Canada and more than 3,700 potential PUDOpoints across the United States. As of August 31, 2016, PUDO has approximately 750 locations operating and is in the process of training and equipping additional locations. For these local dealer locations, PUDO provides opportunities for additional foot traffic and the potential for repeat customer business.

Share Capital

As of the date of this MD&A, the Company has (i) 16,320,514 common shares outstanding; (ii) 234,483 broker warrants exercisable for the purchase of 234,483 common shares and (iii) 1,401,750 stock options exercisable for the purchase of 1,419,000 common shares.

Liquidity and Financial Position

As at August 31, 2016, the Company had working capital of $57,609 (February 29, 2016 – working capital of $786,969). The Company has borrowings consisting of the following:

Details	August 31, 2016 $	February 29, 2016 $
Advances payable to a shareholder	15,025	15,025
Loans and borrowings	180,947	-
Total	**195,972**	**15,025**

The long-term debt is repayable to Atlantic Canada Opportunities Agency. It is unsecured and non-interest bearing and repayable in 60 instalments of $4,458 per month. The present value of non-current borrowings was estimated using the effective interest rate method by discounting the future contractual cash flows at the current market interest rates for an equivalent instrument. The discount rate applied was 15.0%. The Company recorded accretion expense of $14,005 (August 31, 2015 - $nil) during the six month period ended August 31, 2016. The rate used in determining the appropriate present value of the borrowings was subject to significant management estimation.

New Standards and Interpretations Not Yet Adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning on or after March 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and therefore have been excluded. The following standards have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – *Financial Instruments* ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 15 - *Revenue From Contracts With Customers* ("IFRS 15") proposes to replace IAS 18 - Revenue, IAS 11 - Construction Contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2017.

Changes in Accounting Standards

The Company has adopted the following amendment effective March 1, 2016.

IAS 38 *Intangible Assets ("*IAS 38") and IAS 16, Property, Plant and Equipment ("IAS 16") were amended in May 2014 to introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate. The amendment is effective for annual periods beginning on or after January 1, 2016.

There was no material impact on the adoption of this amendment on the unaudited condensed interim consolidated financial statements.

Related Party Transactions

(a) During the three and six month periods ended August 31, 2016 and August 31, 2015, the Company had the following transactions with shareholders and companies under common control and management and directors:

- incurred bookkeeping fees of $18,000 and $36,000, respectively, (three and six months ended August 2015 - $7,500 and $15,000) to Cardinal Couriers Ltd., a company with common officers and directors.

- incurred interest expense of $nil and $nil, respectively, (three and six months ended August 31, 2015 - $318 and $1,042) payable to Courier Cardinal Ltee.
- incurred consulting fees of $nil and $nil, respectively, (three and six months ended August 31, 2015 - $3,000 and $31,500) to Courier Depot Network Inc., a significant shareholder of the Company.
- incurred share-based payment of $10,200 and $35,250, respectively, (three and six months ended August 31, 2015 $157,982 and $nil) in relation to stock options granted to an officer and a director of the Company.
- paid salary and consulting fees to Francesco Coccia, Chief Executive Officer of the Corporation in the amount of $36,000 and $72,000, respectively, (three and six months ended August 31, 2015 - $10,500) and to Douglas P. Baker, Chief Financial Officer of the Corporation in the amount of $9,800 and 19,555, respectively, (three and six months ended August 31, 2015 - $nil and $nil).
- For the three and six months ended August 31, 2016, the Company expensed $nil and $nil, respectively, (three and six months ended August 31, 2015 - $1,500 and $nil) to Marrelli Support Services Inc. for the services of Jing Peng to act as the previous Chief Financial Officer.

As at August 31, 2016, balances payable to the related parties noted above amounted to $7,344 (February 29, 2016 - $7,968) included in trade and other payables.

All related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(b) Major shareholders:

As at August 31, 2016, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all of the common shares of the Company other than Palm Holding Inc., a company owned by parties related to a director and other shareholders of PUDO Inc., which owns or controls, directly or indirectly, 46.56% of the issued and outstanding shares of the Company. These shareholdings can change at any time at the discretion of the owner.

None of the Company's major shareholders have different voting rights from other holders of the Company's common shares.

The Company is not currently aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

Financial Instruments

Fair values

The carrying amounts of trade and other receivables, cash, trade and other payables, advances payable and borrowings approximate their fair values, given their short-term nature. As at August 31, 2016, the Company's short term investment was classified as Level 2 within the fair value hierarchy.

Financial risk factors

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk, market risk, and capital risk management.

This note represents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and their management of capital.

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet commitments it has entered into with the Company. The financial assets that potentially expose the Company to credit risk consist principally of cash or other receivables. The extent of the Company's exposure to credit risk approximate their carrying values are recorded in the Company's statement of financial position.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The maximum exposure to credit risk at the reporting date was:

	August 31, 2016 **$**	**February 29, 2016** **$**
Trade and other receivables	149,822	154,688
Cash at bank	215,886	891,301
Short-term investment	25,000	25,000
Total	**390,708**	**1,070,989**

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 is to ensure, as far as possible, that it will always have sufficient liquidity to finance its operations and to mitigate the effects of fluctuations in cash flows.

The following are the contractual maturities of financial liabilities:

	August 31, 2016 **< 1 year** **$**	**February 29, 2016** **< 1 year** **$**
Trade and other payables	332,516	360,470
Advances payable	15,025	15,025
Current portion of loans and borrowings	28,326	-
Totals	**375,867**	**375,495**

In order to meet such cash commitments, the Company will be required to generate sufficient cash inflows from operating and financing activities.

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 objective of

market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Since the Company has a bank account denominated in USD, it is exposed to foreign currency risk due to fluctuations in exchange rate. The Company purchases goods and services in Canadian dollars and US dollars. Since the Company reports its results in Canadian dollars, the functional currency of the Company, it is exposed to changes in the value of the US dollar relative to that of the Canadian dollar. As at August 31, 2016, the Company had cash of $15,986 (US$12,279) (February 29, 2016 – $194,590 (US$143,896)).

Interest rate risk

The Company's exposure to risks of changes in market interest rates relates primarily to its cash balances. The Company analyzes its interest rate exposure, giving consideration to potential renewals of existing positions, alternative financial positions and the mix of fixed and variable interest rates.

Capital risk management

The Company reviews and manages its capital position from time to time to maintain a balance between its liability and equity levels. The Company uses the capital contributed by investors to finance its working capital requirements.

The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future developments of the business. The Company defines capital as equity. The Company is not subject to any externally imposed capital requirements.

The Company's capital management objectives, policies and processes have remained unchanged during the six month period ended August 31, 2016 and the year ended February 29, 2016.

Risk Factors

Financing

The Company will need additional financing to fund the growth of its business, but has no assurance that such funding will be available to it. The Company is currently in the process of arranging additional funding and the ability of the Company to arrange this additional financing depends, in part, on the prevailing capital market conditions as well as the business performance of the Company. Failure to obtain sufficient financing may result in delaying or the indefinite postponement of the growth strategy into the US market.

There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company.

If the Company raises additional funds through the sale of equity securities, shareholders may have their investment diluted.

Credit Facilities

Currently, none of the loans extended to the Company contain financial covenants related to the Company's financial position and earnings.

Economic Downturns

The Company cannot be certain that economic or political conditions will generally be favorable or that there will not be significant fluctuations that adversely affect the economy as a whole or the key markets that the Company targets.

Changes in the Regulatory Environment

The Company's results of operations can be affected significantly by changes in the regulatory environment.

Dependence on Key Personnel

The success of the Company depends on its senior management team, and other key employees, including their ability to retain and attract skilled employees. The loss of the services of key personnel could have a material adverse effect on the business, financial condition, results of operations or future prospects. The Company may not be able to attract and retain additional qualified management, and employees as needed in the future. There can be no assurance that the Company will be able to effectively manage its growth, and any failure to do so could have a material adverse effect on the Company's business, financial condition, results of operations, and future prospects.

Investment risk

From time to time, the Company may divest of a business that is not meeting performance expectations. This may result in losses from the disposal or wind-up of that business operation.**Currency Risk**

The Company purchases goods and services in Canadian dollars and US dollars. Since the Company reports its results in Canadian dollars, it is exposed to changes in the value of the US dollar relative to that of the Canadian dollar.

Potential Future Developments

Management of the Company, in the ordinary course of business, regularly explores potential strategic opportunities and transactions. The public announcement of any of these or similar strategic opportunities or transactions might have a significant effect on the price of the Company's securities. The Company's policy is not to publicly disclose information concerning potential strategic opportunities or transactions unless and until a definitive binding agreement is reached or management is confident that the transaction will be completed. There can be no assurance that investors who buy or sell securities of the Company are doing so at a time when the Company is not pursuing a particular strategic opportunity or transaction which, when announced, would have a significant effect on the price of the Company's securities.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the consolidated 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 consolidated financial statements, and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow 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"), the 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 such 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 consolidated financial statements for external purposes in accordance with the Company'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 the 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.

Segment Information

For financial reporting purposes, the Company is comprised of two business segments. Kinek (operating as Kinek) is involved in the operation of a network of parcel pick up and drop off locations in the U.S where they accept and store packages. PUDO's services can be found in convenience stores, gas stations, and other variety stores that are typically open on a "24 hours" basis ("PUDO Points"), allowing registered courier companies and consumers to use these stores as pick-up locations for parcels and letters that require identification and/or signatures to release. Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on gross profit or loss. Administrative costs, finance costs and income taxes are managed on a group basis.

The following table reflects the revenue and gross profit for the three month period ended August 31, 2016:

	Kinek US Border Sites	PUDOPoint CAD Sites	Total
Revenue	$ 75,675	$ 158,216	$ 233,891
Cost of sales	(3,345)	(73,535)	(76,880)
Gross profit	$ 72,330	$ 84,681	$ 157,011

The following table reflects the revenue and gross profit for the six month period ended August 31, 2016:

	Kinek US Border Sites	PUDOPoint CAD Sites	Total
Revenue	$ 144,060	$ 234,764	$ 378,824
Cost of sales	(5,965)	(110,653)	(116,618)
Gross profit	$ 138,095	$ 124,111	$ 262,206

All revenue and cost of sales for the comparative period ended August 31, 2015 related to PUDOPoint Canadian sites.

Additional Disclosure for Venture Corporations

The administrative expenses incurred by the Company for the six month periods ended August 31, 2016 and August 31, 2015 are as follows:

Detail	August 31, 2016	August 31, 2015
Salaries and benefits	$ 214,458	$ 80,993
General and administrative expenses	114,860	29,313
Sales and customer service consultants	49,850	-
Advertising and promotion	14,632	1,055
Travel and business development	66,107	22,891
Consulting fees	125,744	66,300
Professional fees	97,793	13,600
Investor relations	74,798	18,024
Accounting and office	36,000	15,000
Agent and filing fees	34,175	24,482
Foreign exchange gain	6,586	2,404
Amortization expense	84,237	4,952
Total cost incurred	**$ 919,240**	**$ 279,014**