

DEPLOY TECHNOLOGIES INC.
MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION
FOR YEAR ENDED JULY 31, 2016
Filed NOVEMBER 28, 2016

The following is Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition of Deploy Technologies Inc. ("Deploy" or the "Company") for the year ended July 31, 2016. The information contained herein takes into account all important events up to this date. This MD&A should be read in conjunction with the Company's financial statements and related notes for the year ended July 31, 2016.

INTRODUCTION

The 2016 annual financial statements of Deploy have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Management is responsible for the integrity of the financial statements and operational information.

Deploy is a development stage company and will employ a system of internal controls, consistent with reasonable costs, to provide reasonable assurance that all assets are safeguarded and to facilitate the preparation of relevant, reliable, and timely financial information. These financial statements have been reviewed with management and have been approved by the Board of Directors. The Board of Directors is responsible for overseeing management's responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The MD&A provides readers with information essential to understand Deploy's current operations, results and financial performance, and to evaluate the future prospects of the Company. The preparation of the financial statements and related disclosures in conformity with IFRS requires management to make estimates that affect the reported amounts of assets, liabilities, revenue, expenses and contingencies.

Management bases its estimates on historical experience and on other assumptions that are believed, at the time, to be reasonable under the circumstances.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information based on management's best estimates and the current operating environment. These forward-looking statements relate to anticipated financial performance, business prospects and strategies. With the exception of historical data, information and statements in this report, certain information and statements in this report that covers expected results of Deploy should be considered forward-looking.

Such forward-looking statements involve risks, uncertainties and other factors, which may cause actual results, performance or achievements of Deploy to be materially different from future results, performance or achievements expected or implied by such forward-looking statements. Some of the factors contributing to this uncertainty are fluctuations in quarterly and annual results, the ability of Deploy to identify, complete and then efficiently integrate acquisitions and strategic activities over the long term, demand for the products and service offered by Deploy, industry price pressure, as well as market forces, economic cycle, and the strength of regional economies in Canada and elsewhere where Deploy conducts its business. The foregoing list of important factors is not exhausting.

OVERALL PERFORMANCE

Deploy is a development stage company. It has earned minimal revenues and has incurred losses to date. The Company's expenses have been limited to routine general and administrative costs. The Company reported a net income of \$456,091 for the year ended July 31, 2016, compared to a loss of \$267,519 for the year ended July 31, 2015.

Deploy's financial condition and ability to pay operating costs and research and development costs is dependent on the private sale of its common shares and acceptance of its common shares in payment of executive compensation in lieu of cash to fund its operations. The level of the Company's operations from period to period depends on the amount of funds available. Its level of expenses and related loss has been increasing from period to period as a result of greater levels of funding available, which it believes is attributable to improvement in obtaining funding based on advances in the research and development of its Fleet Data Management & Weigh System products. Deploy experiences a significant match between financial condition and its level of expenditures. Although it may experience a working capital surplus and cash flow surplus from time to time, typically these surpluses are a result of a mismatch between the period in which funds are received and expected use of the funds in immediately following periods. The Company's financial condition is over time a close match between revenues raised and expenses incurred, with cash inflows and outflows evenly matched over periods.

Deploy maintains current reporting and disclosure through SEDAR and the CSE.

SELECTED ANNUAL INFORMATION

| | July 31, 2016 | July 31, 2015 | July 31, 2014 |
|---|------------------|------------------|------------------|
| Revenue | - | - | - |
| Net income (loss) | 456,091 | (267,519) | (266,968) |
| Foreign currency translation adjustment | 74,285 | 205,677 | (28,159) |
| Comprehensive income (loss) | 530,376 | (61,842) | (295,127) |
| Basic and fully diluted loss per share | 0.07 | (0.06) | (0.12) |
| Weighted average number of shares outstanding | 6,557,973 | 4,627,418 | 2,294,054 |
| Cash & cash equivalents | - | - | 525 |
| Total assets | 12,455 | 16,960 | 80,185 |
| Total non-current liabilities | - | - | - |
| Dividends declared | - | - | - |

RESULTS OF OPERATIONS

Revenue and Other Income

The Company earned sales revenue of \$Nil during the year ended July 31, 2016 (2015 - \$Nil). During the year ended July 31, 2016, other income of \$949 (2015 - \$Nil) was generated from the provision of services utilizing the Company's tools and equipment.

The Company also recorded a gain of \$651,053 from settlement of liabilities with its former officers and directors.

Operating Expenses

Operating expenses totaled \$129,312 for the year ended July 31, 2016, compared with \$158,462 for the year ended July 31, 2015. The change in general and administrative expenses relate to a number of factors, but there was an overall decrease in operating costs due to cash shortage.

Of the \$129,312 expenses for the year ended July 31, 2016, a total of \$99,409 relates to management fees, consulting fees and accounting fees accrued to its former officers and directors.

The following table shows the Company's comparative operating expenses for the years ended July 31, 2016, 2015 and 2014:

| | Year ended July 31, | | |
|--|---------------------|----------------|----------------|
| | 2016 | 2015 | 2014 |
| General and Administrative Expenses | | | |
| Accounting and legal fees | 29,977 | 20,356 | 16,680 |
| Consulting fees | 27,112 | 30,788 | 95,960 |
| Depreciation and amortization | 6,553 | 27,049 | 35,495 |
| Management fees | 54,223 | 60,379 | 113,667 |
| Office and miscellaneous | 11,447 | 18,142 | 46,931 |
| Tools and materials | - | 1,748 | 11,566 |
| Total Operating Expenses | 129,312 | 158,462 | 320,299 |

The Company has been limiting its business activities due to its working capital deficiency.

Another factor contributing to the change in the general and administrative expenses was the variation in exchange rates. The Company's functional currency is the Canadian dollar and its reporting currency is the United States dollar.

Discontinued Operations

There were no discontinued operations during the years ended July 31, 2016 and 2015.

Net Loss after Discontinued Operations

Net income for the year ended July 31, 2016 totaled \$456,091 compared with a net loss of \$267,519 for the year ended July 31, 2015. Removing the gain of \$651,053 from the settlement of liabilities with its former officers and former directors, the Company incurred a net loss of \$194,962 for the year ended July 31, 2016.

The decrease in net loss is mainly due to the decrease in general and administrative expenses as discussed above. During the year ended July 31, 2016, the Company also recorded a write off of its accounts receivable of \$1,063 related to a test installation of its products during a prior period.

Other Comprehensive Income

The Company's functional currency is the Canadian dollar and its reporting currency is the U.S. dollar. At each balance sheet date, assets and liabilities that are denominated in a currency other than U.S. dollars are adjusted to reflect the current exchange rate which may give rise to a foreign currency translation adjustment accounted for as a separate component of stockholders' equity and included in other comprehensive income. The Company recorded translation adjustments of \$74,285 and \$205,677 for the year ended July 31, 2016 and 2015, respectively. The amounts are included in the statement of operations as other comprehensive gain for the respective periods.

Total Assets

The Company's total assets amounted to \$12,455 at July 31, 2016, compared with \$16,960 at July 31, 2015. The decrease is largely attributable to the depreciation of its property, plant and equipment of \$6,553.

Shareholders' Surplus/Deficiency

Shareholders' deficiency amounted to \$347,416 at July 31, 2016, compared with a deficiency of \$877,232 at July 31, 2015. The change in the shareholders' deficiency is due to the net income for the year and foreign currency translation adjustments.

Authorized and Issued Shares:

Authorized Capital:

The authorized capital of the Company consists of 10,000,000 Common Shares with a par value of \$0.0001 and 20,000,000 Class A Preferred Shares with a par value of \$0.0001.

On September 15, 2010, the Company changed its jurisdiction of incorporation to Nevada from Delaware as a result of a merger with its wholly owned subsidiary, and as a result reduced its authorized capital from 50,000,000 Common Shares to 10,000,000 Common Shares.

On September 29, 2011, the Company amended its Articles of Incorporation to authorize the issuance of up to 2,900,000 Class A Preferred Shares, each share having the following voting powers, designations, preferences, limitations, restrictions, and relative rights:

- a. Ten votes per share in *pari passu* with shares of common stock on all matters presented to the holders of the Company's equity securities for vote or approval;
- b. A right to receive dividends when, as and if declared by the board of directors, in *pari passu* with each share of common stock with the amount of such dividends determined by multiplying the dividend per share of common stock by ten;

- c. A right to receive distributions, whether or not in liquidation, in *pari passu* with each share of common stock with the amount of such distribution determined by multiplying the distribution per share of common stock by ten;
- d. Conversion into ten shares of common stock at the election of the Company or of the holder any time after two years of the date of issuance.

On July 2, 2014, the Company amended its Articles of Incorporation to revise the authorized Class A Preferred Shares from 2,900,000 to 20,000,000 with a par value of \$0.0001 per share.

On November 11, 2014, the Company's Board of Directors has approved a reverse split of its common stock on the basis of one (1) new share for ten (10) old shares as well as a reduction in its authorized capital from 100,000,000 shares of common stock to 10,000,000 shares. All figures in the financial statements are adjusted to reflect the 10:1 reverse stock split.

Issued and Outstanding Shares

6,557,973 Common Shares at July 31, 2016 (July 31, 2015 – 6,557,973).

2,475,500 Class A Preferred Shares at July 31, 2016 (July 31, 2015 – 2,475,500).

On January 13, 2015, a total of 424,500 Class A Preferred Shares previously owned by a company controlled by the Company's Chief Executive Officer and a director were converted into 4,245,000 common shares of the Company.

Related Party Transactions

Except as disclosed elsewhere in the Company's financial statements, related party transactions for the years ended July 31, 2016 and 2015 are as follows:

- a) As at July 31, 2016, the amount due to related parties includes \$Nil (July 31, 2015 - \$340,291) payable to the former Chairman and the former Chief Executive Officer of the Company.
- b) As at July 31, 2016, the amount due to related parties includes \$Nil (July 31, 2015 - \$210,727) payable to a former director of the Company.
- c) As at July 31, 2016, the amount due to related parties includes \$Nil (July 31, 2015 - \$12,172) payable to a company controlled by the former Chief Executive Officer of the Company.
- d) As at July 31, 2016, the amount due to related parties includes \$4,984 (July 31, 2015 - \$11,498) payable to former directors of the Company.

- e) As at July 31, 2016, the amount due to related parties includes \$36,730 (July 31, 2015 - \$18,549) payable to the former Chief Financial Officer of the Company.
- f) As at July 31, 2016, included in loans payable is \$19,416 (July 31, 2015 – \$18,673) payable to a company controlled by a former director of the Company. The loans are unsecured and bear interest at a rate of 5% per annum and are due on demand. The total balance as at July 31 2016 consists of principal and accrued interest of \$14,722 (July 31, 2015 - \$14,717) and \$4,694 (July 31, 2015 - \$3,956), respectively.
- g) During the year ended July 31, 2016, management fees of \$54,223 (2015 - \$60,379) were paid/accrued to the Chairman and the Chief Executive Officer of the Company.
- h) During the year ended July 31, 2016, consulting fees of \$27,112 (2015 - \$30,190) were paid/accrued to a former director and former Vice President of Operations of the Company.
- i) During the year ended July 31, 2016, accounting fees of \$18,074 (2015 - \$15,933) were paid/accrued to the Chief Financial Officer of the Company.
- j) During the year ended July 31, 2016, the Company settled \$651,053 due to former Chief Executive Officer and former directors of the Company.

The above transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Cash Flow Information

a) Operating Activities

Cash flow used in operating activities totaled \$74,285 and \$206,167 during the years ended July 31, 2016 and 2015, respectively. Incorporating the effect of exchange rate changes on cash and cash equivalents, the overall change in cash balance is \$Nil (2015 - \$Nil). The Company had limited transactions involving cash during the quarter due to its cash constraints.

b) Investing Activities

There were no investing activities during the year ended July 31, 2016 due to its cash constraints. In 2015, the Company purchase equipment for \$35.

c) Financing Activities

There were no financing activities during the years ended July 31, 2016 and 2015. The Company did not raise any funds during the quarter.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's quarterly results for each of its eight most recently completed quarters.

| | Quarters Ended | | | | | | | |
|---|--------------------|---------------------|-----------------------|-----------------------|--------------------|---------------------|-----------------------|-----------------------|
| | 31 July 2016 | 30 April 2016 | 31 January 2016 | 31 October 2015 | 31 July 2015 | 30 April 2015 | 31 January 2015 | 31 October 2014 |
| Net Income (Loss) | \$ 612,631 | \$ (19,416) | \$ (41,064) | \$ (96,060) | \$ (77,945) | \$ (26,040) | \$ (60,170) | \$ (103,364) |
| Foreign Currency Translation Adjustment | \$ 50,554 | \$ (108,338) | \$ 63,694 | \$ 68,375 | \$ 65,427 | \$ (39,012) | \$ 93,946 | \$ 85,316 |
| Comprehensive Loss | \$ 663,185 | \$ (127,754) | \$ 22,630 | \$ (27,685) | \$ (12,508) | \$ (65,052) | \$ 33,766 | \$ (18,048) |
| Basic and Fully Diluted Loss per share | \$ 0.09 | \$ (0.00) | \$ (0.01) | \$ (0.01) | \$ (0.02) | \$ (0.01) | \$ (0.03) | \$ (0.04) |
| Weighted average number of shares outstanding | 6,557,973 | 6,557,973 | 6,557,973 | 6,557,973 | 4,627,418 | 2,313,021 | 2,313,021 | 2,313,021 |

During the fourth quarter ended July 31, 2016, the Company recorded a gain of \$651,053 from settlement of liabilities with its former officers and directors.

Aside from the gain noted above, the Company experienced a significant decrease in activity levels due to its cash constraints. The Company plans to implement sales and marketing initiatives upon receiving additional financing from outside investors. The Company's limited funds were spent on the following operating activities:

- general and administration expenditures;
- consulting fees for corporate development, and sales and marketing efforts;
- dues and subscriptions; and

- filing fees for regulatory filings.

The most significant area of expense in the quarter was management and consulting fees. These fees have been incurred in the areas of business and corporate development.

As has been previously stated, the Company's financial condition and ability to pay operating costs and research and development costs is dependent on the private sale of its Common Shares and acceptance of its Common Shares in payment of executive compensation in lieu of cash to fund its operations. The level of the Company's operations from period to period will continue to depend on the amount of funds available.

LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital deficit was \$352,515 as of July 31, 2016 and \$888,409 as of July 31, 2015. The deficit includes amounts owing to related parties of \$39,030 as of July 31, 2106 and \$593,240 as of July 31, 2015.

All loans are unsecured and bear interest at 5% per annum and are due on demand.

| <i>Contractual Obligations</i> | | Less than | 1 – 3 | 4 – 5 | After |
|---|-----------------|-----------------|-------|-------|---------|
| | Total | 1 Year | Years | Years | 5 Years |
| <i>Short-Term Debt</i> | \$76,048 | \$76,048 | - | - | - |
| <i>Long Term Debt</i> | - | - | - | - | - |
| <i>Capital Lease Obligations</i> | - | - | - | - | - |
| <i>Operating Leases</i> | - | - | - | - | - |
| <i>Purchase Obligations</i> | - | - | - | - | - |
| <i>Other Long Term Obligations</i> | - | - | - | - | - |
| <i>Total Contractual Obligations</i> | \$76,048 | \$76,048 | - | - | - |

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company classifies all financial instruments as either financial assets or liabilities at fair value through profit or loss ("FVTPL"), held to maturity, loans and receivables, available-for-sale and other financial liabilities. Loans and receivables and other financial liabilities are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in accumulated other comprehensive income. FVTPL instruments are measured at fair value with unrealized gains and losses recognized on the statement of loss and comprehensive loss.

The Company has designated cash as FVTPL, which is measured at fair value. Amounts receivable are classified as loans and receivables, which are measured at amortized cost. Trade payables and loans payable are classified as other financial liabilities which are measured at amortized cost. The Company has classified investment in another private company as available-for-sale and therefore it carries such investment at fair market value, with the unrealized gain or loss recorded in shareholders' equity as a component of accumulated other comprehensive income. These amounts will be reclassified from shareholders' equity to net income when the investment is sold or when the investment is impaired and the impairment is considered less than temporary.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

During the year ended July 31, 2016, there has been no significant change in the Company's internal control over financial reporting since last year.

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's financial statements for the year ended July 31, 2016 (together the "Annual Filings").

The Chief Executive Officer and Chief Financial Officer of the Company have filed the Venture Issuer Basic Certificate with the Interim Filings on SEDAR at www.sedar.com.

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. 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.

SIGNIFICANT PROJECTS

The Company develops fleet data management and hydraulic weigh systems designed to allow its target market to weigh loads prior to loading cargo into their trucks and to manage the recorded and live fleet and vehicle data at any location globally. The importance of knowing weight of cargo include reducing the risks of fines due to overweight trucks, reducing risks to drivers of overhead hazards, reducing the amount of fuel consumption by reducing the amount of trips to unload the cargo, and increasing LEED environmental certification status which could lead to grants and tax credits for the Company's clients.

Deploy's technology consists of the use of hydraulic sensors and onboard computers as customized control and administrative software. This combination allows for the gathering and analyzing of data in order to save money and allow for specific weight billing for its clients.

The software will allow the Company's clients to export data directly to their accounting software as well as use the data for more efficient truck deployment.

On November 10, 2008, the Company acquired fleet management technologies from Trepped Enterprises Inc., a company controlled by the President of the Company and Vice President of Operations of the Company, in exchange for the issuance of 3,000,000 Common Shares valued at \$30,000. The technology will allow organizations that use it to become more efficient, productive and profitable through the use of their fleet assets.

Although all technology development is ongoing, the Company has filed a PCT patent application as well as a related application in Canada in order to protect its intellectual property prior to selling the product. Further patent applications related to the PCT will be filed in various countries around the world.

GOING CONCERN

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and are stated in U.S. dollars. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for the period necessarily involves the use of estimates, which have been made using careful judgment. Actual results may vary from these estimates.

The Company had cash and cash equivalents of \$Nil at July 31, 2016. Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. However, based on its demonstrated ability to raise capital in the past, management believes that the Company's capital resources should be adequate to continue operating and maintain its business strategy during fiscal 2017. However, if the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. The Company's financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Realizable values may be substantially different from carrying values as shown in the financial statements should the Company be unable to continue as a going concern. The financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

OUTLOOK

During the year ended July 31, 2016, the Company has not raised sufficient capital to fulfill its reporting and disclosure obligations and will therefore continue to rely on the sale of its equity shares as well as the sale of its products for sale to prospective clients. The Company needs to properly implement sales and marketing programs for the Fleet Data Management and Weight System technologies.

As Deploy continues its marketing and sales initiatives, the risks of competitors trying to copy its technology and sell competing products will increase; however, the Company has filed intellectual property protection applications and is making every effort to guard its technology on a global scale. Although there are products on the market that offer some of the benefits of the Company's core product, Deploy believes that it has strong competitive advantages that will result in it gaining a relative market advantage.

The current environment remains favorable for logistics and transportation services in North America. The Company's initial industrial transportation industry targets of forklifts, front-end load refuse vehicles, logging loaders and mining loaders provides it with the ability to offer its clients the opportunity to load cargo closer to truck capacity, resulting in lower shipping costs since almost all transportation regulations include weight classifications and restrictions.

The Company expects to undergo operational changes to reflect its change of focus from product development to sales and marketing and product implementation. The Company does not expect to maintain staffing for installations since it believes it would be more beneficial for clients and their vehicle service companies to install its products for warranty and liability reasons. This will allow the Company to allocate its cash toward sales and marketing initiatives, as well as the production of new inventory.

As a result of interacting with many industrial transportation companies over the past four years, the Company is confident that significant demand for its products exists. Its Fleet Data Management & Weigh System has the flexibility to integrate into almost any environment and has customizable features that are attractive to many industrial operators. The product has been developed to open market opportunities for Deploy in areas outside of refuse collection and can be used with almost all heavy equipment that employs hydraulics for lifting as well as most mobile data management applications.

The achievement of listing the Common Shares on the Canadian Stock Exchange has helped the Company develop a much more credible reputation with its shareholders, service providers and customers. Management aims to continue building Deploy in this manner by implementing internal corporate governance policies that establish a strong ethical foundation for the Company.

Deploy has a responsible and dedicated management team, each patiently focused on long term personal and corporate success coupled with the necessary accountability to achieve short, medium and long term goals. This outlook is ideal for a development stage company and is mandatory in order to create true shareholder value through the generation of revenue. In fact, Deploy's management team has repeatedly demonstrated its dedication to generating revenue for the Company by accepting Common Shares in lieu of executive cash compensation, which has allowed the Company to use the proceeds from every financing exclusively for achieving its stated goals.

Deploy is proud of what it has achieved to date and is proud of the people who supported its efforts and goals. It will continue to attract people who are excited and determined to make the Company a success.

Murray Simser, Chief Executive Officer

Deploy Technologies Inc.

350 – 7th Ave SW, Suite 1500

Calgary, AB T2P 3N9

Canada

Email: info@deploy.ca

Website: www.deploy.ca