



Management's Discussion and Analysis

First Quarter Ended December 31, 2018

I. INTRODUCTION & BASIS OF PRESENTATION

The following Management's Discussion and Analysis ("MD&A") relates to the results of operations and cash flows of ViewTrak Technologies Inc. ("ViewTrak", "we", "us" or the "Company") for the three months ("first quarter") ended December 31, 2018 and should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and related notes for the three months ended December 31, 2018 and the MD&A and audited consolidated financial statements and related notes for the years ended September 30, 2018 and 2017 (the "financial statements"). The information in this MD&A is current to April 25, 2019, unless otherwise noted.

Unless otherwise stated, financial information in this MD&A is expressed in Canadian dollars and financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and included in the CPA Canada Handbook – Accounting, Part I. This MD&A provides information on the activities of the Company.

The financial statements include the accounts of the Company and its wholly-owned subsidiaries, Feedlot Solutions Ltd. ("Feedlot Solutions") and BIXSco Inc. ("BIXSco"). All inter-company accounts and transactions have been eliminated.

Management is responsible for the information contained in the MD&A and its consistency with information presented, and the MD&A was reviewed and approved by the Board of Directors ("Board") on April 25, 2019. Additional information pertaining to the Company can be found on the System for Electronic Document Analysis and Retrieval ("SEDAR") web site at www.sedar.com.

II. FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements, except for historical information, and reflects the Company's present assumptions regarding future events. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance, and/or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements.

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions used by any of the Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's internal projections, expectations, future growth, performance and business prospects and opportunities and are based on information currently available to the Company. Since they relate to the Company's current views with respect to future events, they are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions

to any of the forward-looking statements contained herein to reflect future results, events or developments except as required by applicable securities legislation, regulations or policies.

III. CORPORATE OVERVIEW

ViewTrak Technologies Inc. (“ViewTrak” or “the Company”) was formed on October 31, 2000 pursuant to the *Canada Business Corporations Act*, RSC 1985, c C-44, through the amalgamation of ViewTrak Technologies Inc. and Waskesiu Investments Inc. and began active operations in March 2001. Its registered office is located at 2700 Commerce Place, 10155 - 102 Street NW, Edmonton, Alberta, Canada.

BIXSco Inc., a wholly-owned subsidiary of ViewTrak, is incorporated under the *Business Corporation Act* (Alberta).

Feedlot Solutions Ltd., a wholly-owned subsidiary of ViewTrak, is incorporated pursuant to the *Business Corporation Act* (Alberta).

ViewTrak and its subsidiaries are domiciled in Canada and their principal office is located at 200, 10607 – 82 Street NW, Edmonton, Alberta, Canada. ViewTrak also has a satellite office in Markham, Ontario.

IV. PRINCIPAL BUSINESS

ViewTrak provides livestock information technology through the development of hardware and software solutions, to serve defined sectors of the livestock industry. ViewTrak has developed solutions for many agricultural technology challenges and works with several species of livestock with a focus on auctions and feedlots in the cattle sector.

The Company also supplies the technology used by the largest pork processor in China to grade and price pork carcasses. The technology is also used by most of the pork processors in Canada and many in Mexico. The Company developed the world’s first electronic lamb grading system.

BIXSco created the Beef InfoXchange System (BIXS), the backbone technology for McDonald’s first Verified Sustainable Beef pilot program¹. The technology was tested in Canada and successfully demonstrated full traceability from “birth to burger”. BIXS is a web-based data exchange platform which provides traceability, with the ability to integrate both existing and new livestock industry software. Traceability, information sharing, transparency and chain of custody are key pieces in the role BIXS plays. Working with different parts of the value chain as a value-added traceability provider, BIXSco is becoming the information backbone of Canada's beef industry, building a system that unlocks data for everyone - from producers to processors to retailers and lenders.

BIXSco is engaged in research and development opportunities in Blockchain for the BIXS platform. Blockchain is a distributed ledger technology designed to enable multiple parties to verify a transaction. BIXSco is reviewing several potential applications of blockchain to improve the ways to continue to build client trust and operating efficiencies for participants in the BIXS platform.

¹ <http://www.mcdvsb.com/>

V. OUTLOOK

The Company has completed a reverse takeover of an unlisted reporting issuer through a series of amalgamations, including a plan to list on the TSX Venture Exchange (“TSXV”) and change the Company’s name to TrustBIX Inc. (“TrustBIX”). ViewTrak has raised \$4,000,000 in previous financings and an additional \$4,000,000 through a concurrent financing. The funds will be used to implement a buyout of original ViewTrak private company shareholders, list on the TSXV and be the impetus to generate working capital for the Company.

On March 15, 2019, the Company received a Conditional Acceptance of Listing Application from the TSXV. An annual and special shareholder meeting was held on April 15, 2019 and approval was received for the transaction. On April 29, 2019, the Company will be trading on the TSXV under the symbol “TBIX”.

The primary business of the Company will remain intact. However, the Company is planning to expand the BIXS platform into other geographic locations and grow the revenue base.

MISSION

To address consumer demands and become the most trusted and largest source of third-party food traceability information globally – Gate to Plate®.

WHAT CHALLENGES ARE VIEWTRAK ADDRESSING?

Globally, consumers are demanding food safety, social responsibility and environmental sustainability. Consumers are demanding, and have a right to know, what they are eating and where it comes from. This demand can be addressed through full food supply chain traceability. However, adoption is slow because:

1. Producers (farmers and ranchers) are not incentivized to participate and adopt traceability. They have to do more work but receive no tangible benefits.
2. Governments can use regulations to force producers to participate. However, they must consider political push back and the cost of enforcement.

Traceability in food production is defined as tracing food through the production and distribution chain to identify risks, protect public health, address acceptable parameters in the production of food, and assist in maintaining the quality and safety of products. Traceability is a way of responding to potential risks that can arise in food thereby helping to ensure that food products are safe for the public to consume. It is vital that when national authorities or participants in the food chain identify a risk, they can trace it back to its source to identify and isolate the problem, preventing contaminated food products from reaching consumers.

The Company plans to deliver on its mission through a combination of cloud platform software and distributed ledger technologies, combined with a novel business model that flows data from producers to retailers while flowing financial incentives back from retailers to producers.

SOLUTION - INCENTIVIZED APPROACH TO ACCELERATE ADOPTION OF TRACEABILITY

ViewTrak has a track record of creating incentive solutions to encourage collaboration and participation through the whole supply chain (“Incentive Solutions”). The Company’s web-based data exchange platform, BIXS, has the ability to integrate both existing and new industry software for supply chain traceability, while protecting data security and individual privacy.

Each incentive solution addresses one or more needs, but each has its own business model and revenue stream. As payments flow through the BIXS system, ViewTrak will collect transaction fees. The more products being processed, the more revenue streams are generated for both upstream industry participants as well as for the Company.

Currently, ViewTrak has two incentive solutions under pilot testing

Incentive Solution 1 – Canadian Beef Sustainability Acceleration Pilot (CBSA)

On July 12, 2018, McDonald’s Canada declared it will be the first company in Canada to serve beef from certified sustainable farms and ranches, beginning with its Angus menu line-up.² As a result of the CBSA success, BIXS will continue to be the technology backbone for traceability supporting certification. ViewTrak is paid a transaction fee based upon the number of head of fully certified cattle, with the funds paid by the retailers and restaurants.

The Canadian Roundtable for Sustainable Beef, comprised of industry leaders (including Canadian Cattlemen’s Association, JBS, Cargill, McDonald’s, Costco, Ducks Unlimited and World Wildlife Fund), set the guidelines of what indicators are used to measure sustainability. To encourage participation, TrustBIX worked with Cargill to create the Canadian Beef Sustainability Acceleration Pilot (CBSA). Today, TrustBIX is collaborating with companies such as Cargill, McDonald’s, Loblaws, Cara Foods and Cactus Club to drive money back to every operation that produced Certified Sustainable cattle, through the entire supply chain.³

Since the CBSA began in 2017, participants have been paid a financial incentive as follows:

- \$10.00/head/operation in first quarter of the pilot;
 - \$20.11/head/operation in second quarter of the pilot;
 - \$18.52/head/operation in third quarter of the pilot;
 - \$18.24/head/operation in fourth quarter of the pilot; and
 - \$18.48/head/operation in first quarter of Year 2 of the pilot.
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- **Canada is the FIRST country in the world to deliver Certified Sustainable Beef through the supply chain.**

² <http://edmontonjournal.com/business/local-business/mcdonalds-rollout-of-certified-sustainable-beef-a-win-for-agriculture-industry/wcm/752bf32e-be82-4e51-ab4a-e7d5efdd52ea>

³ www.CBSApilot.ca

- The CBSA has been extended into 2019 due to industry demand. More retailers and restaurants want to participate, and more producers are requesting certification.

Incentive Solution 2 – Financial Interest Notification System (FINS)

ViewTrak’s Financial Interest Notifications System (FINS) is a solution to reduce the risk of cattle lending for bank and other financial institutions. Utilization of FINS provides the producers a way to demonstrate to lenders their ability to manage their business and allow lenders access to their cattle inventory, which is used as collateral for the loans. In return for the transparency and assurance of a well-run operation, lenders can reward the participating producers by offering either higher leverage (increase loan amounts) and/or lower loan interest rates. The preliminary results have been positive.

ViewTrak is paid a transaction fee, per head of cattle financed per contract.

VALUE PROPOSITION

Benefit for Producers:

- Each Incentive Solution focuses on the different needs of the supply chain whose data is deemed necessary for full traceability.
- Increase margins per head of cattle. On a quarterly basis, and per Incentive Solution, producers will receive incremental income from their livestock assets.

Benefit for Retailers:

- Retailer brand is associated with sustainable, traceable food production, enhancing consumer confidence.
- Better visibility over the supply chain with an opportunity to reduce food waste.
- Better ability to segment the consumer base and target premium products specific to the needs of that market. This “attribute-based” selling supports sale of food products with specific claims supported by an independent third-party traceability system.

Benefit to ViewTrak:

- For each individual animal, ViewTrak can be paid for different Incentive Solutions.
- Accelerated participation from producers to share data with ViewTrak will lead to full food traceability. In addition, the Company will have one of the largest producer databases globally.

With more Incentive Solutions and more producer participation, ViewTrak will become the largest source of third-party “full food traceability” data. This will lead to big data and artificial intelligence data-mining opportunities.

2019 FOCUS

As part of going public and trading on the TSX Venture Exchange on April 29, 2019, ViewTrak has the funds required and ready to fuel growth in 2019. ViewTrak will:

- **Expand** – the number of Incentive Solutions offered through the BIXS platform;
- **Expand** – the number of participants using the existing Beef (CBSA) and FINS Incentive Solutions;
- **Enhance** – capabilities and types of data that can be collected by the BIXS platform;
- **Enhance** – integration of its Incentive Solutions and the BIXS platform with other third-party agri-business platforms; and
- **Explore** – thoughtful expansion into other global markets.

VI. RESULTS OF OPERATIONS

The following selected financial data is derived from the unaudited interim condensed consolidated financial statements, for the first quarter ended December 31, 2018

Description	December 31, 2018	\$	December 31, 2017	\$
Total revenues	423,381		468,042	
(Loss)/income from operations	(1,145,564)		15,990	
Net (loss)/income	(1,223,230)		21,148	
(Loss)/earnings per share - basic	(0.12)		0.07	
Earnings/(loss) per share - diluted	(0.12)		0.07	

Consolidated Revenue

For the first quarter, sales of new software licences decreased to \$15,812 in 2018 from \$42,000 in 2017. There were fewer software and professional services sales.

Hardware and installation increased to \$126,145 in 2018 from \$86,399 in 2017 as existing customers replaced aging equipment in the interim period.

Revenue from maintenance remained relatively flat with a slight decrease to \$242,719 in 2018 compared to \$248,931 in 2017.

Professional and development services decreased to \$38,705 in 2018 from \$90,712 in 2017 primarily as a result of the completion of a significant development services contract that was completed in early fiscal 2018 and the reduction of BIXSco revenue as noted below. Revenues from professional and development services are not recurring and are dependent on many external factors such as price of cattle and general economic conditions.

Within professional and development services, BIXSco's revenue is tracked separately as the future growth of the Company is reliant on the adoption and growth of the BIXS data platform.

For the interim period ended December 31, 2018, BIXSco's revenue decreased to \$nil from \$33,938 in 2017 as the contract with one customer reached its "cap" prior to the Company's September 30, 2018 year end. The contract has since been renewed for fiscal 2019 and revenue is expected to increase.

Consolidated Expenses

Selected expense variances for the first quarter 2018 are explained below:

Wages and benefits increased to \$868,293 from \$136,694 in 2017 due to the hiring of a number of key individuals needed to fulfill our next level of growth and improve the speed to market of BIXS pilot projects, as well increases to certain employee salaries (first in several years). In addition, \$472,680 of stock-based compensation was expensed in the quarter.

Professional fees increased to \$303,915 from \$14,379 in 2017 due to the legal documentation and review and audit of financial information required for the qualifying transaction as part of the process of the Company becoming a publicly traded reporting issuer on the TSXV.

Consulting expenses remained relatively flat with a slight decrease to \$180,919 in 2018 from \$186,937 in 2017 as the Company utilized less consultants in 2018.

Selling expenses, which consist of travel, trade shows and conferences and, advertising and promotion, increased to \$69,371 in 2018 from \$17,973 in 2017. The Company incurred an increased level of travel expenses to raise funds and to attend additional industry specific conferences for continued business development.

Office and general expenses increased to \$62,401 in 2018 from \$34,914 in 2017 as the Company purchased more office equipment and cell phones for new employees. Also, office rent increased as a subtenant moved out to enable the Company to have additional space for new employees and operations. The overall rent cost has remained relatively low, but it did increase to \$21,072 in 2018 from \$12,479 in 2017.

Research and Development (R&D) expense, which related to blockchain, increased to \$13,243 (from \$nil in 2017) as the expense is net of government grants and relates to blockchain activities. Prior development costs were capitalized, net of government grants. The Company secured \$200,000 Industrial Research Assistance Program (IRAP) funding for the further development of blockchain within the BIXS platform from April 1, 2018 to March 30, 2019, and a further \$150,000 from April 1, 2019 to March 20, 2020.

Consolidated Statements of Financial Position

The following selected financial data is derived from the unaudited condensed consolidated interim statements of financial position:

Description	December 31, 2018 \$	September 30, 2018 \$
Total assets	2,403,526	1,723,342
Total non-current liabilities	-	-
Distributions or dividends	-	-

Cash

Cash consists of cash on hand or deposits held with banks. Credit risk associated with cash and bank balances is minimized substantially by ensuring that these financial assets are deposited in major Canadian chartered banks. On December 31, 2018, the Company held cash and bank balances of \$1,308,178 (September 30, 2018 - \$1,089,777). The significant increase in cash is due to the capital raise from the private placement. The Company anticipates closing additional capital financing before the end of April 2019.

Trade and other accounts receivable

Accounts receivable consists primarily of trade accounts receivable from the sale of software licences, hardware and installation, maintenance, and professional and development services. In the first quarter, the accounts receivable balance increased to \$186,506 compared to the September 30, 2018 balance of \$113,938. Customers that were late in paying their invoices have since cleared up their accounts. The Company will continue to focus on accelerating collection of accounts receivable balances in the future.

Intangible assets

The intangible assets decreased to \$172,329 from \$192,213 for the quarter due to amortization for the quarter. As at December 31, 2018 \$127,496 in government assistance has been capitalized to offset intangible asset additions.

Shareholders' (Deficiency)Equity

This section should be read in conjunction with Note 6 of the unaudited condensed consolidated interim December 31, 2018 financial statements.

- (a) On October 31, 2018, the Company granted stock options to purchase 1,333,330 common shares at a price of \$0.15 per common share. Options granted to directors to purchase 225,000 common shares vest immediately and options granted to others to purchase 1,108,330 common shares vest one-third on the date of the grant, one-third on the first anniversary of the grant and one-third on the second anniversary of the grant. This resulted in an increased recognition in the equity's component of the balance sheet and increased compensation expense for the quarter. The \$472,680 of stock-based compensation expense recognized in the quarter ended December 31, 2018 were determined using the Black-Scholes model.
- (b) On November 16, 2018, \$566,300 of share capital (1,887,667 shares) was issued.
- (c) On December 4, 2018, \$953,740 of share capital (3,179,133 shares) was issued.

- (d) On December 4, 2018, preferred shareholders converted 3,970,207 preferred shares (\$1,191,062) at \$0.30 per share to common shares. This resulted in decreased current liabilities and increased the equity component of the balance sheet.
- (e) On December 17, 2018, the Company granted stock options to purchase 2,000,000 common shares at a price of \$0.30 per common share. Subsequent to the initial approval, the terms of the options were amended to \$0.50. Options granted to directors to purchase 160,000 common shares vest immediately and options granted to others to purchase 1,840,000 common shares vest one-third on the date of the grant, one-third on the first anniversary of the grant and one-third on the second anniversary of the grant.
- (f) During the quarter, cash of \$288,901 was received in advance for shares to be issued. Subsequent to quarter end on February 27, 2019 the shares were issued. Therefore, at December 31, 2018, this amount remained in share capital – committed. In addition, subscription agreements that will result in gross proceeds of \$590,268 were entered into during the quarter. Of these subscription agreements, \$17,298 was received before December 31, 2018 and the balance of \$572,970 is recorded as share subscription receivable.

VII. OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements in place at December 31, 2018 or September 30, 2018 and does not currently, as of the date of this MD&A, have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Related parties include the Company's management and directors, close family members and enterprises that are controlled by the aforementioned individuals as well as certain persons performing similar functions. The transactions with related parties were in the normal course of operations and were measured at exchange amount. The purpose of the related party transaction was to pay rent and fees for shared spaces and services.

VIII. ACCOUNTING PRONOUNCEMENTS

1. IFRS 9 – Financial Instruments (“IFRS 9”).

The Company adopted this standard on October 1, 2018, with the only impact being with respect to revising the Company's impairment methodology for its trade and other receivables. The Company applies the simplified approach to measure expected credit losses, which used a lifetime expected credit loss allowance for all trade receivables. The adoption of this standard did not have a material impact on the December 31, 2018 interim financial statements.

2. IFRS 15 - Revenue from Contracts with Customers (“IFRS 15”).

The Company adopted the standard on October 1, 2018 and considered such factors as customer contracts with unique revenue recognition considerations, the nature and type of goods and services offered, the degree to which contracts include multiple performance obligations or variable

consideration, and the pattern in which revenue is currently recognized, among other considerations to recognize revenue.

The adoption of the standard resulted in certain procedural changes in accounting for revenue, however, the accounting policies and the timing of revenue recognition for all revenue streams remains the same.

New accounting standard not yet adopted

The Company has not yet adopted IFRS 16 Leases. IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a right-of-use asset for virtually all lease contracts. There is an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. The standard is effective for annual periods beginning on or after January 1, 2019 and the Company is assessing the impact of this standard.

IX. CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts that are reported in the financial statements and accompanying note disclosures. Although these estimates and assumptions are based on management's best knowledge of current events, actual results may be different from the estimates.

Impairment of financial assets

The Company regularly reviews its outstanding balances of receivables to assess impairment. In determining whether an impairment loss should be recorded in the consolidated statements of loss and comprehensive loss for the period, the Company makes judgments as to whether there are any observable data indicating there is a measurable decrease in customers estimated future cash payments. Management uses estimates based on historical collection experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows.

Impairment of non-financial assets

At each consolidated statement of financial position date, management reviews the carrying value of its non-financial assets, other than inventories and deferred income tax assets, to determine whether there is any indication of impairment. If any such indication exists, the asset is then tested for impairment by comparing its estimated recoverable amount to its carrying value. Judgment and estimation are required in management's identification of indications of impairment and in determining the recoverable amount.

Changing the assumptions selected by management could significantly affect the Company's impairment evaluation and hence its results.

Share-based compensation and warrants

The Company uses the Black-Scholes option pricing model to determine the fair value of share-based payments and warrants issued pursuant to equity offerings. Inputs to the model are subject to various estimates relating to the Company's share price, volatility, interest rates and expected life of the options and warrants issued. These inputs are estimated based on a group of peers' historical figures. Changing the assumptions selected by management, in particular the Company's share price and volatility, could significantly affect the fair value of the share-based payments and warrants.

Separate from the fair value calculation, the amount recognized as share-based compensation expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are met. If the Company estimates that it is not probable that the non-market vesting conditions will be met, no expense is recognized. Assessment of probability of the non-market vesting condition is re-evaluated at each consolidated statement of financial position date.

Convertible preferred shares

The liability component of the convertible preferred shares is determined as the present value of the expected cash flows, discounted using a market rate of interest. The amount recognized as the equity component is the residual after deducting the liability from the proceeds received. The present value of the preferred share liability depends on a number of factors that are determined using management assumptions. The assumptions used in determining the present value include the expected timing of the cash flows and the discount rate. The Company determines the appropriate discount rate when the liability is first recognized. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the liability. In determining the appropriate discount rate, the Company considers the expected borrowing rate that has terms to maturity approximating the terms of the preferred share liability.

X. RISKS AND UNCERTAINTIES

The Company needs to continue to effectively manage resources, increase revenue from existing products, and improve operational processes and efficiency in order to achieve overall growth and profitability. Failure to increase revenue may negatively impact the Company's ability to achieve overall profitability. In the first quarter, the Company continued to raise capital through a concurrent financing of \$4,000,000.

Financial instruments and other instruments

The Company's financial instruments consist of cash, restricted cash, accounts receivable, accounts payable and accrued liabilities and preferred share liability. The carrying value of cash, restricted cash, accounts receivable, accounts payable and accrued liabilities and preferred share liability approximates their fair value due to the immediate or short-term maturity of these financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

At December 31, 2018, the Company had a working capital deficiency of -\$398,662 (September 30, 2018 – \$1,661,639). The working capital deficiency improved significantly as the Company continued to raise additional funds in the quarter through the concurrent financing. In addition, preferred shares in the amount of \$1,786,908 are currently reported as a current liability, which represents the estimated value of the preferred shares to be redeemed as part of transaction to be publicly listed.

In the short term the Company raised an additional \$4,000,000 capital through the concurrent financing, for the purposes of implementing the proposed transaction by acquiring a reporting issuer through a reverse takeover and subsequently listing the reporting issuer on the Toronto Venture Stock Exchange (TSXV). Additionally, the capital raised will address working capital and liquidity needs of the Company for its planned growth. The raised funds will also be used to engage professional services such as legal and auditing services, to recruit more IT developers, and for the anticipated increases in expenses related to marketing, travel and hiring additional personnel to handle the anticipated transactions for the BIXS platform.

ViewTrak's cash position has strengthened in the first quarter as a result of the concurrent financing. Management anticipates that the Company will continue expanding the revenue base from the BIXS platform in the near future. The Company will continue to increase capital expenditures to improve the BIXS platform. The Company will also incur significant marketing and travel expenses associated with increasing industry adoption of the BIXS platform.

The Company has no plans to finance the planned growth through debt financing and has no plans to declare dividends.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the fair value of recognized assets and liabilities or future cash flows or the Company's results of operations. To contend with changes in market prices, the Company constantly reviews its current and planned expenditures to ensure it has adequate resources to continue operations. The Company primarily sells goods in Canada, China and the United States and attempts to limit its exposure by transacting in the local currency, and therefore, limiting exposure to foreign exchange rates.

Currency Risk

The Company is subject to fluctuations in the value of the Canadian dollar relative to the U.S. dollar in the normal course of business. A portion of cash flows are realized in U.S. dollars and as such, fluctuations in the exchange rate between the Canadian dollar and U.S. dollar may have an effect on financial results.

Transactions denominated in foreign currencies are recorded at the rate of exchange on the transaction date. Monetary assets and liabilities are translated into Canadian dollars at the rate of exchange prevailing at the balance sheet date, with any resulting gain or loss being included in earnings. This exposure primarily relates to U.S. and China customers of ViewTrak. Based on the Company's foreign currency exposure varying the foreign exchange rates to reflect a 10% strengthening of the US dollar would have

increased net loss by \$12,000 assuming all other variables remained constant. An assumed 10% weakening of the US dollar would have had an equal but opposite effect assuming all other variables remain constant.

The following table presents the Company's exposure to the US dollar:

	2018 \$	2017 \$
Cash	76,938	40,335
CA\$ - US\$	0.7330	0.7971

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, restricted cash, cash equivalents, and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash, restricted cash and cash equivalents with a high-credit quality financial institution. The company also monitors the aged accounts receivable list to identify and manage collection of amounts owed to the company. As at December 31, 2018, the Company had cash and restricted cash of \$1,364,878 (September 30, 2018 - \$1,285,677) in chequing and saving accounts.

XI. SUBSEQUENT EVENTS

The following subsequent events have taken place between December 31, 2018 and the date of this MD&A and should be read in conjunction with note 11 to the first quarter unaudited condensed consolidated financial statements:

Reverse take-over transaction

Subsequent to year-end, the Company's shareholders became shareholders of Reco Northern Alberta Inc. (RNAI), an unlisted reporting issuer, through a reverse take-over transaction that was pursuant to an amalgamation agreement dated February 27, 2019. Under this agreement, the Company amalgamated with its wholly owned subsidiaries and 2141987 Alberta Ltd., a wholly owned subsidiary of RNAI. The newly formed company (Amalco) is continuing as ViewTrak that is a wholly owned subsidiary of RNAI. The shareholders of the Company and the shareholders of RNAI each approved the amalgamation at their respective meetings held on April 15, 2019.

RNAI changed its name to TrustBIX Inc. and expects to have its common shares listed on the Toronto Stock Exchange Venture on April 29, 2019.

Preferred shares

Under the amalgamation agreement noted above, preferred shares of Amalco were issued in exchange for preferred shares of the Company on a one for one basis and management anticipates the preferred shares will be redeemed before the end of April 29, 2019 in the amount of \$1,808,942.