ATI AIRTEST TECHNOLOGIES INC.

Management Discussion and Analysis

For the quarter ended March 31, 2016

This Management Discussion and Analysis of ATI AirTest Technologies Inc. (the "Company") provides analysis of the Company's financial results for the quarter ended March 31, 2016. The following information should be read in conjunction with the accompanying unaudited financial statements and the notes to the unaudited financial statements for the quarter ended March 31, 2016.

1.1 Date of the Report

July 6, 2016

1.2 Overall Performance

For the quarter ended March 31, 2016 the Company had a 43.5% decrease in sales from the same period in 2015. The Company reported a net loss of $102,979 for the quarter ended March 31, 2016 which was an increase of 286.7% over the $26,628 operating loss reported for the quarter ended March 31, 2015.

The Company's working capital deficiency increased from $1,620,728 as at March 31, 2015 to $1,723,999 as at March 31, 2016.

The Company completed a small merchant advance loan of $90,000 in September, 2015, followed by a $26,000 addition to the loan in January, 2016. This was followed by a $50,000 merchant advance loan in April, 2016. These temporary initiatives enabled company management to meet cash flow requirements through to the current date. Company management continues to work with potential capital providers to arrange a more significant long term financing that will finance our growth, enable us to complete some pending R&D projects that will contribute strongly to our growth, and also provide capital for a marketing budget that will allow us to aggressively pursue the outstanding sales opportunity for our new line of WiFi sensor products.

The strengthening of the US dollar against both the Euro and the Canadian dollar has proven very beneficial to AirTest as more than 80% of the Company's sales are sold in USD.

1.3 Selected Annual Information

Fiscal Year	**2015**	**2014**	**2013**
Net Sales	$3,140,486	$3,111,052	$2,681,844
Net and Comprehensive Loss	$ 478,550	$ 241,948	($ 490,895)
Basic and diluted loss/share	$ 0.01	$ 0.01	$ (0.02)
Total Assets	$ 758,817	$ 822,680	$ 780,036
Total Long Term Liabilities	$1,438,284	$1,145,000	$ NIL
Cash dividends per common share	N/A	N/A	N/A

1.4 Results of Operations

Revenue

Sales for the first quarter of 2016 totaled $591,769, down $454,916 or 43.5% from sales for the first quarter of 2015 of $1,046,685. This sales reduction resulted from a $502,000 reduction in sales for first quarter 2016 against first quarter 2015, of the Company's largest OEM account. This account had duplicated its normal purchases of the sensor module AirTest sells to them, in the first quarter of 2015, due to a conversion to an updated version of the same product.

Gross Profit

Gross Profit on sales amounted to $245,201 in the first quarter of 2016 compared to $368,738 in the first quarter of 2015, a decrease of $123,537 or 33.5%. Gross margin as a percentage of sales increased by 5.9% over the 2015 first quarter gross margin percentage.

Expenses

Total expenses for the first quarter of 2016 were $348,140 compared to $395,366 for the first quarter of 2015, a reduction of $47,226 or 11.9% below the same period in 2015.

Profit & Loss

The Company recorded a net loss of $102,979 for the quarter ended March 31, 2016 as compared to a loss of $26,628 for the same period in 2015.

Company management expects to see sales growth for the next 9 months of 2016 with the ongoing promotion of its new line of WiFi sensor products along with the recently developed RTUiLink program. The key to executing the Company's plan for growth will be its ability to finance that growth.

1.5 Summary of Quarterly Results

	2016	2015				2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net Sales	$591,769	$690,359	$664,992	$738,450	$1,046,685	$757,278	$671,354	$829,914
Loss	$102,979	$261,927	$126,395	$ 63,600	$ 26,628	$254,416 "GAIN"	$ 63,791	$ 70,370
Basic and diluted loss per share	$ 0.00	$ 0.01 "GAIN"	$ 0.00	$ 0.00	$ 0.00	$ 0.01 "GAIN"	$ 0.00	$ 0.00

1.6 Liquidity

In order to maintain liquidity, Company management was forced to take out a merchant advance loan for $90,000 in September, 2015 and then an additional $26,000 in January 2016. This was followed by another short term loan of $50,000 in April, 2016. Management is in communication with several financial sources in an attempt to conclude either a debt financing or a sales royalty financing that will enable the Company to aggressively pursue its business plan and take advantage of the outstanding growth opportunity it presently enjoys.

1.7 Capital Resources

The Company has no commitments for capital expenditures as of the end of the first quarter of 2016. Capital will be required for growth, and for completion of several in-house product development projects. The necessary capital will be put in place through a combination of equity financing and non-equity financing both of which are being evaluated by financial sources at the time of this report. Management has tried to steer away from equity financing due to the share price being badly undervalued.

1.8 Off-Balance Sheet Arrangements

As of March 31, 2016, the Company had no material off-balance sheet arrangements.

1.9 Transactions with Related Parties

(a) During the first quarter of 2016, the Company paid or accrued salaries to directors and officers of $nil (2015 - $nil).

(b) At March 31, 2016, $176,143 is payable to directors and officers for accrued services and advances. (2015 - $170,440)

Amounts becoming due to related parties in the normal course of operations, except where specifically stated, are non-interest bearing, unsecured, and without terms of repayment.

1.10 Proposed Transactions

There are currently no proposed transactions by the Company.

1.11 Changes in Accounting Policies including Initial Adoption

January 1, 2010 was the date of transition to IFRS (Transition Date). Previously, the Company prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles (“Canadian GAAP”)

1.12 Financial Instruments and Other Instruments

The Company’s financial instruments consist of cash, accounts receivable, an asset-based loan, shareholder loans, advances from related parties, accounts payable and accrued liabilities.

The asset-based loan from BFI in Toronto is secured by the Company’s accounts receivable. Both the shareholder loan and the advances from related parties have been advanced to the company from significant shareholders, therefore Company management is of the opinion that there is limited risk exposure with regard to these two financial instruments.

Because a high percentage of the Company’s sales are made in United States, and also because the Company has three important suppliers based in Europe, there is an element of risk related to any large fluctuation in the relationship between the Euro, the Canadian dollar and the US dollar.

1.13 Share Data

The number of common shares issued and outstanding as of the date of this filing is 34,705,581.

1.14 Evaluation and Effectiveness of Disclosure Controls and Procedures

Under National Instrument 52-109 management is now required to certify that they have caused the company to design suitable controls over external disclosure and financial reporting. Management must also undertake reviews of the effectiveness of such controls and discuss areas of significant weakness and the associated risks as well as their plans to address them.

The company has not had sufficient financial resources to maintain dedicated internal financial reporting and qualified professional accounting personnel. Accordingly, financial reporting controls and internal transaction controls are designed and provided primarily by management with limited involvement from external consultants and professionals. This approach has been determined by management to be the most cost effective to date.

Management and the audit committee have discussed and identified areas that need to be improved as the company expands its scope of operations and strives to meet current market and regulatory expectations relating to the effectiveness of controls.

When control weaknesses are identified there is increased risk of release of inappropriate disclosures. There is also increased risk of misstatement in financial reporting through errors, omissions or fraudulent activity that could occur and go undetected. The Company intends to direct additional resources to improving identified deficiencies and improve the overall control environment and governance processes within the company where deemed required.

The Company recognizes that its existing control measures do not comply with a recognized internal control framework such as COSO. The Company believes such a framework is not viable at this time due to the limited number of personnel, volume of transactions, and lack of financial resources.

1.15 Risks and Uncertainties

The Company operates in a competitive market. The Company needs to deliver high quality, cost effective, components to market and meet the timelines required by customers. The Company must develop next generation components to satisfy the future needs of their customers. Should the Company be unable to continue to improve and update their product offering, this would have a negative impact on future growth.

The Company currently has limited working capital and incurs significant expenses on an on-going basis in its operations, which represents a significant risk factor. The Company will require additional financing to carry on its business, which financing may not be available when needed.

The Company does not have any significant environmental risk.