ATI AIRTEST TECHNOLOGIES INC.

Management Discussion and Analysis

For the quarter ended March 31, 2017

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, 2017. 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, 2017.

1.1 Date of the Report

May 31, 2017

1.2 Overall Performance

For the quarter ended March 31, 2017 the Company had a 57.0% increase in sales from the same period in 2016. The Company reported a net loss of $83,280 for the quarter ended March 31, 2017 which was a reduction of 19.1% from the $102,979 operating loss reported for the quarter ended March 31, 2016.

The Company's working capital deficiency increased from $2,552,488 as at December 31, 2016 to $2,635,564 as at March 31, 2017.

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 our marketing plan including the promotion of our new wireless technologies.

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	**2016**	**2015**	**2014**
Net Sales	$3,046,546	$3,140,486	$3,111,052
Net and Comprehensive Loss	$ 662,257	$ 478,550	$ 241,948
Basic and diluted loss/share	$ 0.02	$ 0.01	$ 0.01
Total Assets	$ 767,435	$ 758,817	$ 822,680
Total Long Term Liabilities	$1,167,910	$1,438,284	$1,145,000
Cash dividends per common share	N/A	N/A	N/A

1.4 Results of Operations

Revenue

Sales for the first quarter of 2017 totaled $928,809, up from $591,769 or a 57.0% increase over sales for the first quarter of 2016. This sales growth resulted for the most part from a large increase in sales to the Company's OEM accounts. Also a factor was the volume of sales of the E+E Elektronik temperature and humidity monitors for a major project in the Southern United States.

Gross Profit

Gross Profit on sales amounted to $354,496 in the first quarter of 2017 compared to $245,201 in the first quarter of 2016, an increase of $109,295 or 44.6%. Gross margin as a percentage of sales decreased by 3.2% from the 2016 first quarter gross margin percentage, which resulted from the large growth in the OEM account sales that have a lower gross margin.

Expenses

Total expenses for the first quarter of 2017 were $437,776 compared to $348,180 for the first quarter of 2016, an increase of $89,596 or 25.7% above the same period in 2016.

Profit & Loss

The Company recorded a net loss of $83,280 for the quarter ended March 31, 2017 as compared to a loss of $102,979 for the same period in 2016.

Company management expects to see strong sales growth for the next 9 months of 2017 with the ongoing promotion of its new line of WiFi sensor products along with the recently developed RTUiLink program as well as our new Chiller Monitoring System. The key to executing the Company's plan for growth will be its ability to finance that growth.

1.5 Summary of Quarterly Results

	2017	2016				2015		
	Q1	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Net Sales	**$928,809**	**$958,439**	**$755,326**	**$741,012**	**$591,769**	**$690,359**	**$664,992**	**$738,450**
Loss	**$ 83,280**	**$362,883**	**$142,308**	**$ 54,087**	**$102,979**	**$261,927**	**$126,395**	**$ 63,600**
Basic and diluted loss per share	**$ 0.00**	**$ 0.01**	**$ 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 $50,000 in April, 2016. A major creditor Omni Marketing Global (OMG) and AirTest Management met in the last quarter of 2016 to discuss a potential financing and debt write-off by OMG. Negotiations of this transaction carried through the first quarter of 2017 and to show its good faith in the project, OMG advanced a total of $250,000 to AirTest which enabled the Company to continue with the promotion of its new products and the ongoing sale of its core products. Meanwhile AirTest management has maintained communication with several financial sources in an attempt to conclude a larger long term 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 2017. 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 a concern that the share price may be badly undervalued.

1.8 Off-Balance Sheet Arrangements

As of March 31, 2017, the Company had no material off-balance sheet arrangements.

1.9 Transactions with Related Parties

(a) During the first quarter of 2017, the Company paid or accrued salaries to directors and officers of $nil (2015 - $nil).

(b) At March 31, 2017, $173,694 is payable to directors and officers for accrued services and advances. (2016 - $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 Pivot Financial 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.