ATI AIRTEST TECHNOLOGIES INC.

Management Discussion and Analysis

For the quarter ended September 30, 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 September 30, 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 September 30, 2017.

1.1 Date of the Report

November 30, 2017

1.2 Overall Performance

For the quarter ended September 30, 2017 the Company had a 6.5% increase in sales from the same period in 2016. The Company reported a net loss before Other Comprehensive Income, of $91,229 for the quarter ended September 30, 2017 which was 35.9% less than the $142,308 operating loss reported for the quarter ended September 30, 2016.

The Company's working capital deficiency increased from $2,552,488 as at December 31, 2016 to $2,733,634 as at September 30, 2017.

The Company has been working to finalize a Sales Royalty Agreement that would eliminate a substantial debt from its balance sheet and also provide a $1 million capital injection into the Company in exchange for a series of sales royalty payments to cover the debt and the subsequent advance. Once this is completed, management will revisit several financial sources in its attempt to conclude a more significant long term financing that will finance our anticipated growth and also enable the Company to aggressively pursue its business plan, which includes the marketing of several new wireless products led by the WiFi Carbon Dioxide sensor developed for the DCV market. There has been a pent up demand for a wireless CO2 product and the Company has developed a unique package of WiFi based products that includes a tested and proven WiFi CO2/Temp sensor/transmitter. We have also introduced our new TR9277-EO wireless CO2 sensor that is powered by ambient light, to be sold to EnOcean Alliance companies. AirTest has exclusive global marketing rights for both these new products.

One risk that could have a negative impact on the Company relates to the three strong product lines being imported from Scotland, Sweden and Austria respectively. The ability for the Company to be price competitive in the North American market and still enjoy healthy gross margins for these three product lines is dependent on the US dollar holding or improving on its current exchange level with the Euro. A downward shift of 10% or less will have little effect on the Company's performance.

1.3 Selected Annual Information

Fiscal Year	2016	2015	2014
Net Sales	$3,046,546	$3,140,486	$3,111,052
Net and Comprehensive Gain/(Loss)	$(662,257)	$(478,550)	$ 360,088
Basic and diluted loss/share	$ 0.02	$ 0.01	$ 0.03
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 third quarter of 2017 totaled $804,773, up $49,447 or 6.5% above sales for the third quarter of 2016 of $755,326..

Gross Profit

Gross Profit on sales amounted to $282,335 in the third quarter of 2017 compared to $307,365 in the third quarter of 2016, a decrease of $25,030 or 8.1%. Gross margin as a percentage of sales decreased by 5.1% from 2016 third quarter numbers. This was due to the fact that the Company's sales to OEM customers were strong this quarter, however they are the Company's lowest margin accounts.

Expenses

Total expenses for the third quarter of 2017 were $373,564 compared to $449,673 for the third quarter of 2016, a decrease of $76,109 or 16.9% over the same period in 2016. This decrease was due to a reduction of expenses both in general and admin as well as marketing.

Profit & Loss

The Company recorded a net loss of $91,229 for the quarter ended September 30, 2017 as compared to a net loss of $142,308 for the same period in 2016.

The Company's new wireless sensors, RTUiLink package, chiller monitoring package, and dehumidifier monitoring package are just moving into the market and will stimulate abnormal growth commencing in the first half of 2018 provided the necessary working capital is put in place that will allow the Company to aggressively pursue its marketing plan. The new low power CO2 sensor line will also meet some niche market applications and will complement the Company's existing CO2 sensor offering. 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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net Sales	$804,773	$1,122,615	$928,809	$958,444	$755,326	$741,012	$591,769	$690,355
Loss	$ 91,229	$ 7,210	$437,776	$362,883	$142,308	$ 54,087	$102,979	$261,927
Basic and diluted loss per share	$ 0.00	$ 0,00	$ 0.01	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.01

1.6 Liquidity

The Company has been unable to secure non-dilutive long term financing. However management has negotiated a Sales Royalty Agreement with a major debt holder who was prepared to write off the debt and advance $1 million working capital. This agreement would see the debt holder's commitment repaid over time, however the agreement has not been finalized as of the end of the Third Quarter. Because of the delay in closing the Sales Royalty Agreement management had to arrange two additional short term loans to assist with peak cash demand periods. The SRA is expected to conclude in the fourth quarter of this year and would provide enough liquidity for the Company to aggressively pursue its marketing plan through the next few months. Management would then be in a strong position to raise substantial long term financing to provide the necessary capital to execute their marketing plan, to cover the anticipated growth, and also to finance some important product development projects that will also have a positive impact on future revenues.

1.7 Capital Resources

The Company has no commitments for capital expenditures as of the end of the third quarter of 2017. Capital will be required for growth, and for completion of several in-house product development projects.

1.8 Off-Balance Sheet Arrangements

As of September 30, 2017, the Company had no material off-balance sheet arrangements.

1.9 Transactions with Related Parties

(a) During the third quarter of 2017, the Company paid or accrued no salaries to directors and officers (2016 - $nil).

(b) At September 30, 2017, $830,833 is payable to directors and officers for accrued services and advances.

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 Inc. 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 significant environmental risk.