ATI AIRTEST TECHNOLOGIES INC.

Management Discussion and Analysis

For the quarter ended March 31, 2018

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, 2018. 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, 2018.

1.1 Date of the Report

June 7, 2018

1.2 Overall Performance

For the quarter ended March 31, 2018 the Company had a 37.2% decrease in sales from the same period in 2017. The Company reported a net loss of $235,576 for the quarter ended March 31, 2018 which was an increase of 182.9% from the $83,280 operating loss reported for the quarter ended March 31, 2017.

The Company’s working capital deficiency increased from $2,635,564 as at December 31, 2017 to $3,443,657 as at March 31, 2018.

The Sales Royalty Agreement signed between Omni Marketing Global and the Company on December 29, 2017 was approved by the TSX Venture Exchange in the second quarter of 2018. This results in $1,984,199 of current liabilities being paid down over many future years through the Sales Royalty Agreement and effectively reduces the working capital deficiency to $1,459,158 as of March 31, 2018.

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	**2017**	**2016**	**2015**
Net Sales	$3,572,071	$3,046,546	$3,140,486
Net and Comprehensive Loss	$ 619,085	$ 662,257	$ 478,550
Basic and diluted loss/share	$ 0.02	$ 0.02	$ 0.01
Total Assets	$ 481,182	$ 767,435	$ 758,817
Total Long Term Liabilities	$1,130,489	$1,167,910	$1,438,284
Cash dividends per common share	N/A	N/A	N/A

1.4 Results of Operations

Revenue

Sales for the first quarter of 2018 totaled $582,853, down from $928,809 or a 37.2% decrease over sales for the first quarter of 2017. This reduction in sales resulted for the most part from a significant fall off in sales to 4 of the Company's large volume OEM accounts.

Gross Profit

Gross Profit on sales amounted to $218,136 in the first quarter of 2018 compared to $354,496 in the first quarter of 2017, a decrease of $136,360 or 38.5%. Gross margin as a percentage of sales decreased by 0.8% from the 2017 first quarter gross margin percentage.

Expenses

Total expenses for the first quarter of 2018 were $453,712 compared to $437,776 for the first quarter of 2017, an increase of $15,936 or 3.6% above the same period in 2017.

Profit & Loss

The Company recorded a net loss of $235,576 for the quarter ended March 31, 2018 as compared to a loss of $83,280 for the same period in 2017.

Company management expects to see strong sales growth for the next 9 months of 2018 with the ongoing promotion of its new line of WiFi sensor products along with the recently developed RTUiLink system 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

	2018	2017				2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net Sales	$582,853	$ 715,874	$ 804,773	$1,122,615	$928,809	$958,439	$755,326	$741,012
Loss	$235,576	$ 217,062	$ 91,229	$ 7,210	$ 83,280	$362,883	$142,308	$ 54,087
Basic and diluted loss per share	$ 0.01	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ 0.00

1.6 Liquidity

A major creditor Omni Marketing Global (OMG) and AirTest Management negotiated a Sales Royalty Agreement in early 2017 however it did not get completed and signed off until December, 2017. OMG advanced $250,000 before the end of the first quarter of 2017, to show its good faith in the project, and a further $200,000 in the last quarter of 2017 which enabled the Company to continue with the development and early promotion of its new wireless products and the ongoing sale of its core products. Following signing of the Agreement in December, 2017 OMG advanced the final $550K in three equal payments over the first 3 months of 2018. 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 with its recently developed wireless technology.

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 and an equity financing at this time would be very dilutive to existing shareholders.

1.8 Off-Balance Sheet Arrangements

As of March 31, 2018, the Company had no material off-balance sheet arrangements.

1.9 Transactions with Related Parties

(a) During the first quarter of 2018, the Company paid or accrued salaries to directors and officers of $nil (2017 - $nil).

(a) At March 31, 2018, $164,391 is payable to directors and officers for accrued services and advances. (2017 - $173,694)

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.

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.