POWERBAND SOLUTIONS

POWERBAND SOLUTIONS INC.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2020

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Introduction

The following Interim Management Discussion & Analysis ("Interim MD&A") of PowerBand Solutions Inc. (the "Company", "PowerBand") has been prepared written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations and should be read in conjunction with the audited annual financial statements of the Company for the years ended December 31, 2019 and December 31, 2018 and the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three months ended March 31, 2020 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at July 14, 2020 unless otherwise indicated.

The unaudited condensed interim consolidated financial statements for the three months ended March 31, 2020, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of PowerBand's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Caution Regarding Forward-Looking Statements

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement.

Forward-looking statements	Assumptions	Risk factors
For fiscal 2020, the Company's operating expenses are estimated to be approximately $450,000 per month for recurring corporate operating costs	The Company has anticipated all material costs; the operating activities of the Company for the twelve-month period ending March 31, 2021, and the costs associated therewith, will be consistent with PowerBand's current expectations.	Unforeseen costs to the Company will arise; any particular operating costs increase or decrease from the date of the estimation; changes in economic conditions.
The Company will be required to raise additional capital in order to meet its ongoing operating expenses and complete its planned business development activities for the twelve-month period ending March 31, 2021.	The operating and business development activities of the Company for the twelve-month period ending March 31, 2021, and the costs associated therewith, will be consistent with PowerBand's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to PowerBand.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; interest rate and exchange rate fluctuations; changes in economic conditions.
Management's outlook regarding future trends.	Financing will be available for PowerBand's business development and operating activities; the financing market will be receptive to the Company's technological cloud-based software solution.	Industry-wide deterioration of the automotive industry; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions.
Sensitivity analysis of financial instruments.	Based on management's knowledge and experience of the financial markets, the Company believes that there would be no material changes to its results for the three months ending March 31, 2020 as a result of a change in the foreign currency exchange rates or interest rates.	Changes in debt and equity markets; interest rate and exchange rate fluctuations.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond PowerBand's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause PowerBand actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

PowerBand Solutions Inc. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on September 29, 2009, and is domiciled in Suite 225, 3385 Harvester Road, Ontario, Canada L7N 3N2. The registered office is located at Suite 1700, 666 Burrard Street, Vancouver, BC, Canada V6C 2X8.

In February 2018, the Company closed its Qualifying Transaction under TSX Venture Exchange ("Exchange") Policy 2.4 – Capital Pool Companies and changed its name to PowerBand Solutions Inc.

Effective February 9, 2018, the Company's shares traded on the Exchange under the symbol "PBX".

PowerBand is a technology company that has developed (i) an online auction format, (ii) a standardized appraisal system, (iii) a market intelligence report, (iv) a desking tool, and (v) a finance portal for utilization in the automotive industry. In November 2018 the Company entered into a 50/50 joint venture agreement with Bryan Hunt operate D2D Auto Auctions, an online auction, remarketing platform in the U.S. In July 2019 the Company acquired a 60% in MUSA Holdings, LLC, a new and used vehicle leasing platform in the U.S.

The significant assets owned by PowerBand are web based vehicle auction, remarketing, leasing and finance service and software programs for automotive dealers and consumers. The software is hosted in Microsoft's Azure cloud and offers a number of distinct but interconnected product offerings to its clients. PowerBand's core product is responsive and has published an IOS and Android mobile application for use by its customers. A summary of the product offerings that PowerBand provides is listed below.

Online Auction Formats

PowerBand offers two distinct online formats within its auction portal: LiveNet and MarketPlace.

LiveNet is a real-time, targeted, mobile online auction. LiveNet allows dealers to quickly and efficiently launch vehicle "auction calls" which are comprised of condition reports, photos, disclosures and third-party history reports to various networks of qualified buyers. These buyers are then encouraged to participate in a short duration auction (*via* smartphone) that results in a verified real time valuation of the described vehicle at that moment of time, and often the sale of the vehicle from the seller to the buyer.

MarketPlace, a more familiar style of online auction, allows dealers, rental and leasing companies to post used vehicles for sale to qualified wholesale buyers. This auction type features fixed length auctions, reserve bids, make an offer and buy it now functionality, and is complementary to the LiveNet auction type. MarketPlace targets dealers looking to discover new inventory for their used lots and/or dispose of excess inventory. Both auctions provide a system generated bill of sale and has arbitration policies in place to ensure the buyer's confidence.

Standardized Appraisal System

The Standardized Appraisal System is PowerBand's proprietary electronic used vehicle appraisal system. The appraisal system ensures full compliance with the regulations and vehicle disclosure rules set forth by governing bodies (such as the *Motor Vehicle Dealers Act* of Ontario) and can be customized to meet the applicable compliance requirements of any province or state. The appraisal system can be utilized on any portable device and does not depend on network coverage so is available for use anywhere.

Market Intelligence

Market Intelligence provides automotive dealerships with retail market price valuation from over two hundred and fifty thousand vehicles in the database. This product allows dealerships to customize their search within a geographic region for local market pricing on targeted vehicles identified down to the trim level of the vehicle. The analytical tools and reporting functions produce graphs, tables, maps and reports to summarize the information and enable dealers to make quick decisions based on the information presented.

Desking Tool

PowerBand's desking tool, referred to as PowerDesk, is a robust, user-friendly platform that allows a dealer to quickly and accurately prepare payment scenarios for their customers, including all manufacturer supported incentives, rebates and programs. It also allows for the industry's easiest finance to lease comparison. PowerBand's integration partners allow for one-time entry of the deal, reducing time and user error. After adding any Financial & Insurance products, the deal is then pushed through to the partner's Finance Portal and in many cases, right through to the dealer's Dealer Management System.

Finance Portal

PowerBand has developed a state-of-the-art Finance Portal, an electronic indirect lending platform that facilitates loan originations on any asset type. Target audiences for this software are new and independent automotive dealers, lenders, and original equipment manufacturers ("OEM"). The Finance Portal is a hosted service that is virtual and adaptable and can be integrated with LiveNet and Marketplace to offer banks, and other vehicle financial institutions, direct loan origination sources.

New and Used Vehicle Leasing Portal

MUSA Holdings, LLC's product offering streamlines leasing for consumers and dealers, as well as incorporates first-of-its-kind technology to navigate the underwriting, funding, and delivery process, allowing MUSA to complete the entire customer experience in minutes.

Outlook

As the use of the Internet to conduct everyday activities and commerce has become ubiquitous in today's society, and as the rise in importance of the Millennial generation (demographic following Generation Y, typically defined as those born between early 1980's and early 2000's) who crave empowerment, the traditional business model of how new and used vehicles are purchased and sold has quickly become outdated. Customers want to spend 30 minutes at a dealership, not 5 hours. Within this background and context PowerBand's management believes that the used vehicle industry is increasingly incorporating digital technologies in both the retail and wholesale markets. Management believes that this industry trend represents a strong demand for the services and technologies that PowerBand provides and the Company is well-positioned to capitalize on this opportunity.

Operational Highlights

During the three month period ended March 31, 2020 the following corporate events took place:

1. On January 16, 2020 the Company entered into a loan agreement (the "Loan") with an arm's length third party to borrow $350,000. The terms of the Loan included that the Loan will be secured on the assets of the Company, accrue interest at a rate of 8% per annum, calculated monthly, and mature in three months. In connection with the Loan, 350,000 warrants to purchase common shares of the Company at an exercise price of $0.165 were issued. The warrants are subject to a four month hold period, and are exercisable for one year from the date of issuance. Subsequent to the three month period ended March 31, 2020 the Loan was repaid in full, including interest on April 16, 2020.

2. On January 21, 2020 the Company closed on $400,000 of a Private Placement financing, representing the second tranche of a $500,000 Private Placement financing that was first announced on December 20, 2019. The first tranche of $100,000 closed on December 21, 2019. In total 7,692,307 units (the "Units") were issued at a price of $0.065 per Unit for total proceeds of $500,000. The Private Placement was fully subscribed. Each Unit is comprised of one (1) common share of the Company ("Common Share") and one half of one (1/2) common share purchase warrant (each whole share purchase warrant, a "Warrant") of the Company. Each Warrant entitles the holder to receive, for no additional consideration, one (1) Common Share, subject to adjustments, at an exercise price of $0.15 for a period of 24 months from the date of issuance.

3. On January 29, 2020 Kelly Jennings, the Company's CEO and largest shareholder entered into a voluntary escrow agreement that states that he will not sell his shares in the Company for at least 12 months, until January 29, 2021. This commitment is in addition to any escrow imposed by the TSX Venture Exchange.

4. On February 4, 2020 the Company entered into an agreement with RouteOne LLC in which thousands of automotive dealerships in the United States and Canada will have access to PowerBand's cloud-based sales and leasing platform, allowing consumers and dealers to easily transact the trading and leasing of vehicles.

5. On February 11, 2020 the Company entered into a loan agreement (the "Loan") with an arm's length third party to borrow $400,000 at a rate of 9% per annum, calculated monthly, and due on demand.

6. On February 20, 2020 the Company announced that its Driveaway consumer app for iOS devices had been approved for publication by Apple and was available for download in the US App Store. The Driveaway app introduces a new way for consumers to easily sell vehicles from their smart phone, tablet, or computer. Built by PowerBand, the launch of the Driveaway app in the United States is being piloted by D2D Auto Auctions LLC ("D2D"). D2D is co-owned by PowerBand and Arkansas-based financier Bryan Hunt, Director of J.B Hunt Transport.

7. On February 24, 2020 DRIVRZ Financial Inc. was incorporated as a subsidiary of PowerBand Solutions Inc. DRIVRZ Financial Inc. was established to become the leasing and financing division for its Canadian customers.

8. On February 25, 2020 the Company entered into a loan agreement (the "Loan") with an arm's length third party to borrow $350,000 at a rate of 9% per annum, calculated monthly, and due on demand.

9. On February 27, 2020 the Company entered into a loan agreement (the "Loan") with an arm's length third party to borrow $250,000 at a rate of 9% per annum, calculated monthly, and to mature in three months. Subsequent to the three month period ended March 31, 2020 the Loan was repaid in full, including interest, on May 27, 2020.

10. On March 9, 2020 the Company announced that PowerBand Solutions US Inc. ("PowerBand US"), a wholly-owned U.S.-based subsidiary, closed on the first USD $1.5 million tranche of a USD $10 million Convertible Debenture Agreement with Texas-based D&P Holdings, Inc. ("D&P"). The investment is the first of several tranches of an announced USD $10-million Convertible Debenture. The Debentures will all mature on March 6, 2023 and bear interest at a rate of 9 per cent per annum, payable monthly. PowerBand US can prepay, on thirty (30) days advance notice, all or any part of the principal and accrued but unpaid interest, at no penalty. D&P, at any time during the term, shall have the option to exchange any number of its Debentures into (i) Common Shares of PowerBand US, and (ii) Common Shares of DRIVRZ Financial Inc. Assuming the conversion of all of the Debentures, D&P would hold 9 per cent interest in PowerBand US and a 9 percent interest in DRIVRZ Financial Inc. In consideration of its investment, D&P has been issued 2,500,000 share purchase warrants ("Warrants") entitling it to acquire common shares of the Company at an exercise price of CDN $0.30 for a term of 24 months. Any common shares of the Company issued from the exercise of the Warrants will be subject to a four-month hold period, which will expire on the date that is four months and one day from the date of issuance.

Off-Balance-Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Discussion of Operations

<u>Three month period ended March 31, 2020</u>

For the three month period ended March 31, 2020, PowerBand generated revenue of $615,432. Revenues during the period were derived from three sources: commissions from both buyers and sellers on auction transactions that are completed using the software solution ($14,180), revenue earned from buying vehicles for export ($207,566), and fees earned on software development and design for D2D Auto Auctions LLC ($393,686).

For the three month period ended March 31, 2019, PowerBand incurred an operating loss of $2,758,211, with basic and diluted loss per share of $0.02. The primary expenses that comprised the operating loss include:

- Accretion expense of $110,744 relating to convertible debentures and the Company's leases recognized under IFRS 16.
- Sales and marketing expenses totaled $70,725.
- Amortization expense of $153,252 representing the amortization expense of the intangible assets, principally made up of the acquisition and development costs of the web platform used by the Company to develop its software applications and to sell its various services.
- Amortization expense of tangible assets of $23,206, representing the amortization expense of tangible assets, which is comprised of Property, plant and equipment of MUSA Holdings, LLC.

- Amortization expense of right of use assets of $176,719 for PowerBand's head office location in Burlington, Ontario and MUSA Holdings, LLC's head office location in Addison, Texas.
- Consulting Fees of $379,566 for sales, operations and finance-related Management Consulting fees.
- Insurance expenses of $44,447 representing costs associated with the Company's Directors & Officers, Cyber Technology and Commercial General Liability Insurance policies.
- Investor Relations expenses of $19,837 representing costs associated from working with Investor Relations Firms.
- Office expenses of $118,766 representing various office costs.
- Professional fees of $96,765, which is composed of Legal Fees and Accounting & Audit Fees.
- Regulatory fees of $47,506, representing regulatory filing fees and expenses associated with the Company's public listing on the TSX Venture Exchange, the OTC Pink Sheets, and the Frankfurt Exchange.
- Share based compensation of $271,539 for expenses related to stock option grants.
- Travel expenses of $26,891 in relation to management, sales and business development meetings in Canada and the United States.
- Salaries and wages of $1,369,280 for management, sales and software development personnel.

Liquidity and Financial Position

Cash used in operating activities was $1,930,561 for the three month period ended March 31, 2020. Operating activities were affected by the net loss of $2,758,213 offset by non-cash items of $153,252 for amortization of the intangible assets, $210,136 for amortization of right of use and other assets, $77,174 in Accretion expense for leases, $271,539 in share-based compensation, foreign exchange loss of $163,011, interest on Convertible note of $33,570, and the Company's share of joint venture losses of $244,992. In addition, operating cash flows were reduced by a $800,691 change in non-cash working capital.

Net cash used in investing activities totaled $258,757 representing a reduction in Intangible assets.

Net cash received from financing activities was $3,543,527, comprised of proceeds from private placements, a convertible debenture financing, and from short term loans.

At March 31, 2020, PowerBand had $805,050 in cash and cash equivalents, $1,323,836 in Trade receivables, $153,822 in HST recoverable, $283,740 in Refundable deposit, and $83,513 in Prepaid expenses.

The Company has limited operating revenues and therefore must utilize its funds obtained from the equity financing and other financing transactions to maintain its capacity to meet ongoing business development and operating activities.

As of March 31, 2020 the Company had 111,917,888 common shares issued and outstanding.

As of March 31, 2020, the Company had current liabilities comprised of the following:

- accounts payable and accrued liabilities in the amount of $1,534,059;
- lease liability of $451,970;
- short term loans of $1,436,325;
- convertible debenture of $3,123,325; and
- due to related parties amount of $1,853,954.

In addition, at March 31, 2020 the Company had a long-term lease liability of $4,737,092.

The Company's use of cash at present occurs, and in the future will occur, in several areas, including, funding of its business development efforts, completing and implementing its strategic partnerships, developing a customer support infrastructure, enhancing its software development efforts, and for general and administrative expenditures. For fiscal 2020, the Company's expected operating expenses are estimated to average $450,000 per month for recurring operating costs. Management may reassess its planned expenditures based on the Company's working capital resources, the success of adding new customers to the PowerBand Platform, and the overall condition of the financial markets.

As of March 31, 2020, the Company had a net working capital deficit of $5,749,672. Subsequent to the three month period ended March 31, 2020 the Company received an additional USD $4,500,000 in funds from three additional tranches of the Convertible Debenture financing announced in March 2020. On June 25, 2020 D&P Holdings, Inc. converted its entire investment of USD $6.0 million of PowerBand US debentures into a 9% ownership stake in both PowerBand US and the Company's Canadian financing and leasing division, DRIVRZ Financial Inc.

Change in accounting policy and Recent Accounting Pronouncements

Interest Rate Benchmark Reform: Amendments to IFRS 9 and IFRS 7

In September 2019, IASB issued Phase 1 of its amendments to IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures, to amend certain requirements for hedge accounting and provide relief during the period of uncertainty arising from the phase out of interest rate benchmarks (e.g. interbank offered rates ["IBOR"s]). These amendments modify hedge accounting requirements, allowing entities to assume that the interest rate benchmark on which the cash flows of the hedged item and the hedging instrument are based are not altered as a result of IBOR reform, thereby allowing hedge accounting to continue. Mandatory application of the amendments ends at the earlier of when the uncertainty regarding the timing and amount of interest rate benchmark-based cash flows is no longer present and the discontinuation of the hedging relationship. Phase 2 of the IASB's project on IBOR is underway and will address transition from IBOR. The Company adopted the Phase 1 amendments on

January 1, 2020 which didn't not have a material impact on the company's consolidated financial statements for the three months ended March 31, 2020.

Capital risk management

The Company manages and adjusts its capital structure based on available funds in order to support its business development efforts, completing and implementing its strategic partnerships, developing a customer support infrastructure, enhancing its software development efforts, and for general and administrative expenditures. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. As of March 31, 2020 the capital of the Company consisted of common shares and common share purchase warrants.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Financial Instruments

The 50% ownership of D2DAA and the 60% controlling interest in MUSA Holdings, LLC in the United States exposes the Company to risks associated with fluctuations in foreign currency exchange rates. To date, the Company has not used derivative financial instruments to manage this risk20

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company is not successful in generating revenue through the addition of customers to the PowerBand Platform, or the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company expects to generate cash flow primarily from operating activities. As of March 31, 2019, the Company had working capital deficit of $5,749,672.

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to accounts receivable from customers that utilize its PowerBand Platform service offering. The Company has no significant concentration of credit risk arising from operations as the monthly accounts receivable from any one customer will not negatively impact the cash flow of the Company.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate significantly due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, prices and foreign exchange rates. Management believes the risk of loss related to market risk to be remote.

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates.

Fair value hierarchy

Cash and cash equivalents has been classified as loans and receivables and is measured at amortized cost. Accounts payable and accrued liabilities is classified as other financial liabilities and are measured at amortized cost.

IFRS 7 Financial Instruments: Disclosures requires classification of fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and,
Level 3: Inputs for the asset or liability that are not based on observable market data

As at March 31, 2020 and December 31, 2019, none of the Company's financial instruments were held at fair value.

Related Party Transactions

(a) Compensation of key management personnel of the Company

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of the Board of Directors, corporate officers, including the President and Chief Executive Officer, the Chief Financial Officer, and the Chief Technology Officer.

Key management personnel compensation for the three month period ended March 31, 2020 was as follows:

i.	President and CEO	$75,000
ii.	Chief Financial Officer	$8,085
iii.	Chief Technology Officer	$42,768

(b) Loans from Officers and Directors

As at March 31, 2020 other unsecured, non-interest-bearing balances owed to shareholders totaled $1,216,507 (2019 - $705,035).

(c) Transactions with related parties

As at March 31, 2020, total amounts due to related parties were $1,853,954 (March 31, 2019 $926,866).

During the quarter, the Company recorded sales transactions to its joint venture, D2DAA, as follows:

	March 31, 2020 ($)	March 31,2019
Development service revenue	397,171	539,255
Vehicle export agency revenue	-	-

As at March 31, 2020, the following are due/to from D2DAA accounts receivable is $950,365 (2019- $533,101). The Company owes D2DAA $195,795 (2019- $Nil) as at March 31, 2020. The balance is due on demand and non-interest bearing

As at March 31, 2020, the Company owed the CEO of Musa Holdings LLC $450,027 (2019- $416,860). The amount is due on demand and non- interest bearing.

Share Capital

As of the date of this MD&A, the capital structure of the Company was as follows:

Capital Structure (as of July 14, 2020)

Common Shares Issued	112,255,388
Warrants (1)	23,104,247
Options (2)	12,416,000
Convertible Debentures (3)	21,266,968
Total	**169,042,603**

(1) 16,683,093 Warrants have an exercise price of 0.60, and an expiration date of February 7, 2021
769,280 Warrants have an exercise price of 0.15, and an expiration date of December 20, 2021
2,801,874 Warrants have an exercise price of 0.15, and an expiration date of January 20, 2022
350,000 Warrants have an exercise price of 0.165, and an expiration date of January 15, 2021
2,500,000 Warrants have an exercise price of 0.30, and an expiration date of March 6, 2022

(2) 1,678,500 Options have a strike price of $0.30, and an expiration date of February 1, 2023
400,000 Options have a strike price of $0.225, and an expiration date of April 24, 2021
6,800,000 Options have a strike price of $0.10, and an expiration date of July 10, 2024
437,500 Options have a strike price of $0.10, and an expiration date of October, 3, 2024
1,200,000 Options have a strike price of $0.10, and an expiration date of October 17, 2024
700,000 Options have a strike price of $0.15, and an expiration date of December 2, 2024
500,000 Options have a strike price of $0.215, and an expiration date of February 12, 2025
400,000 Options have a strike price of $0.16, and an expiration date of February 25, 2025
300,000 Options have a strike price of $0.205, and an expiration date of February 27, 2025

(3) $1,000,000 of Convertible Debentures were issued on October 22, 2019. The conversion price is $0.065, which would convert into 15,384,615 common shares being issued. An additional $500,000 of Convertible Debentures were issued on October 22, 2019. The conversion price is $0.085, which would convert into 5,882,353 common shares being issued. The Convertible Debentures mature on October 22, 2020 and carry an annual interest rate of 9.0%.

Disclosure of Internal Controls

Management has established processes to provide them sufficient with knowledge to support representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risks and Uncertainties

The operations of the Company are speculative due to the high-risk nature of its business, which is the development and implementation of automotive industry-related software. These risk factors, although not exhaustive, could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward–looking information relating to the Company. Please refer to the section entitled "Risks and Uncertainties" in the Company's Annual MD&A for the fiscal year ended December 31, 2019, available on SEDAR at www.sedar.com.

Subsequent Events

Subsequent to the three month period ended March 31, 2020, the following corporate activities occurred:

1. On April 13, 2020 the Company closed on a further USD $1.2 million from Texas-based D&P Holdings, Inc., as part of the Convertible Debenture Agreement executed on March 6, 2020.

2. On April 16, 2020 the Company repaid a $350,000 loan, plus interest, from an arm's length third party.

3. On May 7, 2020 the Company closed on a further USD $600,000 from Texas-based D&P Holdings, Inc., as part of the Convertible Debenture Agreement executed on March 6, 2020.

4. On May 11, 2020 the Company repaid a $350,000 loan, plus interest, from an arm's length third party.

5. On May 27, 2020 the Company repaid a $250,000 loan, plus interest, from an arm's length third party.

6. On June 8, 2020 the Company closed on a further USD $2.7 million from Texas-based D&P Holdings, Inc., as part of the Convertible Debenture Agreement executed on March 6, 2020.

7. On During the period the Company and D&P Holdings, Inc. amended and restated the convertible debenture agreement from $USD10.0 million to USD $6.0 million and on June 25, 2020 converted its entire investment of USD $6.0 million of PowerBand US debentures into an 9% ownership stake in both PowerBand US and the Company's Canadian financing and leasing division, DRIVRZ Financial Inc.

8. On July 13, 2020 the Company's U.S. leasing division, MUSA Auto Finance, LLC announced it had obtained up to USD $305 million in lease financing from a federally chartered U.S. depository financial institution to begin leasing vehicles to U.S. consumers. The USD $305 million will be rolled out in three phases: Phase One is USD $5 million, Phase Two USD $50 million, and Phase Three USD $250 million. The funding agreement includes conditions and guidelines that must be followed to move through the various phases. Once the credit facility has been utilized it will be securitized, resulting in the replenishing of the original USD $300 million.

9. During the three month period ended March 31, 2020 there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. The Company has had minimal impact on its business from COVID-19.

Additional Information

For additional information, please see www.powerbandsolutions.com.