TrackX Holdings Inc.

Management's Discussion and Analysis

For the Three and Six Months Ended March 31, 2018

Connecting Assets in a Connected World

The following discussion and analysis ("**MD&A**") of the operations, results and financial position of TrackX Holdings Inc. (formerly Cougar Minerals Corporation) (the "**Company**") for the three and six months ended March 31, 2018 should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and related notes thereto for the three months and six months ended March 31, 2018 and the audited consolidated financial statements fiscal year ended September 30, 2017. For further information on the Company, reference should also be made to its public filings under the Company's profile on SEDAR at www.sedar.com. Information is also available on the Company's website at www.trackx.com. The effective date of this report is April 23, 2018. All figures are presented in Canadian dollars, unless otherwise indicated.

COMPANY HISTORY AND COMPANY OVERVIEW

The Company was incorporated under the Canadian Business Corporations Act on April 21, 2004. On August 24, 2012, the Company consolidated all of its issued and outstanding common shares on a ten (10) old common shares for one (1) new common share basis. On December 31, 2013, the Company consolidated all of the issued and outstanding common shares on a four (4) old common shares for one (1) new common share basis. On July 2, 2015, the Company consolidated all of the issued and outstanding common shares on a ten (10) old common shares for one (1) new common share basis. On January 11, 2016, the Company continued into and became a company existing in British Columbia under the British Columbia Business Corporations Act.

The Company's head office is located at 7800 E. Union Ave., Suite 430, Denver, CO 80237 United States of America ("**USA**") and its registered office and records office is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6B 2R9.

The Company changed its name from Cougar Minerals Corporation to TrackX Holdings Inc. ("**TrackX**") (formerly TrackX LLC) upon the completion of an acquisition of all of the issued share capital of TrackX, Inc. (the "**Acquisition**") resulting in a reverse takeover of the Company, on May 26, 2016.

TrackX is incorporated and existing under the laws of the state of Delaware, USA. TrackX's principal business is the development and customization of its proprietary enterprise software platform which enables companies to track physical assets using a wide variety of unique item level tracking and sensor technology.

On closing of the Acquisition, TrackX, Inc. became a wholly owned subsidiary of the Company. As TrackX, Inc. is deemed to be the acquirer for accounting purposes, its assets and liabilities and operations since incorporation on July 9, 2015 are included in the consolidated financial statements at their historical carrying value. The Company's results of operations are those of TrackX, with the Company's operations being included from May 26, 2016 onwards, being the closing date of the Acquisition. Please refer to "Reverse Takeover" (Note 4) of the Consolidated Financial Statements for more details.

TrackX is an enterprise asset management company deploying Software-as-a-Solution ("**SaaS**") based solutions leveraging multiple auto-ID and sensor technologies for the comprehensive tracking and management of physical assets. TrackX's Global Asset Management for Enterprises ("**GAME**") platform enables the Industrial Internet of Things ("**IIoT**") by providing unique item-level tracking, workflow processing, event management, alerting, and powerful analytics to deliver solutions across an expanding number of industries. TrackX delivers significant value to a growing list of Fortune 500 companies and for customers in industries such as transportation, beverage, brewery, healthcare, hi-tech, hospitality, mining, agriculture, horticulture, manufacturing and government.

SIGNIFICANT HIGHLIGHTS

The following highlights developments for the three months ended March 31, 2018 ("**Q2 2018**") and to the date of this MD&A:

During Q2 2018, the Company has continued to focus on several strategies that have enabled growth, including:

a. execution of its "land and expand" strategy to land business within large enterprise accounts, deliver significant value and the highest quality of service, expand to other enterprise locations, expand the TrackX solution across both additional asset types and business worklfows and then finally expand within the industry. A leading producer of chicken, beef and pork products entered into an enterprise-wide agreement to install eight additional yard locations. A large insurance company continued its deployment across the first seven of fourteen contracted locations for tracking IT assets. A global leader in the manufacturing of high-quality, high-performance motorized products for recreation and utility expanded its initial yard solution to include tracking high value motorized assets with the Company's GAME Solution. An agreement was finalized to deploy the Company's Yard solution for all four yards of a USA-based baked goods manufacturer that earns more than US$1 billion in annual revenue. With these expansion opportunities and the new customers acquired, the Company recorded it's lowest quarterly net loss in the company's history leading to a positive adjusted EBITDA.

b. integration and consolidation of the combined technology capabilities of both broTECH Solutions, LLC ("**broTECH**") and TrackX, resulting in the release of GAME for EAM (Enterprise Asset Management), a major upgrade of the Company's IIoT platform which is already being implemented for a large customer in the insurance industry as well as with a leading provider of portable toilet rental services.

c. continued expansion of GAME for EAM with additional features, workflows and analytics for both High Value Asset Tracking and Returnable Transport Item Tracking ("**RTI**"), further extending the Company's competitive advantage. TrackX's GAME for RTI's new features build upon the TrackX GAME Platform with enhanced workflows and analytics related to the real-time visibility and control of returnable and rental assets. The solution tracks shipping, receiving, inventory, maintenance, repair and other operational processes related to the utilization of assets. It also includes a new walk-by inventory module with GPS integration for improved location accuracy.

d. maintained focus on operational efficiency resulting in streamlining of its team to not only reduce costs, but to also increase our customer service and delivery capacity. As a result, and in combination with the strength of the new GAME platform, the Company has improved both customer and partner support and facilitated the scale necessary to accommodate more simultaneous customer deployments.

e. continued focus on expanding and leveraging its partner network. The Company and DENSO Products and Services Americas, Inc., an affiliate of DENSO Corp., a leading supplier of advanced automotive technology, systems and components, have partnered to provide asset tracking and management solutions to the automotive industry. The two companies will collaborate and deploy solutions utilizing the TrackX GAME platform and DENSO's automotive component and industry expertise. Additional partnership discussions are currently underway with potential hardware, integration and value-added reseller solutions. By working with our partners, TrackX expects these partners to take on more responsibilities for lower margin hardware and deployment sevices. With this partner collaboration, the company is expecting to see a continued increase in gross margins.

FISCAL PERFORMANCE

The Company's total revenue increased $494,538 to $1,822,040 for the three months ended March 31, 2018 as compared to $1,327,502 for three months ended March 31, 2017 ("**Q2 2017**"). Revenue for the six months ended March 31, 2018 ("**YTD 2018**") was $2,849,496 as compared to the revenue for the six months ended March 31, 2017 ("**YTD 2017**") was $2,960,693. Recurring revenue increased $236,908 (79%) for a total of $536,738 for Q2 2018 as compared to $299,830 for Q2 2017. The increase in recurring revenue for the six-month period was $404,520 (YTD 2018 $970,098 and YTD 2017 $565,578), a 72% increase.

During Q2 2018, the cost of sales was $598,243 (Q2 2017: $872,549). The decrease corresponds with an improvement in the Company's revenue mix to higher-margin business. Hardware revenue was $477,308 for Q2 2018 (Q2 2017: $895,637) The hardware revenue as a percentage of total revenue dropped from 67% in Q2 2017 to 26% in Q2 2018, resulting in the cost of sales decrease of $274,306. YTD 2018 hardware revenue was $550,782 compared to $1,816,072 for YTD 2017. As a result, customization and integration fees combined with setup, implementation and other fees, which includes hardware, were 36% of Q2 2018 revenue as compared to 77% of the Q2 2017 revenue and 44% for YTD 2018 compared to 81% for YTD 2017. Recurring revenue jumped from 23% of the Q2 2017 revenue to 29% of the Q2 2018 revenue and increased to 34% for YTD 2018 as compared to 19% for YTD 2017.

Operating expenses were essentially flat for Q2 2018 compared to Q2 2017 at $1,429,919 and $1,490,686 respectively, and for the six months ended March 31, operating expenses increased $567,653, ($3,065,660 and $2,498,007 for 2018 and 2017, respectively).

1. Engineering and delivery services expenses incurred to prepare for the configuration, implementation, and integration of TrackX solutions in support of both expansion opportunities and new business which was contracted in Q2 2018 with deployment and revenue recognition in Q3 2018.

2. Engineering expenses incurred in the deployment of TrackX Mobile and additional features in GAME for EAM. This strengthens the Company's value proposition by allowing customers to utilize consumer-based devices in lieu of more expensive ruggedized units.

3. Increased sales related expenses resulting from a growth in sales activity in Q2 2018 from which the Company has yet to realize associated revenue.

4. Costs related to the streamlining of personnel and associated responsibilities to reduce costs and

improve operating margins

5. In Q2 2018, there is an increase in amortization expense of approximately $260,000 related to the intellectual property added during the broTECH acquisition which was completed in Q3 2017.

6. Net loss during Q2 2018 was $122,835 (Q2 2017 $1,035,733). The reduction in the Company's net loss is due to the increase in software license revenue, the continued growth in recurring software and the reduction in hardware revenue as a percentage of total revenue, all of which contributed to a higher gross margin for Q2 2018.

SELECTED ANNUAL INFORMATION

The following table represents selected financial information of the Company for the three (3) most recently completed financial years and should be read in conjunction with the Company's audited financial statements:

	2017	2016	2015
	$	$	$
Total revenue	5,170,078	1,396,810	1,629,611
Loss for the year	(3,974,271)	(4,296,239)	(1,070,239)
Comprehensive loss for the year	(4,104,102)	(4,216,863)	(1,550,480)
Total assets	5,497,999	2,446,197	410,707
Total liabilities	2,282,408	1,377,122	4,001,380
Basic and fully diluted loss per common share	(0.07)	(0.15)	(0.11)

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's quarterly financial results for the fiscal quarters noted:

	March 31 2018	December 31 2017	September 30 2017	June 30 2017
	$	$	$	$
Revenues	1,822,040	1,027,456	1,331,054	878,331
Cost of sales	598,243	600,645	1,132,798	592,181
Gross margin	67%	42%	15%	33%
Expenses	1,429,919	1,635,741	1,525,153	1,378,047
Net loss	(122,835)	(935,995)	(1,289,614)	(1,090,363)
Loss per share	(0.00)	(0.01)	(0.02)	(0.02)
Total assets	4,814,780	4,496,669	5,497,999	6,604,267

	March 31 2017	December 31 2016	September 30 2016	June 30 2016
	$	$	$	$
Revenues	1,327,502	1,633,191	491,994	328,438
Cost of sales	872,549	1,184,431	475,963	383,874
Gross margin	34%	27%	3%	(17%)
Expenses	1,490,686	1,007,321	1,440,212	1,452,671
Net loss	(1,035,733)	(558,561)	(916,409)	(2,485,040)
Loss per share	(0.02)	(0.01)	(0.02)	(0.10)
Total assets	2,022,121	2,495,720	2,446,197	3,220,552

Revenues during the quarter ended March 31, 2018 were $1,822,040 with a total cost of sales of $598,243 resulting in a gross margin of $1,223,797. Expenses totaled $1,429,919 for a net loss of $122,835.

DISCLOSURE OF OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 73,359,841 common shares outstanding. The following table summarizes the maximum number of common shares outstanding as at March 31, 2018 and as of the date of this MD&A as if all outstanding stock options and common share purchase warrants were converted to common shares:

	March 31 2018	As of the date of this MD&A
Common shares	73,359,841	73,359,841
Warrants to purchase common shares	7,587,037	7,587,037
Options to purchase common shares	4,112,500	4,112,500
Compensation options to purchase common shares	1,066,052	1,066,052
TOTAL	**86,125,430**	**86,125,430**

RESULTS OF OPERATIONS

Six months ended March 31, 2018 compared with the six months ended March 31, 2017

Revenues

Revenues were $2,849,496 for the YTD 2018 (YTD 2017: $2,960,693). While revenue remained essentially flat on a year-over-year basis, the mix of revenue changed. Recurring revenue and software license revenue increased from 19% of total revenue for YTD 2017 to a total of 34% for YTD 2018. Hardware revenue decreased from 67% for the 2017 period to 26% for the 2018 period. Customization and integration fees, setup, implementation and other fees were 81% of the YTD 2017 revenue as compared to 44% in YTD 2018. The growth of SaaS revenue increases the recurring revenues in future years without adding appreciable costs of sales. The Company secured a number of new and existing customer contracts for revenue to be recognized in subsequent quarters.

Cost of Sales

During the first half of fiscal 2018, the cost of sales was $1,198,888 (YTD 2017: $2,056,980). The decrease corresponds with the change in the mix of the Company's revenue

Expenses

Expenses were $3,065,660 in YTD 2018, (YTD 2017: $2,498,007). As referenced in the Fiscal Performance section of this MD&A, the increase can be largely attributed to additional engineering expenses for the preparation of the TrackX solutions for both expansion opportunities and new business yet to be deployed. Product development expenses were incurred in the deployment of TrackX Mobile along with incremental features in GAME for EAM. The Company experienced growth in sales-related expenses resulting from increased sales activity in Q2 2018.

Net Loss

Net loss during YTD 2018 was $1,058,830 (YTD 2017: $1,594,294). The reduction in the Company's net loss from YTD 2017 to YTD 2018 is due to the increase in software license revenue and the continued growth in recurring software, both of which result in increased contributions to gross margin. In addition, the reduction in hardware revenue, having a higher cost of sales, further contributed to the increase in gross margin. The efforts to streamline the engineering and personnel costs incurred in the integration of the Q3 2017 broTECH acquisition are now generating benefits. During YTD 2018, there was an increase in amortization expense of approximately $520,000 for the intellectual property obtained in the acquisition of broTECH. This represents an offset against the increased gross margin and the benefits of streamlining operations.

Three months ended March 31, 2018 compared with the three months ended March 31, 2017

Revenues

Revenues were $1,822,040 during Q2 2018 (Q2 2017: $1,327,502). Revenue increased $494,538 for Q2 2018 compared to Q2 2017, and the mix of revenue also changed. Recurring revenue and software license revenue increased from 23% of total revenue for Q2 2017 to total of 29% for Q2 2018. Hardware revenue decreased from 67% for Q2 2017 to 26% for the Q2 2018. Customization and integration fees, setup, implementation and other fees were 77% of the Q2 2017 revenue as compared to 36% in Q2 2018. The growth of SaaS revenue increases the recurring revenues in future years without adding appreciable costs of sales. The Company secured a number of new and existing customer contracts for revenue to be recognized in subsequent quarters.

Cost of Sales

During Q2 2018, the cost of sales was $598,243 (Q2 2017: $872,549). The decrease corresponds with the change in the mix of the Company's revenue.

Expenses

Expenses were $1,429,919 in Q2 2018 compared to $1,490,686 for Q2 2017. The $60,767 decline in expenses reflects the integration of broTECH and the streamlining of engineering and personnel costs incurred during the acquisition.

Net Loss

Net loss during Q2 2018 was $122,835 (Q2 2017: $1,035,733). The reduction in the Company's net loss is due to the increase in software license revenue, the continued growth in recurring software and the reduction in hardware revenue as a percentage of total revenue, all of which contributed to a higher gross margin for Q2 2018. The increase in amortization expense (approximately $260,000) reflects the intellectual property obtained in the acquisition of broTECH. Exclusive of the amortization expense, the Company would have realized a Net Income for Q2 2018.

Non-IFRS Measures

The accompanying non-IFRS measures do not have standardized meaning as it relates to performance measures and may not be comparable to other Company or issuer disclosures of similar performance measures. The Company has provided a reconciliation of Adjusted EBITDA to IFRS loss in the following table. Adjusted EBITDA is defined as earnings before interest income, taxes, depreciation and amortization, share-based compensation, and other non-recurring gains and losses. Management believes that Adjusted EBITDA is a useful measure that facilitates period to period operating comparisons. Adjusted EBITDA should not be considered superior to IFRS net income (loss).

Adjusted EBITDA	For the Three Months Ended March 31 2018	For the Three Months Ended March 31 2017	For the Six Months Ended March 31 2018	For the Six Months Ended March 31 2017
	$	$	$	$
Net Loss	(122,835)	(1,035,733)	(1,058,830)	(1,594,294)
Amortization of intangible assets	284,001	24,088	569,349	49,398
Depreciation of equipment	9,361	2,685	17,638	5,044
Share-based compensation	18,657	123,439	76,946	233,466
Adjusted EBITDA	**189,184**	**(885,521)**	**(394,897)**	**(1,306,386)**

OUTLOOK

TrackX is deploying a "land and expand" strategy and leveraging its full solution suite (yard management, high value asset tracking, returnable transport item tracking, and work in process tracking) horizontally across multiple industries. It has secured initial implementation agreements with large multi-national organizations that are leaders in their industry verticals. As these implementations prove their value for these customers, the Company anticipates realizing additional revenue expansion within these opportunities. Additionally, TrackX is leveraging strategic reseller and implementation partners in the marketplace (which provide several key benefits to both parties): for TrackX, this opens additional sales channels for its product offering, provides implementation resources to meet growing demand, and gains exposure to new geographic and solution verticals; for partners, this provides a proven software solution to offer to their customer bases and allows for enhanced differentiation in their respective markets.

TrackX will continue to explore merger and acquisition ("**M&A**") opportunities that are complementary to the Company's current strategic direction. Any M&A activity undertaken should enable the Company to expand its footprint of services into new vertical markets and provide new technology to cross sell to its existing and new customer bases. Additionally, any M&A opportunities should allow for the bulk acquisition of talent to ensure that the Company has top-tier resources in the IIoT marketplace.

The TrackX IIoT platform, GAME, will continue to expand its functional reach by supporting existing and developing new application program interfaces ("**APIs**") that will facilitate plugging in its GAME solution to market leading Enterprise Resource Planning ("**ERP**") solutions like SAP, Oracle, BMC, and others as required by large enterprise customers. In addition, the Company intends to extend its GAME platform with increased support for cellular tags, GPS tags, a broad variety of sensor technologies and increased functionality for both Android and IOS mobile devices. TrackX is actively expanding its GAME platform with additional workflows and analytics in the areas of returnable asset tracking, high value asset tracking (i.e. IT asset tracking) and supply chain management. While TrackX will continue to see growth in yard management opportunities, increased focus in both high value asset tracking and returnable asset tracking is expected to yield larger revenue opportunities with higher gross margins.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Key management personnel consist of directors and senior management including the President and Chief Executive Officer (CEO), Chief Strategy Officer (CSO), Chief Operating Officer (COO), and Chief Financial Officer (CFO). Key management personnel compensation includes:

	For the Three Months Ended March 31 2018	For the Three Months Ended March 31 2017	For the Six Months Ended March 31 2018	For the Six Months Ended March 31 2017
	$	$	$	$
Salaries and wages	202,032	317,030	404,063	503,218
Consulting	45,609	56,903	91,219	119,677
Automobile allowance	6,271	5,649	12,543	12,428
	253,912	**379,582**	**507,825**	**635,323**

Included in general and administrative expenses are $39,339 (2016 - $53,925) for directors' fees and services charged by the directors of the Company that are not considered key management and therefore are not included in the amounts above.

Included in general and administrative expenses is $1,000 (2017 - $6,000) of rental fees paid to a company controlled by a common director.

Included in due to related party (short term) are $8,194 payable to the COO, CFO, and CSO for reimbursements and consulting fees and $214,869 owed to broTECH, which is majority owned by the COO of the Company. Long term due to related party is $200,687 also owed to broTECH.

Contingently issuable shares are due to a company owned by the CEO, former CSMO and CSO as indicated in Notes 4 and 10 to the accompanying financial statements. The following balances remain at March 31, 2018:

- $127,920 relating to the future contingent grant of contingently issuable common shares included in share-based compensation during prior fiscal years.
- $132,000 relating to the future payment of a cash-based incentive bonus (this has been recorded as a current liability).

RECENT ACCOUNTING PRONOUNCEMENTS

Accounting Standards Issued but Not Yet Adopted

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not “early adopted” any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

IFRS 9 – Financial Instruments: Classification and Measurement. Replaces the current IAS 39 Financial Instruments Recognition and Measurement. The standard introduces new requirements for classifying and measuring financial assets and liabilities which related to determining and measuring lifetime expected credit losses and assessing significant increases in credit risk. The Company will start the application of IFRS 9 in the financial statements effective from October 1, 2018.

IFRS 15 – Revenue from Contracts with Customers. The standard provides clarity by removing inconsistencies and weakness in revenue recognition requirements, providing a more robust framework, improved comparability across entities, more information, and simplified presentation. The Company is currently assessing the impact of the amendment and is expecting the amendment to have a material impact on the consolidated financial statements. The amendment of IFRS 15 is effective October 1, 2018.

IFRS 16 – Leases. The new standard establishes a right-of-use model that requires a lessee to record a right-of-use asset and lease liability on the balance sheet for all leases with terms longer than 12 months. The Company is currently assessing the impact the amendment will have on the consolidated financial statements. The amendment of IFRS 16 is effective October 1, 2019.

FINANCIAL INSTRUMENTS AND RISKS

Capital Risk Management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes shareholders' equity, comprised of issued share capital, reserves and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to further develop the infrastructure for customer deployment to support the growing sales and marketing opportunities in the IIOT. To secure the additional capital necessary to pursue these plans, the Company will attempt to raise additional funds through the issuance of equity and warrants, debt or by securing strategic partners.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the period ended March 31, 2018.

The Company is exposed to a variety of financial risks by virtue of its activities. In particular: market risk (composed of currency risk), liquidity risk, fair value risk and credit risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management is carried out by management under policies reviewed by the Board of Directors. Management is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

The Company's financial instruments and risk exposures are summarized below:

a) Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company is exposed to liquidity risk.

b) Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and accounts receivable. Cash is held with major financial institutions in the United States and Canada and is subject to Interest Rate Risk. Receivables are subject to standard credit terms.

c) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

d) Foreign Currency Risk is the risk on fluctuation of currency related to monetary items with a settlement currency other than US dollars.

In managing currency risks the Company aims to reduce the impact of short-term fluctuations on earnings by minimizing transactions between TrackX Holdings, Inc. which the functional currency is Canadian Dollars and TrackX, Inc. in which the operational currency is in United States Dollars. As at March 31, 2018, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Fair Value Hierarchy

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of cash is measured based on level 1 inputs of the fair value hierarchy.

The estimated fair value of accounts receivable, accounts payable, due to related party, and accrued liabilities are equal to their carrying values due to the short-term nature of these instruments.

RISKS AND UNCERTAINTIES

An investment in the securities of the Company may be regarded as speculative due to the Company's stage of development. Risk factors relating to the Company could materially affect the Company's future results and could cause them to differ materially from those described in forward-looking statements relating to the Company. Prospective investors should carefully consider the following risks and uncertainties:

Additional Financing

The Company has a history of operating losses and uses cash raised in equity markets to partially fund working capital. If adequate funds are not available when required or on acceptable terms, the Company may be required to delay, scale back or terminate its sales and marketing efforts, and may be unable to continue operations. There can be no assurance that the Company will be able to obtain the additional financial resources required to compete in its markets on favorable commercial terms or at all. Any equity offering may result in dilution to the ownership interests of shareholders and may result in dilution of the value of such interests. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Product Enhancements and Development

The development activities of the Company may be funded by its customers through engineering services provided in addition to the Company's investment in enhancing its existing product suite.

If the Company fails to develop new products, incurs delays in developing new products, or if the product or enhancements to existing products and services that the Company develops are not successful, the Company's business could be harmed. Even if the Company does develop new products that are accepted by its target markets, the Company cannot assure that the revenue from these products will be sufficient to justify the Company's investment in research and development.

History of Losses

The Company has a history of losses, and there can be no assurance that the Company's losses will not continue in the future. As at March 31, 2018, the Company had an accumulated deficit of $12,560,200. The Company's prospects must be considered in the context of the implementation stage of its current strategy, the risks and uncertainties it faces, and the inability of the Company to accurately predict its results of sales and marketing initiatives. There can be no assurances that implementation of the Company's strategy will result in the Company generating and sustaining profitable operations.

Product Development and Technological Change

The market for the Company's products and services is characterized by rapidly changing technology, evolving industry standards and frequent new product introductions. To be successful, the Company will need to enhance existing products and to introduce new products and features in response to changing standards, customer requirements, and technological innovations by others. There can be no assurance that the Company will be successful in doing this in a timely manner or at all. The embedded computing and IIoT industries are characterized by a continuous flow of improved products that render existing products obsolete. There can be no assurance that products or technologies developed by others will not render the Company's products obsolete or non-competitive.

Intellectual Property Protection

The Company's ability to compete may be affected by its ability to protect its intellectual property. It relies primarily on a combination of copyright, trademark, patent and trade secret laws, confidentiality procedures and contractual provisions to protect its intellectual property. While the Company believes that its products and technologies are adequately protected against infringement, there can be no assurance of effective protection. Monitoring and identifying unauthorized use of the Company's technology is difficult, and the prohibitive cost of litigation may impair the Company's ability to prosecute any infringement. The commercial success of the Company will also depend upon its products not infringing any intellectual property rights of others and upon no claims for infringement being made against the Company. The Company believes that it is not infringing any intellectual property rights of third parties, but there can be no assurance that such infringement will not occur. Any infringement claims against the Company by a third party, even if invalid, could have a material adverse effect on the Company because of the costs of defending against such claims.

Customer Concentration

The Company's business and future success depends on the Company's ability to maintain its existing customer relationships, add new customers and expand within their current customers. If certain of the significant customers, for any reason, discontinues their relationship with the Company, or reduces or postpones current or expected orders for products or services, or suffers from business loss, the Company's revenues and profitability could decline materially. The Company has mitigated this risk by diversifying its customer base. For the six months ended March 31, 2018, no one customer accounts for more than 19% of total revenues. During the six months ended March 31, 2017 one customer accounted for 37% of total revenues.

Dependence on Key Personnel

The Company's future success depends largely on its ability to attract and retain talented employees. The Company is highly dependent on a limited number of key personnel to maintain customer and strategic relationships. Loss of key personnel could have an adverse effect on these relationships and negatively impact the Company's financial performance. The Company's future results of operations will depend in part on the ability of its officers, management and other key employees to implement and expand operational, customer support and financial control systems and to expand, train and manage its employee base. The Company's future performance will also depend to a significant extent on its ability to identify, attract, train and retain highly skilled sales, technical, marketing and management personnel. If the Company were to lose the services of any key personnel, the Company may encounter difficulties finding qualified replacement personnel.

Management of Growth

The Company's future results of operations will depend in part on the ability of its officers and other key employees to implement and expand operational, customer support and financial control systems and to expand, train and manage its employee base. The Company's future performance will also depend to a significant extent on its ability to identify, attract, train and retain highly skilled sales, technical, marketing and management personnel. Substantial growth in the Company's hardware procurements, as necessary to support customer deployments, may require the Company to raise additional capital through the issuance of additional shares or securing financing. There can be no assurance that the Company would be able to secure additional funding through these activities.

Stock Price Volatility

The market price for the common shares of the Company fluctuates significantly, and these fluctuations tend to be exaggerated if the trading volume is low. The market price of the common shares may rise or fall in response to announcements of technological or competitive developments, acquisitions or strategic alliances by the Company or its competitors, the gain or loss by the Company of significant orders or broad market fluctuations.

Changes in Tax Legislation

In December 2017, the United States federal government enacted numerous amendments to the Internal Revenue Code of 1986 pursuant to an act known by the short title of the Tax Cuts and Jobs Act (the "**TCJA**"). The TCJA may impact the Company's income tax expense (benefit) in future periods. The Company has recorded a full valuation allowance on its net deferred tax assets and does not anticipate any impact form the TCJA on its net deferred tax assets. The Company is currently analyzing the impact of the TCJA.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. During the year ended September 30, 2017, the Company's Independent Auditors included an explanatory paragraph in their Audit Report describing a material uncertainty that may cause significant doubt about the Company's ability to continue as a going concern due to recurring losses incurred in recent years. The Company's accompanying interim condensed consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying interim condensed consolidated financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2018, the Company had net working capital of $(392,975) (September 30, 2017 - $301,473) and had an accumulated deficit of $12,560,200. The Company's objective in managing liquidity risk is to maintain sufficient liquidity in order to meet operational and investing requirements at any point in time. The continuation of the Company is dependent upon the financial support of creditors and stockholders, refinancing debts payable, obtaining additional long-term debt or equity financing, as well as achieving and maintaining a profitable level of operations.

Net cash used in operating activities for YTD 2018 was $498,529 compared with cash used of $1,283,547 in YTD 2017. The decrease in cash used in operating activities was primarily due to the reduced operating loss incurred for YTD 2018 as compared to YTD 2017.

Net cash flow from investing activities for YTD 2018 was $272,466 (YTD 2017: $10,511).

Net cash flow generated from financing activities for YTD 2018 was $40,000 (YTD 2017: $147,577).

The Company's consolidated financial statements have been prepared in accordance with IFRS under the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than a process of forced liquidation. The interim condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual reports could differ from management's estimates.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim condensed consolidated financial statements and the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental regulatory and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company to meet certain work commitments, and work plans to be conducted by the Company.

ADDITIONAL INFORMATION

For further detail, see the Company's unaudited interim condensed consolidated financial statements for the period ended March 31, 2018. Additional information about the Company can also be found under the Company's profile at www.sedar.com.

CORPORATE DIRECTORY

Trading Symbol – TKX
Exchange - TSX-V

Head Offices

TrackX Holdings Inc.
7800 E. Union Ave., Suite 430
Denver, CO 80237 USA
Tel: 303.325.7600
Fax: 303.799.0703

TrackX Inc.
7800 E. Union Ave., Suite 430
Denver, CO 80237 USA
Tel: 303.325.7600
Fax: 303.799.0703
www.trackx.com

Legal Counsel

McMillan LLP
Suite 1500 – 1055 West Georgia Street
Vancouver, BC, V6E 4N7

Auditors

EKS&H, LLLP
8181 E. Tufts, Suite 600
Denver, CO 80237 USA

Transfer Agent

Computershare
2nd Floor, 510 Burrard Street
Vancouver, BC, V6C 3B9

Officers and Directors

Tim Harvie (President, Chief Executive Officer, Chairman, and Director)
Gene McConnell (Chief Financial Officer)
Chris Brumett (Chief Operating Officer)
Eddie Shek (Chief Strategy Officer)
Blair Garrou (Director)
Darren Devine (Director)
Kevin Shea (Director)