FORM 51-102F1
EMPOWER TECHNOLOGIES CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014

The following discussion and analysis, prepared as of May 30, 2014, should be read together with the unaudited interim consolidated financial statements for the three month period ended March 31, 2014 and related notes attached thereto, which are prepared using accounting policies consistent with International Financial Reporting Standards. All amounts are stated in Canadian dollars unless otherwise indicated.

The reader should also refer to the audited financial statements and the Management Discussion and Analysis for the year ended December 31, 2013.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

References in this document to "we", "the Company" and "Empower" refer to Empower Technologies Corporation and its wholly owned subsidiaries. Empower operates through two wholly-owned subsidiaries. The first is Empower Technologies, Inc. a wholly-owned Washington State subsidiary ("Empower US"), and then indirectly through its Canadian subsidiary Empower Technologies (Canada) Inc. ("Empower Canada"),. The second is the newly acquired wholly-owned subsidiary AIC Global Communications Inc. The Company trades on the TSX Venture Exchange under the symbol EPT.

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com.

DESCRIPTION OF BUSINESS

Empower Technologies (the "Company") has completed its transformation from an embedded technology company into a full fledge revenue producing corporation through its operating subsidiaries.

The Company was found on its core technology - engineered embedded hardware and software and later real-time image processing technology. Leveraging on its embedded and real-time imaging technology knowhow and expertise, the Company has acquired a telecommunication company on July 31, 2013 to provide the sale and marketing platform for the fully developed embedded and real-time image processing products and services.

On July 31, 2013, Empower has closed the purchase of AIC Global Communications Inc. ("AIC"). By acquiring AIC, Empower has gained a very strong and recognizable brand in the Canadian telecommunication market, a sale and marketing platform for its embedded and real-time imaging technologies, products and services and a telecommunication operating system platform. It also increases the revenue base of the Company. The Acquisition will provide AIC ability to access the growth capital from the public market when the needs arise. This ability will enable AIC to grow its VoIP phone services and fuel its expansion to full service SME Information Technology ("IT") and managed business solution market that include security and surveillance, cloud based applications and other IT products and services. AIC will also leverage on Empower's embedded hardware and software expertise to offer state-of-the-art communication, mobile and video technologies, products and services to their customers. For example, Empower's Image Signal Correction (ISC) enabled surveillance camera can be sold through AIC's sales and marketing channels to shopping malls, schools, universities and commercial/industrial buildings/parks for their cloud based video surveillance network needs. The main objective of AIC's expansion in the near term is to achieve rapid revenue growth and market penetration in metro Vancouver, Calgary and Toronto. Over the longer term, Empower is positioning AIC as a dominant VoIP phone service, security and surveillance, IT and managed business solutions, products and services provider for the small and medium enterprises in North America and leverage Empower's advanced embedded and video technologies to give it the competitive advantage.

Business Strategy

The Company is focused 100% of its resources in its two main lines of business. The first is a provider of Linux-based embedded system and real-time image processing technologies and solutions for the consumer electronic industry, security and surveillance, and the intelligent appliance market. The second is a provider of telecommunication and IT services for the residential and commercial market.

In order for the Company to gain market penetration and recognition of its advanced embedded and imaging technologies, products and services, the Company has commenced a growth strategy based on Merger and Acquisition of revenue producing companies as well as strategically dividing its business into two main lines of business:

I: Embedded and Image Processing Technologies:

Under this business line, Empower Technologies, Inc. ("Empower US") the US subsidiary of the Company, has held the following intellectual properties:

PROPRIETARY TECHNOLOGIES:

- Empower proprietary embedded operating system "LEOs" *(Linux Embedded Operating System)*

- Empower proprietary real-time image enhancement technologies
  - Real-Time Image Signal Correction (ISC)
  - Real-Time Image Motion Stabilization (IMS)

PATENTED TECHNOLOGIES:

- Invention Patent – Handwriting Recognition
  - One of only two handwriting recognition patents ever granted by the US Patent Office.
  - Method for processing handwritten character strokes entered into a computer system.
  - US Patent #: 7,280,695 B2
  - Filed: May 31, 2002.
  - Granted: October 9, 2007.

- Design Patent – Vehicle Dock for Smart Devices
  - Vehicle Expansion Dock For Smart Devices
  - US Patent #: US D586348 S

Empower US is continuing to investigate with legal professionals in Canada and the US on the best practices to enforce Empower's stylus based handwriting recognition utility patent ("Utility Patent") first announced on October 9, 2007. Utility Patent is also referred to as "patent for invention". It generally provides the patent owner to exclude others from making, using, or selling the invention for a period up to twenty years from the date of patent application filing. See the U.S. Code Title 35 - Patents for a full description of patent laws.

For detail on Types of Patents follow this link:

http://www.uspto.gov/web/offices/ac/ido/oeip/taf/patdesc.htm.

The introduction of the latest leading edge smartphone, tablet computer and other powerful mobile computing devices are making them a natural fit to apply Empower's patented stylus based natural handwriting input method. Using the Empower Utility Patent, it permits the user to write naturally using a stylus and the device will recognize the natural continuous written characters in real time. It also removes many of the earlier drawbacks in handwriting applications such as preprogrammed strokes, matching characters, single character input and recognition.

For more information on the stylus based handwriting recognition Utility Patent granted to Empower, please visit **http://www.uspto.gov/** and search for US Patent No. 7,280,695 titled "System and Method of pen-based data input into a computing device".

The Company will pursue avenues to license its stylus based handwriting recognition Utility Patent to companies already using the technology in their products.

Empower US also has a Canadian subsidiary “Empower Technologies (Canada) Inc.” (“Empower Canada”). Empower Canada is the research and development arm of Empower US and indirectly the operating arm for Empower Technologies Corporation. Empower Canada is focused on the sales and marketing of embedded hardware and software and real-time image processing technologies. Empower Canada also believes most of its revenue will be generated from engineering services, OEM manufacturing and hardware products.

II. Telecommunication and IT Services:

AIC Global Communications Inc. (“AIC”), a wholly-owned subsidiary of the Company, is a CRTC approved Long Distance Telecommunications Company in Canada. AIC provides retail telecommunications services using Cisco's SIP phones and devices, as well as bi-lateral wholesale long distance traffic termination for national and international carriers using multiple class 4 soft switches to transit VoIP traffic between carriers and class 5 soft switches for local and long distance telephony services and additionally it provides services such as IP PBX (“Internet Protocol Private Branch Exchange”) features, call center services, calling card platform, types of authorization to end-users and corporate clients. In general, soft switch software enables a computer to behave like a physical phone switch in a telephone network central office.

AIC’s telephony products and services include legacy fixed line PSTN (“Public Switched Telephone Network”) and Voice-over-Internet Protocol (“VoIP”) based Long Distance telephone services, ADSL internet access service, prepaid telephone cards, postpaid long distance and international call back services. AIC has delivered over 600 state-of-the-art Smart Business VoIP phone services to the Small Medium Enterprises (“SME”) market in Canada. AIC currently has annual revenue of around $2 million based on existing business and is cash flow positive. Plans are now in place to deploy Managed Business Solutions to the SME market starting mid 2013 across Canada to grow revenue. AIC is also selling internet connection, TV service and IP Phone, the so called “Triple Play” to residential and business customers.

AIC’s revenue growth will be through the execution of its business plan. First, to expand its sales and marketing effort of the Smart Business VoIP phone services, Hosted IP PBX business systems, security, surveillance and alarm monitoring services to the SME market utilizing its Cloud based platforms. Second, launch the “Triple Play” service to residential and business customers. Plans are in place to sell Managed Business Solutions to the SMEs across Canada this year. Introduction of the triple play offering (High speed internet, TV and Home phone services) to AIC’s existing residential customer base and to new subscribers, the same package tailored to business customers will also be offered.

The Company Focus

The Company is currently focused on generating significant revenue from AIC Global Communications Inc. and to build a sales channel for Empower’s core technologies products and solutions such as LEOs embedded computer platforms, ISC and IMS enabled surveillance cameras and video stabilizers and from offering embedded engineering and full service manufacturing to developers and manufacturers.

The Company intends to generate and increase revenue by deploying the following strategy:

1. Using AIC Global Communications as the catalyst and the main driver to generate sales and profit growth and,

2. Empower Canada will focus their sales and marketing of their respective embedded and real-time Image processing technologies, products and services by leveraging on AIC Global Communications customers and sales channel;

3. Empower will accelerate its M&A activity of complementary businesses to leverage Empower’s technologies, products and services, sales and marketing platforms to achieve rapid revenue and profit growth;

Principal Products or Services:

The Company generates a significant portion of revenues through its newly acquired subsidiary – AIC. AIC has multiple deliverable arrangements and revenue streams comprised of upfront fees (one-time setup fees), Customer Premise Equipment (“CPE”) and related recurring subscription fee with contract. AIC also generates revenues through the sale of modems and gateways. Empower Canada has revenue from engineering and manufacturing service and hardware products such as Single Board Computer (“SBC”) and surveillance camera.

Recent Developments:

In the last quarter, the Company had the following developments:

1. Announces effective February 1st, 2014 the Company will be relocated to their new office right in the heart of Vancouver's financial district downtown. This new location brings the Company to the front step of the investment and financial community in Vancouver. Empower's new office will also serve as the head office for Empower's new subsidiary "AIC Global Communications Inc." The AIC head office will house its National Operation Centre (NOC) to monitor and control its telecommunication network serving its residential and business customers across Canada. AIC currently has four retail customer service centres located in Vancouver/Burnaby, Calgary and Toronto.

PERFORMANCE SUMMARY

For the three month period ended March 31, 2014, the Company has incurred a smaller loss of $199,017 or $0.01 per share, compared with a loss of $312,270 or $0.01 per share for the three month period ended March 31, 2013. This loss represents expenditures related to the ongoing development and marketing of the Company's products. This is consistent with the Company's business plan.

The total expenses excluding share-based payments increased to $578,060 for the three months ended March 31, 2014, compared with $324,677 for the three month period ended March 31, 2013. Revenue increased to $658,306 for the Quarter, compared to $52,824 for the three month period ended March 31, 2013.

As at March 31, 2014, the Company had cash of $35,765 compared to $32,886 at March 31, 2013.

The Company expects overall operating expenses will stay at current level in the foreseeable future.

RESULTS OF OPERATIONS

	Three months ended March 31, 2014	Year Ended December 31, 2013	Three months ended March 31, 2013
Sales			
Canada	$ 658,306	$ 803,842	$ 52,834
United States of America	-	-	-
Asia	-	-	-
	658,306	803,842	52,834
Cost of sales	279,263	368,103	41,082
Gross Margin	379,043	435,739	11,752
Total expenses	578,060	2,044,731	324,677
Loss per share	$ (0.01)	$ (0.03)	$ (0.01)
Total assets	$ 897,006	$ 1,132,998	$ 130,250

Revenue

Revenues generated for the three months ended March 31, 2014 were $658,306, compared with $52,834 for the three months ended March 31, 2013. The reason for the increase revenue is due to the Company's newly acquired subsidiary AIC Global Communications, Inc.

Cost of Sales

Cost of material sold during the quarter was $279,263, compared with $41,082for the period ended March 31, 2013. Cost of material sold as a percentage of sales amounted to 42% in the quarter, compared with 78% for the same quarter in 2013.

General and Administrative

General and administrative expenses without share-based payments and R&D costs for the three months ended March 31, 2014 increased to $578,060 (2013 - $324,677) due to the newly acquired subsidiary – AIC Global Communications, Inc. Advertising and promotion increased to $11,675 (2013 - $2,216). Rent increased to $31,607 (2013 - $6,250) due to the inclusion of four AIC retail stores. Consulting fees was $147,052 (2013 - $58,350).

SUMMARY OF QUARTERLY RESULTS

	Three Months Ended March 31, 2014	Three Months Ended December 31, 2014	Three Months Ended September 30, 2013	Three Months Ended June 30, 2013
Total assets	$ 897,000	$ 1,132,998	$ 406,489	$ 130,250
Share-based payments	-	-	-	-
Working capital (deficiency)	(4,053,920)	(3,944,244)	(3,455,983)	(2,900,555)
Shareholders' deficiency	(5,645,424)	(5,447,749)	(6,148,833)	(5,593,282)
Revenues	658,306	213,510	555,097	-
Net loss	(199,017)	(642,014)	(327,982)	(312,270)
Loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)

	Three Months Ended March 31, 2013	Three Months Ended December 31, 2012	Three Months Ended September 30, 2012	Three Months Ended June 30, 2012
Total assets	$ 130,250	$ 64,888	$ 342,945	$ 356,335
Share-based payments	-	(5,017)	8,615	11,857
Working capital (deficiency)	(2,900,555)	(2,760,858)	(2,282,776)	(2,006,692)
Shareholders' deficiency	(5,593,282)	(5,452,562)	(4,965,348)	(4,687,683)
Revenues	-	24,667	-	21,865
Net loss	(312,270)	(481,427)	(286,280)	(259,286)
Loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)

FIRST QUARTER RESULTS

Revenues generated for the three months ended March 31, 2014 were $658,306, compared with $52,834 for the three months ended March 31, 2013. The reason for the increased revenue is due to the Company's newly acquired subsidiary – AIC Global Communications, Inc.

General and administrative expenses without share-based payments and R&D costs for the three months ended March 31, 2014 increased to $578,060 (2012 - $324,677) due to the newly acquired subsidiary – AIC Global Communications, Inc.

LIQUIDITY

The Company has financed its operations to date primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt. As at March 31, 2014, there were 2,165,000 share purchase warrants outstanding. These warrants represent a source of equity capital for empower, should they be exercised.

The consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards on the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	Three months ended March 31, 2014	Three months ended March 31, 2013
Deficit	(32,302,964)	(30,833,393)
Working capital	(4,053,920)	(2,900,555)

Net cash used in operating activities for the Quarter was $300,121 compared to net cash used of $233,175 for the three month period ended March 31, 2013. The use of cash remained the same for the three month period ended March 31, 2014.

Net cash used for investing activities for the Quarter was $8,760 compared to net cash used of $NIL for the three month ended March 31, 2013.

Net cash generated by financing activities for the Quarter was $19,435 compared to net cash used of $263,027 for the three month period ended March 31, 2013. The cash generated during the current period was caused primarily by proceeds of loans and proceeds from shares received in advance.

At March 31, 2014, the Company had $35,765 in cash. The Company has been incurring operating losses (excluding stock-based compensation and amortization) at the average rate of $282,756 per month over the last three months.

CAPITAL RESOURCES

The authorized capital of the Company consists of unlimited common shares without par value. As at March 31, 2014, there are 66,475,279 common shares issued and outstanding.

Empower has 1,440,000 outstanding stock options as of March 31, 2014. Should these stock options be exercised by the holders, then the equity contributed to the company would be $144,000.

	Three Months Ended March 31, 2014		Three Months Ended March 31, 2013	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	1,440,000	$ 0.10	2,486,662	$ 0.12
Options granted	-	-	-	-
Options forfeited	-	-	-	-
Options expired or cancelled	-	-	(291,662)	0.22
Outstanding, end of period	1,440,000	$ 0.10	2,195,000	$ 0.11
Number of options exercisable, end of period	1,440,000	$ 0.10	747,500	$ 0.10

Empower has 2,165,000 share purchase warrants outstanding as of March 31, 2014. Should these warrants be exercised by the warrant holders, then the equity contributed to the Company would be $216,500.

	Three Months Ended March 31, 2014		Three Months Ended March 31, 2013	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	2,165,000	$0.21	2,551,000	$0.25
Warrants granted	-	-	-	-
Warrants expired	-	-	-	-
Outstanding, end of year	2,165,000	$0.10	2,551,000	$0.21
Number of warrants currently exercisable	2,165,000	$0.10	2,551,000	$0.21

As at March 31, 2014, the following warrants are outstanding:

Number of Warrants	Exercise Price	Expiry Date
2,165,000	$0.10	April 2, 2014

As at May 30, 2014, all of the above warrants have been expired.

Empower has not committed to any material future capital expenditure.

COMMITMENTS

The Company has entered into an operating lease agreement for its premises. The annual basic lease commitments under this lease are as follows:

Not later than one year	$ 86,029
Later than one year and no later than five years	$ 229,208
	$ 315,237

OUTSTANDING SHARE DATA

As at May 30, 2014, there were 66,475,279 common shares outstanding, in addition there were 1,440,000 stock options outstanding ranging between $0.10 per share, and 2,165,000 share purchase warrants at $0.10. More information on these instruments and terms of their conversion is set out in note 10 and 11 of the interim Financial Statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS AND BALANCES

Key management includes directors, and officers of the Company. The Company entered into the following transactions with related parties:

a. Paid or accrued consulting fees of $48,000 (three month period ended March 2013 - $48,000) for services provided by certain directors and officers of the Company.

b. Paid or accrued salaries and benefits of $38,050 (three month period ended March 2013) for services provided by the President of AIC and the officer.

c. Paid or accrued directors' fees of $18,000 (three month period ended March 2013 - $18,000) for services provided by directors and officers of the Company. Included in current accounts payable is $1,235,015 (2013 - $1,012,642) due to certain directors and officers of the Company.

At March 31, 2014, $2,207,058 (2013 - $1,371,288) of short term loans payable with interest bearing 10% and are unsecured. The Company also has $2,210,246 (2013 - $2,724,457) of secured loans payable to the directors and officers. The long term loans bear interest at 10% and are secured. The total interest paid or accrued to the directors and officers was $342,284.02 (2013 - $126,950) for the three month period ended March 31, 2014. The amounts charged to the Company for the services provided have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

CRITICAL ACCOUNTING ESTIMATES

Use of estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the years reported. Significant areas requiring the use of management estimates include the determination of impairment of property and equipment, depreciation rates for equipment, effective interest rate used in calculating the debt portion of convertible debenture, deferred income tax assets and liabilities, allowance for doubtful accounts, provisions including amounts for inventories and the determination of the assumptions used in calculating fair value of share-based payment calculations. Actual results could differ from these estimates.

FINANCIAL INSTRUMENTS AND RISK

The carrying value of accounts receivable, accounts payable and accrued liabilities, obligation under finance lease, convertible debenture and loans payable approximated their fair value.

Financial instruments measured at fair value on the financial position are summarized in levels of fair value hierarchy as follows:

Assets	Level 1	Level 2	Level 3	Total
Cash	$ 35,765	$ -	$ -	$ 35,765

The Company is exposed to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

(i) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfil its contractual obligations. Such risk arises principally from certain financial assets held by the Company consisting of trade receivables. The maximum exposure to credit risk of the Company at period end is the carrying value of these financial assets.

The Company's cash is held with high-credit quality financial institutions. Provisions for doubtful accounts are made on a customer by customer basis. All write downs against receivables are recorded in the Consolidated Statement of Comprehensive Loss. The Company is exposed to credit related losses on sales to customers outside of North America due to higher risks of enforceability and collectability. Accounts receivable at March 31, 2014 are comprised of trade accounts receivable. Sufficient allowance for doubtful accounts is set up as at March 31, 2014.

(ii) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments.

(a) Foreign Exchange Risk – The Company operates internationally and is exposed to foreign exchange risk from various currencies, primarily the U.S. Dollar and the Chinese Renminbi. Foreign exchange risk arises from sales and purchase transactions as well as recognized financial assets and liabilities that are denominated in currencies other than the Canadian dollar, which is the functional currency of the Company and its subsidiaries.

During the three month period ended March 31, 2014 and at December 31, 2013, the Company held only minor amounts of cash deposits in foreign currencies.

(b) Interest Rate Risk – 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. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not have any debt instruments outstanding with variable interest rates at March 31, 2014. Financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. No hedging relationships have been established for the related monthly interest or for the principal payments. The Company manages its interest rate risk by minimizing financing costs on its borrowings and maximizing income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day to day basis.

(iii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. At March 31, 2014, the Company had cash of $35,765. Monthly operating expenses approximate $282,756. The continuation of the Company depends upon the support of its lender and equity investors, which cannot be assured.

SUBSEQUENT EVENTS

There are no subsequent events for the period ended March 31, 2014.