EMPOWER TECHNOLOGIES

Amended and Restated

FORM 51-102F1
EMPOWER TECHNOLOGIES CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014

The following discussion and analysis, prepared and amended as of June 29, 2015, should be read together with the consolidated financial statements for the year ended December 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.

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 our wholly-owned Washington State subsidiary Empower Technologies, Inc. ("Empower US"), and indirectly through Empower Technologies (Canada) Inc. ("Empower Canada"), Empower Technologies (Shanghai) Inc. ("Empower Shanghai"), and AIC Global Communications Inc. ("AIC"). The Company trades on the TSX Venture Exchange under the symbol EPT.

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

DESCRIPTION OF BUSINESS

Empower Technologies (the "Company") is 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 imaging technology knowhow and expertise, the Company has acquired a telecommunication company on July 31, 2013 to provide the sale of telecommunication and IT services for the residential and commercial market.

Growth Strategy

Our immediate growth strategy is based on AIC 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 Internet of Things (IoT) and business solutions, products and services provider for the small and medium enterprises in North America and leverage Empower's advanced embedded, Internet of Things and video processing technologies to give it the competitive advantage.

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

I. 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 softswitches to transit VoIP traffic between carriers and class 5 softswitches 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, softswitch 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.

II: Internet of Things (IoT)

The term **Internet of Things** (commonly abbreviated as **IoT**) as defined in the Cisco website (http://www.cisco.com/web/solutions/trends/iot/overview.html) "is the network of physical objects accessed through the Internet, as defined by technology analysts and visionaries. These objects contain **embedded technology** to interact with internal states or the external environment. In other words, when objects can sense and communicate, it changes how and where decisions are made, and who makes them."

Empower is at the forefront of delivering Internet of Things products and services to the consumers and business customers. The objects as it is commonly referred to in the Internet of Things (IoT) are really everyday devices consumers and businesses already familiar with and being applied in everyday convenience. These objects include electronics inside vehicles, alarms, surveillance camera, smartphone, tablet computer, TV, the utility meters (power, water and gas) and even your thermostat. They will all be connected using the latest internet and communication technology. Internet of Things economy encompasses all those devices (objects) and they must be managed or hosted. Internet Service Providers such as AIC Global Communications Inc. (a wholly-owned subsidiary of Empower) already have the infrastructure, IT platform, sales and marketing channels and the subscriber base to capture the IoT consumer and business market that demands security, reliability, safety, privacy and most important – secure connectivity to the internet/communication network at all time. The market and the opportunity for IoT will dwarf that of the PC, dotcom and social media markets combined. According to research reports from Gartner and ABI Research, there will be more than 25 to 30 billion IoT (Internet of Things) devices wirelessly connected to the Internet by 2020.

III: 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.

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 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 to achieve rapid revenue and profit growth;

Principal Products or Services:

The Company generates a significant portion of revenues, through its subsidiary, AIC, in the sale of telecommunication services. The Company has multiple deliverable arrangements comprised of upfront fees (one-time setup fees) and related subscription revenue. The Company also generates revenues through the sale of modems and gateways.

Revenue from telecommunications services include subscriber revenue earned as services are provided including home and business telephone, internet, long distance and TV.

Recent Developments:

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

Announces, further to the December 4, 2014 news release, the Company has received the TSX Venture Exchange approval of 800,000 Empower Bonus Shares to the Company Directors and Officers for a non-arm's length loan in the amount of $200,000.

Announces the signing of a Loan Agreement the Company entered on December 3, 2014 with the non-arm's length Directors and Officers of the Company.

Announces Empower Technologies™ Refiles Amended and Restated 2014 Q1 and Q2 Unaudited Interim Financial Statements and 2014 Q1 MD&A.

Announces TSXV Approval of 800,000 Empower Bonus Shares to the Directors and Officers of the Company for Providing a $200,000 Loan

Announces $200,000 Financing of Loan Agreement with the Directors and Officers of the Company

Announces Launching New Websites for Empower Technologies and its Wholly-owned Subsidiary AIC Global Communications

Announces TSXV Approval of 1,600,000 Bonus Shares to the Directors and Officers of the Company for Providing a Loan and a Non-Brokered Private Placement of 540,000 Units

Announces, further to the news release on June 4, 2014, the Company has proceeded with the TSX Venture Exchange Approval to issue 2,500,000 common shares for debt.

Announces $454,000 Financing of Loan Agreement with the Directors and Officers of the Company and a Non-Brokered Private Placement of Units

Announces Appointment of New Director, Mr. Masaaki Yasukawa

Announces effective February 1st, 2014 the Company moves Head Office to Downtown Vancouver Financial District

PERFORMANCE SUMMARY

	Year Ended December 31, 2014	Year Ended December 31, 2013
Sales	2,008,530	803,842
Expenses	4,166,488	2,412,834
Other items (expenses)	42,159	(529)
Total expenses	(4,208,647)	(2,412,305)
Loss and comprehensive loss	(2,115,799)	(1,584,167)
Loss per share	$ (0.03)	$ (0.03)
Total assets	$ 691,512	$ 1,132,998

For the year ended December 31, 2014, the Company has incurred a loss of $2,115,799 or $0.03 per share, compared with a loss of $1,584,167 or $0.03 per share for the year ended December 31, 2013. The increase in the loss is due to expenditures related to the inclusion of a full year of operations for its subsidiary AIC. This is consistent with the Company's business plan, as they are incurring costs in the short-term to increase long-term profitability.

Revenue

Revenues generated for the year ended December 31, 2014 were $2,008,530, compared with $803,842 for fiscal 2013. The increase is mainly attributable to the inclusion of a full year of operation of its subsidiary, AIC. All of the sales in this period are attributable to products and services provided in Canada.

The total expenses increased to $4,208,647 for the year ended December 31, 2014, compared with $2,412,305 for the year ended December 31, 2013. Revenues increased to $2,008,530 for the year ended December 31, 2014, compared to $803,842 for the year ended December 31, 2013. The increase is due to the inclusion of a full year of operations for its subsidiary AIC.

As at December 31, 2014 the Company had cash of $17,752 compared to $364,080 at December 31, 2013.

The Company expects overall operating expenses will stay at current levels and the Company will be profitable when an increase in sales of its telecom products and services materialize.

RESULTS OF OPERATIONS

General and Administrative

	2014	2013
General and Administrative Expenses without R&D	$348,741	$ 266,434
Advertising and promotion	49,455	25,827
Bad Debt	3,178	829
Consulting fees	424,248	325,948
Cost of telecommunication services	929,959	328,571
Cost of telecommunication products	109,272	39,532
Directors' fee	72,000	72,000
Office expenses	129,969	26,897
Rent	135,619	59,439
Set-up costs	82,680	-
Severance payments	52,800	-
Travel	32,990	19,484
Wages and benefits	$ 757,325	$ 310,145

The overall increase in expenses is mainly attributable to the inclusion of a full year of operations for its subsidiary, AIC. A concerted effort to maintain the administrative costs in line with the budget was successful during year 2014.

Research and Development

Research and Development costs (“R&D costs”) have been suspended indefinitely for Empower in 2014. Any new R&D work on operating software and new products, will be expensed as incurred. R&D costs for the year ended December 31, 2014 were $Nil compared to $38,029 for 2013.

SUMMARY OF QUARTERLY RESULTS (i)

	Three Months Ended December 31, 2014	Three Months Ended September 30, 2014	Three Months Ended June 30, 2014	Three Months Ended March 31, 2014
Total assets	$ 691,512	$ 914,713	$ 937,676	$ 897,000
Working capital (deficiency)	(5,853,249)	(4,841,814)	(4,598,937)	(4,053,920)
Shareholders' deficiency	(7,369,393)	(6,401,057)	(6,120,716)	(5,645,424)
Revenues	301,734	493,524	554,966	658,306
Net loss	(1,036,141)	(405,349)	(475,292)	(199,017)
Loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)

	Three Months Ended December 31, 2013	Three Months Ended September 30, 2013	Three Months Ended June 30, 2013	Three Months Ended March 31, 2013
Total assets	$ 1,132,998	$ 406,489	$ 68,058	$ 130,250
Working capital (deficiency)	(3,944,244)	(3,455,983)	(3,152,484)	(2,900,555)
Shareholders' deficiency	(5,447,749)	(6,148,833)	(4,687,683)	(5,593,282)
Revenues	213,510	555,097	35,235	-
Net loss	(642,014)	(327,982)	(301,901)	(312,270)
Loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)

(i) Presented using accounting policies consistent with International Financial Reporting Standards

FOURTH QUARTER RESULTS

Revenue for the fourth quarter ended December 31, 2014 was $301,734 compared to $213,510 for the fourth quarter ended December 31, 2013. During the quarter ended December 31, 2013, the Company had been recently acquired. During the quarter ended December 31, 2014, management has been able to increase efficiencies and sales.

The general and administrative cost for the fourth quarter ended December 31, 2014 increased due to the full year of operation from the acquired subsidiary AIC and the increase in interest expense for the new loans in 2014.

SELECTED ANNUAL INFORMATION

	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Sales	2,008,530	803,842	46,532
Expenses	4,166,488	2,412,834	1,243,320
Other items (expenses)	42,159	(529)	246,833
Total expenses	(4,208,647)	(2,412,305)	(1,490,153)
Loss and comprehensive loss	(2,115,799)	(1,584,167)	(1,453,773)
Loss per share	$ (0.03)	$ (0.03)	$ (0.03)
Total assets	$ 691,512	$ 1,132,998	$ 64,888
Total Long Term Liabilities	$ 2,070,153	$ 1,932,177	$ 2,727,154
Distributions or Cash Dividends	-	-	-

For the year ended December 31, 2014, the Company has incurred revenue of $2,008,530, compared with revenue of $803,842 for the year ended December 31, 2013 and with revenue of $46,532 for the year ended December 31, 2012. The increase in revenue is due to the acquisition of a new subsidiary AIC Global Communications Inc. on July 31, 2013. Year ended December 31, 2014 was the first year the Company accounted for a full year of revenue from its newly acquired wholly-owned subsidiary AIC.

The Company has incurred a loss of $2,115,799 or $0.03 per share, compared with a loss of $1,584,167 or $0.03 per share for the year ended December 31, 2013 and with a loss of $1,453,773 or $0.03 per share for the year ended December 31, 2012. The increase in the loss is due to expenditures related to the inclusion of a full year of operations from its subsidiary AIC. This is consistent with the Company's business plan, as they are incurring costs in the short-term to increase long-term profitability.

Total assets for the Company for the year ended December 31, 2014 is $691,512 compare to December 31, 2013 $1,132,998 and December 31, 2012 is $64,888. The decrease on the year ended December 31, 2014 is partly due to the amortization of the customer relationships acquired through the business combination of AIC Global Communications, Inc. The customer relationships are amortized over their estimated useful lives of five years. The decrease is also caused by the reduction in current asset $ 137,503 (2013 - $484,860, 2012 - $29,439).

The long terms liabilities are mainly Convertible Debentures which are financial instruments that fall within the scope of IAS 32 *Financial Instruments: Presentation* and IAS 39 *Financial Instruments: Recognition and Measurement*. Therefore, the amount of the Convertible Debentures presented for year ended December 31, 2014 - $2,070,153, year ended December 31, 2013 - $1,932,177 and year ended December 31, 2012 – $2,727,154 are in accordance to IAS 32 and IAS 39.

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 December 31, 2014, there were 270,000 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 in accordance 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.

	2014	2013
Deficit	$ (34,221,089)	$ (32,105,290)
Working capital	$ (5, 853,249)	$ (3,944,244)

Net cash used in operating activities for the year ended December 31, 2014 was $1,883,974 compared to net cash used of $893,419 for the year ended December 31, 2013. The cash used in operating activities for the year consisted primarily of operating expenses, office, marketing and sales activities, and engineering activities.

Net cash used for investing activities for the year ended December 31, 2014 was $45,278, and net cash received from investing activities for the year ended December 31, 2013 was $121,328.

Net cash provided by financing activities for the year ended December 31, 2014 was $1,582,924 compared to net cash provided of $1,107,402 for the year ended December 31, 2013. The cash provided during the year was due to the proceeds from issuance of common shares, issuance of debentures and proceeds from loan.

As of December 31, 2014, the Company had $17,752 in cash compared to $364,080 as at December 31, 2013.

CAPITAL RESOURCES

The authorized capital of the Company consists of unlimited common shares without par value. As at December 31, 2014, there are 71,915,279 common shares issued and outstanding.

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

	Year Ended December 31, 2014		Year Ended December 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	1,540,000	$ 0.10
Options granted	-	-	-	-
Options forfeited	-	0.10	(70,000)	0.10
Options expired or cancelled	-	-	(30,000)	-
Outstanding, end of year	1,440,000	$ 0.10	1,440,000	$ 0.10
Number of options exercisable, end of year	1,440,000	$ 0.10	1,440,000	$ 0.10

Empower has 270,000 share purchase warrants outstanding as of December 31, 2014. Should these warrants be exercised by the warrant holders, then the equity contributed to the Company would be $40,500.

	2014		2013	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	2,165,000	$ 0.10	2,551,000	$ 0.21
Warrants granted	270,000	0.15	2,165,000	0.10
Warrants expired	(2,165,000)	0.10	(2,551,000)	0.21
Outstanding, end of year	270,000	$ 0.15	2,165,000	$ 0.10
Number of Warrants currently exercisable	270,000	$ 0.15	2,165,000	$ 0.10

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

Number Of Warrants	Exercise Price	Expiry Date
270,000	$0.15	July 2, 2015

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	$ 93,896
Later than one year and no later than five years	$ 197,583
	$ 291,479

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

OUTSTANDING SHARES

As at April 30, 2015, the Company has 71,915,279 common shares outstanding. Changes since December 31, 2012 are as follows:

	Shares
Balance, December 31, 2012	56,745,279
Non-brokered private placement	4,330,000
Share issued for acquisition of AIC	3,000,000
Balance, December 31 2013	64,075,279
Shares for debt to directors	2,500,000
Bonus shares issued	4,800,000
Non-brokered private placement	540,000
Balance, April 30, 2015	71,915,279

The Company is also committed to issue 800,000 shares to certain directors and officers as bonus shares for loans issued to the Company.

RELATED PARTY TRANSACTIONS

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

	2014	2013
Consulting fees (i)	$204,000	$192,000
Salaries (ii)	159,177	60,000
Severance payments (iii)	52,800	-
Directors' fees	72,000	72,000
Key management compensation	$487,977	$324,000

(i) Consulting fees are paid or accrued to the directors and officers of the Company.
(ii) Salaries are paid and accrued to the former President and key management personnel.
(iii) During the year ended December 31, 2014, the Company terminated the President of its wholly-owned subsidiary AIC Global Communications Inc., and as per the terms of their employment agreement, was required to provide a severance payment upon termination.

The Company has incurred $675,397 (2013 $535,958) in interest on short-term and long-term loans and convertible debentures made by the directors and officers of the Company during the year ended December 31, 2014.

These transactions were in the normal course of business and were measured at the exchange amount, which represented the amount of consideration established and agreed to by the related parties.

Balances due to related parties consist of the following:

	Year Ended, December 31, 2014	Year Ended, December 31, 2013
Accounts payable (i)	$ 112,609	$ 1,169,015
Convertible debentures (ii)	2,584,015	2,120,114
Short-term advances (iii)	951,400	662,564
Loans payable (iv)	3,056,165	1,432,611

(i) Unsecured, non-interest bearing and due on demand.
(ii) See Note 7.
(iii) Unsecured, bearing interest at 8.5%, and due on demand.
(iv) As at December 31, 2014, included in loans payable is $1,454,504 (2013 - $1,529,000) due on demand and $1,660,761 (2013 – Nil) due between June 30, 2015 to December 31, 2015. The loans payable are bearing interest ranging from 12% to 14% per annum. The Company has recorded the loans payable net of deferred transaction costs of $59,100 (2013 – $96,389). Each loan is secured by a General Security Agreement.

CRITICAL ACCOUNTING ESTIMATES

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect: the reported amounts of assets and liabilities at the date of the consolidated financial statements; the disclosure of contingent assets and liabilities at the date of the consolidated financial statements; and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates

The Company's significant estimates and assumptions include the following:

- the allowance for doubtful accounts;
- the allowance for inventory obsolescence;
- the provision for contingent considerations;
- the estimated useful lives of property and equipment;
- the estimated useful life of customer relationships;
- the valuation of deferred income tax assets and liabilities;
- the fair values of financial instruments;
- the interest rates used in calculating the debt portion of convertible debentures; and
- the assumptions used in calculating fair value of share-based payment calculations.

Judgments

The Company's significant judgments, apart from those involving estimation, include the following:

- In respect of revenue-generating transactions, generally the Company must make judgments that affect the timing of the recognition of revenue.

- The Company must make judgments about when it has satisfied its performance obligations to its customers, either satisfied over a period of time or at a point in time. Service revenues are recognized based upon customers' access to, or usage of, the Company's services; the Company believes this method faithfully depicts the transfer of the services and thus the revenues are recognized as the services are made available and/or rendered. The Company considers its performance obligations arising from the sale of equipment to have been satisfied when the products have been delivered and accepted by the end-user customers.

- The decision to depreciate and amortize any property, equipment and intangible assets that are subject to amortization on a straight-line basis, as the Company believes that this method reflects the consumption of resources related to the economic lifespan of those assets better than an accelerated method and is more representative of the economic substance of the underlying use of those assets.

CHANGES IN ACCOUNTING POLICIES

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2014, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

New Accounting Standards effective January 1, 2014

The Company adopted the following standards and amendments beginning January 1, 2014:

IAS 32 Financial Instruments: Presentation - In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Earlier application is permitted when applied with corresponding amendment to IFRS 7 Financial Instruments: Disclosures.

IAS 36 Impairment of Assets – In May 2013, the IASB issued an amendment to address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

IFRIC 21 Levies – IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

The adoption of the above standards and amendments did not have a significant impact on the consolidated financial statements.

The following standard will be effective for annual periods not earlier than January 1, 2016

IAS 16 Property, plant and equipment - In May 2014, the IASB amended IAS 16, which is effective for annual periods beginning on or after January 1, 2016. The amendment clarifies that a depreciation method for property, plant and equipment that is based on revenue that is generated by an activity that includes the use of an asset is not allowed.

IAS 38 Intangible assets - In May 2014, the IASB amended IAS 38, which is effective for annual periods beginning on or after January 1, 2016. The amendment clarifies that an amortization method for intangible assets that is based on revenue that is generated by an activity that includes the use of an intangible asset is not allowed. Exceptions are allowed where the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The extent of the impact of adoption of these standards and interpretations on the consolidated financial statements of the Company has not been determined.

The following standard will be effective for annual periods not earlier than January 1, 2018:

IFRS 9 Financial instruments, classification and measurement - IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 Financial Instruments: Recognition and Measurement for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 was subsequently amended in November 2013 to add new general hedge accounting requirements. The final version of IFRS 9 was issued in July 2014 and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

IFRS 15 Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS 15 which supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

The extent of the impact of adoption of these standards and interpretations on the consolidated financial statements of the Company has not been determined.

FINANCIAL INSTRUMENTS AND RISK

The carrying value of accounts receivable, accounts payable, obligations under finance lease, convertible debentures, provision and loans payable approximated their fair values due to their short-term nature or current market interest rates of similar instruments.

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

Assets	Level 1	Level 2	Level 3	December 31, 2014 Total
Cash	$ 17,752	$ -	$ -	$ 17,752

The Company is exposed to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management monitors 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 cash and trade receivables. The maximum exposure to credit risk of the Company at year 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 trade receivables are recorded in the consolidated statement of comprehensive loss. Amounts receivable at December 31, 2014 are comprised of trade accounts receivable. The Company has recorded allowance of doubtful accounts of $7,021 as at December 31, 2014 (2013 - $31,500).

The Company's maximum exposure to credit risk at December 31, 2014 and 2013 under its financial instruments is the carrying value of cash and amounts receivable. Amounts receivable are summarized as follows:

	December 31, 2014	**December 31, 2013**
Amounts receivable -		
Currently due	$ 65,540	$ 86,466
Past due by 90 days or less, not impaired	1,609	8,177
Past due by greater than 90 days, not impaired	7,330	-
	$ 74,479	$ 94,643

(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. 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. As at and during the year ended December 31, 2014, the Company held only minor amounts of cash held 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 December 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 December 31, 2014, the Company had a working capital deficiency. The continuation of the Company depends upon the support of its lenders and equity investors, which cannot be assured. The Company's financial liabilities have contractual maturities summarized as follows:

	Less than 1 Year	**Years 2 and 3**	**More than 3 Years**	**Total**
Accounts payable and accrued liabilities	$547,381	-	-	$547,381
Finance lease obligations	$23,824	$11,942	-	$35,766
Convertible debentures and interest	$1,057,996	$2,724,457	-	$3,782,453
Loans payable	$4,066,666	-	-	$4,066,666

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 accompanying financial statements.

The issuer'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 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

APPROVAL

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of Empower Technologies Corporation has approved the financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

SUBSEQUENT EVENTS

There are no subsequent events for this period.