PUDO INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTH PERIODS ENDED

NOVEMBER 30, 2016

(EXPRESSED IN CANADIAN DOLLARS)

Prepared by:

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Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of PUDO Inc. ("PUDO" or the "Company"), formerly "Grandview Gold Inc.", constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine month period ended November 30, 2016. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the consolidated financial statements of the Company for the three and nine month period ended November 30, 2016, together with the notes thereto and the audited financial statements of PUDO Inc. for the year ended February 29, 2016, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as of December 20, 2016, unless otherwise indicated. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). "). The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS. Information contained herein is presented as of December 20, 2016, unless otherwise indicated.

The Company's fiscal year end is February 28.

Further information about the Company and its operations is available at 400 Brunel Road, Mississauga, Ontario, Canada, L4Z 2C2.

Cautionary Note Regarding Forward-Looking Information

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

Forward-looking statements	Assumptions	Risk factors
The Company will be able to continue its business activities	The Company has anticipated all material costs and the operating activities of the Company, and such costs and activities will be consistent with the Company's current expectations; the Company will be able to obtain debt or equity funding when required	Unforeseen costs to the Company will arise; any particular operating cost increase or decrease from the date of the estimation; and capital markets not being favorable for funding and/or related parties discontinue funding the Company resulting in the Company not being able to obtain financing when required or on acceptable terms
The Company will be able to carry out anticipated business plans	The operating activities of the Company for the twelve months ending February 28, 2017, will be consistent with the Company's current expectations	Sufficient funds not being available; increases in costs; the Company may be unable to retain key personnel

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

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

Overview

The condensed interim consolidated financial statements for the three and nine month period ended November 30, 2016 have been prepared with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

PUDO is listed on the Canadian Securities Exchange under the symbol "PDO".

On February 28, 2016, PUDO Inc. completed a vertical short-form amalgamation pursuant to the Business Corporations Act (Ontario) with its wholly-owned subsidiary, My Courier Depot Inc. ("MCD"). Pursuant to the Amalgamation, all of the issued and outstanding shares of MCD were cancelled and the assets, obligations and liabilities of MCD were assumed by PUDO. No securities of PUDO were issued in connection with the Amalgamation and the share capital of PUDO was unchanged. The amalgamation of PUDO and MCD has been undertaken in order to simplify the corporate structure of PUDO and to reduce administrative costs. The Amalgamation did not have any significant effect on the business and operations of PUDO.

Description of Business

PUDO's registered office is situated at 400 Brunel Road, Mississauga, Ontario, Canada, L4Z 2C2. PUDO's principal activity is providing E-commerce shipment services through collaboration with specific online retailers for delivery of their products and working with national and international courier companies to provide alternate drop-off and pickup options of packages.

PUDO's business is the last mile delivery solution for parcel pick-up and drop-off services, providing in-store over the counter pick-up services to courier companies, E-tailers and consumers. All PUDO's services are offered on our website and are a full web based service, available over the internet. PUDO's services can be found in convenience stores, gas stations, and other variety stores that are typically open extended hours 7 days a week. ("PUDOpoints™"), allowing registered E-tailers, courier companies and consumers to use these stores as pick-up and drop-off locations for parcels.

PUDO's services provide courier companies and E-tailers with a retail presence in a broad variety of locations to better serve customers in residential and rural areas. The services also cut costs for courier companies who traditionally rely on their warehouses as pickup locations or suffer the additional costs of repeated delivery attempts to residences and/or small businesses. E-tailers can ship parcels to PUDOpoints saving the costs and risks of residential delivery, enabling their customer to pick up their parcel at a convenient PUDOpoint, when it's convenient for them. E-tailers can also use PUDOpoints to make returns more convenient for customers while saving costs. PUDOpoints serve as drop off locations for returns, allowing the customer to drop the parcel off where and when it's convenient. PUDO E-tailer customers are eligible for shipping discounts through PUDO's affiliate couriers as well. PUDO's services are also available to consumers for "consumer-to-business" or "consumer-to-consumer" transactions. Registered consumers are able to designate a nearby PUDO Point as the address to which certain parcels are to be sent in lieu of a home delivery. Conversely, registered consumers are able to process shipments online either with PUDO or directly with a registered courier company and drop off the parcel at any PUDOpoint for pickup by the courier.

Overall Performance

<u>How PUDO Works:</u>

Through the Company's PUDOpoint network, made up of community based businesses such as convenience stores and gas stations, the Company will provide area residents, students, home based work professionals, the e-commerce industry and courier companies with the only national and courier-neutral, last mile delivery solution.

All recipients are notified electronically when a shipment arrives for them to pick up. For the online shopper, purchases made through a Company affiliated E-tailer allow the use of a PUDO address free of charge. This option will be provided at check out and PUDO membership is not required.

For any other personal or business use of a PUDOpoint address, membership is required. Membership is free and allows the member the use of a PUDOpoint address as their ship to address whenever they have a need. Known as our pay as you go service, for a small fee of $3.00 for shipments weighing up to

10 lbs., or $5.00 if over 10 lbs. (but not over 30 lbs.), the member can select the PUDO Point address of their choice to receive any other courier or postal delivery. This includes online purchases made through any non-affiliated E-tailer. The fee is paid at time of pick up. For couriers, PUDO offers a courier-partner agreement that permits these specific couriers to use PUDOpoints as alternate delivery locations for failed first attempt deliveries.

The Company has developed a technology solution which was rolled out in September 2015 to all dealers. It easily handles the challenges of a dealer's busy check-out counter. One scan of the barcode does it all – fast and simple! The system provides accurate live data on every scan, improving accounting and reporting functions to our dealers. It also provides signature capture to our partnered couriers. For E-tailer customers, the software sends a notification and details to the customer that the shipment is ready for pick up on which can also be attached a direct marketing message on behalf of the retailer or other vendors.

Overall Performance

On March 3, 2016, PUDO finalized the purchase of KINEK. KINEK provides a series of US Border Point locations that consumers can use as a US address to access sellers who don't ship to Canada, and/or avoid expensive cross-border shipping/brokerage fees.

On August 11, 2016 PUDO launched "PUDOfuse", an application programming interface that interfaces with any IT platform. PUDOfuse provides E-tailers and consumers with information about the real-time PUDOpoint network for outbound and return shipping. On the same day, Shopify made PUDOfuse available in their App Store to their more than 280,000 E-commerce businesses.

Highlights

PUDO Parcel Analysis

During the three-month period ended, November 30, 2016 parcel volume reached a new all-time high for PUDO. Parcel volumes even exceeded the spike in deliveries during the threat of Canada Post labour disruptions during Q2. Comparing sequential quarters, parcel volumes were up 15% in Q3 (ending November 30, 2016) compared to Q2 (ending August 31, 2016).

Currently, the majority of parcels are being received from PUDO's courier customers, with the remainder from various sources including consumers who are choosing to use PUDO/KINEKpoints for online purchases.

Beginning in October 2016, PUDO launched pilot programs with several of US Regional couriers for first attempt delivery failures in cities around the US. This program is validating the technology interface and training requirements for future US expansion.

PUDO Customers

During the nine month period ended November 30, 2016 the number of deliveries to the PUDOpoint system by couriers was more than six times greater than during the comparable nine-month period ended November 30, 2015. Factors for this growth include the PUDOpoint network expansion, as well as the courier's promotion of the PUDOpoint network to their customers.

By the end of November 2016, PUDO signed five year marketing and sales agreements with several major US regional couriers. These couriers are also an integral part of the PUDO Returns system that will be available to E-tailers to reduce reverse logistics costs.

PUDOpoint Network

By November 30, 2016, the PUDOpoint network in the US and Canada had expanded to more than 900 locations, who have been handling more than 2,000 parcels each delivery day. On November 30, 2015 PUDO had 109 active PUDOpoints

By November 30, 2016, PUDO had registered more than 2,000 Canadian retail locations interested in becoming active PUDOpoints. These locations include partnerships with national and regional convenience store chains.

By November 30, 2016, PUDO had registered more than 3,500 US retail locations interested in becoming active PUDOpoints. These locations include partnerships with independently owned convenience stores as well as a number of national and regional convenience store chains.

By the end of Q3, 2016 KINEK had more than 125 active Border Points providing Canadian shoppers with a U.S. address.

Financial

At November 30, 2016, the Company had assets of $1,010,546 (February 29, 2016 - $1,288,409) and a deficit of $3,847,279 (February 29, 2016 – $2,928,682). At November 30, 2016, the Company had liabilities of $630,744 (February 29, 2016 - $375,495). At November 30, 2016, the Company had a working capital (deficiency) of ($127,050) (February 29, 2016 – working capital of $786,969), had not yet achieved profitable operations, had used cash of $634,847 (November 30, 2015 - $783,943) in operating activities during the nine month period ended November 30, 2016. The Company had cash of $101,019 as at November 31, 2016 (February 29, 2016 - $891,301). The Company had sales of $282,882 and $661,706 for the three and nine month periods ended November 30, 2016, respectively (November 30, 2015 - $30,004 and $72,113).

Acquisition

On March 3, 2016, the Company acquired certain assets and assumed certain liabilities from 640624 N.B. Ltd. (o/a Kinek) a New Brunswick-based corporation. The Company issued 116,745 common shares to Kinek with a value of $3.00 per share, based on the market share price on the date of issuance, for a total cost of $350,235. The principal reason for this acquisition was to add approximately 109 operating parcel pick up and drop off locations with approximately 179,000 users to the PUDO network. These locations are primarily along the U.S.-Canadian border. Acquisition costs of $8,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the consolidated statement of comprehensive loss. In accordance with IFRS 3, Business Combinations, the substance of the transaction constitutes a business combination as Kinek meets the definition of a business under the standard. The acquisition of Kinek was accounted for as a business combination and, accordingly, the assets acquired and the liabilities assumed have been recorded at their respective fair values as of the acquisition date. The purchase price allocation shown below is preliminary and based on the Company's management's best estimates. The final purchase price allocations are expected to be completed as soon as Company's management has gathered all of the significant information available and considered necessary in order to finalize this allocation.

Details of the preliminary estimate of the fair value of identifiable assets and liabilities acquired and purchase consideration is as follows:

Consideration

Common shares	$	350,235

Identifiable assets (liabilities) acquired		
Prepaid expenses and other assets	$	7,004
Intangible assets – web based software		530,601
Loans and borrowings		(187,370)
Total identifiable net assets	$	350,235

Trends

The U.S. Department of Commerce valued the E-commerce industry at $341.6 billion dollars in 2015. The industry grew by more than 14% year over year, and has grown at more than 10% every year since 2010. Black Friday sales were surpassed by consumer purchases on Cyber Monday.

The growth in E-commerce is resulting in a rapid increase in the number of parcels being sent to residential address's while their occupants are not home to receive them. Currently, shipping companies would continue to attempt delivery, leave the parcel unattended on the door step, or request that consumers drive to their warehouse to pick up your parcel. The sector cannot continue to absorb the costs associated with residential delivery surcharges, the cost of multiple delivery attempts, or replacing stolen parcels. PUDO offers cost savings while improving customer experience for E-tailers and couriers.

E-tailers and couriers are suffering from increasing occurrences of parcel thefts. In many areas across the US and Canada, parcels left un-attended are being sought by "*porch pirates"* who target deliveries left unattended on doorsteps or porches. In 2015, it is estimated that 23 million Americans were victims of porch pirates. PUDO offers the opportunity for convenient secure delivery of goods from staffed locations. Many apartments and condos across Canada and the US are finding that the increasing volumes of parcels being delivered exceed their available storage space. Residents of these locations are beginning to see their buildings restrict or ban the delivery of parcels. These consumers are in need of alternative delivery options to continue access the convenience, selection and value of the E-commerce industry.

In addition to the trend of alternative not-at-home delivery service, management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Selected Quarterly Information

Three Months Ended	Total Revenue ($)	Profit or Loss	
		Total ($)	Per Share (Basic and Diluted) ($) [9]
2016-November 30	282,882	(212,309) [1]	(0.01)
2016-August 31	233,891	(326,482) [2]	(0.02)
2016-May 31	144,932	(379,811) [3]	(0.02)
2016-February 29	53,164	(484,054) [4]	(0.03)
2015-November 30	30,004	(357,296) [5]	(0.02)
2015-August 31	22,487	(1,617,682) [6]	(0.17)
2015-May 31	19,622	(118,389) [7]	(0.04)
2015-February 28	4,940	(192,074) [8]	(0.06)

1. Net loss of $212,309 consisted of administrative expenses of $390,333 and finance costs of $6,703 offset by gross profit of $184,727;
2. Net loss of $326,482 consisted of administrative expenses of $466,287, share-based payment of $10,200, and finance costs of $7,006 offset by gross profit of $157,011;
3. Net loss of $379,811 consisted of administrative expenses of $452,956, share-based payment of $25,050, and finance costs of $7,000 offset by gross profit of $105,195;
4. Net loss of $484,054 consisted of administrative expenses of $387,571, share-based payment of $125,168 and finance costs of $35 offset by gross profit of $28,721;
5. Net loss of $357,296 consisted of administrative expenses of $373,510, and finance costs of $4 offset by gross profit of $16,218;
6. Net loss of $1,617,682 consisted of transaction costs in connection with its reverse take-over going public transaction (the "RTO") of $1,307,958, administrative expenses of $160,318, share-based payment of $157,982 and finance costs of $5,012 offset by gross profit of $13,588;
7. Net loss of $118,389 consisted of administrative expenses of $118,696 and finance costs of $9,506 offset by gross profit of $9,813;
8. Net loss of $192,074 consisted of administrative expenses of $184,294 and finance costs of $10,250 offset by gross profit of $2,470; and
9. Loss from continuing operations attributable to owners of the parent, on a per-share and diluted per share basis.

Selected Financial Information

Three months ended November 30, 2016, compared with three months ended November 30, 2015

The following is selected financial data derived from the unaudited condensed interim consolidated financial statements of the Company for the three-month period ended November 30, 2016 and November 30, 2015

	Three months ended November 30, 2016 $	Three months ended November 30, 2015 $
Net loss and comprehensive loss	(212,309)	(357,296)
Net loss per share (basic and diluted)	(0.01)	(0.02)

The Company's net loss totaled $212,309 for the three months ended November 30, 2016, with basic and diluted loss per share of $0.01. This compares with net loss of $357,296 with basic and diluted loss per share of $0.02 for the three months ended November 30, 2015. The decrease of $144,987 in net loss was principally because:

- The Company had administrative expenses of $390,333 during the three months ended November 30, 2016 compared to $373,510 during the three months ended November 30, 2015. The increase of $16,823 is mainly due to higher salaries and benefits, sales and customer service consultants, and professional fees.

- The above increases in expenses were offset by a higher gross profit of $184,727 for the three months ended November 30, 2016 compared to $16,218 for the three months ended November 30, 2015. The gross profit increased by $168,509.

Nine months ended November 30, 2016, compared with nine months ended November 30, 2015

The following is selected financial data derived from the consolidated financial statements of the Company for the nine month period ended November 30, 2016 and 2015:

	Nine months ended November 30, 2016 $	Nine months ended November 30, 2015 $
Net loss and comprehensive loss	(918,597)	(2,093,367)
Net loss per share (basic and diluted)	(0.06)	(0.22)

The Company's net loss totaled $918,597 for the nine months ended November 30, 2016, with basic and diluted loss per share of $0.06. This compares with a net loss of $2,093,367 with basic and diluted loss per share of $0.22 for the nine months ended November 30, 2015. The decrease of $1,174,770 in net loss was principally because:

- The Company incurred RTO transaction costs of $1,307,958 for the nine months ended November 30, 2015 and there were no such transaction costs during the nine months ended November 30, 2016.

- The Company incurred $35,250 (2015 - $157,982) in share-based payment expenses during the nine months ended November 30, 2016, a decrease of $122,732 from the corresponding period in the previous year.

- The Company had administrative expenses of $1,309,573 during the nine months ended November 30, 2016 compared to $652,522 during the nine months ended November 30, 2015. The increase of $657,051 is mainly due to higher salaries and benefits with the Kinek transaction resulting in three additional employees, and as the business expanded there were higher costs of sales and customer service consultants, travel and business development, professional fees, consulting fees, professional fees, investor relations and amortization.

- The above increases in the expenses were offset by a higher gross profit of $446,933 for the nine months ended November 30, 2016 compared to $39,618 for the nine months ended November 30, 2015. The gross profit increased by $407,315.

The statement of financial position as at November 30, 2016 and February 29, 2016 consists of the following:

	As at November 30, 2016 $	**As at February 29, 2016 $**
Current assets (i)	358,727	1,162,464
Long term assets (ii)	651,819	125,945
Total assets	**$1,010,546**	**$1,288,409**
Current liabilities	485,777	375,495
Loans and borrowings (iii)	144,967	-
Capital stock	3,716,518	3,366,283
Broker warrants	197,805	197,805
Stock options	312,758	277,508
Deficit	(3,847,279)	(2,928,682)
Total liabilities and shareholders' deficiency	**$1,010,546**	**$1,288,409**

(i) As the Company has recently started operations, its ability to fund its operations is dependent upon securing additional borrowings or increasing gross profit from increased revenues. See "Trends" and "Risk Factors".

(ii) The reason for the increase in long term assets is because PUDO has been investing in software and computer equipment to streamline pickup and deliveries between the customers and the dealers.

(iii) PUDO assumed the loans and borrowings of Kinek when the company purchased the assets of Kinek.

Overall Objectives

PUDO is committed to achieving new cost efficiencies for PUDO clients and enhancing the online customer service experience by providing a truly flexible and convenient community-based last mile delivery solution. See "Risk Factors".

Off-Balance-Sheet Arrangements

The Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations or financial condition, including, without limitation, such considerations as liquidity, capital expenditures and capital resources that would be considered material to investors.

Outlook

With our growing pool of registered PUDOpoints waiting to be activated, coupled with the fact that the majority are open long hours, 7 days per week, we believe we have a major advantage over any other service provider's solutions in our sector. Our rollout strategy allows us to activate the network throughout North America whereby partner couriers can drop first attempt failure parcels into designated PUDOpoints.

The PUDOpoint network is unique in that any courier can deliver parcels to any PUDOpoint. This flexibility is a significant advantage to E-tailers who want to address the requests from their customers for alternatives to home delivery, without restricting themselves to a single courier provider. E-tailers can choose the carrier that offers them the best value, while consumers can choose to ship direct to a PUDOpoint at no cost to them. PUDO can help E-tailers improve their returns program as well. When customers drop off returns at a PUDOpoint, E-tailers can save money.

PUDO is looking to increase its pace of expansion by increasing its internal resources to recruit customers, integrate with their IT systems, and increase the capacity to train and activate new PUDOpoints. PUDO's team is planning for a comprehensive PUDOpoint network across Canada and the continental US. This network will make it possible for PUDO to offer direct-2-PUDO parcel deliveries for E-tailers no matter what delivery method they use. This alternative delivery option provides choice for consumers while saving E-tailers the increasing costs, and challenges of residential deliveries.

PUDO is working with major couriers across the US and Canada to provide them with the PUDOpoint solution for first attempt delivery failures. When no-one is home to receive the parcel, they won't have to choose between leaving it on the consumer's doorstep, and taking it back to their warehouse. They can now take the parcel to a nearby PUDOpoint so the consumer can take secure delivery of their parcel where it's convenient, when it's convenient.

The Company is training and activating its dealer network in Canada and the US. PUDO's regional courier partners in the U.S. and Canada are in the process of promoting the use of PUDOpoints to their customers for guaranteed first time 'Ship -To' delivery and as customer pick up points for any failed first attempt deliveries.

PUDO currently has registered over 2,000 potential PUDOpoints across Canada and more than 3,500 potential PUDOpoints across the United States. As of December 20, 2016, PUDO has more than 900 PUDOpoint locations operating and is in the process of training and equipping additional locations. For these local dealer locations, PUDO provides opportunities for additional foot traffic, revenue for each parcel they handle, and the potential for repeat customer business.

Share Capital

As of the date of this MD&A, the Company has (i) 16,320,514 common shares outstanding; (ii) 234,483 broker warrants exercisable for the purchase of 234,483 common shares and (iii) 1,419,000 stock options exercisable for the purchase of 1,419,000 common shares.

Liquidity and Capital Resources

As noted in "Selected Financial Information", the Company generates limited cash from operations. The Company's primary source of funding has been through the issuance of equity.

PUDO intends to generate capital necessary to fund the planned expansion through revenue from operations and equity financing activities.

The Company's outstanding loans and borrowing consist of the following:

Details	November 30, 2016 $	February 29, 2016 $
Advances payable to a shareholder	15,025	15,025
Loans and borrowings	174,277	-
Total	**189,302**	**15,025**

The loans and borrowings are repayable to Atlantic Canada Opportunities Agency. The loans are unsecured and non-interest bearing and repayable in 54 instalments of $4,458 per month. The present value of non-current portion of loans and borrowings was estimated using the effective interest rate method by discounting the future contractual cash flows at the current market interest rates for an equivalent instrument. The discount rate applied was 15%. The Company recorded accretion expense of $20,707 (November 30, 2015 - $nil) during the nine month period ended November 30, 2016. The rate used in determining the appropriate present value of the borrowings was subject to management estimation.

The total assets of the Company as at November 30, 2016 were $1,010,546 (February 29, 2016 – $1,288,409), which includes $126,019 in cash and cash equivalents (February 29, 2016 – $916,301), including restricted cash of $25,000 (February 29, 2016, 2014 – $25,000). As of November 30, 2016, the Company had working capital deficiency of $127,050 (February 29, 2016 – working capital of $786,969).
Cash flow used in operating activities, including a change in non-cash working capital, for the nine months ended November 30, 2016 totaled $634,847, compared to $783,943 for the nine months ended November 30, 2015. The decrease in cash flows used in operations is primarily a result of the increase in accounts payable and accrued liabilities during the nine months ended November 30, 2016 compared to the same period in 2015. Investing activities resulted in cash outflows of $128,687 for the nine months ended November 30, 2016, compared with cash outflows of $18,421 for the nine months ended November 30, 2015. The outflows include the purchase of equipment and the capitalization of intangible assets directly related to the development of the software used for operations. Financing activities resulted in cash outflows of $26,748 for the nine months ended November 30, 2016, compared with $588,538 cash inflows for the nine months ended November 30, 2015. Cash outflows from financing activities in the first nine months of 2015 relate to repayment of loans and borrowings that resulted from

the acquisition of the assets of Kinek. Comparatively, in the nine months ended November 30, 2015, the Company completed a non-brokered private placement of 1,100,000 common shares at a price of $0.63 or US$0.50 per common share for total proceeds of $715,974. As at November 30, 2016, the Company's contractual obligations are primarily for services. The Company has entered into various agreements for services, which if terminated by the Company would require payments of up to $165,500. As the triggering events have not occurred, these amounts have not been accrued in the unaudited condensed interim consolidated financial statements as at November 30, 2016. The company pays $6,000 per month to Cardinal Couriers Ltd., a company with common officers and directors for bookkeeping and administrative services.

New Standards and Interpretations Not Yet Adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting years beginning on or after March 1, 2017 or later years. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual years beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 15 - Revenue From Contracts With Customers ("IFRS 15") proposes to replace IAS 18 - Revenue, IAS 11 -Construction Contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual years beginning on or after January 1, 2017.

Changes in Accounting Standards

The Company has adopted the following amendment effective March 1, 2016.

IAS 38 *Intangible Assets ("*IAS 38") and IAS 16, Property, Plant and Equipment ("IAS 16") were amended in May 2014 to introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate. The amendment is effective for annual periods beginning on or after January 1, 2016.

There was no material impact on the adoption of this amendment on the unaudited condensed interim consolidated financial statements.

Related Party Transactions

(a) During the three and nine month periods ended November 30, 2016 and November 30, 2015, the Company had the following transactions with shareholders and companies under common control and management and directors:

- incurred bookkeeping fees of $18,000 and $54,000, respectively, (three and nine months ended November 30, 2015 - $37,500 and $52,500) to Cardinal Couriers Ltd., a company with common officers and directors.
- incurred interest expense of $nil and $nil, respectively, (three and nine months ended November 30, 2015 - $4 and $1,046) payable to Courier Cardinal Ltée.
- incurred consulting fees of $nil and $nil, respectively, (three and nine months ended November 30, 2015 - $nil and $31,500) to Courier Depot Network Inc., a significant shareholder of the Company.
- incurred share-based payment of $nil and $35,250, respectively, (three and nine months ended November 30, 2015 $157,982 and $157,982) in relation to stock options granted to an officer and a director of the Company.
- paid salary and consulting fees to Francesco Coccia, Chief Executive Officer of the Corporation in the amount of $36,000 and $108,000, respectively, (three and nine months ended November 30, 2015 - $10,500 and $10,500) and to Douglas P. Baker, Chief Financial Officer of the Corporation in the amount of $9,800 and $29,355, respectively, (three and nine months ended November 30, 2015 - $nil and $nil).
- For the three and nine months ended November 30, 2016, the Company expensed $nil and $nil, respectively, (three and nine months ended November 30, 2015 - $4,590 and $6,090) to Marrelli Support Services Inc. for the services of Jing Peng to act as the previous Chief Financial Officer.

As at November 30, 2016, balances payable to the related parties noted above amounted to $37,879 (February 29, 2016 - $7,968) included in trade and other payables.
All related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

At November 30, 2016, the Company had advances of $15,025 (February 29, 2016 - $15,025) owing to a shareholder of the Company. These advances are unsecured, non-interest bearing and due on demand.

(b) Major shareholders:

As at November 30, 2016, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all of the common shares of the Company other than Palm Holding Inc., a company owned by parties related to a director and other shareholders of PUDO Inc., which owns or controls, directly or indirectly, 46% of the issued and outstanding shares of the Company.

None of the Company's major shareholders have different voting rights from other holders of the Company's common shares.

The Company is not currently aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

Financial Instruments

Fair values

The carrying amounts of trade and other receivables, cash, trade and other payables, advances payable and current portion of loans and borrowings approximate their fair values, given their short-term nature. As at November 30, 2016, the Company's short term investment was classified as Level 2 within the fair value hierarchy.

Financial risk factors

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk, market risk, and capital risk management.

This note represents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and their management of capital.
The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet commitments it has entered into with the Company. The financial assets that potentially expose the Company to credit risk consist principally of cash or other receivables. The extent of the Company's exposure to credit risk approximate their carrying values are recorded in the Company's statement of financial position.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The maximum exposure to credit risk at the reporting date was:

	November 30, 2016 $	**February 29, 2016 $**
Trade and other receivables	187,377	154,688
Cash at bank	101,019	891,301
Short-term investment	25,000	25,000
Total	**313,396**	**1,070,989**

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to finance its operations and to mitigate the effects of fluctuations in cash flows.

The following are the contractual maturities of financial liabilities:

	November 30, 2016 < 1 year $	**February 29, 2016 < 1 year $**
Trade and other payables	441,442	360,470
Advances payable	15,025	15,025
Current portion of loans and borrowings	29,310	-
Total	**485,777**	**375,495**

In order to meet such cash commitments, the Company will be required to generate sufficient cash inflows from operating and financing activities.

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 holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Since the Company has a bank account denominated in USD, it is exposed to foreign currency risk due to fluctuations in exchange rate. The Company purchases goods and services in Canadian dollars and US dollars. Since the Company reports its results in Canadian dollars, the functional currency of the Company, it is exposed to changes in the value of the US dollar relative to that of the Canadian dollar. As at November 30, 2016, the Company had cash of $16,104 (USD$12,264) (February 29, 2016 – $194,590 (USD$143,896)), accounts receivable of $36,738 (USD$27,978) (February 29, 2016 – $nil) and accounts payable of $101,690 (USD$77,442) (February 29, 2016 – $24,000 (USD$17,750)).

Interest rate risk

The Company's exposure to risks of changes in market interest rates relates primarily to its cash balances. The Company analyzes its interest rate exposure, giving consideration to potential renewals of existing positions, alternative financial positions and the mix of fixed and variable interest rates.

Capital risk management

The Company reviews and manages its capital position from time to time to maintain a balance between its liability and equity levels. The Company uses the capital contributed by investors to finance its working capital requirements.

The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future developments of the business.

The Company defines capital as equity. The Company is not subject to any externally imposed capital requirements.

The Company's capital management objectives, policies and processes have remained unchanged during the nine month period ended November 30, 2016 and the year ended February 29, 2016.

Risk Factors

Financing

The Company will need additional financing to fund the growth of its business, but has no assurance that such funding will be available to it. The Company is currently in the process of arranging additional funding and the ability of the Company to arrange this additional financing depends, in part, on the prevailing capital market conditions as well as the business performance of the Company. Failure to obtain sufficient financing may result in delaying or the indefinite postponement of the growth strategy into the U.S. market.

There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company.

If the Company raises additional funds through the sale of equity securities, shareholders may have their investment diluted.

Credit Facilities

Currently, none of the loans extended to the Company contain financial covenants related to the Company's financial position and earnings.

Economic Downturns

The Company cannot be certain that economic or political conditions will generally be favorable or that there will not be significant fluctuations that adversely affect the economy as a whole or the key markets that the Company targets.

Changes in the Regulatory Environment

The Company's results of operations can be affected significantly by changes in the regulatory environment.

Dependence on Key Personnel

The success of the Company depends on its senior management team, and other key employees, including their ability to retain and attract skilled employees. The loss of the services of key personnel could have a material adverse effect on the business, financial condition, results of operations or future prospects. The Company may not be able to attract and retain additional qualified management, and employees as needed in the future. There can be no assurance that the Company will be able to effectively manage its growth, and any failure to do so could have a material adverse effect on the Company's business, financial condition, results of operations, and future prospects.

Investment risk

From time to time, the Company may divest of a business that is not meeting performance expectations. This may result in losses from the disposal or wind-up of that business operation.
The Company purchases goods and services in Canadian dollars and U.S. dollars. Since the Company reports its results in Canadian dollars, it is exposed to changes in the value of the U.S. dollar relative to that of the Canadian dollar.

Potential Future Developments

Management of the Company, in the ordinary course of business, regularly explores potential strategic opportunities and transactions. The public announcement of any of these or similar strategic opportunities or transactions might have a significant effect on the price of the Company's securities. The Company's policy is not to publicly disclose information concerning potential strategic opportunities or transactions unless and until a definitive binding agreement is reached or management is confident that the transaction will be completed. There can be no assurance that investors who buy or sell securities of the Company are doing so at a time when the Company is not pursuing a particular strategic opportunity or transaction which, when announced, would have a significant effect on the price of the Company's securities.

Disclosure of Internal Controls

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

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

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

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

Segment Information

For financial reporting purposes, the Company is comprised of two business segments. Kinek is involved in the operation of a network of parcel pick up and drop off locations in the U.S where they accept and store packages. PUDO's services can be found in convenience stores, gas stations, and other variety stores that are typically open on a "24 hours" basis ("PUDO Points"), allowing registered courier companies and consumers to use these stores as pick-up locations for parcels and letters that require identification and/or signatures in order to release. Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on gross profit or loss. Administrative costs, finance costs and income taxes are managed on a group basis.

The following table reflects the revenue and gross profit for the three month period ended November 30, 2016:

3 month period ended November 30, 2016	**PUDO/Kinek Border Points**	**PUDOPoint CAD Sites**	**Total**
Revenue	$ 77,804	$ 205,078	$ 282,882
Cost of sales	(2,872)	(95,283)	(98,155)
Gross profit	$ 74,932	$ 109,795	$ 184,727
Administrative expenses	(41,742)	(348,591)	(390,333)
Finance costs	(6,703)	-	(6,703)
Net income (loss)	$ 26,487	$ (238,796)	$ (212,309)

The following table reflects the revenue and gross profit for the nine month period ended November 30, 2016:

9 month period ended November 30, 2016	**PUDO/Kinek Border Points**	**PUDOPoint CAD Sites**	**Total**
Revenue	$ 218,865	$ 442,841	$ 661,706
Cost of sales	(8,837)	(205,936)	(214,773)
Gross profit	$ 210,028	$ 236,905	$ 446,933
Administrative expenses	(152,356)	(1,157,217)	(1,309,573)
Share-based payment	-	(35,250)	(35,250)
Finance costs	(20,707)	-	(20,707)

Net income (loss)	$ 36,965	$ (955,562)	$ (918,597)

All revenue and cost of sales for the comparative periods ended November 30, 2015 related to PUDOPoint CAD sites.

Additional Disclosure for Venture Corporations

The administrative expenses incurred by the Company for the three month periods ended November 30, 2016 and November 30, 2015 are as follows:

Detail	November 30, 2016	November 30, 2015
Salaries and benefits	$ 84,789	$ 53,359
General and administrative expenses	39,875	38,058
Sales and customer service consultants	23,895	-
Advertising and promotion	2,631	41,829
Travel and business development	27,015	33,126
Consulting fees	77,214	87,269
Professional fees	40,763	4,550
Investor relations	26,270	57,594
Accounting and office	18,000	37,500
Agent and filing fees	6,260	9,535
Foreign exchange (gain) loss	(7)	3,384
Amortization expense	43,628	7,306
Total cost incurred	**$ 390,333**	**$ 373,510**

The administrative expenses incurred by the Company for the nine month periods ended November 30, 2016 and November 30, 2015 are as follows:

Detail	November 30, 2016	November 30, 2015
Salaries and benefits	$ 299,246	$ 134,352
General and administrative expenses	154,736	67,370
Sales and customer service consultants	73,747	-
Advertising and promotion	17,262	42,884
Travel and business development	93,122	56,017
Consulting fees	202,957	153,568
Professional fees	138,556	18,150
Investor relations	101,068	75,618
Accounting and office	54,000	52,500
Agent and filing fees	40,435	34,017
Foreign exchange loss	6,580	5,789

Amortization expense	127,864	12,257
Total cost incurred	**$ 1,309,573**	**$ 652,522**