FORM 51-102F1

EMPOWER TECHNOLOGIES CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2008

The following discussion and analysis, prepared as of November 25, 2008, should be read together with the unaudited interim consolidated financial statements for the three and nine month periods ended September 30, 2008 and related notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles. All amounts are stated in Canadian dollars unless otherwise indicated.

The reader should also refer to the audited financial statements and the Management Discussion and Analysis for the year ended December 31, 2007. Additional information relating to Empower, including the Annual Information Form filed September 10, 2008, is available on SEDAR at www.sedar.com.

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”, “us”, “Empower” and “the Company” refer to Empower Technologies Corporation and its subsidiaries.

PERFORMANCE SUMMARY

Since the Company successfully created and commercialized the core embedded system technologies and solutions, in prior periods, we are now focusing our efforts on sales and marketing of our core technologies and on ongoing development and maintenance of our technologies, products, and solutions. We operate in a dynamic marketplace where technology advances occur rapidly. We have developed and are developing products that we believe will have widespread acceptance. We have made significant inroad so far this year to engage a number of new customers to buy our development tools and to contract our engineering service. However, we have not yet had significant shipments. It is because we are in the early stage of development and sales cycle with those new customers. We expect this situation to change very soon once the customers completed their development and sales cycle. Our future as a company depends upon our customer’s success to develop and to sell their products in significant quantities using our products and technology.

The total expenses excluding stock-based compensation decreased to $636,480 for the three months ended September 30, 2008 (the “Quarter”), compared with $685,394 for the three month period ended September 30, 2007. Revenue increased to $89,818 for the Quarter, compared to $17,834 for the three month period ended September 30, 2007. For the nine months ended September 30, 2008 (“Year to Date”), total expenses excluding stock-based compensation decreased to $2,030,020 compared to $2,347,711 for the nine month period ended September 30, 2007. Revenue decreased for the nine months ended September 30, 2008 to $120,517 from $149,204 for the nine month period ended September 30, 2007. The decrease is due to our new products - the EDK6446 Development Kit and SBC644x single board computer - that are still in the early stages of the sales cycle to get adoption. Management expects sales to improve as these new products become established in the market with design wins. The typical sales cycle for these products is between 12 to 18 months.

As at September 30, 2008, the Company had cash and cash equivalents of $221,539 compared to $774,830 at December 31, 2007.

The Company expects overall operating expenses will stay at current levels until significant product shipments begin.

Furthermore, during the 3rd quarter of 2008, our Company:

- Received the first sales order to customize and supply the Empower embedded computer and software technology for two new infotainment demonstration systems from a well recognized transportation equipment supplier. Empower's embedded software and Single Board Computers will be assembled and integrated into the infotainment system. Depending on the type of system and transportation, it can be 2 to 4 Single Board Computers for as mall transport to hundreds of Single Board Computers for a large transport such as jumbo jets and trains. The embedded software and Single Board Computer will provide all of the functionality of current generation systems, but with vastly enhanced digital media support and features, think iPhone, all in a smaller, lighter, faster, and lower cost package. An incredible solution for the transportation equipment manufacturer and their customers such s airlines, trains, and buses.

- Announced their first customer Jogtek Corp of Taiwan for the yet to be announced new Single Board Computer-SBC3530, Empower's most powerful Single Board Computer with wireless options and features that cover a wide range of commercial and industrial applications. Jogtek is a developer and manufacturer of RFID products and technologies. Empower has signed a Memorandum of Understanding (MOU) with Jogteck to partner and to develop Jogtek's latest mass market RFID based Interactive Marketing System (IMS) for the retail and hospitality industry. Under the MOU, Empower will customize and license their latest SBC35xx to Jogtek to integrate into their new line of RFID based IMS product. Upon completion and further agreements, Empower will license Jogtek the right to use, manufacture, and integrate the customized version of SBC3530 and its associated software including LEOs (Linux Embedded OS) into Jogtek's new IMS product. Empower and Jogtek expect to complete this project by the end of this year and unit shipment to Jogtek's customers in the first half of 2009.

- Signed a distribution agreement with Kane Computing Ltd. to sell and support their high performance TI DaVinci based development kits and single board computers in the UK and Ireland.

RESULTS OF OPERATIONS

	Nine month Period Ended September 30, 2008	Nine month Period Ended September 30, 2007	Three Month Period Ended September 30, 2008	Three Month Period Ended September 30, 2007	Year Ended December 31, 2007
Sales					
United States of America	$ 85,175	$ 137,607	$ 71,881	$ 9,369	$ 148,825
Canada	6,609	646	2,200	425	848
Asia	22,818	10,951	9,822	8,040	43,579
Europe	5,915	-	5,915	-	1,534
	120,517	149,204	89,818	17,834	194,786
Cost of Sales					
Cost of material sold	39,422	167,538	25,319	8,553	208,503
Write-down of inventory	116,309	-	-	-	385,277
	155,731	167,538	25,319	8,553	593,780
Gross margin	(35,214)	(18,334)	64,499	9,281	(398,994)
Total expenses	2,275,815	2,536,859	715,228	765,624	3,482,917
Other items	2,127	8,328	4	205	8,951
Income (loss) for the period:					
Canada	(2,258,788)	(2,485,513)	(638,438)	(745,820)	(3,744,902)
People's Republic of China	(74,786)	55,072	(23,678)	25,591	(84,162)
United States of America	24,672	(116,424)	11,391	(35,909)	(43,896)
	$ (2,308,902)	$ (2,546,865)	$ (650,725)	$ (756,138)	$ (3,872,960)
Loss per share	$ (0.06)	$ (0.07)	$ (0.02)	$ (0.02)	$ (0.11)
Total assets	$ 532,979	$ 884,822	$ 532,979	$ 884,822	$ 1,129,338

Revenue

In recent quarters, the Company's activities have shifted from the development of the Company's technology to sales and marketing of LEOs, and EDKxxxx development platforms, and Single Board Computer (SBCxxxx), and the reference designs using LEOs. Revenues generated for the three months ended September 30, 2008 were $89,818, compared with $17,834 for the three months ended September 30, 2007. For the nine months ended September 30, 2008, revenues were $120,517, compared with $149,204 for the nine months ended September 30, 2007. These sales are attributed to shipments of prototypes and development kits to a number of new and existing customers. Shipments under contracts executed during the third quarter of 2008 are expected in future quarters. The Company has successfully commercialized its embedded technologies. From hereon, the Company is focused on expanding sales and marketing of its products and services with the goal to improve revenue.

Cost of sales

Cost of material sold during the Quarter was $25,319, compared with $8,553 for the period ended September 30, 2007. For the nine months ended September 30, 2008, cost of material sold was $39,422, compared with

$167,538 during the nine months ended September 30, 2007. Excluding the write off of inventory, cost of material sold as a percentage of sales amounted to 33% in the nine month period ended September 30, 2008, compared with 112% for the same period in 2007. The change is attributable to the efforts to improve our margins and lower our costs and the write off of certain inventory in previous periods. This is significant improvement in gross profit over same period last year 2007 and the Company expects this trend to continue into the future. In addition to the cost of material sold during the year 2008, cost of sales includes $116,309 which is a provision against the carrying value of inventory (2007 - $ nil). This inventory remains in the company's possession and much of it can be utilized in sales of Empower products, should those sales be realized. As certain of these items are still in use in the marketplace, the option exists for the company to sell them to distributors for resale.

General and Administrative

General and administrative expenses without stock-based compensation and R&D costs for the three months ended September 30, 2008 decreased to $340,708 (2007 - $414,584) due to the reduction in the number of administration staff. Advertising and promotion decreased to $11,990 (2007 - $24,351) due to the Company's effort to reduce costs and to realign its marketing effort to focus in certain market segment. Consulting fees decreased to $78,855 (2007 - $163,745) due to the Company's effort to reduce costs and the resulting engagement with new contractors and consultants. For the nine months ended September 30, 2008, general and administrative costs without stock-based compensation and R&D costs decreased to $1,126,510 (2007 - $1,493,810).

Research and Development

Research and Development costs ("R&D costs") relating to the development of LEOs, adding new operating software, the EDK644x development kits, Euler Software Platform and new reference designs are expensed as incurred. R&D costs for the three month period ended September 30, 2008 were $295,772 compared to $270,810 for the quarter ended September 30, 2007. For the nine months ended September 30, 2008, R&D costs were $903,510, compared to $853,901 for the nine months ended September 30, 2007. The increase is attributed to the cost of professional service Empower contracted by the new customers bought Empower's EDK development kits and SBCs (Single Board Computer).

Expenditures relate to regular maintenance, continuing development, improvement and upgrades to the core technology LEOs and adding new embedded CPU platforms such as TI's DM6441 and OMAP3.

	Nine Month Period Ended September 30, 2008	Nine Month Period Ended September 30, 2007	Three Month Period Ended September 30, 2008	Three Month Period Ended September 30, 2007
Equipment and supplies	$ 56,940	$ 66,467	$ 16,685	$ 16,465
Rent	95,649	91,692	31,496	31,860
Salaries and benefits	750,921	695,512	247,591	222,255
Technical consulting fees	-	230	-	230
	$ 903,510	$ 853,901	$ 295,772	$ 270,810

SIGNIFICANT PROJECTS

LEOs III
The next version of LEOs for Texas Instruments' (TI) latest DaVinci™ dual-core microprocessor – DM644x is completed and available to the market. It is now being continuously maintained and upgraded.

EDK3530 Development Kit (formerly EDK3503)

EDK (Empower Development Kit) replaces the successful LDK (LEOs Development Kit) series. The second in the EDK series is for Texas Instruments' (TI) OMAP3 technology processors; it is now in full development. The EDK3503 will help designers accelerate the development of wireless and/or mobile always-on internet devices. The Company plans to complete this new product in the fourth quarter of this year.

H1000 Industrial Handheld
This mobile data terminal model was previously named "PowerPlay 1x and iH". The Company is redesigning this model. Besides the regular PDA functions, this new model will have wireless communication, RFID reader, UPC scanner, POS add-on capability. The "H1000" is targeted toward the industrial handheld market.

SUMMARY OF QUARTERLY RESULTS

	Three Months Ended September 30, 2008	Three Months Ended June 30, 2008	Three Months Ended March 31, 2008	Three Months Ended December 31, 2007
Total assets	$ 532,979	$ 355,743	$ 532,640	$ 1,129,338
Stock based compensation	78,748	80,065	86,982	91,272
Working capital	55,718	10,030	216,943	229,449
Shareholders' equity (deficiency)	(1,404,105)	(833,336)	(154,966)	245,497
Revenues	89,818	13,067	17,632	45,582
Net loss	(650,725)	(785,435)	(872,742)	(1,326,095)
Loss per share	$ (0.02)	$ (0.02)	$ (0.02)	$ (0.04)

	Three Months Ended September 30, 2007	Three Months Ended June 30, 2007	Three Months Ended March 31, 2007	Three Months Ended December 31, 2006
Total assets	$ 884,822	$ 944,625	$ 1,878,671	$ 1,024,654
Stock based compensation	80,230	16,521	92,397	50,980
Working capital	22,965	550,662	1,441,477	535,222
Shareholders' equity	147,223	683,131	1,582,156	681,875
Revenues	17,834	114,434	16,936	28,461
Net loss	(756,138)	(915,546)	(875,181)	(1,036,656)
Loss per share	$ (0.02)	$ (0.03)	$ (0.02)	$ (0.03)

SELECTED ANNUAL INFORMATION

	Year Ended December 31, 2007	Year Ended December 31, 2006	Year Ended December 31, 2005
Sales			
United States of America	$ 148,825	$ 71,912	$ (27,821)
Asia	43,579	5,390	2,407
Europe	1,534	-	13,890
Canada	848	7,836	15,270
	194,786	85,138	3,746
Cost of Sales			
Cost of material sold	208,503	128,101	103,082
Write-off of inventory	385,277	43,111	-
	593,780	171,212	103,082
	(398,994)	(86,074)	(99,336)
Total expenses	3,482,917	4,102,673	4,097,078
Other items	8,951	34,873	69,100
Loss for the period			
Canada	(3,744,902)	(3,825,696)	(3,675,968)
People's Republic of China	(84,162)	(163,566)	(236,751)
United States of America	(43,896)	(164,612)	(214,595)
	$(3,872,960)	$(4,153,874)	$(4,127,314)
Loss per share	$ (0.11)	$ (0.12)	$ (0.13)
Total assets	$ 1,129,338	$ 1,024,654	$ 4,613,921

Our operations throughout the years displayed above have been focused on sales and marketing of Empower's embedded technologies and solutions to product designers and engineers and the ongoing development and maintenance of our technologies.

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.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles 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.

		As at September 30, 2008		As at September 30, 2007
Deficit	$	(22,643,019)	$	(19,008,022)
Working capital	$	55,718	$	22,965

Net cash used in operating activities for the Quarter was $507,426 compared to net cash used of $ 605,851 for the three month period ended September 30, 2007. The decrease in the use of cash was primarily caused by reduced spending on the Company's operations. For the nine month period ended September 30, 2008, the net cash used in operating activities was $1,939,488 compared with net cash used in operating activities of $2,161,084 for the nine month period ended September 30, 2007. The principal cause of this decrease is reduction in spending on the Company's operations.

Net cash used in investing activities for the Quarter is $nil compared to net cash used in investing activities of $nil for the three month period ended September 30, 2007. For the nine months ended September 30, 2008, the net cash used in investing activities was $nil, compared with net cash used by investing activities of $2,217 for the nine months ended September 30, 2007.

Net cash generated by financing activities for the Quarter was $610,605 compared to net cash used by financing activities of $580,898 for the three month period ended September 30, 2007. The increase is because of proceeds from loan during the quarter. For the nine months ended September 30, 2008, net cash generated by financing activities was $1,386,197, compared with net cash generated by financing activities of $2,166,758 for the nine months ended September 30, 2007. The cash provided was primarily due to the loan and issuance of common shares. The decrease is attributable to the cash raised through the issue of common shares being much higher in the first three quarters of 2007 than in the first three quarters of 2008.

At September 30, 2008, the Company had $221,539 in cash. The Company has been incurring operating losses (excluding stock-based compensation and amortization) at the average rate of $ 227,117 per month over the last nine months.

CAPITAL RESOURCES

The authorized capital of the Company consists of unlimited common shares without par value. As at September 30, 2008, there were 39,768,254 common shares issued and outstanding.

Short Form Offering

The Company completed a Short Form Offering ("SFO") as of January 7, 2008 by closing the second tranche. The first tranche closed in December, 2007. The SFO was for up to 2,666,667 units (the "Units") at $0.75 per Unit, with each Unit consisting of one share and one half warrant. Each whole warrant is exercisable into one common share for a period of two years at an exercise price of $0.90 per share. The warrants are non-transferable. The second tranche of the SFO resulted in the sale of 561,300 Units for gross proceeds of $420,975. The Company issued 84,195 agent's warrants (valued at $19,372), exercisable at $0.75 per share until January 7, 2010. The Company also paid $33,678 in agent's commissions and reimbursed the agent for $2,000 in legal and administration fees.

In this SFO, a total of 2,442,600 units were sold for gross proceeds of $1,831,950, before expenses of the SFO.

The following is the detail of the relevant estimated milestones and actual usage of funds to June 30, 2008.

DESCRIPTION OF USE OF PROCEEDS	Use of Proceeds Indicated in Short Form Offering Document	Use of Proceeds Pro-rated for Actual Gross Proceeds	Use of Proceeds as of June 30, 2008	Remaining Proceeds
Outstanding accounts payable	$ 260,000	$ 240,774	$ 240,774	$ -
Continuing marketing and sales expenses	200,000	185,215	185,215	-
Product development expenses	700,000	648,245	648,245	-
Unallocated general working capital	620,000	574,160	574,160	-
Total	$ 1,780,000	$ 1,648,394	$ 1,648,394	$ -

During 2007, the Company completed a brokered private placement with Union Securities Ltd. ("the Agent"). The private placement was for 1,700,000 Units (the "Offering") at a price of $0.90 per Unit for total proceeds of $1,530,000. Each Unit consists of one common share and one-half common share purchase warrant. Each whole warrant had an original exercise price of $1.25 with an original expiry date of February 20, 2008. The Company granted the Agent an Over-Allotment Option ("Over-Allotment Option") exercisable to February 27, 2007 to purchase 170,000 Units on the same terms as the Units in the offering. 90,000 of the Over-Allotment Options were exercised by the Agent immediately and the balance expired. The Agent's compensation included a commission of 8% of the gross subscription amount and the Over-Allotment Option. In addition, the Agent received 179,000 compensation options (the "Agent's Compensation Options" valued at $49,035) equal to 10% of all Units sold pursuant to the Offering and the Over-Allotment Option. Each Agent's Compensation Option entitles the Agent to purchase one Unit of the Company at $0.90 per Unit at any time prior to February 20, 2008. These Agent's Compensation Options expired unexercised.

The company has 895,000 warrants outstanding from the brokered private placement described above. The Company reduced the exercise price on these warrants from $1.25 to $0.90 and extended the expiry date to November 30, 2008. Thus, each warrant now entitles the holder to purchase one share of the Company at a price of $0.90 at any time on or before November 30, 2008. Due to the market condition, the Company does not expect the warrants expire on November 30, 2008 to be exercised by its expiry date.

As at September 30, 2008	Warrants	Exercise Price	Expiry Date	Amount
Warrants issued February 2007	895,000	$0.90	November 30, 2008	$ 805,500
Warrants issued December 2007	1,015,650	$0.90	December 19, 2009	914,085
Warrants issued December 2007	282,195	$0.75	December 19, 2009	211,646
Warrants issued January 2008	280,650	$0.90	January 7, 2010	252,585
Warrants issued January 2008	84,195	$0.75	January 7, 2010	63,146
	2,557,690			$ 2,246,962

To continue its operations, the Company will need to issue more debt, to have the support of warrant holders to exercise the warrants detailed above and/or to have the support of investors to acquire common stock that may be issued in the future. There is no certainty in any of the above.

Currently the Company is not committed to any material future capital expenditures.

OUTSTANDING SHARES

As at September 30, 2008, the Company has shares outstanding as follows:

	Shares
Authorized	
Unlimited common shares without par value	
Balance, December 31, 2007	39,176,954
Short form offering	561,300
Exercise of options	30,000
Balance, September 30, 2008	39,768,254

RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

a) Paid or accrued directors' fees of $90,000 (nine month period ended September 30, 2007 - $90,000) for services provided by directors and officers of the Company.

b) Recorded stock-based compensation of $178,823 (nine month period ended September 30, 2007 - $137,715) for options granted to directors and officers of the company.

c) Paid or accrued consulting fees and compensation of $282,733 (nine month period ended September 30, 2007 - $446,026) for services provided by directors and officers of the Company.

d) Paid compensation and benefits of $90,000 (nine month period ended September 30, 2007 - $90,000) included in research and development costs to an officer of the Company.

e) Paid or accrued interest of $38,298 (nine month period ended September 30, 2007 - $3,475) to an officer of the company on loans advanced to the Company

Included in current accounts payable is $114,862 (September 30, 2007 - $93,500) due to directors and officers of the Company. $72,500 due to a related party represents consulting fees upon which payment has been deferred to October 30, 2009. There was no similar amount in 2007.

At September 30, 2008, the non-current loans payable are due to an officer of the Company. They bear interest at 8.5% per annum, are unsecured and repayable in October 15, 2009.

The amounts charged to the Company for the services provided have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, obligations under capital leases and loans payable. In April 2005, the CICA issued HB Section 3855, which establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. In accordance with this new standard, the Company has classified its financial instruments as follows: cash and cash equivalents are classified as held-for-trading; accounts receivable are classified as loans and receivables; accounts payable and accrued liabilities are classified as other liabilities; obligations under capital leases are classified as other liabilities; and loans payable are classified as other liabilities. All are measured at fair value and changes in fair values are included in net earnings in the period in which they arise. Cash and cash equivalents are exposed to credit risk and these amounts are placed with major banks. The Company is not exposed to interest rate risk due to the short-term maturity of the financial instruments. Adoption of this standard had no impact on the Company's financial statements. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. Certain operations of the Company are conducted in the People's Republic of China ("PRC"). As a result, the Company's business, financial condition and results of operations may be influenced by the political, economic and legal environments in the PRC, and by the general state of the PRC economy. The operations in the PRC are subject to different considerations and other risks not typically associated with companies in North America. These include risks associated with, among others, the political, economic and legal environments and foreign currency exchange. The Company's results may be adversely affected by changes in the political and social conditions in the PRC, and by changes in governmental policies with respect to laws and regulations, anti-inflationary measures, currency conversion and remittances abroad and rates and methods of taxation, among other things.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Significant inter-company balances and transactions have been eliminated upon consolidation.

Use of estimates

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Actual results could differ from these estimates.

Cash and equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company places its cash and cash equivalents with high quality financial institutions, thereby minimizing exposure for deposits in excess of federally insured amounts. The Company believes that credit risk associated with cash is remote.

Impairment of long-lived assets

A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of a long-lived asset exceeds its fair value. For purposes of recognition and measurement of an impairment loss, a long-lived asset is grouped with other assets and liabilities to form an asset group, at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Estimates of future cash flows used to test recoverability of a long-lived asset include only the future cash flows that are directly associated with, and that are expected to arise as a direct result of, its use and eventual disposition.

Allowance for receivables

The Company establishes an allowance for receivables on a specific account basis. The Company had no allowance for doubtful accounts as at September 30, 2008 or December 31, 2007.

Inventories

Inventories are carried at the lower of cost, using the weighted average method, and net realizable value. Inventories consist of material inventories; work in process and finished goods. The material inventory balances include electronic parts for research and development use. The work in process and finished goods balances include electronic consumer products.

Research and development expenses

Costs related to research, design and development of software products are charged to research and development expense as incurred. Software development costs are capitalized beginning when a product's technological feasibility has been established, which generally occurs upon completion of a working model, and ending when a product is available for general release to customers. All subsequent costs are expensed as incurred. The Company reassesses whether it has met the relevant criteria for deferral and amortization and whether there is any impairment in value at each reporting date.

Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is calculated using the declining balance method at the following annual rates:

Computer equipment	30%
Furniture and equipment	20%
Leasehold improvements	25%
Tools	20%

Revenue recognition

i) Software - The Company recognizes revenue from packaged software and license fees when the software is delivered, title has passed and customer acceptance has occurred, there is persuasive evidence that an arrangement exists, the fee is fixed and determinable and collection is probable.

ii) Products - The Company generates revenue through the sale of electronic products. Revenue is recognized only when persuasive evidence for a sales arrangement exists (i.e., delivery of the product has occurred, the product fee is fixed or determinable and collection of the sale is reasonably assured).

Income taxes

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that substantive enactment or enactment occurs. To the extent that the Company does not consider it to be more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Foreign currency translation

The Company's subsidiaries whose functional currencies are other than the Canadian dollar are translated as integrated operations using the temporal method. Under this method, monetary items are translated into Canadian dollar equivalents at the exchange rate in effect at the balance sheet date, non-monetary items are translated at historical rates, and revenue and expense items are translated at exchange rates prevailing when such items are recognized in the statement of operations. Exchange gains or losses arising on translation of foreign currency items are included in operating results.

Stock-based compensation

The Company uses the fair-value method of accounting for all stock-based compensation.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the years presented, this calculation proved to be anti-dilutive. Basic loss per share is calculated using the weighted-average number of common shares outstanding during the year.

CHANGES IN ACCOUNTING POLICIES

Adopted During 2008:

Inventories: In June 2007, the CICA issued HB Section 3031, which is effective for financial years beginning on or after January 1, 2008, to prescribe the accounting treatment for inventories. A primary issue in accounting for inventories is the amount of cost to be recognized as an asset and carried forward until the related revenues are recognized. This Section provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories. Adoption of these new accounting provisions had no impact on the Company’s financial position or results of operations.

Capital Disclosures: In December 2006, the CICA issued HB Section 1535 which establishes standards for disclosing information about an entity's capital and how it is managed. This new standard is effective for fiscal years beginning on or after October 1, 2007. This standard will affect certain disclosures in the Company’s annual financial statements, but will have no impact on the Company’s financial position and results of operations.

Financial Instruments – Disclosures: In December 2006, the CICA issued HB Section 3862 which requires entities to provide disclosures in their financial statements that enable users to evaluate:

(a) the significance of financial instruments for the entity's financial position and performance; and

(b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks.
This standard is effective for fiscal years beginning on or after October 1, 2007. The Company has assessed how this standard will affect its future financial disclosures for the 2008 annual financial statements. We do not anticipate that this standard will have any impact on the Company's financial position or results of operations.

Financial Instruments – Presentation: In December 2006, the CICA issued HB Section 3863 which establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains and the circumstances in which financial assets and financial liabilities are offset. This standard is effective for fiscal years beginning on or after October 1, 2007. The Company has assessed that this standard will affect the future presentation of its financial instruments in the annual financial statements, but will have no impact on the Company's financial position or results of operations.

General Standards of Financial Statement Presentation: In June 2007, the CICA amended HB Section 1400 governing the overall standards to be applied to financial statement presentation, including requirements to assess and disclose an entity's ability to continue as a going concern. The new provisions are effective for fiscal years beginning on or after January 1, 2008 and affect certain disclosures in Note 2 to our financial statements for the period ended September 30, 2008.

Future Changes:

Goodwill and Intangible Assets: In February 2008, the CICA issued HB Section 3064 which establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets by profit-oriented enterprises. This standard is effective for fiscal years beginning on or after October 1, 2008. The Company is assessing how this standard will affect its future financial disclosures. At September 30, 2008, the Company had no goodwill or intangible assets recorded on its balance sheet.

International Financial Reporting Standards ("IFRS"): On February 13, 2008, the Canadian Accounting Standards Board announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own Generally Accepted Accounting Principles. Interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011 will need to conform with IFRS. The Company is monitoring these developments and is assessing the impact on its financial statements of conversion to the new accounting standards

SUBSEQUENT EVENTS

Subsequent to September 30, 2008:

1. An officer advanced $67,000 to the Company through loans, bearing interest at 8.5% per annum and repayable on January 15, 2010.

2. The Company announced the first sales order to customize and supply the Empower embedded computer and software technology for two new infotainment demonstration systems from a well recognized transportation equipment supplier. In today's energy cost sensitive business, such as transportation, Empower's embedded computer and software technology will supply a light weight, low power, low heat, high performance and cost efficient Single Board Computer and embedded software for use in the digital infotainment systems in the transportation industry such as airlines, high speed trains and long haul buses to save fuel without eroding user experience and satisfaction. Due to the competitive nature of the transportation equipment industry, the manufacturer requested to remain anonymous.

3. On November 10, 2008, the Company announced an unsecured non-brokered private placement of convertible debentures (the "Debentures") for a maximum aggregate principal amount of $500,000 (the

"Offering"). The Debentures will bear interest at 10% per annum payable semi-annually and have a term of one year. The Debentures will be convertible by the holder thereof into common shares of the Company at a conversion price of $0.40 per share. Closing of the Offering remains subject to the acceptance of the TSX Venture Exchange.