

AIRESURF NETWORKS HOLDINGS INC.

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MANAGEMENT DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008

The following discussion and analysis of the operations, results, and financial position of Airesurf Networks Holdings Inc. (“Airesurf ” or the “Company”) for the nine months ended September 30, 2008 should be read in conjunction with the September 30, 2008 interim consolidated financial statements and the related notes thereto. The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The effective date of this report is November 21, 2008.

1.0 Business Overview

We are a corporation listed on the Canadian Trading and Quotation System Inc. (“CNQ”) and we are developing the AireBoost unit, a wireless booster product which will be built using in-building wireless 2- way Ethernet (IEEE 802.11b) technology. Upon completion, the AireBoost unit will allow state of the art two-way communication with the users via wireless hand-held devices as well as desktop computers both internal to the organization and over the Internet from remote locations such as a company’s head office (a feature management believes is not presently available from any of the other competitors in the market). The only requirement to access this system will be a web-browser. Communications through any building regardless of size is made possible by implementing wireless access points and the patent pending AireBoost unit wireless booster technology.

- Reduced infrastructure costs associated with traditional wired systems and current high-cost wireless technology.
- High cost of ownership for cable-based infrastructure including the need for renovations when repairing cable installations. For all buildings over five floors, the traditional and expensive alternative is fiber backbone.
- Heating and cooling costs can be reduced through the introduction of wireless thermostats. Most clients also seek to eliminate the use of cellular/radio/pager technologies currently used by dispatchers and engineers.
- Inefficiencies with the current paper-based systems. The turnaround time to complete work orders is simply too long. Word orders are generally called into dispatchers by hotel staff. Word orders are then called out to engineers via dispatchers. There is no real-time feedback from the engineers regarding the status of the situation resolve.
- A cost effective method for delivery of high-speed Internet access to all hotel guests.
- Providing management with a real-time pipeline for feedback on hotel/chain efficiencies.
- Hotel guests/management seek the following services from their host hotel:
 - Ability to offer streaming video.
 - Ability to offer voice-over-internet-protocol.
 - Remote room temperature control.
 - Ability to offer two-way communications for medical emergencies, etc.
 - High-speed Internet access.
 - Creation of work orders directly by hotel staff.
 - Web interface to additional services including: room service; laundry; fitness facilities; and restaurants, etc.

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Management of Airesurf believes that, upon completion, the AireBoost unit will be marketed to businesses in the following sectors: hospitality, enterprise level hotel chains; large to medium property management organizations; government, education and medical sectors, including hospitals, healthcare facilities, universities, colleges, campus settings and government facilities; and other commercial sectors, including warehousing, distribution and sports facilities.

2.0 Overall Performance

2008 started with the Company continuing its efforts to obtain its approval. Due to minor design adjustments, the Company's approval was slowed, however, the Company has made updated modifications to the unit which includes newer and more power efficient chips along with obtaining additional engineering expertise to ensure that the unit is suitable for multiple applications. The Company also finalized the look of the units and is also completing documentation and other design concerns. On August 11, 2008, the Company received Federal Communications Commission ("FCC") approval for its Aireboost unit ("MegaFI").

The Company has not commercially manufactured any AireBoost units and has no revenue. There is no operating history upon which investors may rely. Commercial development of the Company's product will depend on many factors. The Company is subject to numerous risk factors that may affect its business prospects in the future. These include going concern risk, availability of capital, commercialization of the AireBoost unit; competition, dependence on key personnel, and the Company has a history of losses.

Explanation of Quarterly Results

The Company is still a development stage Company and has not yet generated any operating revenues. The Company is currently engaged in further research and development of the MegaFI along with completing its marketing efforts, therefore, losses continue to be incurred. These losses are however typical for a company at this stage of development. The uniqueness of the MegaFI makes the losses pale in comparison to the return that is expected.

The net loss from operations for the three months was \$277,407 as compared to \$153,567 in 2007. The increased losses in the 2nd quarter were a result of the non stop activity which included the additional fees of the new CEO and a research and technical director. The Company also engaged a new technology Company to assist with the completion of other MegaFI products. These new expenses resulted in an anticipated increase over 2007. The Company, however, successfully reduced its interest cost over 2007 by negotiating the early settlement of a number of convertible promissory notes.

Explanation of Nine Months Results

A number of expenses in 2008 are higher than those of expenses in 2007, including consulting, product development and professional fees. As explained in the quarterly results above, the Company hired a CEO, a research and technical director and a new technology consulting firm to assist the Company with the successful development of the MegaFI. The value of these new expenses was reflected in the Company successfully obtaining FCC approval for its MegaFI system on August 11, 2008.

In 2007, the Company had a non cash accretion expense of \$15,416 and \$nil in 2008. Interest expense was \$20,348 in 2008 versus \$42,520. The reduced interest expense is a result of a more favorable interest rate at the beginning of the year plus the fact that the Company has taken steps to reduce its notes payable, this strategy continues in 2008.

The Company continues to be heavily indebted to 3rd parties by way of promissory notes (2008 - \$274,968; 2007 - \$292,468). During the nine months ended September 30, 2008, the Company settled an aggregate; \$23,015 of promissory notes plus and accrued interest by issuing 460,315 common shares at a price of \$0.05 per share. The Company continues to negotiate with note holders for a favorable settlement, which will generally include converting debt to common shares. In 2007, the Company settled \$148,642 of promissory notes by means of a share for debt conversion. The 743,210 common shares relating to this settlement were issued on June 2, 2008.

The Company will continue to look for ways to settle its debts and improve its working capital ratio.

Notes 4 and 5 (b) of the December 31, 2007 audited consolidated financial statements discusses the details for the debt and equity financings along with the debt settlements in 2007.

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Milestones in 2008

- a) Hired a CEO and Research and Technical Director
- b) Obtained FCC approval on August 11, 2008
- c) Successful test and launch of 2nd generation units
- d) 60% penetration of 10 floor commercial building in downtown Toronto with single MegaFI unit
- e) Successful test of 1 km line of sight range
- f) Approval of MegaFi by international router manufacturer

3.0 Selected Annual Information

The following are the highlights of financial data on the Company for the most recently completed three financial years which have been prepared in accordance with Canadian generally accepted accounting principles. All amounts herein are expressed in Canadian dollars unless otherwise indicated:

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Loss from operations	(589,211)	(503,293)	(607,866)
Other income and expense from the recovery of expenses and the disposition of equipment	43,824	47,002	-
Net loss for the year	(545,387)	(456,291)	(607,866)
Net loss per share	(0.02)	(0.02)	(0.02)
Total assets	107,896	24,054	100,267
Total liabilities	1,287,530	610,646	596,509
Deficit	(3,231,816)	(3,688,107)	(4,295,973)

4.0 Summary of Quarterly Results

The following are the highlights of financial data on the Company for the most recently completed eight quarters which have been prepared in accordance with Canadian generally accepted accounting principles.

	<u>Sep.</u> <u>30/08</u>	<u>June.</u> <u>30/08</u>	<u>Mar.</u> <u>31/08</u>	<u>Dec.</u> <u>30/07</u>	<u>Sep.</u> <u>30/07</u>	<u>Jun.</u> <u>30/07</u>	<u>Mar.</u> <u>31/07</u>	<u>Dec.</u> <u>31/06</u>
Net loss	227,407	156,807	56,280	344,868	153,567	41,187	68,244	87,530
Loss per share	-	-	-	-	-	-	-	.01

5.0 Liquidity and Solvency

Cash-flow management is of the utmost importance, the Company is therefore reserving its cash to meet the needs of its product development team. Management understands that the value of the Company is in its product and all efforts are being made to expedite this final stage. Financial resources are therefore diverted from non-essential expenses and directed to production and regulatory approval costs. Product development costs incurred during the year were incurred for fine tuning the MegaFI, developing the prototypes and obtaining FCC approval.

The Company had \$19,841 in cash at September 30, 2008 and \$80,163 in December 31, 2007. The working capital deficiency changed from \$496,242 at December 31, 2007 to \$442,143 at September 30, 2008. Although the Company incurred higher Professional fees, consulting fees and product development costs than it did in 2007, the Company settled 284,804 in accounts payable and accrued liabilities by issuing 5,538,580 common shares at prices

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ranging from \$0.05 to \$0.20 per common share. This debt settlement helped to minimize the Company's working capital deficiency.

The Company will need to continue its debt settlement strategy in the coming months to improve the working capital deficiency.

During the period, the Company issued 1,750,000 units at a price of \$0.05 per unit and raised gross proceeds of \$87,500. The warrants attached to the units are exercisable at \$0.10 per share for 2 years. The Company also received \$61,500 for 1,230,000 units yet to be issued. These units also have 2 year warrants attached to them and are exercisable at \$0.10 per share.

While the Company may not have enough cash reserves to fund its operations for the remainder of 2008, the Company is quite confident that all regulatory approvals will be received shortly, thus availing it the ability to obtain the necessary financing.

Although the Company has been successful in the past in raising funds, there can be no assurance that any funding required by the Company in the future will be made available to it and, if such funding is available, that it will be offered on reasonable terms. The Company's ability to continue as a going concern will be dependent on its ability to raise the necessary financing.

6.0 Related Party Transactions

In the normal course of business, management and consulting fees of \$42,000 and \$126,000 (2007; \$18,000 and \$53,000) respectively were charged for the three and nine months ended September 30, 2008 by companies controlled by directors and offices and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties. Accounts payable and accrued liabilities include \$36,700 (2007 - \$35,000) owing to companies controlled by directors and officers of the Company.

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

7.0 Financial Instruments

The Company's financial instruments consist of cash, gst receivable, accounts payable and accrued liabilities and promissory notes. Management is of the opinion that the Company is exposed to significant interest rate risk arising from these financial instruments; namely promissory notes. The Company estimates that the fair value of these instruments approximate the carrying values due to their short term nature.

Interest Rate Risk

The Company has \$274,968 of promissory notes currently due at varying interest rates. Due to the Company's inability to fund its operations and the ongoing losses, the Company is unable to obtain financing at reasonable rates. The Company is therefore exposed to significant interest rate risk. Small changes in interest rate will have a significant impact on the Company.

The Company's exposure to interest rate risk is summarized as follows:

\$219,968 of promissory notes - Interest rate of prime plus 5%
\$10,000 of promissory notes - Interest rate of prime plus 1%
\$45,000 of promissory notes - Interest rate of prime plus 2%

Liquidity Risk

The Company has no income and relies on equity fund raising to support operations and product development. Management ensures funds are available prior to commencement of any such program. The Company does not have sufficient capital to fund its operations over the next twelve months and may need to obtain additional financing from outside sources.

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8.0 Cash Management

In the management of capital, the Company includes shareholders equity and cash. The Company's objective in managing capital is to ensure that financial flexibility is present to increase shareholder value through the development of its wireless network booster; to maintain a good capital base so as to maintain investor and creditor confidence and to sustain future development of the business and to safeguard the Company's ability to obtain financing when the need arises.

As at September 30, 2008, promissory notes make up a significant portion of the Company's current liabilities. The Company, however, has no externally or internally imposed capital requirements. The Company's capital management strategy includes the reduction of its notes payable through terms that are favourable to the Company and by extension, its shareholders.

In maintaining its capital, the Company has a strict investment policy which includes investing its surplus capital only in highly liquid, highly rated financial instruments.

The Company reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the period.

9.0 Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions.

10.0 Outstanding Share Data

Balance, December 31, 2007	39,005,806	\$	2,849,892
Shares issued on conversion of promissory notes	350,000		17,500
Shares issued as settlement for accrued liabilities	5,538,580		284,804
Transfer from shares to be issued	743,210		199,663
Shares issued for cash, net of issue costs	1,750,000		85,500
Warrant valuation	-		(32,459)
Balance, September 30, 2008 and November 21, 2008	47,387,596	\$	3,404,900

Warrants

Issue Date	Number of Warrants	Expiry date	Price	Value
July 18, 2007	362,660	July 18, 2009	0.10	4,422
July 24, 2007	1,000,000	July 24, 2009	0.10	12,193
October 12, 2007	2,000,000	October 12, 2009	0.10	24,385
September 4, 2008	1,750,000	September 4, 2009	0.10	32,459
Balance, Sep 30, and Nov 21, 2008	5,112,660		\$	73,459

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Stock Options			
Expiry Date	Number of Options	Number of Exercisable options	Exercise Price
July 4, 2011	700,000	700,000	\$ 0.15
July 20, 2012	1,100,000	1,100,000	\$ 0.10
October 26, 2012	1,360,000	1,360,000	\$ 0.10
June 27, 2013	250,000	250,000	\$ 0.10
August 25, 2013	2,300,000	2,300,000	\$ 0.10
Ending Balance	5,710,000	5,710,000	

11.0 Other News

On June 26, 2008, the Company appointed Bryan D. Moir as Chief Executive Officer of the company. Mr. Moir also serves as a director of the company.

Mr. Moir has founded several companies and held a number of senior positions in the technology industry over the past 25 years in both hardware and software companies.

Mr. Moir has an honours degree in Economics from York University and an MBA from the Schulich School of Business.

12.0 Strategy and Outlook

The Company is currently focused on completing the development of its wireless network booster and positioning itself to market the product and thus increase shareholder value.

Management has reviewed all its expenses and has taken a firm stand on expenses not directly related to the development of its MegaFI. Expenses such as; office expenses, stock-based compensation, interest expense and travel will see continue to see reductions in 2008. While generating revenues will not be accomplished in 2008, the Company is making efforts to reduce its year over year losses and the continued strengthening its balance sheet. Through strategic alliances and agreements formed, the Company is anxiously looking forward to the developments expected over the remainder of the year as it anticipates a flurry of positive activity. The foundation of this activity is currently being laid which includes the exciting MegaFI modifications and the positive feedback we have been receiving from our new engineering partners. The Company is also looking to strengthen its relationship with Invotex who will be working hard to assist the Company with licensing and commercialization of the MegaFI.

On October 26, 2007, the Company entered into an agreement with Invotex for the sale, licensing and commercialization of its wireless booster products. In consideration for acting as the Company's exclusive representative, Invotex will be paid 12% of the gross revenues received from the first contract and will be reimbursed for all of its expenses relating to the agreement. The term of the agreement is for one year.

Invotex was founded in 1986 as Maryland First Financial Services Corp. Invotex is an accounting, economic and financial consulting and intellectual property management firm that specializes in providing financial analyses related to complex financial transactions and Intellectual property management, transaction and finance services.

Invotex serves the business and legal communities, financial institutions, insurance companies and governmental entities in matters involving disputes, investigations, reorganizations, insurance and valuations. In addition, Invotex assists intellectual property owners with a full range of IP advisory services, including licensing, technology evaluation, royalty audits and license compliance, asset management and enforcement of IP rights.

The Company received FCC approval for the MegaFI system on August 11, 2008. Since then, the Company has established relationships with possible integrators and end users of the system. We have successfully tested the MegaFI in a commercial building and the MegaFi provided more positive feedback than was anticipated. Areas that were formally considered difficult or even impossible to receive wireless coverage became hotspots.

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Investors can be assured of more positive news and activity in the 4th quarter of 2008.

13.0 Adoption of New Accounting Policies

Effective January 1, 2008, the Company adopted the provisions of the following new CICA Handbook Sections:

(i) Inventories:

CICA Handbook Section 3031, Inventories, replaces corresponding Section 3030 and establishes new standards for the measurement and disclosure of inventories. This new section requires inventories to be measured at the lower of cost and net realizable value, provides guidance on the determination of cost and requires the reversal of prior period write-downs when the net realizable value of impaired inventory subsequently recovers. The adoption of this section had no impact on the unaudited interim consolidated financial statements.

(ii) Financial instruments:

CICA Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation, enhance existing disclosure requirements and place greater emphasis on disclosures related to recognized and unrecognized financial instruments and how those risks are managed.

In accordance with Section 3862, the Company is required to disclose the classifications of its financial instruments into one of the following five categories:

- held-for-trading
- held-for-maturity investments
- loans and receivables
- available-for-sale financial assets
- other financial liabilities

The new disclosures required by Section 3862 are included in note 8 of the September 30, 2008 interim financial statements. The adoption of these standards had no material impact on the unaudited interim consolidated financial statements.

(iii) Capital disclosures:

Handbook Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such noncompliance. The Company has included disclosures recommended by the new Handbook section in note 7 of the September 30, 2008 interim consolidated financial statements.

The adoption of this standard did not have a material impact on the unaudited interim consolidated financial statements

14.0 Critical Accounting Estimates

Stock-based Compensation

The Company uses fair value method for options and warrants granted to directors, officers and consultants. The fair value of stock options and warrants is determined by the Black-Scholes option pricing model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares and an expected life of the options and warrants. The fair value of the options granted is amortized over their vesting period. Upon exercise of any option or warrant for which contributed surplus was recognized, the value assigned to the option or warrant will be adjusted to capital stock.

15.0 Disclosure Controls

Based on an evaluation of the Company's disclosure controls and procedures, the Company's Chief Executive Officer and Chief Financial Officer have concluded at December 31, 2007 that these controls and procedures operated effectively.

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Cautionary Note Regarding Forward Looking Statements

This Management's Discussion and Analysis include "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management of the Company and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. These forward looking statements are based on current expectations and involve risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in the forward looking statements. Examples of such forward looking statements include statements regarding financial results and expectations for 2008, including, but not limited to, the development of the AireBoost unit, demand for the AireBoost unit, currency exchange rates or may be based on assumptions and/or estimates related to future economic, market and other conditions. Factors that could cause actual results, developments or events to differ materially from those anticipated include, among others, the factors described or referred to elsewhere herein, and include unanticipated and/or unusual events. Many of such factors are beyond Airesurf's ability to control or predict. Actual results may differ materially from those anticipated. Readers of this MD&A are cautioned not to put undue reliance on forward looking statements due to their inherent uncertainty. Airesurf disclaims any intent or obligation to update publicly any forward looking statements, whether as a result of new information, future events or results or otherwise. These forward looking statements should not be relied upon as representing management's views as of any date subsequent to the date of this MD&A.

Risks and Uncertainties

The Company's business of developing, marketing and selling the wireless products is highly uncertain and risky by its very nature. In addition, the ability to raise funding in the future to maintain the Company's development of the AireBoost unit is dependant on financial markets that often fail to provide necessary capital.

Regulatory standards continue to change making the review process longer, more complex and more costly. Even if an AireBoost unit is developed, there is no assurance that it will ever reach commercial products or be profitable, as its potential economics are influenced by many key factors such as manufacturing of the AireBoost unit, demand for the AireBoost unit, foreign exchange rates, and equity markets which cannot be controlled by management.

Management's Responsibility

Management is responsible for all information contained in this report. The audited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the audited consolidated financial statements in all material aspects. Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the audited consolidated financial statements with management. The Board of Directors has approved the audited consolidated financial statements on the recommendation of the Audit Committee.

Risk Factors

An investment in our common shares involves a high degree of risk. You should carefully consider the risks described below and the other information contained in this MD&A before deciding to invest in our common shares. If any of the following risks actually happen, our business, financial condition and operating results could be materially adversely affected. In this case, the trading price of our common shares could decline, and you could lose part or all of your investment.

As we have a history of losses, there is no assurance that our business will ever be consistently profitable.

We have incurred substantial losses since we were founded. There is no assurance that we will generate an overall profit from our business during 2008 or that we will ever reach profitability on a sustained basis.

We may not be able to achieve commercialization of our AireBoost Unit on the timetable we anticipate, or at all.

We cannot guarantee that we will be able to develop a commercially viable AireBoost unit on the timetable we anticipate, or at all. The commercialization of our AireBoost unit requires substantial technological advances to improve the efficiency, functionality, reliability, cost and performance of the AireBoost unit and products and to develop commercial volume manufacturing processes for these systems and products. We cannot guarantee that we will be able to internally develop the technology necessary for commercialization of our AireBoost unit, or that we will be able to acquire or license the required technology from third parties. Developing the technology for high-volume commercialization requires substantial capital, and we cannot assure you that we will be able to generate or secure sufficient funding on terms acceptable to us to pursue our high-volume commercialization plans. In addition, before we release any product to market, we subject it to numerous field tests. These field tests may encounter problems and delays for a number of reasons, many of which are beyond our control. If these field tests reveal technical defects or reveal that our wireless products do not meet performance goals, including useful life and reliability, our commercialization schedule could be delayed, and potential purchasers may decline to purchase our systems and products.

We may become subject to product liability lawsuits which could result in significant expense to us, adversely affecting our resources and the development of sales of our products and thereby delaying the commercialization of our products.

We cannot assure you that we will be able to successfully execute our business plan

The execution of our business plan poses many challenges and is based on a number of assumptions. We cannot assure you that we will be able to successfully execute our business plan. If we experience significant cost overruns on our development of the AireBoost unit and the manufacturing of the AireBoost unit may be delayed or eliminated, resulting in changes or delays to our commercialization plans, or we may be compelled to secure additional funding to execute our business plan. We cannot predict with certainty our future revenues or results from our operations, and the benefits of our business plan are based on revenue assumptions. If the assumptions on which our revenue or expenditure forecasts are based changed, the benefits of our business plan may change as well. In addition, we regularly review acquisition opportunities and may consider expanding our business beyond what is currently contemplated in our business plan. Depending on the financing requirements of a potential acquisition or new product opportunity, we may be required to raise additional capital through the issuance of equity or debt. If we are unable to raise additional capital on acceptable terms, we may be unable to pursue a potential acquisition or new products opportunity.

Potential fluctuations in our financial and business results makes forecasting difficult and may restrict our access to funding for our commercialization plan

We expect our revenues and operating results to vary significant from quarter to quarter. As a result, quarter to quarter comparisons of our revenues and operating results are not meaningful. Due to our stage of development, it is difficult to predict our future revenues or results of operations accurately. We are also subject to normal operating risks such as credit risks and foreign currency risks. It is likely that in one or more future quarters our operating results will fall below the expectations of investors and securities analysts. In addition, investors and security analysts may misunderstand our business decisions or have expectations that are inconsistent with our business plan. This may result in our business activities not meeting their expectations. Not meeting investor and security analysts expectations may materially and adversely impact the trading price of our common shares, and increase the cost and restrict our ability to secure required funding to pursue our commercialization plans.

Additional Information

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

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