GENERAL

The following information, prepared as of November 21, 2014, should be read in conjunction with the condensed interim consolidated financial statements for the six months ended September 30, 2014 of Helius Medical Technologies, Inc. (the "**Company**" or "**Helius**") and audited financial statements as of March 31, 2014 of Neurohabilitation Corp. ("**Neuro**") and the related notes contained therein which have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America ("**US GAAP**"). All amounts are expressed in United States dollars (USD) unless otherwise noted.

The preparation of Management's Discussion and Analysis ("**MD&A**") may require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. US GAAP provides the framework from which to make these estimates, assumptions and disclosures. Management chooses accounting policies within US GAAP that management believes are appropriate to accurately and fairly report the Company's operating results and financial position in a consistent manner. Management regularly assesses these policies in light of current and forecasted economic conditions. Actual results could differ from those estimates made by management.

References in this MD&A to "**we**", "**our**", "**us**" or similar terms refer to Helius Medical Technologies, Inc.

Additional information relevant to the Company's activities can be found on SEDAR at www.SEDAR.com and the Company's website at heliusmedical.com.

CAUTIONARY NOTE REGARDING FORWARDING LOOKING STATEMENTS

This MD&A contains or incorporates forward-looking statements and information relation to the Company that are based on the beliefs of management and assumptions made by and information currently available to management. Certain statements contained in the foregoing MD&A constitutes forward-looking statements that involve risks and uncertainties, including statements regarding our market, strategy, competition, capital needs, business plans and expectations. Such forward-looking statements involve risks and uncertainties regarding the success of our business plan, availability of funds, government regulations, operating costs, our ability to achieve significant revenues and other factors. Forward-looking statements are made, without limitation, in relation to operating plans, availability of funds and operating costs. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential" or "continue", the negative of such terms or other comparable terminology. Actual events or results may differ materially. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below.

DESCRIPTION OF BUSINESS AND OVERALL PERFORMANCE

Our Business

The brain's ability to reorganize its operation in response to new information sources, new functional needs, or new communication pathways is referred to as *neuroplasticity*. Neuroplasticity is a process underlying all cerebral learning, training, and rehabilitation. *Neuromodulation* is the use of external tactile stimulation to intentionally change and regulate the internal electrochemical environment of the brain.

Traditional rehabilitation interventions have typically involved medication and various forms of therapies, including physical therapy. In a non-controlled clinical setting, the PoNS™ Device has shown to significantly improve and sustain functional rehabilitation to address brain dysfunction from traumatic, degenerative, developmental, chemical, or unknown origins when combined with physical or cognitive therapy designed to overcome the identified symptoms. The Device has shown to be safe and clinically effective thorough case studies in over 190 patients in the US. The Device, in conjunction with physical or cognitive therapy, has shown anecdotal positive results in a great majority of patients. In addition to the currently held method-of-use patent, the Company anticipates additional

patent protection for the Device tied to uniquely designed therapy for specific therapeutic indications and functional innovations with respect to design and technology development.

Helius is a medical technology company focused on neurological wellness. The Company seeks to use unique and non-invasive platform technologies that amplify the brain's ability to heal itself.

The Company's Portable Neuromodulation Stimulator ("**PoNS™**") device (the "**Device**") is being developed to enable the first non-invasive means for delivering neurostimulation through the oral cavity. Of the more than 600 neurologic diseases and disorders such as Multiple Sclerosis ("**MS**"), Huntington's, Muscular Dystrophy, Spina Bifida, Parkinson's, Alzheimer's, Stroke, Epilepsy, and Traumatic Brain Injury ("**TBI**"), many have shown to benefit from neurostimulation. The Company intends to file for U.S. Food and Drug Administration clearance for the PoNS™ device.

The Company's Device, which is placed into and held in the patient's mouth, stimulates the trigeminal and facial nerves that innervate the anterior two-thirds of the human tongue using a sequenced pattern of superficial electrical stimulation. This stimulation excites a natural flow of neural impulses to the brainstem and cerebellum to effect changes in the function of these targeted brain structures. Prolonged activation (20 minutes or more) of neuronal circuits has shown to initiate long-lasting processes of neuronal reorganization with a variety of positive results, including the correction of gait/balance impairments resultant from TBI when combined with physical therapy.

The Company's mission is to develop, license and acquire non-invasive treatments designed to help patients affected by neurological symptoms caused by disease or trauma. Applying the principles of neuroplasticity, the Company's patented PoNS™ device induces Cranial Nerve Non Invasive Neuromodulation ("**CN-NINM**") that utilizes the brain's innate ability to achieve neuroplastic change to aid persons with neurological, cognitive, sensory, and motor disorders when combined with the rehabilitation process.

Our Market

The Company's business development plan is predicated on penetration of the US civilian and the US Army TBI and MS markets in the US. In the US Armed Forces there are 30,000 soldiers who suffer TBI every year. In the Veterans Administration ("**VA**") system there are over 600,000 retired soldiers on disability due to TBI.

North America is expected to dominate the overall market throughout the forecast period from 2012 to 2020[1]. The presence of sophisticated healthcare infrastructure and industry friendly organizations such as the North American Neuromodulation Society and the American Tinnitus Association will propel the future growth of this market as the presence of high healthcare expenditures and patient awareness levels is one of factors accounting for North American high market share.

Some of the drivers of the European market include the relatively easy and faster CE device approval process, presence of a large base of population over 60 years old in Western European countries and rapid economic development witnessed in Eastern European countries such as Poland and Russia. However, Asia Pacific is identified as the fastest growing region of the neurostimulation devices market[1].

The large presence of unmet medical needs in countries such as India and China and the constantly improving healthcare infrastructure and patient awareness levels in these countries accounted for its lucrative growth. The Asia Pacific neuromodulation market is expected to grow at a compound annual growth rate ("**CAGR**") of 17.6% from 2013 to 2020[1].

Our History

The Company was incorporated in British Columbia, Canada, on March 13, 2014. On May 28, 2014, the Company completed a continuation from British Columbia to Wyoming via a plan of arrangement whereby the Company moved from being a corporation governed by the British Columbia Corporations Act to a corporation governed by

1. Source: Neurostimulation Devices Industry Trends and Market Segment Forecasts to 2020 (San Francisco: Grand View Research Inc. 2014).

the Wyoming Business Corporations Act. The Company's head office is located at 41 University Drive, Suite 400, Newtown, PA, USA 18940.

In May 2014, 3,230,031 shares were issued pursuant to the exercise of consultant options.

On May 27, 2014, the Company entered into a rental agreement for office space in Newtown, PA. The monthly rent is $3,896. The agreement expires on May 31, 2015.

On June 4, 2014, the Company entered into an amendment letter to amend certain terms of a convertible debenture (the "**Debenture**"). Pursuant to such amendment letter, if any qualified financing with an aggregate amount of at least $2,000,000 occurs, the principal amount of the Debenture shall be automatically converted into common stock of the Company at a price per share equal to CAD $0.425. For the avoidance of doubt, upon conversion of the Debenture, the Company issued a total of 2,564,705 common stock and paid $11,131 in cash with respect to the accrued and unpaid interest outstanding.

On June 6, 2014, the Company entered into a definitive agreement with Neuro where the Company acquired 100% of the outstanding and issued shares of Neuro by issuing 16.035 shares of Helius for every common stock outstanding of Neuro. As a result, Neuro, incorporated in Delaware, USA, on January 22, 2013, became a wholly-owned subsidiary of the Company. In connection with the acquisition, the Company conducted a non-brokered private placement (the "**Private Placement**") at CAD $0.50 per unit of 15,240,000 units raising up to CAD $7.62 million. Each unit consists of one common stock of Helius and one half of a warrant of Helius where one full warrant is exercisable for 2 years at CAD $1.00 into one common stock.

On June 13, 2014, the Company completed its acquisition of 100% of the issued and outstanding shares of Neuro. The transaction was recorded as a reverse acquisition ("**RTO**"), as the control of the Company was acquired by the former shareholders of Neuro. Although Helius is the legal acquirer, Neuro is treated as the accounting acquirer under U.S. GAAP as the former shareholders of Neuro became the major shareholders of Helius. Consequently, the Company is deemed to be a continuation of Neuro and Helius is deemed to have been acquired in consideration for its issued and outstanding shares prior to the RTO.

On June 19, 2014, Helius granted stock options to directors, officers and consultants to purchase up to 3,520,000 common stock at a price of CAD $0.60 per share, exercisable until June 18, 2019, with one-third of such stock options vesting on the date of grant and the remaining two-thirds vesting on the first and second anniversary of the date of grant respectively.

On June 20, 2014, the Company entered into a consulting agreement with Sproatt Mountain Ventures Inc. ("**Sproatt**") whereby Sproatt provides investor relations services to increase market awareness of the Company. The Company pays Sproatt a fee of CAD $12,000 per month plus applicable taxes and grant options entitling Sproatt to purchase 250,000 common stock at CAD $0.60 per share exercisable until June 20, 2019. The Sproatt options shall vest over 24 months, with one quarter of the options vesting at the end of each three-month period from the date of grant.

On June 18, 2014, the Neuro entered into a consulting agreement with Kurt Kaczmarek to provide consulting services in relation to the development of the PoNS^{TM} technology. The agreement is valid for a period of 12 months and the consultant charges an hourly fee of $150 per hour or $1,000 per day if 8 or more hours are worked.

On June 23, 2014, the Company became listed on Canadian Securities Exchange under the symbol "HSM".

On July 1, 2014, the Neuro entered into a consulting agreement with Yuri Danilov to provide consulting services in relation to the development of the PoNS^{TM} technology. The agreement is valid for a period of 12 months and the director charges an hourly fee of $150 per hour or $1,000 per day if 8 or more hours are worked.

On July 14, 2014, the Company entered into a consulting agreement with Brian Bapty whereby Dr. Bapty would provide consulting services such as assisting the Company in development and implementing appropriate plans and means for the Company's strategies regarding development and corporate communication for a monthly fee of CAD

$6,000 plus applicable taxes. The Company also issued to Dr. Bapty 100,000 stock options exercisable at CAD $2.52 for 3 years.

On July 15, 2014, Neuro entered into a consulting agreement with the Montreal NeuroFeedback Centre ("**Neurofeedback**") whereby Neurofeedback assists with all aspects of a pilot clinical trial of the PoNS™ device for a period of 12 months. Neurofeedback charges CAD $100,000 over the 12 month period.

Current development

The Company is currently in the process of seeking de-novo clearance classification as a Class II medical device and 510(k) clearance from the FDA for the treatment of balance disorders related to TBI. Based on the needs of an initial target market of 100,000 active duty personnel and over 300,000 VA retired military personnel with various degrees of TBI. In January 2013, the Company and the US Army entered into a Collaborative Research and Development Agreement ("**CRADA**"). The agreement calls for the US Army to support, through funding, the execution of the registrational clinical trials required to obtain clearance from the FDA. Further, the Army will provide regulatory consultation and support to secure FDA clearance. Clearance from the FDA is expected to be obtained in Q3 2016. The US Army also proposes to continue to invest in the development of indications that are burdensome to them such as post-traumatic stress disorder ("**PTSD**"), Tinnitus, Pain (headache), and sleep disturbance, over the next several years.

In the civilian populations, the Company is going to be seeking an indication for the treatment of balance disorder in Multiple Sclerosis in Canada and the US. The clinical trials will be performed at the Neurological Institute of Montreal. This trial will be designed in such a way that it can be submitted for FDA approval in the US and Health Canada.

The Company has set up the following critical success factors for its business success. What follows is a progress report on these important milestones:

Clinical Trial Development:

- Army Pathway. The US Army Medical Command, through the CRADA, has agreed to support, through funding, the development of our FDA registrational clinical trial. As part of this process the Company is pursuing a randomized, double-blind, multicenter registrational trial for the treatment of balance disorder associated with mild to moderate TBI which it targets to complete by Q2 2016. It is estimated the device will thus be cleared by the FDA in Q3 2016.

- MS development program. The Neurological Institute of Montreal has approved a pilot study on patients suffering from balance disorder from MS. Pending success of the pilot study, a full registrational study in MS will follow and will be submitted to the US and Canadian regulatory bodies (that is, the FDA and Health Canada) for clearance. The pilot study is expected to receive Independent Review Board of the Neurological Institute of Montreal approval on December 4, 2014 and the Company expects to begin recruiting patients in Q1 2015.

Device Design and Manufacturing Development

- The Device design and manufacturing development for the PoNS 4.0 Commercial device is progressing about 6 weeks behind schedule due to a design flaw discovered in the engineering verification process. The root cause of the flaw has been identified and the project will now resume with Helius trying to find ways to speed the make up some of the lost time. The delivery of the device is still forecast to be on time for the start of both the registrational clinical trial programs.

Intellectual Property ("**IP**") Development:

The Company hired the law firm Proskauer Rose, LLP from New York to represent and help drive the Company's IP strategy. Inventors of the technology and techniques received one patent in relation to the

three patent applications that were filed. The patent covers non-invasive neurostimulation of the skin combined with physical therapy to provide neurorehabilitation to patients and treat various maladies including TBI, strokes and Alzheimer's disease. Through the license agreement with Advanced NeurRehabilitaiotn LLC ("**ANR**"), we have a license to this patented technology and techniques.

As part of the device design process the Company expects to file 16 design patents by November 2014.

In the trademark area, the Company has filed for trademarks (HELIUS MEDICAL TECHNOLOGIES, HMT, NEUROHABILITATION, NHC, and PONS) in both the U.S. and Canada.

Pricing and reimbursement code:

- The Company hired Michael Cook from the Liles/Parker law firm as its reimbursement specialist. Mr. Cook will lead the current procedural technology code development project so that the PoNS™ Device will be reimbursed from the government once it is available for sale. To date, we have decided to seek reimbursement of the PoNS™ Device as a durable medical device.

Market Shaping, Public Relations and Investor Relations Activity:

The Company has retained the services of FingerPaint Marketing to support the brand, web, and social media presence for the Company. The Company's goal is to raise awareness of itself and its potential contribution to the treatment of neurological symptoms caused by disease or trauma. The Company has also contracted Kerns Communications to support the Company's public relations activity

We intend to structure the business to deliver the therapy through a national network of accredited Physical Therapy Centres ("**PTC**") with the ultimate intent to transfer the therapy to the home settings where patients will continue to be monitored by PTC. The Company intends to support the proper home use of the Device through various supportive methods including, but not limited to, instruction manuals, video library of exercises, and a network of on-call physical therapist all designed to help patients get the most of their therapy.

Formation of Scientific Advisory board (the "**SAB**")

The Company is seeking build a multidisciplinary board to advise the Company on the development of its primary asset the PoNS™ device.

The SAB will be chaired by Dr. Jonathan Sackier, a surgeon, scientist, and serial medical technology entrepreneur and inventor. Members of the SAB include

- Dr. Scott Parazynski (ER doctor, inventor, and veteran astronaut of five Space Shuttle missions),
- Dr. Ron Alterman (Harvard Professor & neurosurgeon experienced in deep brain stimulation for Parkinsons Disease),
- trauma surgeon Dr. Carl Hauser (Beth Israel Deaconess, Boston, MA),
- Major General (Ret) Gale Pollock (Chief of the Army Nurse Corps & Deputy Surgeon General, Army Medical Department),
- Professor Jim Surmeier (Chair of Physiology Department, Northwestern University),
- Dr. Reggie Edgerton (Chair, Neuromuscular Research Laboratory, UCLA),
- Dr. Rick Celebrini (Physiotherapist, Founder of Fortius Institute, professional soccer player and head of Sports Medicine and Science for the Vancouver Whitecaps).
- Jennifer Sweet, M.D., Assistant Professor of Neurosurgery at Case Western Reserve University School of Medicine and Neurosurgeon at University Hospitals Case Medical Center

The Company will continue to attract other top scientific minds in the world to join the SAB.

Russian Distribution Agreement

Effective on November 19, 2014, the Company signed a distribution agreement with Altair LLC, a Russian medical distribution company. The distribution agreement provides that Altair LLC shall be responsible for taking all necessary steps and incurring all incidental costs required to register the PoNS™ device for patient use within the territories, including performing any clinical studies and any other actions required to obtain government and regulatory approvals in order to distribute and sell the PoNS™ device in such territories. The territories include the following countries: Russia, Armenia, Georgia, Kyrgyzstan, Moldova, Azerbaijan, Belarus, Kazakhstan, Tajikistan, Turkmenistan, Uzbekistan, Estonia, Lithuania, and Latvia.

Upon Altair LLC receiving the necessary government and regulatory approvals, it shall purchase the PoNS™ device from Neuro according to a volume-adjusted price schedule. A mid-single digit royalty will also be payable and applied to net product sales. To maintain the agreement, certain minimum annual order thresholds, based on approved treatment indications, must be achieved.

RESULTS OF OPERATIONS

Revenues

During the three-month and six month periods ended September 30, 2014, the Company did not generate any revenues (three-month and six-month periods ended September 30, 2013 - $nil).

Operating Expenses

Operating expenses incurred during the three-month period ended September 30, 2014, were $2,767,604 (three-month period ended September 30, 2013 - $67,280) and $4,514,794 for the six-month period ended September 30, 2014 (six-month period ended September 30, 2013 - $131,263). Significant changes and expenditures are outlined as follows:

Research and development expenses for the three-month period ended September 30, 2014 were $1,062,927 (three-month period ended September 30, 2013 – $nil) and $1,665,883 for the six month period ended September 30, 2014 (six-month period ended September 30, 2013 - $nil). The increase was primarily due to research and development of the Company's PoNS™ device, mostly including Ximedica's commercial development-to-supply program and the NeuroFeedback's 12-month pilot clinical trial.

Stock-based compensation for the three-month period ended September 30, 2014 was $607,786 (three-month period ended September 30, 2013 – $58,804) and $1,121,802 for the six-month period ended September 30, 2014 (six-month period ended September 30, 2013 - $115,915). The increase was mainly caused by the issuance of stock options to the Company's directors, officers, and consultants. The significant increase in stock-based compensation stems from the Company's issuance of stock options in June and July 2014 and subsequent revaluation at each vesting period.

Advertising, marketing, and IR expenses for the three-month period ended September 30, 2014 were $357,956 (three-month period ended September 30, 2013 – $nil) and $404,182 for the six-month period ended September 30, 2014 (six-month period ended September 30, 2013 - $nil). The increase relates to advertising and promotion expenses and investor relation consulting fees. The Company has engaged investor relations and public relations professionals in Canada and the US in order to increase the public's awareness of its activities and the Device.

Accreted interest expenses for the three-month period ended September 30, 2014 were $226 (three-month period ended September 30, 2013 - $nil) and $183,058 for the six-month period ended September 30, 2014 (six-month period ended September 30, 2013 - $nil). The increase was related to interest and amortization of a beneficial conversion feature on the Debenture.

Legal fees for the three-month period ended September 30, 2014 were $344,491 (three-month period ended September 30, 2013 - $625) and $564,425 for the six-month period ended September 30, 2014 (six-month period

ended September 30, 2013 - $4,175). The increase was primarily composed of fees incurred for general corporate matters and the reverse takeover transaction. In addition, the legal activity for the Company has increased significantly since inception due to the acquisition of Neuro and the engagement of various specialized legal counsels for the development of our intellectual properties and the commercialization of the PoNS™ device.

Wages and salaries for the three-month period ended September 30, 2014 were $100,014 (three-month period ended September 30, 2013 - $nil) and $176,705 for the six-month period ended September 30, 2014 (six-month period ended September 30, 2013 - $nil). The increase relates to employee payroll. The employment contract with the CEO was effective on March 15, 2014, and the Company hired a full-time employee on June 1, 2014.

General office and administrative expenses for the three-month period ended September 30, 2014 were $82,744 (three-month period ended September 30, 2013 – $2,810) and $104,171 for the six-month period ended September 30, 2014 (six-month period ended September 30, 2013 - $4,270). The increase mainly relates to general and administrative expenses but also includes computer & internet expenses, telephone expenses, and rent expenses. These expenses increased significantly as the Company ramps up its operations.

Meals and travel expenses for the three-month period ended September 30, 2014 were $77,611 (three-month period ended September 30, 2013 - $5,041) and $107,052 for the six-month period ended September 30, 2014 were $107,052 (six-month period ended September 30, 2013 - $6,603). The increase relates to general corporate meal and travel expenses. Travel to and from various investor and medical conferences caused the significant increase.

Transfer agent & regulatory fees for the three-month period ended September 30, 2014 were $43,713 (three-month period ended September 30, 2013 - $nil) and $58,973 for the six-month period ended September 30, 214 (six-month period ended September 30, 2013 - $nil). The increase is mainly composed of transfer agent fees, the CSE's monthly listing fees, and other regulatory fees. These fees increased since the Company listed on the CSE.

Consulting fees for the three-month period ended September 30, 2014 were $36,013 (three-month period ended September 30, 2013 - $nil) and $43,164 for the six-month period ended September 30, 2014 (six-month period ended September 2013 - $300). The increase is primarily due to financial consulting expenses.

Audit and accounting fees for the three-month period ended September 30, 2014 were $30,836 (three-month period ended September 30, 2013 – $nil) and $41,481 for the six-month period ended September 30, 2014 (six-month period ended September 30, 2013 - $nil). The increase relates to the previous year's financial statement audit.

Insurance expenses for the three-month period ended September 30, 2014 were $22,287 (three-month period ended September 30, 2013 - $nil) and $29,773 for the six-month period ended September 30, 2014 (six-month period ended September 30, 2013 - $nil). The increase relates to clinical trial insurance and directors' and officers' liability insurance coverage.

Professional fees for the three-month period ended September 30, 214 were $1,000 (three-month period ended September 30, 2013 - $nil) and $14,125 for the six-month period ended September 30, 2014 (six-month period ended September 30, 2013 - $nil). The increase relates to corporate communications and industry research fees.

Non-Operating Items

Non-operating items incurred during the three-month period ended September 30, 2014 were $398,145 (three-month period ended September 30, 2013 - $nil) and $395,437 during the six-month period ended September 30, 2014 (six-month period ended September 30, 2013 - $nil). Significant changes are outlined as follows:

Interest income for the three-month period ended September 30, 2014 were $14,381 (three-month period ended September 30, 2013 – $nil) and $17,191 for the six-month period ended September 30, 2014 (six-month period ended September 30, 2013 - $nil). The increase stems from the opening of a number of interest-bearing short-term investment accounts with the Company's banking institutions.

Foreign exchange losses for the three-month period ended September 30, 2014 were $412,526 (three-month period ended September 30, 2013 - $nil) and $412,628 for the six-month period ended September 30, 2014 (three-month period ended September 30, 2013 - $nil). The increase stems from the Company's exchange of a large sum of $CAD into $USD interest-bearing short-term investments with its banking institutions.

During the three-month period ended September 30, 2014, the Company recognized foreign exchange gains on the translation of subsidiaries of $206,786 (September 30, 2013 – $nil) and foreign exchange gains of $312,485 on the translation of subsidiaries for the six-month period ended September 30, 2014 (six-month period ended September 30, 2013 - $nil) in other comprehensive income. The increase stems from the fact that the Company now holds most of its funds in $USD which reduces the foreign exchange risks upon converting Canadian dollars to the USD.

During the period from Neuro's incorporation on January 22, 2013 to September 30, 2014, there were no operating revenues as the Company was still in the development stage.

Due to the Company being in its early stage of development, management foresees further increases in the Company's expenses during the coming year resulting from its development activities. These expenses are contingent upon the Company's ability to fund these projects through private placements and other forms of financing. In the event that the Company does not receive the required funding, management will review all on-going expenditures and take appropriate actions to remedy the funding shortage.

SUMMARY OF QUARTERLY RESULTS

The following table presents unaudited selected financial information for each of the last six quarters:

	Q2 September 30, 2014 $	Q1 June 30, 2014 $	Q4 March 31, 2014 $	Q3 December 31, 2013 $	Q2 September 30, 2013 $	Q1 June 30, 2013 $	Q4 March 31, 2013 $
Net sales	-	-	-	-	-	-	-
Net loss	(3,165,749)	(1,744,479)	(602,368)	(333,653)	(67,280)	(63,983)	(8,517,850)
Basic and diluted loss per share	(0.05)	(0.04)	(0.02)	(0.01)	(0.00)	(0.00)	(0.27)
Total assets	5,391,499	7,446,374	315,968	111	163	217	217

Net Loss

The net loss for the three-month period ended September 30, 2014 was $3,164,749 (September 30, 2013 - $67,280). The increase in net loss of $3,097,469 resulted primarily from an increase in operating activities as the Company had the resources to continue its research and development and investor relation activities. The increase is mainly due to the increase in advertising and marketing expenses, legal expenses, research and development expenses, stock-based compensation and wages and salaries.

Working Capital

The Company has experienced recurring losses since inception and, as of September 30, 2014, the Company has working capital of $4,222,723 (March 31, 2014 - $(267,977)) and an accumulated deficit of $18,935,975 (March 31, 2014 - $9,585,134). Until the Company generates a level of revenue to support its cost structure, the Company expects to continue to incur substantial operating losses and net cash outflows. While the Company had cash and cash equivalents of $5,000,026 as of September 30, 2014 (March 31, 2014 - $15,968), management does not believe these resources will be sufficient to meet the Company's operating and capital needs through 2015.

LIQUIDITY AND CAPITAL RESOURCES

The Company's financial statements have been prepared assuming that it will continue as a going concern and, accordingly, does not include adjustments relating to the recoverability and realization of assets and classification of liabilities that might be necessary should we be unable to continue in operation.

The following table sets out the Company's cash and working capital as of September 30, 2014 and March 31, 2014:

	As of September 30, 2014	As of March 31, 2014
Cash and cash equivalents	$5,000,026	$15,968
Working capital (deficit)	$4,222,723	($267,977)

As at September 30, 2014, the Company's current assets were $5,391,499 (March 31, 2014 - $315,968), which increased mostly due to the closing of the Private Placement on June 13, 2014. Current liabilities were $1,168,776 (March 31, 2014 - $583,945), which increased due to an increase in the Company's operations since the closing of the Private Placement and its acquisition of Neuro. Working capital was $4,222,723 (March 31, 2014 – ($267,977)). The Company's current assets as at September 30, 2014 consisted of cash and cash equivalents of $5,000,026 (March 31, 2014 - $15,968) which increased mostly due to the closing of the Private Placement, receivables of $1,589 (March 31, 2014 - $nil) which increased due to the opening of numerous interest-bearing short-term investments with the Company's banking institutions, and prepaid expenses of $389,884 (March 31, 2014 - $300,000) which mostly include a prepayment to Ximedica. The Company's current liabilities as at September 30, 2014 consisted of accounts payable and accrued liabilities of $1,168,776 (March 31, 2014 - $215,921) which increased due to the Company's increased operations, and a convertible debenture amount of $nil (March 31, 2014 - $368,024) which was paid off in full on by issuing 2,564,705 common stock (see *Description Of Business And Overall Performance* section above).

As a resulf of the Company's increased activity, the accumulated deficit increased from $9,585,134 as at March 31, 2014 to $18,935,975 as at September 30, 2014.

The Company has not yet put the PoNS™ device into commercial production, and, therefore, has no operating revenues. Accordingly, the Company is dependent on equity and debt financing as its sole source of operating working capital. The Company's capital resources are largely determined by the strength of the markets and its ability to compete for investor support of its projects.

The Company will have to continue to rely on equity and debt financing. There can be no assurance that financing, whether debt or equity, will always be available to us in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to us.

Contractual obligations

A summary of the Company's contractual obligations at September 30, 2014 is outlined in the table below:

Contractual Obligations	**Payments Due by Period**				
	Total	**Less than 1 Year**	**1 – 3 Years**	**4 – 5 Years**	**After 5 Years**
Long-term debt	N/A	N/A	N/A	N/A	N/A
Capital lease obligations	N/A	N/A	N/A	N/A	N/A
Operating leases	$42,856	$42,856	N/A	N/A	N/A
Purchase Obligations	N/A	N/A	N/A	N/A	N/A
Other long term obligations	N/A	N/A	N/A	N/A	N/A
Total contractual obligations	**$42,856**	**$42,856**	**N/A**	**N/A**	**N/A**

Statement of Cashflows

During the six-month period ended September 30, 2014, the Company's net cash increased by $4,659,235 (September 30, 2013 – decreased by $54), which included net cash used in operating activities of $2,763,914

(September 30, 2013 - $17,038) stemming from the Company's increase in operations, net cash provided by investing activities of $173,903 (September 30, 2013 - $nil) stemming from the acquisition of Neuro, and net cash provided by financing activities of $7,249,246 (September 30, 2013 - $16,984) stemming from the closing of the Private Placement.

Cash Used in Operating Activities

Operating activities in the six-month period ended September 30, 2014 used cash of $2,763,914 (September 30, 2013 - $17,038). This was made up of a net loss of $4,910,231 (September 30, 2013 - $131,263) less adjustments for non-cash items such as: accreted interest of $171,927 (September 30, 2013 – $nil), stock based compensation of $1,121,802 (September 30, 2013 - $115,915), receivables of ($693) (September 30, 2013 - $nil), accounts payable of $937,740 (September 30, 2013 – ($1,690)) and prepaid expenses of ($84,459) (September 30, 2013 – $nil). Receivables increased due to the opening of numerous interest-bearing short-term investments. Payables and prepaid expenses increased due to the Company's increase in operations.

Cash Provided by Investing Activities

During the six-month period ended September 30, 2014, investing activities provided cash of $173,903 (September 30, 2013 - $nil). Investing activities during the six-month period ended September 30, 2014, consisted of: cash acquired on reverse take-over of $23,903 (September 30, 2013 - $nil), and proceeds from bridge financing of $150,000 (September 30, 2013 - $nil).

Cash Provided by Financing Activities

During the six-month period ended September 30, 2014, financing activities provided cash of $7,249,246 (September 30, 2013 - $16,984). Financing activities during the six-month period ended September 30, 2014, consisted of: issuance of share capital (net of share issuance costs) of $6,616,051 (September 30, 2013 - $nil) stemming from the Private Placement, loans from shareholders of $nil (September 30, 2013 - $16,984), and proceeds from the Debenture of $633,195 (September 30, 2013 - $nil).

OFF BALANCE SHEET ARRANGEMENTS

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

TRANSACTIONS WITH RELATED PARTIES

For the period ended September 30, 2014, the Company was a party to the following related party transactions not disclosed elsewhere:

During the period ended September 30, 2014, the Company paid $150,000 (September 30, 2013 - $nil) as wages to the CEO of the Company.

During the period ended September 30, 2014, the Company paid $6,875 (September 30, 2013 - $nil) in consulting fees to a former director of the Company.

During the period ended September 30, 2014, the Company paid $6,050 (September 30, 2013 - $nil) in consulting fees to a director of the Company.

During the period ended September 30, 2014, the Company paid $34,418 (September 30, 2013 - $nil) to a company acting as the Company's corporate advisor and Chief Financial Officer.

During the period ended September 30, 2014, the Company recorded $473,297 (September 30, 2013 - $nil) in stock based compensation for officers and directors of the Company.

See also Notes 3, 5 and 7 of the condensed interim consolidated financial statements for the six months ended September 30, 2014.

PROPOSED TRANSACTIONS

The Company does not currently have any proposed transactions approved by the Board of Directors. All current transactions are fully disclosed in the condensed interim consolidated financial statements for the period ended September 30, 2014.

CRITICAL ACCOUNTING ESTIMATES

All significant accounting policies and critical accounting estimates are fully disclosed in Note 2 of the condensed interim consolidated financial statements for the period ended September 30, 2014.

CHANGES IN ACCOUNTING POLICIEIS INCLUDING INTIAL ADOPTION

The Company has adopted Accounting Standards Update (ASU) No. 2014-10, *Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation*. The amendments in this ASU remove all incremental financial reporting requirements from U.S. GAAP for development stage entities, including the removal of Topic 915, *Development Stage Entities*, from the FASB *Accounting Standards Codification™*.

A development stage entity is one that devotes substantially all of its efforts to establishing a new business and for which: (*a*) planned principal operations have not commenced; or (*b*) planned principal operations have commenced, but have produced no significant revenue. For example, many start-ups or even long-lived organizations that have not yet begun their principal operations or do not have significant revenue would be identified as development stage entities.

For public business entities, the presentation and disclosure requirements in Topic 915 will no longer be required for the first annual period beginning after December 15, 2014. The revised consolidation standards are effective one year later, in annual periods beginning after December 15, 2015. Early adoption is permitted.

The Company has chosen to adopt the provisions of the ASU, hence all of the past development stage disclosures and presentations have been eliminated.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

All financial assets and financial liabilities are initially recorded at fair value and designated upon inception into one of the following categories: held-to-maturity, available-for-sale, loans and receivables or held for trading.

Financial assets classified as held for trading are measured at fair value with unrealized gains and losses recognized through profit and loss. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Held-to-maturity instruments, loans and receivables and financial liabilities not at fair value through profit and loss are measured at amortized cost using the effective interest rate method.

The Company has implemented the following classifications for its financial instruments:

a) Cash and cash equivalents has been classified as held for trading;
b) Receivables have been classified as loans and receivables; and
c) Accounts payable and accrued liabilities and convertible debenture have been classified as other financial liabilities.

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's balance sheet as at September 30, 2014, as follows:

	Fair Value Measurements Using				
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, September 30, 2014 $	Balance, March 31, 2014 $
Cash and cash equivalents	5,000,026	-	-	5,000,026	15,968

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity, interest rate and currency risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations would warrant such hedging activities.

Concentrations of Credit Risk

The financial instrument which potentially subjects the Company to concentration of credit risk is cash and cash equivalents. The Company maintains cash and cash equivalents in bank accounts that, at times, may exceed federally insured limits. As at September 30, the Company has exceeded the federally insured limit. The Company has not experienced any losses in such amounts and believes it is not exposed to any significant risks on its cash and cash equivalents in bank accounts.

Foreign Exchange Risk

The Company incur some operating expenses and had an equity financing in Canadian dollars which are subject to foreign currency fluctuations. The fluctuation of the Canadian dollar in relation to the US dollar will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks. A 10% change in currency will have an impact of $306,062 on net assets and $174,832 on net loss.

OTHER MD&A DISCLOSURE REQUIREMENTS

Disclosure of outstanding share data

The Company's issued and outstanding share capital as at the date of this report is as follows:
(1) Authorized: Unlimited Class A common stock without par value.
(2) As at the date of this MD&A, the Company has 63,104,788 common stock, 3,870,000 options, 8,444,400 warrants issued and outstanding.

Additional disclosure for issuers without significant revenue

The Company has expensed the following material cost components:

	Six-month Period Ended September 30, 2014	Six-month Period Ended September 30, 2013
	$	$
Research & development	1,665,883	-
Stock-based compensation	1,121,802	115,915
Legal fees	564,425	4,175
Advertising, marketing & IR	404,182	-
Accreted interest expense	183,058	-
Wages & salaries	176,705	-
Meals & travel	107,052	6,603
Office & general	104,171	4,270

Research and development expense of $1,665,883 (September 30, 2013 - $nil) primarily include the development of the Company's PoNS™ device, mostly including Ximedica's commercial development-to-supply program and the NeuroFeedback's 12-month pilot clinical trial.

Stock-based compensation expenses of $1,121,802 (September 30, 2013 - $115,915) relate to the issuance of stock options to the Company's directors, officers, and consultants. The significant increase in stock-based compensation stems from the Company's issuance of stock options in June and July 2014 and subsequent revaluation at each vesting period.

Legal fees of $564,425 (September 30, 2013 - $4,175) increased primarily due to fees incurred for general corporate matters and the reverse takeover transaction. In addition, the legal activity for the Company has increased significantly since inception due to the acquisition of Neuro and the engagement of various specialized legal counsels for the development of our intellectual properties and the commercialization of the PoNS™ device.

Advertising, marketing, and IR expenses of $404,182 (September 30, 2014 – $nil) increased due to advertising and promotion expenses and investor relation consulting fees. The Company has engaged investor relations and public relations professionals in Canada and the US in order to increase the public's awareness of its activities and the Device.

Accreted interest expense of $183,058 (September 30, 2014 - $nil) relates to interest and amortization of a beneficial conversion feature on the Debenture.

Wages and salaries of $176,705 (September 30, 2013 - $nil) relate to employee payroll. The employment contract with the CEO was effective on March 15, 2014, and the Company hired a full-time employee on June 1, 2014.

Meals and travel expenses of $107,052 (September 30, 2013 - $6,603) relate to general corporate meal and travel expenses. Travel to and from various investor and medical conferences caused the significant increase.

General office and administrative expenses of $104,171 (September 30, 2013 – $4,270) relate to general and administrative expenses but also includes computer & internet expenses, telephone expenses, and rent expenses. These expenses increased significantly as the Company ramps up its operations.

FUTURE ACCOUNTING STANDARDS AND INTERPRETATIONS

The Company reviewed recently issued accounting pronouncements and concluded that they are either not applicable or not expected to have a significant impact on the Company's financial statements.

RISKS AND UNCERTAINTIES

We have limited operating history and lack profitable operations.

Neuro was incorporated in the State of Delaware on January 22, 2013 and has had limited operations to date. Through its six months ended September 30, 2014, Neuro had accumulated losses of $18,935,975. We will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenue and the risk that we will not achieve our growth objective. We anticipate that we may take several years to achieve consistent positive cash flow from operations. There is no assurance that we will be successful in achieving significant revenues or profitability.

We may be required to obtain additional financing to carry out our plan of operations and if we require additional financing and are unable to obtain such financing, our business may fail.

Additional funds for the establishment of our current and planned operations may be required. No assurances can be given that we will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Current financial conditions, revenues, taxes, capital expenditures and operating expenses are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, we may be required to undertake additional equity financing, which would be dilutive to our stockholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to us, or at all. If we are unable to obtain additional financing as needed, we may be required to reduce the scope of our operations and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

The neuromodulation market is new and uncertain and the failure of the expansion of such market could have a material adverse effect on our business and financial position.

The neuromodulation market is relatively new and its long-term growth prospects are uncertain. Should the neuromodulation market fail to expand, it could have a materially adverse effect on our business and financial position.

Our PoNS™ technology is a new "untested" form of neurostimulation therapy and the medical community tends to be very conservative in not adopting new therapies very rapidly, which may have a material adverse effect on our business and financial position.
Since our PoNS™ technology is a new "untested" therapy, such technologies are usually more slowly adopted by the medical community as the medical community tends to be very conservative and does not adopt new "untested" therapies very rapidly. If the medical community reacts in a similar fashion to adopting our PoNS™ device for neurostimulation therapy, then this could affect our growth and sales, which could have a material adverse effect on our business and financial position.

Our ability to develop additional products is subject to the risks inherent in the development of new devices and products based on new technologies. Because of these inherent risks, our research and development may not result in any commercially viable devices or products, which if not commercially successful may have a material adverse effect on our business and financial condition.

The development of additional products is subject to the risks of failure inherent in the development of new, state of the art products, laboratory devices and products based on new technologies. These risk include: (i) delays in product development or manufacturing; (ii) unplanned expenditures for product development or manufacturing; (iii) failure of new products to have the desired effect or an acceptable accuracy profile; (iv) emergence of superior or equivalent products; (v) failure by any potential collaborative partners to successfully develop products; and (vi) the dependence on third parties for the manufacture, development and sale of the Company's products. Because of these risks, our research and development efforts or those of potential collaborative partners may not result in any

commercially viable products. If a significant portion of these development efforts is not successfully completed, or any products are not commercially successful, we are less likely to generate significant revenues, or become profitable. The failure to perform such activities could have a material adverse effect on our business, financial condition and results of its operations.

We can provide no assurance that the development by others of new or improved devices or products will not result in our present and future products from becoming obsolete.

The areas in which we plan to commercialize, distribute, and/or sell products involves rapidly developing technology. There can be no assurance that we will be able to establish ourselves in such fields, or, if established, that we will be able to maintain our market position, if any. There can be no assurance that the development by others of new or improved products will not make our present and future products, if any, superfluous or obsolete.

Our future success depends on our ability to obtain approval on the patent for the PoNS™ technology, failing which we may be unable to protect our proprietary information and any competitive advantage which may have a material adverse affect on our business and financial condition.

Our future success will depend, in part, on our ability to obtain approval on the patent for the PoNS™ technology. There can be no assurance that the patent application made will result in the issuance of the patent or that the term of the patent will be extendable after it expires in due course, which will prevent us from being able to protect our proprietary information and may have a material adverse affect on our business and financial condition.

Much of our know-how and technology may not be patentable, though they may constitute trade secrets. There can be no assurance, however, that we will be able to meaningfully protect our trade secrets. To help protect our intellectual property rights and proprietary technology, we require employees, consultants, advisors and collaborators to enter into confidentiality agreements. There can be no assurance that these agreements will provide meaningful protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use or disclosure.

If our intellectual property protection is inadequate, competitors may gain access to our technology and undermine our competitive position.

We regard our intended and future intellectual property as important to our success, and we intend to rely on patent law to protect our proprietary rights. Despite our precautions, unauthorized third parties may copy certain portions of our devices or products or reverse engineer or obtain and use information that we regard as proprietary. We may seek additional patents in the future. We do not know if any future patent application will be issued with the scope of the claims we seek, if at all, or whether any patents we receive will be challenged or invalidated. Thus, we cannot assure you that any intellectual property rights that we may receive can be successfully asserted in the future or that they will not be invalidated, circumvented or challenged. In addition, the laws of some foreign countries do not protect proprietary rights to the same extent as do the laws of the United States. Our means of protecting any proprietary rights we may receive in the United States or abroad may not be adequate and competitors may independently develop a similar technology. Any failure to protect our proprietary information and any successful intellectual property challenges or infringement proceedings against us could have a material adverse affect on our business, financial condition, or results of operations.

We may be subject to intellectual property litigation, such as patent infringement claims, which could adversely affect our business.

Our commercial success will also depend, in part, on not infringing on the patents or proprietary rights of others. There can be no assurance that the technologies and products used or developed by us will not infringe such rights. If such infringement occurs and we are not able to obtain a license from the relevant third party, we will not be able to continue the development, manufacture, use, or sale of any such infringing technology or product. There can be no assurance that necessary licenses to third-party technology will be available at all or on commercially reasonable term. In some cases, litigation or other proceedings may be necessary to defend against or assert claims of

infringement or to determine the scope and validity of the proprietary rights of third parties. Any potential litigation could result in substantial costs to, and diversion of, our resources and could have a material and adverse impact on us. An adverse outcome in any such litigation or proceeding could subject us to significant liabilities, require us to cease using the subject technology or require us to license the subject technology from the third party, all of which could have a material adverse affect on our business.

If we are unable to obtain a reimbursement code from Health and Human Services so that the PoNS™ device is covered under Medicare and Medicaid, this would have a negative impact on our intended sales and would have a material adverse effect on our business, financial condition and operating results.

We plan to submit an application to the Health and Human Services for an International Classification of Disease 10 reimbursement code so that the PoNS™ device is covered under Medicare and Medicaid. There can be no assurance that our application will be successful, or that we will be able to obtain a reimbursement code in a timely manner. In the event that we do not obtain a reimbursement code for the PoNS™ device, our customers would be unable to obtain reimbursement for their purchases under private or government-sponsored insurance plans which would have a negative impact on sales and have a material adverse effect on our business, financial condition and operating results.

If we are unable to receive FDA approval or clearance and other applicable regulatory approvals in other jurisdictions in which we intend to market the intended PoNSTM device, or we are delayed in obtaining such regulatory approvals, our business plan may be delayed or we may be unable to market our intended product which would have a material adverse effect on our business, financial condition and operating results.

The intended PoNS™ device is expected to be a Class II device under the United States Food, Drug, and Cosmetic Act and thus will require FDA approval or clearance before we are able market the device in the United States. In addition, the PoNS™ device must receive applicable regulatory approvals in any other jurisdictions in which we propose to market and sell our products. There is no assurance that the PoNS™ device will be approved for sale in the United States or any other jurisdictions. Any failure or delay in obtaining regulatory approval will hamper our ability to commercialize the PoNS™ device in these jurisdictions. The regulatory approval process can be expensive and time-consuming, and there can be no certainty regarding the timing of such approvals or whether the PoNS™ device will be approved at all. If we are unable to obtain regulatory approvals in a timely manner, or at all, implementation of our business plan may be delayed or we may be unable to take our product to market. Either scenario would have a material adverse effect on our business, financial condition and operating results.

If our expenses are greater than anticipated, then we will have fewer funds with which to pursue our plan of operations and our financing requirements will be greater than anticipated.

We may find that the costs of carrying out our plan of operations are greater than we anticipate. Increased operating costs may cause the amount of financing that we require to increase. Investors may be more reluctant to provide additional financing if we cannot demonstrate that we can control our operating costs. There is no assurance that additional financing required as a result of our operating costs being greater than anticipated will be available to us. If we do not control our operating expenses, then we will have fewer funds with which to carry out our plan of operations with the result that our business may fail.

If and when we sell our products, we may be liable for product liability claims and we may not carry sufficient product liability insurance.

The devices and products that we intend to develop may expose us to potential liability from personal injury claims by end-users of the product. We intend to carry product liability insurance to protect us against the risk that in the future a product liability claim or product recall could materially and adversely affect our business. Inability to obtain sufficient insurance coverage at an acceptable cost or otherwise to protect against potential product liability claims could prevent or inhibit the commercialization of our intended products. We cannot assure you that if and when we commence distribution of our product that we will be able to obtain or maintain adequate coverage on acceptable terms, or that such insurance will provide adequate coverage against all potential claims. Moreover, even if we maintain adequate insurance, any successful claim could materially and adversely affect our reputation

and prospects, and divert management's time and attention. If we are sued for any injury allegedly caused by our future products our liability could exceed our total assets and our ability to pay the liability.

We are dependent upon the ability and expertise of certain members of our senior management and the loss of such individuals could have an material adverseaffect on our business, operating results or financial condition.

Our success is dependent upon the ability, expertise, judgment, discretion and good faith of our senior management, and in particular Mr. Phil Deschamps, our President and CEO. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse affect on our business, operating results or financial condition.

We are a small company with limited resources compared to some of our current and potential competitors and we may not be able to compete effectively and increase market share.

There is potential that we will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than us. Increased competition by larger and better financed competitors could materially and adversely affect our business, financial condition and our results of operations. Because of the early stage of the industry in which we intend to operate, we expect to face additional competition from new entrants. To be competitive, we will require a continued high level of investment in research and development, marketing, sales and client support. We may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect our business, financial condition and our results of operations.

Our officers and directors may be subject to conflicts of interest.

Some of our officers and directors serve only part time and may be subject to conflicts of interest. Each may devote part of his working time to other business endeavors, including consulting relationships with other corporate entities, and may have responsibilities to these other entities. Such conflicts may include deciding how much time to devote to our affairs, as well as what business opportunities should be presented to us. Because of these relationships, some of our officers and directors may be subject to conflicts of interest. Any Company-related decision made by any of these directors and officers involving us should be made in accordance with their duties and obligations to deal fairly and in good faith and to act in the best interests of us and our shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such director may have a conflict of interest.

The use of recent private placement funds received by us and as disclosed herein are estimates only and subject to change. The failure to effectively apply such funds could have a material adverse effect on our business.

Although we have set out our intended use of proceeds from our recent private placement on May 30, 2014, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by us to apply these funds effectively could have a material adverse effect on our business, including our ability to achieve our stated business objectives.

Trading of our common stock is sporadic, and the price of our common stock may be volatile; we caution you as to the highly illiquid nature of an investment in our shares.

Our common stock is quoted on the Canadian Securities Exchange since June 23, 2014. To date, trading in our common stock has been limited and sporadic. Securities of microcap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market

perceptions of the attractiveness of particular industries. Factors unrelated to our performance that may affect the price of our common stock include the following: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow us, lessening in trading volume and general market interest in our common stock may affect an investor's ability to trade significant numbers of shares of our common stock; the size of our public float may limit the ability of some institutions to invest in our common stock; and a substantial decline in the price of shares of our common stock that persists for a significant period of time could cause our common stock, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of our common stock at any given point in time may not accurately reflect our long-term value. The price of our common shares may increase or decrease in response to a number of events and factors, including: changes in financial estimates; our acquisitions and financings; quarterly variations in our operating results; the operating and share price performance of other companies that investors may deem comparable; and purchase or sale of blocks of our common stock. These factors, or any of them, may materially adversely affect the prices of our common shares regardless of our operating performance. We caution you as to the highly illiquid nature of an investment in our shares.

The market price of our common stock is affected by many other variables which are not directly related to our success and are, therefore, not within our control. These include other developments that affect the breadth of the public market for shares of our common stock and the attractiveness of alternative investments. The effect of these and other factors on the market price of our common stock is expected to make our common stock price volatile in the future, which may result in losses to investors.

ADDITIONAL INFORMATION

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