VOIP-PAL.COM INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following management's discussion and analysis (MD&A) should be read in conjunction with our audited consolidated financial statements for the year ended September 30, 2015 and notes thereto.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A for the year ending September 30, 2015 contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amending, and Section 21E of the Securities Exchange Act of 1934, as amending. Forward-looking statements may be identified by the use of forward-looking terminology, such as "may", "shall", "could", "expect", "estimate", "anticipate", "predict", "probable", "possible", "should", "continue", or similar terms, variations of those terms or the negative of those terms. The forward-looking statements specified in the following information have been compiled by our management on the basis of assumptions made by management and are considered by management to be reasonable. Our future operating results, however, are impossible to predict and no representation, guaranty, or warranty is to be inferred from those forward-looking statements.

The assumptions used for purposes of the forward-looking statements specified in the following information represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives require the exercise of judgment. To the extent that the assumed events do not occur, the outcome may vary substantially from anticipated or projected results, and, accordingly, no opinion is expressed on the achievability of those forward-looking statements. No assurance can be given that any of the assumptions relating to the forward-looking statements specified in the following information are accurate, and we assume no obligation to update any such forward-looking statements

CORPORATE HISTORY, OVERVIEW AND PRINCIPAL BUSINESS

VOIP-PAL.com Inc. ("Voip-Pal", the "Company") was incorporated in the state of Nevada in September 1997 as All American Casting International, Inc. and changed its name to VOIP MDI.com in 2004 and subsequently to Voip-Pal.Com Inc. in 2006. Since March 2004, the Company has been in the development stage of becoming a VoIP re-seller, a provider of a proprietary transactional billing platform tailored to the points and air mile business, and a provider of anti-virus applications for smartphones. All business activities prior to March 2004 have been abandoned and written off to deficit.

In December 2013, the Company completed the acquisition of Digifonica (International) Limited, a private company incorporated on September 7, 2004 in Gibraltar.

Voip-Pal is a technical leader in the broadband Voice-over-Internet Protocol ("VoIP") market with the ownership and continuing development of a portfolio of leading-edge VoIP Patents. Voip-Pal's primary products are VoIP-related patented technology. The Company has spent several years testing and developing this technology. The Company is currently seeking to monetize the patents through a corporate transaction, an asset sale, or licensure of its products.

Voip-Pal's intellectual property value is derived from ten issued USPTO patents. Voip-Pal inventions described in these patents provide the means to integrate VoIP services with any of the legacy telecommunications systems to create a seamless service using either legacy telephone numbers or IP addresses, and enhance the performance and value of VoIP implementations worldwide.

Voice over IP (Internet Protocol), or VoIP, has been and continues to be a green field for innovation that has spawned numerous inventions, greatly benefitting consumers large and small across the globe. VoIP is used in many places and by every modern telephony system vendor, network supplier, and retail and wholesale carrier.

Results of Operations

The Company's operating costs consist of expenses incurred to monetizing, selling and licensing its VoIP patents. Other operating costs include expenses for legal, accounting and other professional fees, financing costs, and other general and administrative expenses.

Comparison of Twelve Months Ending September 30, 2015 and 2014

	Twelve months ending September 30		Increase/	
	2015	**2014**	**(Decrease)**	**Percent**
Revenue	$ -	$ -	$ -	-
Cost of Revenue	-	-	-	-
Gross Margin	-	-	-	-
General and administrative expenses	(1,505,378)	(2,091,264)	(585,886)	(28%)
Amortization of intangible assets	(106,390)	(84,594)	21,796	26%
Net loss	$ (1,611,768)	$ (2,175,858)	$ (479,476)	(22%)

REVENUES, COST OF REVENUES AND GROSS MARGIN

The Company had no revenues, cost of revenues or gross margin for the twelve months ending September 30, 2015 and 2014.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the twelve months ending September 30, 2015 totaled $1,505,378 compared to $2,091,264 during the same period in 2014. The decrease in general and administrative expenses of $585,886, or 28% less than the previous year, was primarily due to lower professional fees and services paid out by the Company during the year ended 2015. These was also a decrease in legal and patent application fees and stock based compensation in 2015 as compared to 2014.

AMORTIZATION OF INTANGIBLE ASSETS

Amortization of intellectual VoIP communications patent properties for the twelve months ending September 30, 2015 totaled $106,390 compared to $84,594 during the same period in 2014. The increase in amortization expenses of $21,796, or 26% over the previous year was due to the addition of $322,684 of intellectual VoIP communications patent properties during the year ended 2015.

There was no impairment or write-down of intangible assets by the Company for the twelve months ending September 30, 2015 and 2014. The Company follows GAAP (FAS 142) and is amortizing its intangibles over the remaining patent life of twelve (12) years. The Company evaluates its intangible assets annually and determines if the fair market value is less than its historical cost. If the fair market value is less, then impairment expense is recorded on the Company's financial statements. The intangible assets on the financial statements of the Company relate primarily to the Company's acquisition of Digifonica (International) Limited.

INTEREST EXPENSE

The Company had no financing or interest costs for the twelve-month periods ending September 30, 2015 and 2014.

NET LOSS

The Company reported a net loss of $1,611,768 for the year ended September 30, 2015 compared to a net loss of $2,175,858 for the same period in 2014. The net loss decrease of $479,476, or 22% over the same period in 2014 was due to a decrease in professional fees and services, legal and patent application fees paid out.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2015, the Company had an accumulated deficit of $28,162,038 as compared to an accumulated deficit of $26,550,270 at September 30, 2014. As of September 30, 2015, the Company had a working capital surplus of $729,673 as compared to a working capital surplus of $58,943 at September 30, 2014. The increase in the Company's working capital surplus of $670,730 was primarily due to the sale of common stock during the year which increased the Company's cash account as of September 30, 2015.

Net cash used by operations for the twelve months ending September 30, 2015 and 2014 was $404,788 and $336,067, respectively. The increase in net cash used for the twelve months ending September 30, 2015 as compared to the twelve months ending September 30, 2014 was primarily due to an increase in amortization costs.

Net cash used in investing activities for the twelve months ending September 30, 2015 and 2014 was $289,591 and $162,282. The increase in cash used in investing activities of $127,309 was due to increased expenditures on patents in 2015. Net cash provided in financing activities for the twelve months ending September 30, 2015 and 2014 was $1,384,904 and $573,428, respectively. The increase in net cash provided by financing activities of $811,476 was primarily due to an increase in shares issued for cash and shares to be issued for cash and services during 2015.

Liquidity

The Company primarily finances its operations from cash received through the exercise of convertible loans from investors and through the payment of stock-based compensation. The Company believes its resources are adequate to fund its operations for the next 12 months.

Off Balance Sheet Arrangements

There are no off balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Impact of Inflation

We believe that inflation has not had a material impact on our results of operations for the twelve months ending September 30, 2015. We cannot assure you that future inflation will not have an adverse impact on our operating results and financial condition.