MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

DOLLINGER ENTERPRISES USA LTD. (NAMASTE VAPES DIVISION)

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This "Management's Discussion and Analysis" ("MD&A") has been prepared as at February 8, 2016, and should be read in conjunction with the carve-out condensed interim financial statements of the Namaste Vapes Division (the "Division") of Dollinger Enterprises USA Ltd. (the "Company") for the period from September 1, 2015 to November 30, 2015.

The Division's carve-out condensed interim financial statements and the notes thereto have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in US dollars unless otherwise stated. All financial analysis, data and information set out in this MD&A are unaudited.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management's Discussion and Analysis for the Division is the responsibility of management and has been reviewed and approved by its Board of Directors. The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving Management's Discussion and Analysis.

FORWARD-LOOKING STATEMENTS

This MD&A includes certain forward-looking statements that are based upon current expectations which involve risks and uncertainties associated with the Division's business and the economic environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements, which are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. The forward- looking statements are not historical facts, but reflect the Division's current expectations regarding future results or events. Forward-looking statements contained in this MD&A are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed in the section "Risks and Uncertainties" below.

Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: management's goal of creating shareholder value; ability to fund future operating costs, and timing for future research and development of the Division's current and future technologies; management's outlook regarding commercialization of its Guru vaporizer; sensitivity analysis on financial instruments that may vary from amounts disclosed; prices and price volatility of the Company's products; and general business and economic conditions.

Readers are cautioned that the above factors are not exhaustive. Although management has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated.

Management believes the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

The forward-looking information contained in this MD&A is provided as of the date hereof and management undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

DESCRIPTION OF THE BUSINESS

The Division is a global leader in vaporizer product distribution and manufacturing. The Division has over 30 e-commerce retail stores in 20 countries and aims to provide the best in class and most professional customer experience possible. NamasteVapes™'s retail sites offers one of the largest ranges of brand name vaporizers products on the market, which includes distribution partnerships with over 30 manufacturers providing some of the latest and most innovative products.

In addition to its e-commerce distribution business, the Division is actively developing and commercializing unique proprietary products for retail and wholesale distribution, including vaporizers, accessories and herbs. Recognized as a source of information and reviews on aromatherapy products, the Division has a unique market perspective and ability design and engineer products that align with the current direction of the market. This business segment will be branded under the tradename GrizzlyOriginals™ and includes the current commercialization of the Guru™, an enhanced vaporizer capable of seamlessly vaporizing liquids, concentrates and dry herbs from a single portable unit. The Division has pre-sold approximately 50 units of the Guru.

Business Strategy of the Division

Management's business strategy is currently focused on a multi-pronged approach to diversify revenue streams including e-commerce distribution, product development and manufacturing, and wholesale activities. Management believes there is established and growing consumer demand for its products internationally and has developed strong sales channels in the United Kingdom and Continental Europe. The current expansion focus is as follows:

- The Division is currently entering into exclusive distribution agreements with leading manufactures of vaporizers. As the Division has arrangements with multiple warehouse facilities and an established e-commerce distribution network, this is a natural vertical for expansion on a wholesale and retail basis. The Division also will be expanding its e-commerce platform in new and established markets, including Mexico, Australia, Brazil and others.

- The Division has completed development and is proceeding with commercialization of its own proprietary product, the Guru™. This is the first vaporizer to seamlessly provide a solution to vaporize dry-herbs, concentrates and liquids. The product will be distributed through the Division's e-commerce platform as well as distribution agreements with international wholesalers that will provide entrance into the US market through established distribution channels. After this initial launch, the Division also plans on commercializing additional products to expand its propriety portfolio.

- The Division has identified several opportunities to expand by acquisition and is further evaluating opportunities with the objective of securing additional revenue and earnings as well as market and product exposure.

Operational Highlights

- Generated e-commerce revenue of $878,36 and a net loss of $54,507. Gross profit for the period was $236,079, a gross profit margin of 27%;
- Maintained and further enhanced over 30 e-commerce sites in 20 countries, including enhancement of customer support and service hubs with technical and language skills;
- Further streamlined fulfillment and logistics centers in key markets, including the United States, United Kingdom, and Australia;
- Negotiated commercial relationships with select manufactures and wholesale distributors of the leading vaporizer products globally;
- Launched the commercialization process for the Guru, a proprietary vaporizer unlike existing products currently on the market. The Guru is unique in that it functions with dry-herbs, waxes and concentrates and liquids; and
- Generated dozens of reviews on vaporizer products. Established a collection of Youtube videos and other social media blogs outlining the positives and negatives of the world's top vaporizers.

RESULTS OF OPERATIONS

The Company and Division commenced commercial operations on September 3, 2014. Unless otherwise indicated, and all comparisons to the first quarter of fiscal 2015 are for period from the commencement of operations on September 3, 2014 through November 30, 2014.

During the period from September 1, 2015 to November 30, 2015, the Division focused on the e-commerce distribution and sale of vaporizers and accessories for aromatherapy purposes, with the objective of further developing international distribution channels. In addition to its e-commerce focus, the Division completed development of the Guru and is actively negotiating wholesale arrangements for the US and international markets. This includes further streamlining manufacturing processes and cost controls and generating a social media following with leading portals and sources of industry information.

<u>Summary of quarterly results</u>

The following table sets out selected unaudited quarterly financial information for the quarters ended November 30, 2014 and November 30, 2015.

	Three Months Ended

	November 30, 2015 $	November 30, 2014 $
Revenue	878,361	840,191
Cost of goods sold	642,282	688,703
Gross Profit	236,079	151,488
Expenses		
Advertising and promotion	87,713	95,957
Consulting fees	51,532	17,479
Salaries	49,907	40,882
Bank and credit card fees	33,484	43,901
Professional fees	56,367	11,265
Communications	35,926	14,913
General and administrative	5,071	14,266
Rent and rental services	11,398	7,226
Travel and vehicle	12,409	2,425
Net loss	(91,148)	(96,826)
Total assets	616,367	454,805
Non-current liabilities	-	-
Current liabilities	261,281	9,101
Equity	355,086	445,704

Revenue

The Division's revenue for the first quarter ending November 30, 2015 was $5,368,944 (2014 – $841,290) and a foreign exchange loss of $4,490,583 (2014 – ($1,098)) for a total of $878,361 (2014 – $840,191). Revenue for the three month period ended November 30, 2015 increased by 5% as compared to the three month period ended November 30, 2014. This increase is due to the continued expansion of the Namaste brand and recognized expertise and loyalty of the Division's customers. The majority of revenue was generated by several key markets, including the United Kingdom and Germany, which accounted for 62% of total revenue.

The table below summarizes the Division's revenue by country:

	September 1, 2015 to November 30, 2015	Country Percentage of Total Revenue	September 1, 2014 to November 30, 2014	Country Percentage of Total Revenue

Revenue from external customers

UK	$ 486,464.02	55.4%	$ 274,834.62	32.71%
Germany	65,575.00	7.5%	97,511.09	11.61%
Australia	30,038.95	3.4%	93,833.17	11.17%
Brazil	62,378.23	7.1%	-	0%
New Zealand	69,850.62	8.0%	40,981.85	4.88%
France	23,142.79	2.6%	58,471.54	6.96%
Italy	22,877.01	2.6%	44,274.22	5.27%
Netherlands	20,524.07	2.3%	32,325.15	3.85%
Sweden	15,153.88	1.7%	28,048.58	3.34%
Austria	-	0.0%	13,043.20	0%
Denmark	3,601.42	0.4%	-	0%
US	62,114.84	7.1%	10,058.09	1.2%
South Africa	1,811.63	0.2%	4,603.58	1%
Israel	5,890.88	0.7%	-	0%
Canada	5,079.69	0.6%	8,765.19	1%
Other	3,859.55	0.4%	133,441.40	17.01%
Total	$ 878,360.58	100.0%	$ 840,191.00	100%

Cost of Sales

Cost of sales includes all expenditures to purchase the product and deliver the product to the customer. This includes the purchase price less any discounts, import duties, shipment fees, storage and insurance. The Division uses the weighted average method to track and cost inventory items. The inventory consists of vaporizers, vaporizer accessories, and therapeutic herbs. The inventory consists solely of goods currently available for sale and does not include any unfinished goods or work-in-progress.

The Division’s cost of sales for the period from September 1, 2015 to November 30, 2015 was $642,282 (2014 – $688,703), which resulted in a gross margin of $236,079 (2014 – $151,488). The gross margin generated by the Division is due to the mark-up of products sold to retail customers compared to the cost of securing the products from wholesale distributors and manufactures.

Operating Expenses

Advertising and promotion expenses for the first quarter ending November 30, 2015 were $87,713 (2014 – $95,957). These expenditures relate to online search services provide by Google AdWords as well as other online promotional and social media tools utilized by the Division to generate sales. These costs further represent the Division’s significant investment into search engine optimization and its ongoing customer acquisition strategy.

Consulting fees for the first quarter ending November 30, 2015 were $51,532 (2014 - $17,749). These expenditures relate to compensation amounts paid to various companies and individuals for marketing and distribution services, customer service activities, and product development and research.

Salaries for the first quarter ending November 30, 2015 were $49,907 (2014 - $40,882). These expenditures relate to management and administrative salaries in support of the operations of the Division, managing fulfillment and procurement, and general operating activities.

Bank and credit card fees for the first quarter ending November 30, 2015 were $33,484 (2014 - $43,901). These expenditures include service and transaction fees to PayPal, Amex and commercial banks for processing incoming and outgoing orders from customers, suppliers and service providers, foreign transaction fees, and other bank service charges.

Professional fees for the first quarter ending November 30, 2015 were $56,367 (2014 - $11,265). The expenditures relate to fees paid to accountants, lawyers and other professionals that provided services to the Division during the period.

Communication expenses for the first quarter ending November 30, 2015 were $35,840 (2014 - $14,913). These expenditures relate to phone, internet and computer expenses.

General and administrative expenses for the first quarter ending November 30, 2015 were $5,071 (2014 - $14,266). These expenditures relate to office supplies, licensing fees and other general operating expenses.

Rent and rental services for the first quarter ending November 30, 2015 were $11,398 (2014 - $7,226). These expenditures relate to the Division's share of costs associated with the leasing of office space, janitorial services and utilities.

Travel and vehicles for the first quarter ending November 30, 2015 were $12,409 (2014 - $2,425). These expenditures relate to costs associated with airfare, meals, fuel and other travel and vehicle related expenses.

Foreign exchange gain for the first quarter ending November 30, 2015 was $16,580 due to the conversion of the operations at the average exchange rate for the period.

Financing

During the first quarter ending November 30, 2015, the Division funded operations without any equity financing. As at November 30, 2015, the Division has shareholder net investment amount of $355,086, which the Division utilized to fund near term liquidity requirements of the Division. Due to shareholder is non-interest bearing, unsecured, and payable within the upcoming fiscal year.

Liquidity

The Division's objective when managing its liquidity and capital structure are to generate sufficient cash to fund operating and organic growth requirements.

As at November 30 2015, the Division has cash of $115,633 as a result of receivables, loans from related parties and shareholder loans to the Division. Working capital for the Division consists of current assets less current liabilities. As at November 30, 2015, the Division has suffice capital resources to satisfy its near term financial obligations.

The table below sets forth the cash and working capital position of the Division as at November 30, 2015.

	As at November 30, 2015 $
Cash	$115,633
Working capital	$355,086

The table below sets forth the Division's cash flows for the first quarter ended November 30, 2015.

	September 1, 2015 to November 30, 2015		September 1, 2014 to November 30, 2014	
Net cash provided by:				
Operating activties	$	(25,904)	$	(445,704)
Investing activities	$	-	$	-
Financing activities	$	13,001	$	542,530

Cash Provided by Operating Activities

The cash utilized by operating activities of $25,904 was due to the net loss from sale of products during the first quarter ended November 30, 2015. During the period, changes in current assets resulted in an increase in operational cash flow by $82,560 and changes in current liabilities generated a decrease of $53,957, a net change in working capital of $28,603. The majority of the increase in current assets consisted of collections of the divisional receivable. The majority of the decrease in current liabilities consisted of repaying a vendor payable of $17,316 and taxes payable of $36,641.

Cash Provided by Investing Activities

The Division did not have any cash provided by or used in investing activities for the September 1, 2015 to November 30, 2015.

Cash Provided by Financing Activities

The Division's cash provided by financing activities for the first quarter ending November 30, 2015 consists of a loans payable for $13,001.

LIQUIDITY, FINANCING AND CAPITAL RESOURCES

The Division's capital is composed of debt and shareholders' equity. The Division utilizes cash flow from operations and shareholder loans to support development and continued operations and to meet liabilities and commitments as they come due. Specifically, the Division has accumulated earnings of $355,086 and working capital of $355,086 as September 30, 2015. As at September 30, 2015, the Division has $141,535 of shareholder debt.

Capital Activities

The Division's objective for managing capital are: (i) to maintain a flexible capital structure which optimizes the cost/risk equation; and (ii) to manage capital in a manner which maximizes the interests of shareholders.

The Division manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Division's capital structure is managed in conjunction with the capital structure and financial needs of the day-to-day operations.

Management does not establish quantitative return on capital criteria, however management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Division, is appropriate. As at November 30, 2015, the Division is not subject to any externally imposed capital requirements.

The Division's principal capital needs are for funds to expand its market presence, design and develop propriety products, and general working capital requirements to support growth. Since formation of the Division, these capital needs have been funding internally-generated cash flows and the periodic use of credit facilities.

Related Party Transactions

The Division has an outstanding amount due from related party that is non-interest bearing, unsecured, and receivable within the upcoming fiscal year. As at November 30, 2015, due form related party totaled $141,680.

Compensation awarded to key management was $22,120 during the period. Key management includes the Division's directors, senior officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

Financial Instruments

Financial Instruments – Recognition and Measurement

All financial assets and financial liabilities are initially recognized at fair value. The fair value of financial instruments are measured using inputs which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level One includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two includes inputs that are observable other than quoted prices included in Level One.
- Level Three includes inputs that are not based on observable market data.

The Division has designated the following classifications:

- Cash – Held-for-trading

- Accounts receivable – Loans and receivables
- Due from related parties – Loans and receivables
- Accounts payable and accrued liabilities – Other liabilities
- Due to shareholder – Other liabilities
- Loan payable – Other liabilities

All are recognized as Level One measurements.

As at November 30, 2015, both the carrying and fair value amounts of all of the Division's financial instruments are approximately equivalent due to their short term nature.

A summary of the Division's risk exposures as it relates to financial instruments are reflected below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Division's credit risk is primarily attributable, accounts receivable and due from related parties. The Division has no significant concentration of credit risk arising from operations. Cash consists of cash on hand deposited with reputable financial institutions which is closely monitored by management. Management believes credit risk with respect to accounts receivable and due from related parties is minimal. The Division's maximum exposure to credit risk as at November 30, 2015 is the carrying value of cash.

Liquidity risk

Liquidity risk is the risk that the Division will encounter difficulty in satisfying its financial obligations. The Division manages its liquidity risk by forecasting it operations and anticipating its operating and investing activities. As at November 30, 2015, the Division has current assets of $616,367 compared to current liabilities of $261,281. All amounts in current liabilities are due within one year.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

Interest rate risk

Interest rate risk consists of a) the extent that payments made or received on the Division's monetary assets and liabilities are affected by changes in the prevailing market interest rates, and b) to the extent that changes in prevailing market rates differ from the interest rate in the Division's monetary assets and liabilities. The Division is not exposed to interest rate price risk.

Foreign currency risk

The Division buys inventory and sells products in several countries. The Division is exposed to foreign currency risk from fluctuations in foreign exchange rates and the degree of volatility in these rates due to the timing of their accounts payable balances. This risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. The Division does not use derivative instruments to reduce its exposure to foreign currency risk.

Transactions in foreign currencies are translated to the respective functional currencies at the spot rate on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in income.

The Division's exposure to foreign exchange risk of transactions and the effects on revenue as a result of a strengthening of 1% in the relevant foreign currencies against the US dollar as at November 30, 2015, would be $8,784. A weakening of 1% in the relevant foreign currencies against the US dollar would have an equal and opposite impact on revenue.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Division is not exposed to significant other price risk.

Off-Balance Sheet Arrangements

The Division does not have any off-balance sheet arrangements.

Seasonality

The Division does not consider its business to be seasonal with the exception for Black Friday sales. During the first quarter ending November 30, 2015, sales from online shopping during Black Friday and Cyber Monday contributed to a lower gross margin than normally obtained.

Inflation and Changing Prices

Neither inflation nor changing prices for the period from September 1, 2015 to November 30, 2015 has a material impact on operations of the Division.

RECENT DEVELOPMENTS AND SUBSEQUENT EVENTS

Pursuant to a Business Combination Agreement dated October 30, 2015 between Next Gen Metal Corp. ("Next Gen"), Dollinger Enterprises Ltd. ("Dollinger Enterprises") and Dollinger Enterprises USA Inc. ("Dollinger USA"), Next Gen will acquire all of the issued and outstanding shares of Dollinger Canada, which will be entirely comprised of the Namaste Division, through a three-cornered amalgamation whereby Dollinger Canada, a company to be formed by Dollinger Enterprises to acquire all of the shares of Dollinger USA prior to the closing date, and Greenrush Analytical Laboratories Inc., a wholly owned subsidiary of Next Gen, will amalgamate upon the closing and the shareholders of Dollinger Canada will receive post-consolidated shares of Next Gen in exchange for their shares in Dollinger Canada.

The Business Combination Agreement was extended and revised on December 15, 2015 and again on February 12, 2016.

As of December 24, 2015, Next Gen completed a non-brokered private placement of subscription receipts, consisting of a unit offering and concurrent common share offering for total gross proceeds of CA$1,213,975.

RISK FACTORS

There are risks relating to the business carried on by the Division which prospective investors should carefully consider before deciding whether to purchase shares of the Division. The Division will face a number of challenges in the development of its business. Due to the nature of the Division's business and present stage of the business, the Division may be subject to significant risks. Readers should carefully consider all such risks and readers are strongly encouraged to review in its entirety the section in this Listing Statement entitled Risk Factors.