QUENTIN VENTURES LTD.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE NINE MONTHS ENDED APRIL 30, 2015

Dated: June 26, 2015

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This interim management's discussion and analysis ("MD&A") reports on the operating results and financial condition of Quentin Ventures Ltd. ("Quentin" or the "Company") for the nine months ended April 30, 2015 and is prepared as at June 26, 2015. This interim MD&A serves as an update from the Company's annual MD&A as at and for the year ended July 31, 2014. Additionally, this interim MD&A should be read in conjunction with the Company's audited financial statements for the years ended July 31, 2014 and 2013 and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"), together with the condensed consolidated interim financial statements for the nine months ended April 30, 2015, which were prepared using accounting policies consistent with IFRS and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting (collectively referred to as the ("Financial Statements"). Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Financial Statements.

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

APPROVAL

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that this interim MD&A does not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the periods reported. The Financial Statements together with the other financial information included in this interim MD&A fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented in this Interim MD&A. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports prior to filing. The Board of Directors has approved the interim Financial Statements and MD&A, as well as ensured that management has discharged its financial responsibilities as at June 26, 2015.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report may constitute forward-looking statements that are subject to certain risks and uncertainties. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "continue", "expect", "may", "will", "believe", "should" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they were made. These forward-looking statements include, but are not limited to, statements relating to:

- the Company's ability to continue as a going concern;
- the Company's ability to settle its outstanding obligations;
- the Company's ability to raise additional capital through the issuance of equity or debt instruments;
- The Company's strategies and objectives;
- The Company's cost reductions and other financial operating objectives;
- General business and economic conditions;
- The Company's ability to meet its financial obligations as they become due;
- The Company's ability to identify, successfully negotiate and/or finance an acquisition of a new business opportunity;
- The positive cash flows and financial viability of new business opportunities;
- The Company's ability to manage growth with respect to a new business opportunity; and
- The Company's tax position, anticipated tax refunds and the tax rates applicable to the Company.

Readers are cautioned that the lists of risks, uncertainties, assumptions and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by these forward looking statements. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, investors in securities of the Company should not place undue reliance on these forward-looking statements.

OVERVIEW

Quentin Ventures Ltd. is a Canadian public company that is listed on the NEX Board of the TSX-V ("Exchange") under the symbol QTN.H. The Company was incorporated under the Canada Corporations Business Act on December 27, 1985, registered extra-provincially under the British Columbia Company Act on July 9, 1987, and effective June 18, 2014 the Company was continued into British Columbia. The Company's principal address is 1600 – 609 Granville Street, Vancouver, BC, Canada V7Y 1C3 and the company's registered records office is 2200 - 885 Georgia Street, Vancouver, BC, V6C 3E8.

The Company was engaged in the sales and installation of broadband, high speed Internet services to the hospitality industry and other commercial customers. As at April 30, 2015, the Company no longer has any sources of revenue and is currently in the process of searching for and evaluating new business opportunities.

OUTLOOK AND PROPOSED TRANSACTION

The Company is working capital deficient and has no sources of revenue to fund its operating costs. The Company has historically funded its operations by way of related party debt financings and through the issuance of equity. The continued operations of the Company are dependent on its ability to fund on-going operating costs, repay or renegotiate its debt obligations, and the Company's ability to generate profitable operations. In order to fund the Company's on-going operations and the repayment of its debt obligations the Company will require additional financing and/or the successful renegotiation of its debt repayment arrangements.

The Company entered into an amalgamation agreement on January 19, 2015, with Identillect Technologies Corp. ("Identillect"), whereby the Company would acquire all of the issued and outstanding securities of Identillect , an arm's length party, by way of a three-party amalgamation (the "Acquisition"). The Acquisition will constitute a reverse takeover for Quentin. In order to facilitate the Acquisition on December 12, 2014, the Company incorporated a new wholly-owned subsidiary, 1021784 B.C. Ltd. Trading of the common shares of the Company will remain halted pending further filings with the Exchange.

Identillect is a privately held technology company, incorporated under the laws of British Columbia, with operations in Orange County, California. Identillect was founded in 2010 and has been engaged in the development of its software since that time, having already established a growing patent portfolio.

Identillect's proprietary email encryption delivery technology is targeted at organizations of all sizes, as well as individuals. Messages are secured with patented state of the art encryption technology. With the click of a button, messages are securely transmitted to any recipient. As an additional feature, Identillect's Delivery Trust software empowers senders to maintain control of their messages by restricting recipients' printing/forwarding/viewing privileges. Another key feature of the Delivery Trust software is that it extends security controls to replies from email recipients without any requirement for the recipient to become a registered user of the software. For more information on Delivery Trust, visit: www.Identillect.com.

On closing of the transaction the shareholders of Identillect will receive 1.15 common shares of Quentin in exchange for each Identillect share that they hold. Identillect has 19,327,947 common shares issued and outstanding. Additionally, holders of Identillect shares will be issued 5,000,000 preferred shares of Quentin on a pro rata basis. These performance based preferred shares will automatically convert into common shares of the Company only if it achieves gross revenues for the year ended December 31, 2015 of at least CDN $3,000,000. If the targeted revenues are not achieved by December 31, 2015, the preferred shares will automatically be cancelled. The holders of Identillect convertible securities will also receive equivalent securities of Quentin, on a 1 for 1 basis.

As a condition of the proposed Acquisition, Identillect also intends to complete a private placement financing (the "Financing") for gross proceeds of an additional $2,500,000 by way of subscription receipts at $0.25 per unit. Each unit consists of one common share and one half of one warrant. Each whole warrant will be exercisable to acquire one further common share at a price of $0.40 per share, for a period of eighteen months from the date of issuance. On completion of the Acquisition, Quentin will seek classification as a Tier 2 technology issuer. Closing of the Acquisition remains subject to a number of conditions, including the completion of satisfactory due diligence, the entering of definitive agreements, the completion of the Financing, receipt of all required shareholder, regulatory and third party consents, including TSX-V approval, and satisfaction of other customary closing conditions.

The Acquisition cannot close until the required approvals are obtained. There can be no assurance that the Acquisition will be completed as proposed or at all. If required pursuant to Exchange Policy 2.2, the Company will retain a sponsor in connection with the Acquisition.

SELECTED ANNUAL INFORMATION[1]

Annual information for the last three years is outlined below:

	For the year ended July 31, 2014	**For the year ended July 31, 2013[3]**	**For the year ended July 31, 2012[2, 3]**
Total revenues	$ 1,693	$ 13,327	$ 14,213
Net income/(loss) and comprehensive income/(loss) for the year	$ 419,980	$ (217,207)	$ (232,000)
Basic and diluted income/(loss) per share	$ 0.19	$ (0.10)	$ (0.11)
Total assets	$ 24,322	$ 22,473	$ 31,924
Total current liabilities	$ 1,024,953	$ 1,443,804	$ 1,235,328
Total long-term financial liabilities	Nil	Nil	Nil
Cash dividends declared per share	Nil	Nil	Nil

1 *The information presented is derived from the respective annual audited financial statements which have been prepared in accordance with IFRS and presented in Canadian dollars.*
2 *The values differ from amounts previously presented as amounts were previously presented in US dollars.*
3 *Per share information has been retroactively adjusted to reflect the June 27, 2014 20 old common shares for 1 new common share consolidation.*

The Company’s revenue has declined significantly over the last three fiscal years as a result of the continued erosion of the Company’s customer base. The Company maintained a small customer base until April of 2014, but has not actively pursued the acquisition of new customers. The Company’s operating results for fiscal 2012 include increased professional and filing fees associated with bringing current the Company’s financial reporting requirements.

The net loss and comprehensive loss for the year ended July 31, 2013 includes $6,815 impairment in equipment and an increase in interest expense of $5,442. The Company experienced an overall decrease in net loss and comprehensive loss relative to fiscal 2012 largely as a result of the change in foreign exchange resulting from the Company’s change in functional and presentation currency from the US dollar to the Canadian dollar in fiscal 2013.

The Company continues to maintain costs at minimal operating levels while it pursues its financial restructuring efforts and investigates new business opportunities. As part of these financial restructuring efforts, the Company recognized a gain on settlement of debt for the year ended July 31, 2014 in the amount of $545,411, of which $471,739 thereof was associated with related parties.

SUMMARY OF QUARTERLY RESULTS[1]

	3rd Quarter Ended April 30, 2015	2nd Quarter Ended January 31, 2015	1st Quarter Ended October 31, 2014	4th Quarter Ended July 31, 2014
(a) Revenue	$ -	$ -	$ -	$ -
(b) Net Income/(loss) and comprehensive income/(loss) for the period	$ (18,577)	$ (21,663)	$ (65,225)	$ 523,851
(c) Net income/(loss) per share	$ 0.00	$ 0.00	$ (0.02)	$ 0.24
	3rd Quarter Ended April 30, 2014[2]	**2nd Quarter Ended January 31, 2014[2]**	**1st Quarter Ended October 31, 2013[2]**	**4th Quarter Ended July 31, 2013[2]**
(a) Revenue	$ -	$ 1,173	$ 520	$ 970
(b) Net loss and comprehensive loss for the period	$ (26,640)	$ (45,990)	$ (31,241)	$ (79,016)
(c) Net loss per share[1]	$ (0.01)	$ (0.02)	$ (0.01)	$(0.04)

[1] The information presented is derived from the respective unaudited condensed interim financial statements which have been prepared by management using accounting policies consistent with IFRS and in accordance with IAS 34-Interim Financial Reporting

[2] The net loss per share – basic and diluted have been restated to reflect the June 27, 2014 share consolidation on the basis of twenty old common shares for one new common share.

The erosion of the Company's existing customer base together with the Company's inability to generate new customers has led to a steady decline in revenue over the past eight quarters; most notably in the 4th quarter ended July 31, 2013, where the Company experienced a significant decline in revenue as a result of the loss of the Company's only remaining US customer, and then again in the 3rd quarter ended April 30, 2014 when all customer contracts were terminated.

The increase in net loss and comprehensive loss during the 4th quarter ended July 31, 2013 is due to the fact that the Company recorded $6,815 impairment in equipment in the quarter, together with $19,454 foreign exchange loss resulting from the Company's change in functional and presentation currency from the US dollar to the Canadian dollar. As a result of the Company's financial restructuring efforts, the Company recognized a $545,411 gain on settlement of debt in the fourth quarter of fiscal 2014; $471,739 thereof was associated with related parties. Additionally, in the first quarter ended October 31, 2014, the Company recognized $39,600 in stock based compensation to recently appointed officers/directors of the Company.

The Company has effectively reduced its operating costs to minimal operating levels and as a result the net loss and comprehensive loss quarter over quarter now remains relatively stable.

RESULTS OF OPERATIONS

For the three months ended April 30, 2015

Expenses:

General and administrative costs were $nil for the three months ended April 30, 2015 as compared to $1,069 for the same period in the previous year.

Filing and transfer agent fees for the three months ended April 30, 2015 were $901 as compared to $4,396 for the same period in the previous year. These amounts reflect the cost of maintaining a public company and on an annual basis these costs have remained consistent.

Foreign exchange gain for the three months ended April 30, 2015 was $nil compared to $4,098 for the same period in the previous year. The results are reflective of foreign currency fluctuations associated with the Company’s previously outstanding US denominated debt obligations.

Interest expense for the three months ended April 30, 2015 was $676 compared to $6,273 for the same period in the previous year. These amounts reflect the interest in the Company’s notes payable. The current results reflect the interest expense impact due to the October 20, 2014 debt settlements.

Professional fees for the three months ended April 30, 2015 were $17,000 as compared to $19,000 for the same period in the previous year. The decrease is a result of management’s efforts to reduce operating costs to minimal levels.

Net loss for the three months ended April 30, 2015

As a result of the above activities, the net loss and comprehensive loss for the three months ended April 30, 2015 was $18,577 as compared to $26,640 for the same period in the previous year; representing a decrease of $8,063.

For the nine months ended April 30, 2015

Revenue:

The Company recognized revenue of $nil during the nine months ended April 30, 2015 compared to $1,693 for the same period of the previous year. This decrease is the result of fact that the Company no longer has any active customers.

Direct costs:

The Company incurred direct costs of $nil during the nine months ended April 30, 2015 compared to $314 for the same period in the previous year. This decrease is consistent with the Company's sales status for each of these periods.

Expenses:

General and administrative costs were $nil for the nine months ended April 30, 2015 as compared to $1,125 for the same period in the previous year.

Filing and transfer agent fees for the nine months ended April 30, 2015 were $7,535 as compared to $6,820 for the same period in the previous year. These amounts reflect the cost of maintaining a public company and overall these costs have remained consistent. The increase in the current period is reflective of the costs associated with the issuance of shares to settle certain liabilities.

Foreign exchange gain for the nine months ended April 30, 2015 was $nil compared to a loss of $24,009 for the same period in the previous year. The results are reflective of foreign currency fluctuations associated with the Company's previously outstanding US denominated debt obligations.

Interest expense for the nine months ended April 30, 2015 was $6,707 compared to $15,296 for the same period in the previous year. These amounts reflect the interest in the Company's notes payable. The decrease in interest expense is a result of the fact that the Company settled a significant portion of its debt for shares on October 20, 2014.

Professional fees for the nine months ended April 30, 2015 were $51,623 as compared to $58,000 for the same period in the previous year. The decrease is a result of management's efforts to reduce operating costs to minimal levels.

Share-based compensation for the nine months ended April 30, 2015 was $39,600 as compared to $nil for the same period in the previous year. The Company granted 750,000 incentive stock options to officers/directors of the Company during the current period (see Share Capital section).

Net loss for the nine months ended April 30, 2015

As a result of the above activities, the net loss and comprehensive loss for the nine months ended April 30, 2015 was $105,465 as compared to $103,871 for the same period in the previous year; representing an increase of $1,594.

LIQUIDITY AND CAPITAL MANAGEMENT

The Company considers the aggregate of its share capital and deficit as capital. The Company's objective, when managing capital, is to ensure sufficient resources are available to meet day to day operating requirements and to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the business.

At April 30, 2015, the Company has no sources of revenue, and insufficient funds from which to meet its on-going operating requirements for the next year. The main source of cash flow has historically been generated from its financing activities. The Company will continue to require additional financing to accomplish its short term and long term strategic objectives. As at April 30, 2015, the Company remains significantly dependent on the financial support of its shareholders and debt holders.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the nine months ended April 30, 2015.

The Company experienced a net loss of $105,465 for the nine months ended April 30, 2015. The Company has a history of losses and has accumulated losses of $9,632,782 since its inception. The Company no longer has any sources of income and the Company anticipates further future losses until such time as the Company has identified and completed an acquisition or participation in a new profitable business opportunity. While the Company pursues new investment opportunities, it has taken internal initiatives to reduce operating costs to minimal maintenance levels.

During the nine months ended April 30, 2015, the Company's operating activities consumed cash of $24,650 (April 30, 2014 - $130,548). The Company does not have any cash on hand therefore these operating activities were financed by way of proceeds from additional notes payable. During the nine months ended April 30, 2015, the Company settled $295,893 in notes payable and $116,607 in accounts payable and accrued liabilities in exchange for the issuance of 5,500,000 common shares to certain creditors.

As at April 30, 2015, the Company had a working capital deficiency of $653,997 and does not have sufficient resources from which to internally finance its ongoing operating costs or the repayment of its debt obligations. The Company remains subject to significant liquidity risk.

The Company will require additional financing in order to fund its ongoing corporate and operating costs, as well as to ultimately settle its outstanding debt obligations. Until such time as the Company's operations are profitable and can internally generate sufficient funds to finance its operating costs, the Company will remain dependent upon the financial support of its shareholders and debt holders. If the Company is unable to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

The future success of the Company is dependent on its ability to complete an acquisition of and/or participation in a new business opportunity that generates profits from which to internally fund its operating costs, repay its outstanding debt obligations, and provide returns to its shareholders.

On November 2, 2014, the Company announced that it entered into a letter of intent (the "LOI") and on January 19, 2015 entered into an amalgamation agreement to acquire all of the issued and outstanding securities of Identillect, an arm's length party, by way of a three-party amalgamation. See the Outlook and Proposed Transaction section of this MD&A for further details related to this transaction.

As a condition of the proposed acquisition, the transaction contemplates the completion of a financing for gross proceeds of an additional $2,500,000 to support the on-going operations of Identillect's business. The financing will be performed at a price of $0.25 per unit. Each unit is comprised of one common share and one half of one warrant. Each whole warrant will be exercisable to acquire one further common share at a price of $0.40 per share for a period of eighteen months from the date of issuance. There is no guarantee that additional financing will be available or that it will be available on terms acceptable to management of the Company. The Company will be competing with other companies, many of which will have far greater resources and experience than the Company. If the Company is unable to raise sufficient capital and or achieve profitable results, it may be required to cease or curtail operations and may not be able to continue as a going concern.

The Company's financial statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

a. Fair value of financial instruments

As at April 30, 2015 the Company's financial instruments consist of amounts receivable, accounts payable and accrued liabilities, and notes payable. Amounts receivable are classified as loans and receivables and measured at amortized cost. Accounts payable and accrued liabilities, and notes payable are classified as other liabilities and are measured at amortized cost using the effective interest method. The fair values of these financial instruments approximate their carrying values because of their short term nature and/or the existence of market related interest rates on the instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

b. Financial instrument risks

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

i. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

As at April 30, 2015, the Company's amounts receivable consist mainly of GST receivable due from the government of Canada. The Company's management has assessed the level of credit risk related to its receivables to be low.

ii. Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As of April 30, 2015, the Company's only interest exposure relates to its notes payable which accrue interest at a fixed rate of 12% per annum, therefore the Company is not materially exposed to risks associated with interest rate fluctuations.

iii. Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due.

At April 30, 2015, the Company has a history of losses, and expects to incur further losses in the development of its business. As at April 30, 2015, the Company has insufficient funds from which to repay its debt obligations or to fund on-going operating costs. On April 30, 2015 the Company had a cash balance of $nil to settle liabilities of $680,973.

The Company will require additional financing to fund its on-going operating costs and the repayment of its debt obligations. This additional financing may be obtained by means of issuing share capital, exercise of stock options, or incurring additional debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. As at April 30, 2015, the Company remains dependent on the continued financial support of its debt holders and shareholders and is subject to significant liquidity risk.

iv. Foreign Currency risk

Currency risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

As at April 30, 2015, the Company is not materially exposed to interest rate fluctuations.

SHARE CAPITAL

a. Authorized

Unlimited number of common shares, without par value
Unlimited number of preferred shares, without par value

b. Issued and Outstanding Common Shares

	Number of Common shares		Amount
Balance as at July 31, 2014	2,185,012	$	8,526,686
Share issuance – debt settlement	5,500,000		412,500
Balance as at October 31, 2014, April 30, 2015 and the date of this MD&A	**7,685,012**	**$**	**8,939,186**

On October 20, 2014, the Company settled $295,893 in notes payable and $116,607 in accounts payable through the issuance of 5,500,000 shares at a deemed price of $0.075 per share.

c. Stock options

On October 20, 2014, the Company granted 750,000 incentive stock options to directors of the Company. The options have an exercise price of $0.065 per share and expire in five years from the date of issuance.

	Number of Options	Weighted Average Exercise Price
Balance, July 31, 2014	**-**	**$ -**
Granted	750,000	$0.065
Balance, April 30, 2015 and the date of this MD&A	**750,000**	**$0.065**

As at the date of this MD&A, a summary of stock options outstanding and exercisable are as follows:

Grant date	Number of Stock Options Outstanding and exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Life in Years
October 20, 2014	750,000	$ 0.065	October 19, 2019	4.32

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions may have a material effect on the fair value of the Company's stock options. For the nine months ended April 30, 2015, the Company recorded $39,600 in share-based compensation expense as a result of options granted to directors /

officers of the company during the period. The fair value of stock options was estimated at the grant date based on the Black-Scholes option pricing model using the following assumptions:

	April 30, 2015
Weighted average expected dividend yield	0%
Weighted average risk-free interest rate	1.25%
Weighted average expected life	5 years
Weighted average expected volatility	100%
Weighted average fair value of options granted	$ 0.05

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

a. Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year. There was no significant accounting estimates made during the period ending April 30, 2015.

b. Critical accounting judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the statements are, but are not limited to, the following:

i. Going concern
The preparation of these financial statements requires management to make judgments regarding the going concern of the Company. The determination of the Company's ability to continue as a going concern is based on certain judgments on the continued financial support of the Company's debtors and shareholders.

RISKS AND UNCERTAINTIES

Strategic Risks
The Company does not own any assets of merit and has no sources of revenue. The Company has completed a financial restructuring, and is currently in the process of searching for a new business opportunity.

At present, the Company has no internal sources of funding from which to repay its existing obligations and fund on-going operating costs. If the Company is unable to obtain adequate additional financing, management might be required to curtail the Company's operations. If future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case its ability to continue as a going concern may be adversely affected.

The future success of the Company is significantly dependent on its ability to participate in a new business opportunity and generate profits therefrom. There is also no guarantee that the Company will be able to complete the acquisition of or participation in a new business opportunity. If an acquisition of or the participation in corporations, properties, assets or businesses is identified, the Company may find that even if the terms of an acquisition or participation are economic, it may not be able to finance such acquisition or participation and additional funds will be required to enable the Company to pursue such an initiative. There is no guarantee that additional financing will be available or that it will be available on terms acceptable to management of the Company. The Company will be competing with other companies, many of which will have far greater resources and experience than the Company. No assurance can be given that the Company will be successful in raising the funds required for an acquisition.

The Ability to Manage Growth

Should the Company be successful in its efforts to acquire a new business opportunity it will experience significant growth in operations. If this occurs, management anticipates that additional expansion will be required in order to continue development. Any expansion of the Company's business would place further demands on its management, operational capacity and financial resources. The failure to manage growth effectively could have a material adverse effect on the Company's business, financial condition and results of operations.

Negative Cash Flows

At present, the Company has negative cash flows from operations and no internal sources of funding from which to repay its existing obligations and fund on-going operating costs, therefore the Company will require additional financing in order to continue operations. If future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case its ability to continue as a going concern may be adversely affected. There is no guarantee that additional financing will be available or that it will be available on terms acceptable to management of the Company.

Possibility of Shareholder Dilution

The Company's plan of operation contemplates the accomplishment of business negotiations by the issuance of securities of the Company. Any transaction involving the issuance of previously authorized but unissued common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

History of Losses

The continued operations of the Company are dependent on its ability to generate profitable operations. The Company has a history of losses and it anticipates losses to continue in the near term as the Company continues its search for a new business opportunity.

Lack of Dividend Policy
The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends paid out by the Company will remain subject to the discretion of the Company's Board of Directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

Dependence of Key Personnel
The Company strongly depends on the business and technical expertise of its management and key personnel. As the Company's operations expand, additional general management resources will be required.

Lack of Trading and Liquidity
The lack of trading volume of the Company's shares reduces the liquidity of an investment in the Company's shares.

Volatility of Share Price
Market prices for shares of companies listed on the NEX board of the TSX Venture Exchange are often volatile. Factors such as announcements of financial results, and other factors could have a significant effect on the price of the Company's shares.

RECENT ACCOUNTING PRONOUNCEMENTS

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the nine months ended April 30, 2015 and have not been applied in preparing these financial statements. None of these is expected to have an effect on the Company's financial statements. The Company has not early adopted these revised standards.

Effective for annual periods beginning on or after January 1, 2018

i. <u>IFRS 15 Revenue from Contracts with Customers</u>
IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue – Barter Transactions involving Advertising Services.

ii. <u>IFRS 9 Financial Instruments: Classification and Measurement</u>
IFRS 9 is a new standard on financial instruments that will replace IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instruments is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

Effective for annual periods beginning on or after January 1, 2015

i. IFRS 7 Financial Instruments: Disclosure
Amended to require additional disclosures on transition from IAS 39 to IFRS 9

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.