QUENTIN VENTURES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE YEAR ENDED JULY 31, 2015

Dated: October 16, 2015

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The following Management Discussion and Analysis ("MD&A") is a review of the operating results, financial condition and business risks of Quentin Ventures Ltd. ("Quentin" or the "Company") and is designed to help the reader understand the results of operations and financial condition of the Company for the year ended July 31, 2015.

This MD&A should be read in conjunction with the Company's annual audited consolidated financial statements as at and for the year ended July 31, 2015 and the notes thereto ("Financial Statements") which were prepared in accordance with International Financial Reporting Standards ("IFRS"). Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements. This information is current to October 16, 2015. All the dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do 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 period covered by these filings. The Financial Statements together with the other financial information included in this MD&A fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date hereof and for the periods presented. The Board of Directors approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

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 debt 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, successful 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.

Actual results and developments are likely to differ, and may differ significantly, from those expressed or implied by the forward-looking statements in this report. These statements are based on a number of assumptions, which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- changes in the financial markets generally and our ability to raise sufficient funding to pay creditors and continue as a going concern; and
- the continued financial support of the Company’s debt holders and shareholders.

Readers are cautioned that the lists of risks, uncertainties, assumptions and other factors are not exhaustive. The forward-looking statements are expressly qualified by this cautionary statement.

OVERVIEW

Quentin is a Canadian public company that is listed on the NEX Board of the TSX Venture Exchange (“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 principle address is 1600 – 609 Granville Street, Vancouver, BC Canada V7Y 1C3 and it’s registered and records office is 2200 – 885 Georgia Street, Vancouver, BC, V6C 3E8.

The Company was previously engaged in the sales and installation of broadband, high speed Internet services to the hospitality industry and other commercial customers but ceased those business activities prior to the start of fiscal 2015. As at July 31, 2015, the Company has no sources of revenue and is currently in the process of searching for and evaluating new business opportunities. See Outlook and Proposed Transaction section.

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. 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 has entered into an amalgamation agreement (the "Agreement"), dated January 19, 2015, as amended, among itself, its newly formed wholly-owned subsidiary, and Identillect Technologies Corp. ("Identillect") whereby the Company would acquire Identillect (the "Acquisition"). The Acquisition will constitute a reverse takeover under the policies of the TSX Ventures Exchange (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 and commercialization of its software, a proprietary email encryption delivery technology, since that time, having already established a growing patent portfolio.

Prior to closing, Identillect will complete a stock split whereby each Identillect shareholder will receive 1.15 shares for each common share held. On closing of the Acquisition, the shareholders of Identillect shall receive common shares of the Company in exchange for all of the outstanding Identillect shares on a one for one basis. The Company will also issue 5,000,000 preferred shares to the holders of Identillect common shares, on a pro-rata basis, which will automatically convert into common shares of the Company subject to Identillect achieving gross revenues of at least Cdn$10,000,000 in fiscal year ending December 31, 2016. The common shares will be issued pro rata to the shareholders of Identillect in proportion to the number of the Company's common shares that they continue to hold at the end of the performance period. The holders of Identillect convertible securities will also receive convertible securities of the Company, on a 1:1 basis.

Certain parties may be required to enter into applicable escrow or pooling agreements as required by the Exchange in connection with the Acquisition.

As a condition of the proposed Acquisition, the parties also intend to complete financings for gross proceeds of an additional Cdn$3,000,000. Identillect has appointed Canaccord Genuity Corp. ("Canaccord") as its agent, on a commercially reasonable, to raise gross proceeds of up to $2.5 million through a brokered private placement of up to 10,000,000 subscription receipts (the "Subscription Receipts") of Identillect (the "Offering"), at a price of $0.25 per Subscription Receipt. Immediately before the closing of the Acquisition, each Subscription Receipt will automatically convert into one unit of Identillect that will further convert to one unit of the Company pursuant to the Acquisition. Each unit of the Company will consist of one common share and one half of one share purchase warrant. Each full warrant will be exercisable into one common share of the Company at a price of $0.40 per share for a period of 18 months from the date of issuance of the warrants. All the securities to be issued in the Offering will be free trading on closing of the Acquisition.

As part of the Acquisition, Identillect was to complete a concurrent non brokered private placement (the "Identillect Private Placement") of up to 2,000,000 units at a price of $0.25 per unit, for aggregate gross proceeds of up to an additional $500,000. Each Identillect unit is comprised of one common share and one half of one share purchase warrant. Each full warrant will be exercisable into one Identillect common share at a price of $0.40 per share for a period of 18 months from the closing of the Acquisition. On closing of the Acquisition these warrants will enable the holder to acquire one common share of the Company on the same terms. All the securities to be issued in the Identillect Private Placement will be free trading on closing of the Transaction.

On September 19, 2015, the Identillect Private Placement closed oversubscribed. Identillect issued 2,200,000 units for aggregate gross proceeds of $550,000.

Upon completion of the Acquisition, Identillect will pay Canaccord a cash commission equal to 7% of the aggregate proceeds of the Subscription Receipts sold, and will issue compensation options to the Agent to acquire that number of common shares of the Company equal to 10% of the number of Subscription Receipts sold under the Offering. Each compensation option will be exercisable at $0.40 per share for a period of 18 months after closing. Canaccord will also receive a work fee of Cdn$25,000 and a corporate finance fee 300,000 units having the same terms as the Offering units.

On completion of the Acquisition, the Company 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 into of definitive agreements, the completion of the Offering, receipt of all required shareholder, regulatory and third party consents, including Exchange 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.

SELECTED ANNUAL INFORMATION[1]

Annual information for the last three years is outlined below:

	For the year ended July 31, 2015	For the year ended July 31, 2014	For the year ended July 31, 2013[2]
Total revenues	$ 0.00	$ 1,693	$ 13,327
Net income/(loss) and comprehensive income/(loss) for the year	$ (140,014)	$ 419,980	$ (217,207)
Basic and diluted income/(loss) per share	$ (0.02)	$ 0.19	$ (0.10)
Total assets	$ 27,783	$ 24,322	$ 22,473
Total current liabilities	$ 222,981	$ 1,024,953	$ 1,443,804
Total long-term debt	$ 493,347	Nil	Nil
Cash dividends declared per share	Nil	Nil	Nil

¹ The information presented is derived from the respective audited annual financial statements which have been prepared by management and are in accordance with IFRS and presented in Canadian dollars.
² 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 declined significantly during the fiscal years ended July 31, 2014 and 2013 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 did not actively pursue the acquisition of new customers, and has since ceased all operations relating to the sales and installation of broadband, high speed Internet services to the hospitality industry.

The Company continues to maintain costs at minimal operating levels while it investigates new business opportunities. As part of its 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]

	4th Quarter Ended July 31, 2015	3rd Quarter Ended April 30, 2015	2nd Quarter Ended January 31, 2015	1st Quarter Ended October 31, 2014
(a) Revenue	$ -	$ -	$ -	$ -
(b) Net loss and comprehensive loss for the period	$ (34,549)	$ (18,577)	$ (21,663)	$ (65,225)
(c) Net loss per share	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.02)
	4th Quarter Ended July 31, 2014	**3rd Quarter Ended April 30, 2014[2]**	**2nd Quarter Ended January 31, 2014[2]**	**1st Quarter Ended October 31, 2013[2]**
(a) Revenue	$ -	$ -	$ 1,173	$ 520
(b) Net Income/(loss) and comprehensive income/(loss) for the period	$ 523,851	$ (26,640)	$ (45,990)	$ (31,241)
(c) Net income/(loss) per share[1]	$ 0.24	$ (0.01)	$ (0.02)	$ (0.01)

[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 has been restated to reflect the June 27, 2014 share consolidation on the basis of 20 old common shares for 1 new common share.

The erosion of the Company's existing customer base together with the Company's inability to generate new customers led to a steady decline in revenue leading up to the 3rd quarter ended April 30, 2014 when the Company's few remaining customer contracts were terminated.

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 JULY 31, 2015

Expenses:

Gain on the forgiveness of debt for the three months ended July 31, 2015 was $nil compared to $545,411 for the previous year. The previous year's results are reflective of management's effort to settle its outstanding debt obligations and financially restructure the Company.

General and administrative costs for the three months ended July 31, 2015 were $nil as compared to $(1,098) for the same period in the previous year.

Filing and transfer agent fees for the three months ended July 31, 2015 were $2,134 as compared to $11,612 for the same period in the previous year. These amounts reflect the cost of maintaining a public company.

Foreign exchange gain for the three months ended July 31, 2015 was $nil compared to a loss of $7,972 for the same period in the previous year. The results are reflective of foreign currency fluctuation associated with the Company's previously outstanding US denominated debt obligations.

Interest expense for the three months ended July 31, 2015 was $738 compared to $6,018 for the same period in the previous year. These amounts reflect the interest on the Company's notes payable. The current period results reflect the interest expense decrease due to the October 20, 2014 debt settlement.

Professional fees for the three months ended July 31, 2015 were $31,677 as compared to $13,000 for the same period in the previous year. Fees for the current period relate to the Company's proposed transaction with Identillect (see Outlook and Proposed Transaction section).

Net income for the three months ended July 31, 2015

As a result of the above activities, the net loss and comprehensive loss for the three months ended July 31, 2015 was $34,549 as compared to net income of $523,851 for the same period in the previous year.

FOR THE YEAR ENDED JULY 31, 2015

Revenue:

The Company recognized revenue of $nil during the year ended July 31, 2015 compared to $1,693 for 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 year ended July 31, 2015 compared to $314 for the previous year. This decrease is consistent with the Company's sales status for each of these periods.

Expenses:

Gain on the forgiveness of debt for the year end July 31, 2015 was $nil compared to $545,411 for the previous year. The previous year's results are reflective of management's efforts to settle its outstanding debt obligations and financially restructure the Company.

General and administrative costs for the year ended July 31, 2015 were $nil compared to $27 for the previous year.

Filing and transfer agent fees for the year ended July 31, 2015 were $9,669 compared to $18,432 for the previous year. These amounts reflect the cost of maintaining a public company.

Foreign exchange loss for the year ended July 31, 2015 was $nil compared to $16,037 for the previous year. The results are reflective of the foreign currency fluctuations associated with the Company's previously outstanding US denominated debt amounts.

Interest expense for the year ended July 31, 2015 was $7,445 compared to $21,314 for 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 year ended July 31, 2015 were $83,300 as compared to $71,000 for the previous year. The increase in fees for the current year relate to the Company's proposed transaction with Identillect (see Outlook and Proposed Transaction section).

Share-based compensation expense for the year ended July 31, 2015 was $39,600 as compared to $nil for 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 income for the year

As a result of the above activities, the net loss and comprehensive loss for the year ended July 31, 2015 was $140,014 as compared to a net income of $419,980 for the previous year.

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 July 31, 2015, the Company has not yet achieved profitable operations, 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 future success of the Company is dependent on the identification and successful negotiation/acquisition of a sustainable/viable business operation together with the ability to finance the necessary funding, at agreeable terms, to support a business acquisition. As at July 31, 2015, the Company remains 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 year ended July 31, 2015.

The Company experienced a net loss and comprehensive loss of $140,014 for the year ended July 31, 2015 (a net income of $419,980 for the fiscal 2014). The Company has a history of losses and accumulated losses of $9,667,331 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 the acquisition or participation in a new profitable business opportunity. In the meantime, the Company has taken internal initiatives to reduce its operating costs to minimal maintenance levels.

During the year ended July 31, 2015, the Company's operating activities consumed cash of $335 (2014- $146,233). The Company does not have any cash on hand therefore these operating activities were financed by way of proceeds from additional notes payable. The Company does not have any cash on hand as at July 31, 2015.

During the year ended July 31, 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, and the terms of the Company's outstanding notes payable were amended such that they are not due and payable until December 31, 2016. Also during the period, in consideration of interest accruing at the rate of 12% per annum going forward, the terms of certain accounts payable were amended such that it is not due until December 31, 2016. As at July 31, 2015, the Company had a working capital deficiency of $195,198 (July 31, 2014 - $1,000,631), 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.

On January 19, 2015 entered into an amalgamation agreement, as amended, 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 $3,000,000 to support the on-going operations of Identillect's business.

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 July 31, 2015 and July 31, 2014 the Company's financial instruments consist of amounts receivable, accounts payable and accrued liabilities, notes payable and long term debt. Fair values were obtained by Level 1 hierarchy inputs. Amounts receivable are classified as loans and receivables and measured at amortized cost. Accounts payable and accrued liabilities, notes payable and long term debt 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 July 31, 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 July 31, 2015, the Company's only interest exposure relates to its long term debt which accrues interest at a fixed rate of 12% per annum, therefore the Company is not currently 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 July 31, 2015, the Company has not yet achieved profitable operations, a history of losses, and expects to incur further losses in the development of its business. As at July 31, 2015, the Company has insufficient funds and no sources of revenue from which to repay its debt obligations or to fund on-going operating costs. On July 31, 2015 the Company had a cash balance of $nil to settle liabilities of $716,328. 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, or incurring additional debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. As at July 31, 2015, the Company remains dependent on the continued financial support of its debt holders and shareholders and is subject to significant liquidity risk.

SHARE CAPITAL

a. Authorized

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

b. Share Consolidation

Effective June 27, 2014 the Company consolidated its common shares on a basis of 20 old common shares for 1 new common share. All share and loss per share figures in these financial statements reflect this consolidation.

c. 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 July 31, 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.

There are no preferred shares issued and outstanding as at July 31, 2015 and the date of this MD&A.

d. Stock Options

The Company has a stock option plan whereby, from time to time, at the discretion of the Board of Directors, stock options are granted to directors, officers, employees and certain consultants. The exercise price of each option is based on the market price of the Company's common stock at the date of grant less an applicable discount. The options can be granted for a maximum term of ten years.

	Number of Options	Weighted Average Exercise Price
Balance, July 31, 2014	**-**	**$ -**
Granted	750,000	$0.065
Balance, July 31, 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	4.01

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.

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 year ended July 31, 2015, the Company recorded $39,600 in share-based compensation expense as a result of options granted to directors 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:

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	$ 0.065

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 were no significant accounting estimates made during fiscal 2015.

During fiscal 2013, the Company recognized impairment on the carrying value of its equipment to a nominal value. The determination of level of impairment on the carrying value of the Company's equipment involves certain assumptions with respect to the anticipated economic environment in which the Company operates and estimates with respect to future cash generation from these assets. Actual cash flows will most likely vary from the Company's estimates which may impact management's assessment of the level of impairment.

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 other 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 there from. 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 or participation in a new business opportunity.

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.

Lack of Trading and Liquidity
On July 8, 2010, the Company was re-classified as a NEX issuer by the TSX-V, and trading of the Company's shares remained suspended on the NEX Board of the TSX-V until June 27, 2014. As a result of the Company's suspension in trading of its shares, the Company was unable to obtain any financing from private placements and has been dependent on debt arrangements to fund the Company's on-going operating costs. During this period, the Company has accumulated a significant amount of debt. As at July 31, 2015, the Company has no cash balances and no sources of revenue. Consequently the Company is significantly exposed to liquidity risk.

Negative Cash Flows
At present, the Company has negative cash flows from operations and has very limited 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 financial restructuring efforts.

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 received from 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.

Volatility of Share Price
Market prices for shares of NEX board of the TSX Venture Exchange companies 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.

NEWLY ADOPTED ACCOUNTING POLICIES

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the year ended July 31, 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. IFRS 15 Revenue from Contracts with Customers
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. IFRS 9 Financial Instruments: Classification and Measurement
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.

RECENT ACCOUNTING PRONOUNCEMENTS

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the year ended July 31, 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.

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

i. Amended standard IFRS 7 Financial Instrument: Disclosures
   Amended to require additional disclosures on transition from IAS 39 and IFRS 9

ii. New standard IFRS 9 Financial Instruments
   Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement

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