The following Management Discussion & Analysis, prepared as of May 11, 2016 should be read in conjunction with

a) **the audited financial statements for the year ended June 30, 2015 and related notes attached thereto which are prepared in accordance with International Financial Reporting Standards; and**
b) **the unaudited interim financial statements for the period ended March 31, 2016 and related notes attached thereto which are prepared in accordance with International Financial Reporting Standards.**

All amounts are stated in United States dollars unless otherwise indicated.

Caution on Forward-looking Statements and Information

Certain statements and information in the MD&A are not based on historical facts and constitute forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about:

- Our business plans,
- Our belief regarding the impact of various lawsuits,
- Our ability to raise additional finances,
- Our future customers,
- Our design of wood pellet plants, and
- Our future investments and allocation of capital resources.

These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including, but not limited to the following:

- Our inability to obtain an unqualified audit report for the 2006 and 2007 fiscal years,
- The impact of various lawsuits that have been filed against us,
- General economic and business conditions,
- Fluctuations in worldwide prices and demand for wood pellets,
- Our lack of operating history,
- Our limited experience manufacturing pellets,
- Our dependence on a limited number of customers, and
- The risks in the section of this annual report entitled "Risk Factors",

any of which may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results

Additional information related to the Biomass Secure Power Inc. (the "Company" or "BSPI") is available for view on SEDAR at www.sedar.com <http://www.sedar.com>.

1. *Nature of Operations and Overall Performance*

Description of the Business and Summary of Activities

Corporate History

We were incorporated in the Province of British Columbia on August 24, 1989 as Flamingos Beach Resort Inc. On August 10, 1999, we changed our name to VMH Videomoviehouse.com Inc. On May 18, 2006, we changed our name to Virtual Media Holdings Inc. On February 9, 2009, we changed our name to Biomass Secure Power Inc. (the "Predecessor Biomass") On June 30, 2009; we legally amalgamated with 0625920 BC Ltd. ("0625920"), with Predecessor Biomass as the continuing company.

The consolidated financial statements of the Company as at Mar 31, 2016 comprise the Company and its wholly-owned subsidiary, Biomass Power Louisiana L.L.C., a company incorporated in Louisiana, United States of America on February 1, 2013.

Corporate Developments

During the period the Company has been actively pursuing financing arrangements to allow it to fully implement its business plan.

Our Current Business

On May 4, 2016 the Company signed an updated Memorandum of Understanding with River Basin Energy ("RBE") to move forward with a merger of the two companies and their subsidiary companies. The new entity will retain the name Biomass Secure Power. The merger will create a Company that is in a much stronger position to move forward and be a world leader in the supply of a low cost higher energy wood pellet. The merger of the two companies will result in the shareholders of BSP owning 51% of the outstanding shares and RBE shareholders owning 49% of outstanding shares. The Company is currently considering doing a roll back of existing shares 15-1 to position itself in a position to get onto a major stock exchange.

The merger will strengthen our management team with the addition of Dr Andy Piers who will become the CEO. Dr Piers is an Executive Director at executive board level in Global public companies, with an in depth knowledge of Chemicals, Forest Products, Renewable Energy & Clean Technology, expertise in creating and executing corporate development strategies and a track record of delivering outstanding results for world leading organisations. Dr Piers was on the Board of Management at Clariant the world's second largest chemical producer.

Maarten van Rossum will be our Chief Commercial Officer he has proven entrepreneurial, managerial, negotiation, deal making, technical and analytical skills and comfortable working in dynamic environments and leading teams with great adaptability to culture and status of the economy. Maarten has extensive experience in Merger and Acquisition and fund raising.

Jim Carroll will continue in his role as President, Andy Burns Chief Operating Officer, George Pappas Secretary and Susan Bubra CFO. Susan is a senior accounting and financial management executive with experience in finance and operations management. Susan demonstrates ability to streamline business operations that drive growth and increases efficiency and bottom line profit. She possesses solid leadership and communication skills with excellent interpersonal skills

RBE currently has a 10,000 tonne per year demonstration plant under construction at the Port of Rotterdam Netherlands that will use their patented technology to provide end users with bio-coal for testing in their facilities enabling long term contracts to be completed. Once the Rotterdam plant is in operation (which is expected by end of 2016) the Company will build a one million tonne bio-coal plant to supply end users in Europe. RBE has a MOU in place that calls for the supply of a minimum of 500,000 to a maximum of 2,000,000 tonnes per year providing product produced is equal in quality to product produced at Wyoming test facility.

The proposed Natchitoches plant will be built in two phases of 500,000 tonnes each. RBE brings patented technology for the manufacturing process of alternate sustainable bio-coal products that will position the merged company to become a world leader in the supply of low cost alternate bio-coal product. Bio-coal products produce at least 30% less CO2 emissions when compared to whitewood pellets. The benefit to the end user is that bio-coal when used as a replacement for coal does not require any modifications to existing equipment. The Company believes that by developing a plant or the production of the second generation fuel in the form of bio-coal could provide access to the market that consumes over 1.3 billion tonnes of coal annually. In the current environment the use of coal for power generation is considered environmentally damaging and coal plants are being forced, by changes in regulations, to reduce the quantity of coal used as a fuel. The Company believes this will provide opportunities for growth in Europe, Asia and North America and long term plans are being developed to grow the Company to five million tonnes per year by 2022.

The Company has engaged Canaccord Genuity to assist in the raising of $30 million as equity towards the completion of the Rotterdam plant and construction of plant in Natchitoches. The Vancouver office of Canaccord is engaged with their London and Boston offices to raise the required funding. We expect to finalize financing by end of May 2016.

The Company's current business plan, to build a pellet plant that will process whole trees and chipped fibre, will remain valid until such time that the MOU with RBE is executed. The current business plan proposes the construction of the plant located within the confines of the Port of Natchitoches, Louisiana. The Company has reached an agreement with the Port of Natchitoches to lease 75 acres plus an additional two acres on the Red River that will be used to load and unload materials. The Company will also lease a corridor 10 feet wide and approximately one mile in length on which a conveyor system will be constructed to move material to and from the pellet plant. The term of the lease is for 30 years with an option to extend the lease for an additional 15 years.

The lease agreement is subject to the Port of Natchitoches assisting with a bond issue if necessary to provide capital to build phase one of the plant. Management has engaged the services of a forester in Louisiana who is contacting companies that have indicated they will supply fibre to the plant. Current commitments exceed two million tonnes per year and we expect to have written commitments in place prior to moving ahead with construction of plant. Finalization of contracts for fibre supply will ensure long term access to sufficient fibre to operate the plant at its planned full production capacity.

2. *Selected Annual Information*

The following table provides a brief summary of the Company's financial operations for each of the last three completed fiscal years. For more detailed information refer to the Company's audited financial statements for the specific periods.

	9 Months ended March 31, 2016	Year ended June 30, 2015	Year ended June 30, 2014
Total revenue	$ NIL	$ NIL	$ NIL
Loss from operations	$ (212,321)	$ (350,328)	$ (412,103)
Income from discontinued operations	$ -	$ -	$ -
Loss for the year	$ (212,321)	$ (350,328)	$ (362,416)
Basic and diluted earnings (loss) per share	$(0.00)	$(0.00)	$(0.00)
Total assets	$ 13,159	$ 13,780	$ 13,780
Total long-term liabilities	$ NIL	$ NIL	$ NIL
Cash dividends declared		$ NIL	$ NIL

3. *Results of Operations*

For the nine months ended March 31, 2016 the Company did not generate any revenues. Our total loss for the period was $212,321 as compared to a loss of $350,328 for the comparative period year ended March 31, 2015.

Significant expenditures and variations of expenditures incurred during the nine months ended March 31,2016, as compared to the period year ended March 31, 2015 include:

Consulting – 2016: $Nil / 2015: $Nil;

Interest - 2016: $11,046 / 2015: $31,185: During the nine months ended March 31, 2016 the company incurred interest on various short-term loans and promissory notes totalling $4,629 (2015 - $9,605).

Management Fees - 2016: $180,000 / 2015: $180,000: During the nine months ended March 31, 2016, and during the nine months ended March 31, 2015, the Company incurred management fees of $60,000 to Jim Carroll in his role as Chief Executive Officer, $30,000 to George Pappas in his role as Vice President and $30,000 to Andrew Burns in his role as Vice President - Engineering. The Company is committed to the above arrangements on a month to month basis. We expect to continue to incur management fees at these rates until we are able to commence construction of a plant, as detailed earlier in this report, at such time it is likely management fees will increase as the Vice-President roles may require additional time from those individuals.

Non-refundable lease option – 2016: $Nil / 2015: $Nil: On September 18, 2013 the Company entered into an Exclusive Negotiation Right to Lease approximately 50 acres from the Natchitoches Parish Port Commission (the "Agreement") in exchange for $15,000 for a ninety day option period (the "Option Payment"). Terms of the

Agreement provide that $5,000 of the Option Payment is creditable towards future rental payments, should the Company exercise an exclusive right to option the property. No terms were identified in the Agreement.

Foreign Exchange loss (gain) – 2016: $22,941 / 2015: $38,736: During the nine months ended March 31, 2016 the value of the Canadian dollar verses the US dollar declined from $0.7638 to $0.7280 resulting in losses on holding Canadian dollar debt in the approximate amount of $23,000.The Company's reporting currency is US$. Cash, certain accounts payable and certain loans and advances denominated in Canadian dollars.

4. *Summary of Quarterly Results*

The following table provides quarterly financial information for the prior eight quarters derived from our financial statements:

	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Total Revenue	$ -	$ -	$ -	$ -	$ -
Net Income (Loss)	$ (73,161)	$ (76,354)	$ (75,419)	$ (83,704)	$ (77,047)
Basic income (loss) per common share	($ 0.00)	($ 0.00)	($ 0.00)	($ 0.00)	($ 0.00)

	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
Total Revenue	$ -	$ -	$ -	$ -
Net Income (Loss)	$ (90,641)	$ (98,936)	$ (63,496)	$ (92,919)
Basic income (loss) per common share	($ 0.00)	($ 0.00)	($ 0.00)	($ 0.00)

5. *Liquidity*

The Company's historical capital needs have been met by issuance of shares and advances from directors and officers of the Company. As at March 31, 2016, the Company's working capital deficiency was $1,156,771 compared to a working capital deficiency of $963,637 as of June 30, 2015. The Company proposes to meet any additional financing requirements through equity financing and short term loans from directors and officers.

The Company has developed a business plan whereby the Company will convert low quality wood fibre from sustainable growth areas into wood pellets and has commenced the implementation of the business plan. The Company does not generate any cash from operations. Without the ability to attract additional equity funding or receive the ongoing financial support of its directors and officers, the Company:

- will not have the working capital necessary to fund current operations throughout the fiscal year 2016;
- will not be able to expend any funds on implementation of its business plan; and
- will have an expected working capital deficiency, resulting in the Company's inability to meet obligations as they come due.

Our plan of operation over the next 12 months is to enter into a long term sales contract for the purchase of our wood pellets. Once we have secured a buyer, we will begin to work on securing the supply for our plant and to eventually begin construction of our wood pellet plant. Our cash requirements are dependent on whether or not we begin construction of our wood pellet plant. The construction process will require a substantial amount of capital, which we will have to raise by way of loans, private placements or public offerings.

Below is an estimate of our operating expenses and working capital requirements for the next 12 months, provided we do not begin construction of our wood pellet plant.

Expense	**Amount**
Management Fees	$ 240,000
Professional Fees (accounting and legal)	50,000
Engineering	200,000
General administration and travel	50,000
Total:	$ 540,000

Expenses associated with the engineering and construction of Natchitoches are anticipated in the current year. These development costs are included in the construction budget and are payable from the package of loans advanced against plant construction and a bankable end user agreement. These anticipated costs are not included in the above expenses.

The Company's cash position as at March 31, 2016 was $309, compared to $1,041 as of June 30, 2015. The net change in cash position at March 31, 2016 as compared to June 30, 2015 was as a result of the benefit of the net amounts paid by related parties in the amount of $638 and $94 expended on operating activities.

The Company has no long-term debt.

Future cash requirements will depend primarily on the timing and extent of the implementation of the Company's business plan and it is therefore extremely difficult to predict future cash requirements. At the date of this report, the Company does not have sufficient funds to maintain its current operations through the current fiscal year.

6. ***Capital Resources***

Discussions have been held with conventional lenders and private funding sources regarding financing for our business plan. There are no assurances that we will be successful in obtaining the necessary capital. If we are unsuccessful in obtaining additional capital we may have to cut back or suspend activities until such time that we can raise capital by way of loans, private placements or public offerings. Current management has been lending us funds to pay our expenses on a monthly basis.

There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, if and when it is needed, we will be forced to delay or scale down some or all of our operations or perhaps even cease the operation of our business.

Authorized Share Capital is an unlimited number of common shares without par value. Net issued and outstanding common shares as at March 31, 2016, was 614,962,901 and June 30, 2015 was 610,191,908.

No stock options warrants were outstanding as at March 31, 2016.

7. ***Off Balance Sheet Arrangements***

The Company had no off-balance sheet arrangements.

8. ***Transactions with Related Parties***

During the periodyear ended March 31, 2016 and June 30, 2015 the Company:

1. was charged management fees totaling $180,000 (2015 - $240,000) by directors of the Company; and
2. has accrued accounting fees to a company controlled by the family of our CFO, in the amount of partnership of which our CFO is a member totaling $22,500(2015 - $30,000) for monthly services related to his role as CFO.

The above-noted transactions were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As at March 31, 2016 and June 30, 2015 the following amounts were due to related parties:

	March 31,2016	June 30, 2015
Due to (from) directors	**$ 733,651**	$ 547,758
Due or accrued as due to a partnership related to our CFO	**$ 116,010**	$ 100,469

9. ***Fourth Quarter***

N/A.

10. ***Proposed Transactions***

See Section 1 – *Our Current Business*

11. ***Critical Accounting Estimates***

The Company's discussion and analysis of its financial condition and results of operations, including the discussion on liquidity and capital resources, are based on its consolidated financial statements that have been prepared in accordance with International Financial Reporting Standards. The preparation of these consolidated financial statements requires management to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management re-evaluates its estimates and judgments, particularly those related to the determination of the impairment of long-lived assets. Management bases its estimates and judgments on historical experience, contractual arrangements and commitments and on various other assumptions that it believes are reasonable in the circumstances. Changes in these estimates and judgments will impact the amounts recognized in the financial statements, and the impact may be material.

Critical accounting estimates used in the preparation of the consolidated financial statements include the assumption the Company is a going concern, impairment of long-lived assets, intangible assets, foreign exchange rates, fair value measurements and deferred income taxes. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

Going Concern

We have historically incurred losses and have incurred a net operating loss of $73,161 during the three months ended March 31, 2016, and an accumulated deficit of $9,133,126. Because of these historical losses, we will require additional working capital to develop our business operations. We intend to raise additional working capital through equity financing, bank financing and/or advances from related parties or stockholder loans.

The continuation of our business is dependent upon obtaining further financing and achieving a break even or profitable level of operations. We will not achieve a break even or profitable level of operations until the successful construction of our wood pellet plant, which we do not anticipate will occur within the next 12 months. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current or future stockholders. Obtaining loans, assuming any loans would be available, will increase our liabilities and future cash commitments.

There are no assurances that we will be able to either (i) achieve a level of revenues adequate to generate sufficient cash flow from operations; or (ii) obtain additional financing through either equity financing and/or bank financing necessary to support our working capital requirements. To the extent that funds generated from operations and any equity financing and/or bank financing are insufficient, we will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on terms acceptable to us. If adequate working capital is not available, we may not be able to begin our operations.

Our auditors included an emphasis of matter paragraph in the audit report of the year ended June 30, 2015 which refers to Note 1 in the consolidated financial statements that indicates the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern.

These factors may cast significant doubt about our ability to continue as a going concern. Our consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might be necessary should we be unable to continue as a going concern.

Functional Currency

Management has concluded the functional currency of the Company, being the currency of the primary economic environment in which the Company operates, is the United States dollar. In determining the function currency management considered the currency that revenue will primarily be derived in and the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. The United States dollar is the dominant currency.

Impairment of long-lived assets

We evaluate our long-lived assets, such as equipment, and specifically identified intangibles, when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. When we believe an impairment condition may have occurred, it is required to estimate the undiscounted future cash flows associated with a long-lived asset or group of long-lived assets at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities for long-lived assets that are expected to be held and used. If we determine that the undiscounted cash flows from an asset to be held and used are less than the carrying amount of the asset, or if we have classified an asset as held for sale, we estimate fair value to determine the amount of any impairment charge.

Intangible assets

We account for intangible assets with indefinite useful lives by tested periodically for impairment, or immediately if conditions indicate that impairment could exist. Intangible assets with definite useful lives are amortized over their estimated useful lives and reviewed for impairment at the end of each quarter. Substantial judgment is necessary in the determination as to whether an event or circumstance has occurred that may trigger an impairment analysis and in the determination of the related cash flows from the asset. Estimating cash flows related to long-lived assets are difficult and subjective process that applies historical experience and future business expectations to revenues and related operating costs of assets. Should impairment appear to be necessary, subjective judgment must be applied to estimate the fair value of the asset, for which there may be no ready market, which often times results in the use of discounted cash flow analysis and judgmental selection of discount rates to be used in the discounting process. If we determine an asset has been impaired based on the projected undiscounted cash flows of the related asset or the business unit, and if the cash flow analysis indicates that the carrying amount of an asset exceeds related undiscounted cash flows, the carrying value is reduced to the estimated fair value of the asset.

On April 27, 2011 the amalgamation with 0652920 BC Ltd. ("0652920"), which legally took effect June 30, 2008, was consummated upon the issuance of the Acquisition Shares. The sole asset acquired on the amalgamation was the intellectual property owned by 0652920. The value assigned to the acquired intellectual property was based upon the fair value of the shares issued $968,658 ($0.0043 per share times 225,269,302 shares). Upon completion of the acquisition management completed an impairment analysis and determined the fair value of the asset, based upon that evaluation, was nominal. As a result the book value of the Intellectual Property was written-down to $1 and the balance charged to in Statement of Operations.

Stock-based compensation

The Company uses the fair-value based method to account for all stock-based payments. Fair value is calculated using the Black-Scholes option-pricing model, which require the input of highly subjective assumptions, including, expected price volatility, estimated timing of the exercise of the stock based instrument and a risk free discount rate. The fair value of the compensation cost is recorded as a charge to net earnings based over the vesting period with a credit to contributed surplus.

Foreign exchange translation

Our functional currency is the United States ("US") dollar, and reports our financial statements in US dollars. We translate our Canadian dollar balances to US dollars in the following manner:

- Assets and liabilities have been translated using the rate of exchange at the balance sheet date; and
- Our results of operations have been translated using average rates.

Exchange differences arising on translation and realized gains and losses from foreign currency transactions are reflected in our results from operations.

Fair value measurements

Accounting standards require that fair value measurements be classified and disclosed in one of the following categories:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

Determining which category an asset or liability falls within the hierarchy requires significant judgment. We evaluate our hierarchy disclosures each quarter

We use observable inputs when available. When observable inputs are not available, we use internally developed, unobservable inputs (Level 3 inputs in the fair value hierarchy of fair value accounting) to estimate cash flow projections used in its analysis to determine whether its long-lived assets are impaired.

Deferred Income Taxes

The Company uses the asset and liability method. Deferred tax liabilities and assets are determined based on temporary differences between the basis of assets and liabilities for income tax and financial reporting purposes. The deferred tax assets and liabilities are classified according to the financial statement classification of the assets and liabilities generating the differences. Valuation allowances are established when necessary based upon the judgment of management to reduce deferred tax assets to the amount expected to be realized and could be necessary based upon estimates of future profitability and expenditure levels over specific time horizons in particular tax jurisdictions. We recognize the tax benefit from an uncertain tax position when, based on technical merits, it is more likely than not the position will be sustained on examination by the taxing authorities.

12. ***Changes in Accounting Policies, including initial adoption***

The Company's significant accounting policies are consistent with those reported in the annual financial statements as at June 30, 2015.

Newly Adopted Standards

No new standards have been adopted in the period'

Standards, Amendments and Interpretations Not Yet Effective

Certain pronouncements were issued by the IASB of the IFRS Interpretations Committee that are mandatory for accounting periods beginning after January 1, 2015 or later years.

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements. The following new standards, interpretations and amendments, which have not been applied in these consolidated financial statements:

IFRS 9 *Financial Instruments* is part of the IASB's wider project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized costs and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The effective date of this amendment is fiscal periods commencing after January 1, 2018. The Company early adopted IRFS 9.

IAS 32 *Financial Instruments: Presentation* In December 2011 further amendments to this standard outline additional accounting requirements for the presentation of financial instruments, particularly as to the classification of such instruments into financial assets, financial liabilities and equity instruments. The standard also provides guidance on the classification of related interest, dividends and gains/losses, and when financial assets and financial liabilities can be offset. The effective date of this amendment is fiscal periods commencing after January 1, 2014. This amended standard will have no impact on the Company's financial statements.

13. ***Disclosure and Internal Controls and Risk Factors***

Internal Controls and Procedures

In contrast to the certificate required under National Instrument 52-109 *Certificate of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("CD&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representation relating to the establishment and maintenance of:

a. Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annul filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
b. A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting policies.

The Company's certifying officers are responsible for ensuring processes are in place to provide them with sufficient knowledge to support the representations they are making in their certification.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement, on a cost effective basis, DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filing and other reports provided under securities legislation.

Risk Factors

In conducting its business, the Company, like all development-stage companies, faces a variety of risks uncertainties. While unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. You should carefully consider the following risks and uncertainties in addition to other information in this report in evaluating our company and its business before purchasing shares of our company's common stock. Our business, operating results and financial condition could be seriously harmed due to any of the following risks. You could lose all or part of your investment due to any of these risks.

Risks Related to our Company

Risks Related to our Financial Condition

The fact that we have not earned any operating revenues since we switched the focus of our company to our current business plan may raise significant doubt about our ability to continue as a going concern.

We have incurred accumulated losses of $**9,133,126** and incurred a loss of $212,321 in the nine months ended March 31, 2016. We anticipate that we will continue to incur operating expenses without revenues for the foreseeable future. Because we have incurred losses from operations since inception, have not attained profitable operations and are dependent upon obtaining adequate financing to commence our business operations. In their report on our financial statements for the fiscal year ended June 30, 2015, our independent auditors included an explanatory paragraph regarding doubt about our ability to continue as a going concern.

As of March 31, 2016, we had cash on hand of $309 and a working capital deficit of $1,156,771 We estimate our average monthly operating expenses over the next 12 months to be approximately $45,000 per month, excluding any expenses incurred in the building of any plants. In addition, our budget could increase during the year in response to matters that cannot be currently anticipated and we might find that we need to raise more capital in order to properly address these items. As we cannot assure a lender that we will be able to successfully build our plants, we will probably be unable to raise debt financing from traditional lending sources. We have traditionally raised our operating capital from sales of equity and debt securities, but there can be no assurance that we will continue to be able to do so.

The recent economic uncertainty and market instability may make it harder for us to raise capital as and when we need it and have made it difficult for us to assess the impact of the crisis on our operations or liquidity and to determine if the prices we might receive on the sale of our wood pellets. If we cannot raise the money that we need to continue development of our wood pellet plant, we may be forced to delay, scale back, or cease our business plan. If any of these were to occur, there is a substantial risk that our business would fail.

We have no prior experience in manufacturing and operating a wood pellet plant.

Our success will be dependent on our management's ability to manufacture and operate a wood pellet plant. As such, we have no experience building and operating a wood pellet plant and limited experience manufacturing similar products at the volume we anticipate will be required to sustain our operations. As a result, we may not be able to develop and implement efficient, low-cost manufacturing capabilities and processes that will enable us to manufacture our wood pellets in significant volumes, while meeting the legal, regulatory, quality, price, durability, engineering, and design and production standards required to market our products successfully. Further, we have no experience selling wood pellets to power producers. As a result, we may not be able to enter into a contract for the purchase and sale of our wood pellets on favourable terms or at all.

We have no operating history relating to our current business plan.

We have no operating history relating to our current business plan on which to base an evaluation of our business and prospects. Our prospects must be considered in light of the risks, uncertainties, expenses and difficulties frequently encountered by companies seeking to establish a new business opportunity. Some of these risks and uncertainties relate to our ability to build our plants, secure long term sales contracts, and obtain an adequate supply for our plants.

We cannot be sure that we will be successful in addressing these risks and uncertainties and our failure to do so could have a materially adverse effect on our financial condition. In addition, our operating results are dependent to a large degree upon factors outside of our control. There are no assurances that we will be successful in addressing these risks, and failure to do so may adversely affect our business.

It is unlikely that we will generate any or significant revenues while we implement our business plan. In order for us to make a profit, we will need to successfully build our plants and secure long term supply and sales contracts for our wood pellets. Even if we become profitable, we may not sustain or increase our profits on a quarterly or annual basis in the future.

We will, in all likelihood, sustain operating expenses without corresponding revenues and significant capital expense in the construction of our plants, for the foreseeable future.

We anticipate that we will depend on a limited number of customers for a high percentage of our revenue.

We anticipate that we will sell our wood pellets to power producers in Europe. We do not anticipate that we will enter into agreements with a large number of producers and will have a limited number of customers. Once we begin operations, we anticipated that our revenues will be volatile because of the loss of sales to any one of our customers would have a significant negative impact on our business. Due to our anticipated dependence on a limited number of customers, any one of the following events may cause material fluctuations or declines in our revenue and have a material adverse effect on our financial condition and results of operations:

- reduction, delay or cancellation of orders from one or more of our significant customers;
- selection by one or more of our significant customers of another product;
- loss of one or more of our significant customers and our failure to identify additional or replacement customers; and
- failure of any of our significant customers to make timely payment for our products.

We will be dependent on the price of wood pellets.

Our business plan is based on certain assumptions regarding the price of wood pellets. The price of wood pellets is dependent on many factors. If our assumptions are inaccurate and we cannot sell our wood pellets for more than the cost to produce them, our business will fail and you may lose your entire investment. There is a liquid market developing for wood pellets and Argus has become the recognized source for current and future pellet sales. Argus provides information on past sales information for wood pellets and bid and ask being offered for future sales. It is management's opinion that wood pellet prices and our profitability risk will be reflected by the variation of the stumpage prices and this will be driven by market forces.

Economic conditions may adversely affect our business.

Adverse worldwide economic conditions may have adverse implications on our business. For example, our potential customers' ability to borrow money from their existing lenders or to obtain credit from other sources to fund operations may impair their ability to purchase our wood pellets, which would result in decreased in sales.

There may be one or more large competitors enter the business and that may adversely affect our business.

Currently there is a growing demand for wood pellets and insufficient production capacity to meet the projected demand. Although our revenue projections included in our business plan contemplates growing supply of pellets and a competitive market place entry of a large competitor in the market place could result in lower future revenues than are projected and / or higher cost of fiber if they were to set up a plant(s) within our supply area.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other reporting companies or may have significant shareholdings in other reporting companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms.

Risks Relating to Our Common Stock

If we issue additional shares in the future, it will result in the dilution of our existing shareholders.

Our articles of incorporation authorize the issuance of an unlimited amount of shares of common stock with no par value. Our board of directors may choose to issue some or all of such shares to acquire one or more products and to fund our overhead and general operating requirements. The issuance of any such shares will reduce the book value per share and may contribute to a reduction in the market price of the outstanding shares of our common stock. If we issue any such additional shares, such issuance will reduce the proportionate ownership and voting power of all current shareholders. Further, such issuance may result in a change of control of our corporation.

Price Volatility of Publicly Traded Securities

During the past year, global securities markets have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

Our common stock is illiquid and the price of our common stock may be negatively impacted by factors which are unrelated to our operations.

Although our common stock is currently listed for quotation on the Pink Sheets, trading through the Pink Sheets is frequently thin and highly volatile. There is no assurance that a sufficient market will develop in our stock, in which case it could be difficult for shareholders to sell their stock. The market price of our common stock could fluctuate substantially due to a variety of factors, including market perception of our ability to achieve our planned growth, quarterly operating results of our competitors, trading volume in our common stock, changes in general conditions in the economy and the financial markets or other developments affecting our competitors or us. In addition, the stock market is subject to extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to their operating performance and could have the same effect on our common stock.

We do not intend to pay dividends on any investment in the shares of stock of our Company.

We have never paid any cash dividends and do not currently intend to pay any dividends for the foreseeable future. Because we do not intend to declare dividends, any gain on an investment in our company will need to come through an increase in the stock's price. This may never happen and investors may lose all of their investment in our company.

14. ***Approval***

The Board of Directors of Biomass Secure Power Inc. has approved the disclosures contained in the Management Discussion and Analysis for the nine months ended March 31, 2016 prepared as at May 11, 2016.

15. ***Other Information***

Additional information relating to the Company can be found on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval (SEDAR) database at www.sedar.com and at the United States Securities and Exchange Commission at http://www.sec.gov/edgar.shtml.