CANADIAN INTERNATIONAL PHARMA CORP.
(FORMERLY BLACK PANTHER MINING CORP.)

Management's Discussion and Analysis

For the year ended October 31, 2015

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DESCRIPTION OF BUSINESS AND OVERVIEW OF OPERATIONS AND FINANCIAL CONDITION

The following is management's discussion and analysis ("MD&A"), prepared as of January 26, 2016. This MD&A should be read in conjunction with the Company's audited Consolidated Financial Statements for the year ended October 31, 2015 and 2014, the accompanying notes thereto, all as prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

This report includes certain statements that may be deemed "forward looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts, that address such matters as future exploration, drilling, exploration activities, potential mineralization and resources and events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties and other factors of which are beyond the reasonable control of the Company. Such statements are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward looking information. With respect to forward looking statements and information contained herein, the Company has made numerous assumptions, including among other things, assumptions about the price and future prices of ores and/or mineralization that are being explored for by the Company, anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward looking statement or information herein will prove to be accurate. Forward looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or information. These factors include, but are not limited to,such matters as market prices, exploitation and exploration results, continued availability of capital and financing, and general economic, market or business conditions. Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward looking statements for information. Any forward looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Additional information related to the Company is available for view on SEDAR at www.sedar.com, and on the Company's website at www.canpharmacorp.ca.

Description of Business

The Company was previously engaged in the acquisition and exploration of mineral resource properties and at that time traded on the TSX Venture Exchange (the "Exchange") under the symbol BPC, however, as announced on June 9, 2015, the Company is currently pursuing new business opportunities in the area of pharmaceutical and nutraceutical manufacturing and distribution, and in connection therewith, the Company applied to the Exchange to be voluntarily transferred to the NEX Board of the Exchange ("NEX") where it will continue to grow and develop the Company's new business concept (see News Release dated June 9, 2015 for further information and details). On June 19, 2015, the Company announced its application with the Exchange had been approved. In connection with the Company's new business pursuits and transfer to NEX, the Company changed its name to "Canadian International Pharma Corp." and is trading under its new trading symbol "CIP.H" as of June 22, 2015.

EXPLORATION AND EVALUATION ASSETS

Realization of assets

The investment in and expenditures on exploration and evaluation assets comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of the exploration and development on an exploration and evaluation assets, the potential for production on the property may be diminished or negated.

Title to exploration and evaluation assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties are in good standing. However, such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

The Company has entered into agreements to acquire, explore and develop certain exploration and evaluation assets located in certain regions of Canada. Several aboriginal groups are claiming inextinguishable aboriginal title to the lands and resources in various regions of Canada, which may include one or more of the mineral claims beneficially owned by the Company. The extent to which any successful aboriginal claim would materially affect the ability of the Company to exploit its exploration and evaluation assets is not determinable at this time.

Exploration programs

A summary of the Company's current exploration programs is set out below, however, for additional information and details regarding such matters, reference is made to the Company's news releases and related filings that can be viewed on Sedar (www.sedar.com) and the Company's website (www.canpharmacorp.ca).

The technical information regarding the Company's mineral exploration properties and projects referred to herein has been reviewed and approved by Gordon Gibson, P. Geo., who was acting as the Company's Qualified Person, in accordance with regulations under NI 43-101. With respect to the technical information disclosed prior to Gordon Gibson becoming the Company's Qualified Person, such technical information was reviewed and approved by Robert Middleton, P. Eng.

The Company's expenditures on exploration and evaluation assets are as follows:

	Olsen Property (Ontario)	Seagull Property (Ontario)	Total
Balance, October 31, 2013	**$ 403,973**	**$ 920,224**	**$ 1,324,197**
Exploration Expenditures			
Joint venture shared costs	-	23,000	23,000
Property staking costs	765	-	765
Option and other recoveries	-	(10,000)	(10,000)
	765	13,000	13,765
Impairment of exploration and evaluation assets	(404,738)	-	(404,738)
Net change for the year	(403,973)	13,000	(390,973)
Balance, October 31, 2014	-	**933,224**	**933,224**
Option payments and recoveries	-	(6,000)	(6,000)
Impairment of exploration and evaluation assets	-	(927,224)	(927,224)
Balance, October 31, 2015	**$ -**	**$ -**	**$ -**

Olsen Property, Ontario

The Company entered into an option agreement dated March 2, 2010, as amended, with Rainy Mountain Royalty Corp. ("Rainy Mountain") pursuant to which the Company could acquire up to a 50% interest in a 234 claim unit gold exploration property (the "Olsen Property") located approximately 60 km north of Sault Ste. Marie and 48 km east of Batchawana Bay, Ontario. Under the option agreement, the Company was required to incur $250,000 in exploration expenses by March 2, 2011(completed) and therefore earned a 30% interest in the Olsen Property. As well, the Company had the additional option to earn a 50% interest in the Olsen Property by incurring a further $250,000 in exploration expenses by March 2, 2014. The Company and Rainy Mountain have certain directors in common.

As referred to in the Company's initial news release of March 5, 2010, the Olsen Property covers an 8 km strike length of carbonate altered (ankeritized) mafic volcanics as well as a quartz feldspar porphyry, which is a typical geological setting for Timmins – Porcupine Camp style gold deposits. At least 3 parallel shear zones have been noted on the Olsen Property, as well as several gold showings. The Olsen Property is accessible via Highway 17 and a powerline across the property. A Phase one exploration program was completed during the period at a cost of approximately $250,000. The Phase one program consisted of prospecting, geological mapping and line cutting to further trace gold bearing carbonate alteration zones which was subsequently followed up with a magnetic and an induced polarization survey on a 50-80 km grid which has identified several high priority exploration drill targets. The results reported on May 8, 2013, from its first exploration core drill hole on the Olsen Property, which drill hole was completed to a depth of 120 metres. Drill hole Olsen 13-01 returned no significant gold mineralization, however, several additional drill targets (previously identified by recent geological/alteration mapping, bedrock chip sampling, soil sampling, IP (induced polarization) and magnetometer surveys) remain untested.

The technical information regarding the Olsen Property project, referred to herein, was reviewed and approved by Robert Middleton, P. Eng., who was acting as the Company's Qualified Person, in accordance with regulations under NI 43-101, at the times that such technical information was disclosed by the Company.

The Company incurred exploration and acquisition costs as follows:

- for the year ended October 31, 2014: expended $765;
- during the year ended October 31, 2014; wrote down the property by $404,738; and
- as at October 31, 2015: the Company had incurred $Nil in exploration and evaluation costs.

<u>Current status:</u>
On February 7, 2013, the Company provided an exploration update for its Olsen gold exploration property project. The Company's first phase of exploration of the Property was conducted in May 2010 (which included mapping, surface sampling and prospecting), two areas of strong iron carbonate alteration (ankerite) were identified, which extend for 3,000 metres. Also, during the Company's most recently completed exploration program (November 2012), soil geochemical anomalies with coincidental magnetic and induced polarization (IP) signature targets were identified. As part of its next phase of exploration (scheduled to commence in March 2013), the Company indicated that it wished to proceed with a drill program which has been designed to determine the significance of recently identified gold anomalies on the Property. On May 8, 2013, the Company provided results from its first exploration core drill hole on the Olsen Property, which drill hole was completed to a depth of 120 metres. Drill hole Olsen 13-01 returned no significant gold mineralization, however, several additional drill targets (previously identified by recent geological/alteration mapping, bedrock chip sampling, soil sampling, IP (induced polarization) and magnetometer surveys) remain untested.

As of February 6, 2014, both the Company and Rainy Mountain elected to discontinue further exploration of the Olsen Property, and in connection therewith, the Company has written down the property on January 31, 2014 by $404,738.

<u>Seagull Property, Ontario</u>

The Company entered into an option agreement dated October 2, 2008 with Rainy Mountain Royalty Corp. ("Rainy Mountain"), and White Metal Resources Corp., formerly named Trillium North Minerals Ltd. ("White Metal") whereby the Company was granted an option to earn an initial 30% interest (earned) in the Seagull property located near Thunder Bay, Ontario. In order to acquire its initial 30% interest, the Company was required to spend $500,000 in exploration expenditures by February 28, 2009 (completed). By amending agreement dated October 15, 2010, the Company increased its ownership interest in the Seagull property from 30% to 40% interest, (based on its exploration expenditures incurred) with White Metal and Rainy Mountain each owning a 30% interest.

By option agreement dated February 22, 2011, as amended, the Company, Rainy Mountain and White Metal (collectively the "Optionors") granted an option to Minfocus Exploration Corp. (formerly Minfocus International Inc.) of Toronto, Ontario (the "Optionee") entitling the Optionee to earn an interest in the Seagull property. Under the option agreement, the Optionee has the initial option to earn a 55% interest in the property from the Optionors upon paying the sum of $55,000 (paid) and issuing 50,000 shares (issued). The Company's proportionate share received was $25,000 and 20,000 shares at a value of $8,000. Additionally, the Optionee is required to pay the Optionors $25,000 (in cash and/or shares), on a pro rata basis, on each of the 12 month anniversary (shares received at a value of $10,000 in shares in February, 2012), the 24 month anniversary ($5,000 received in cash and $5,000 received in shares in February 2013) and the 36 month anniversary (200,000 shares received at a value of $10,000 in February 2014) of the option agreement. Also, the Optionee is required to incur exploration expenditures on the Seagull property in the amount of $250,000 in each year of the 4 year initial option term (the time for the Optionee to complete the third year exploration expenditures was extended from February 24, 2014 to August 31, 2014 (completed)). As well, the Optionee can earn a 70% interest in the Seagull property by incurring an additional $2,000,000 in expenditures against the property during the initial 4 year option term. Further, the Optionee has the right to increase its interest to 85% by completing a feasibility study on the property within a 5 year period following the initial option term. By further amending agreement, dated February 11, 2015, the Optionors agreed to allow the Optionee to extend the 4 year exploration period to September 30, 2015 and to extend the additional 70% earn in option period to September 30, 2016 in return for the Optionee collectively issuing 1,000,000 Minfocus shares to the Optionors (400,000 shares received by the Company on February 27, 2015 representing the Company's 40% pro rata share of such issuance with a value of $6,000).

The Seagull property is subject to two separate royalties (2.4% NSR in total), of which 1.4% can be purchased for $2 million. In connection with the Company's recent change of business, the Company may divest of its joint venture interest in the Seagull property at some time in the future. During the year ended October 31, 2015, the Company recorded an impairment charge of $927,224 related to the Seagull Property due to the Company's change of business and the inactivity on the Seagull Property. The Company and Rainy Mountain have certain directors in common.

The Company incurred exploration and acquisition costs (recoveries) as follows:

- for the year ended October 31, 2014: expended $13,000 (net of a $10,000 recovery);
- for the period ended October 31, 2015: recovered $6,000; and
- during the year ended October 31, 2015; wrote down the property by $927,224; and
- as at October 31, 2015: the Company had incurred $Nil in exploration and evaluation costs.

Current status:
The Seagull property is road accessible and located approximately 75 km north of Thunder Bay, Ontario. Since February 2011, exploration work has been carried out by the optionee, Minfocus Exploration Corp. ("Minfocus"). Based on information received from Minfocus, approximately $500,000 in exploration expenditures has been incurred since 2011. In particular, the results from Minfocus' 2012 exploration program have provided what Minfocus has reported as being "significant new evidence of near surface PGE (platinum group elements) mineralization". Minfocus believes that such shallow mineralization may be mineable by open-pit methods. From the surface mapping completed during 2012, Minfocus located six historical trenches, which are grouped midway between the locations of the two Minfocus drill hole pairs (WM 12-34/35 and WM 12-36/37), which are approximately 1 km apart. Minfocus' sampling of the 90 meter long "Trench No. 4" yielded PGE values up to 1.92g/t 3E (ie: combined PGE). Between February 12 and March 5, 2012, four holes (WM 12-34 to WM 12–37) were drilled by Minfocus on the Seagull property project area for a total of 1,742 metres of core. As reported by Minfocus, the analyses of selected portions of the drill core from each drill hole confirmed, in all four drill holes, the "existence of multiple significant PGE mineralized layers with drill core interval lengths up to 5.0 metres thick and with PGE grades up to 2.47 g/t 3E and >0.5 g/t 3E. As of January 21, 2013, Minfocus reported that assessment work reports have been filed with the Ontario Ministry of Northern Development and Mines ("MNDM"), which will maintain the subject claims in good standing for a further period. As reported by Minfocus on March 19, 2014, "Mapping, prospecting and trenching were undertaken in several areas of the property in the summer and fall of 2013, in order to improve understanding of the distribution of rock types and search for outcrops where the platinum mineralized zones could be projected to extend to surface. One area was located where near surface mineralization could exist. Outcrops of the underlying basement rocks were located which display intense contact metamorphism similar to that displayed in some core holes where the core passes from the base of the ultramafic intrusion into the underlying basement rocks. The sampled basement rocks contain several percent sulphide minerals, primarily pyrite and chalcopyrite but no anomalous platinum mineralization. Two grab samples assayed 0.10% and 0.11 % copper. A petrographic study of one sample indicated that it contained 7% pyrite with less than one percent of each of chalcopyrite and pyrrhotite. There was no outcrop immediately above this basement exposure and trenching is planned to determine if the mineralization extends into the adjacent ultramafic rocks".

As at January 22, 2015, Minfocus has reported that it has completed its $750,000 of the $1,000,000 in exploration expenditures that it is required to spend pursuant to its Seagull property option agreement ($250,000 per year over four years).

PERFORMANCE SUMMARY

The following is a summary of the significant events and transactions that occurred during the year ended October 31, 2015 and for the subsequent period to the report date hereof:

a) On January 5, 2016, the Company announced that it extended the closing of the non-brokered private placement offering that the Company announced on November 20, 2015. As well, in accordance with the rules of the NEX Board of the TSX Venture Exchange, the amount of the proposed financing has been reduced. As a result, and subject to regulatory approval, the Company intends to proceed with a non-brokered private placement to raise up to $500,000 by the issuance of up to 7,142,857 non-flow through units (the "Units") at $0.07 per Unit. Each Unit will consist of one common share and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share for a period of one year at an exercise price of $0.15. With respect to this private placement, the Company may pay finders' fees in the amount of 10% (payable in cash or Units), based on the sale of the Units purchased by subscribers introduced to the Company by such finders.

b) On November 20, 2015, the Company announced that further to its news release of October 8, 2015 and subject to regulatory approval, the Company intends to proceed with a non-brokered private placement to raise up to $700,000 by the issuance of up to 10,000,000 units (the "Unit") at $0.07 per Unit. Each Unit will consist of one common share and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share for a period of one year at an exercise price of $0.15. With respect to this private placement, the Company may pay finders' fees in the amount of 10% (payable in cash or Units), based on the sale of the Units purchased by subscribers introduced to the Company by such finders. The Company intends to use the proceeds from this private placement for financing the continued development and pursuit of business opportunities in the area of pharmaceutical and neutraceutical manufacturing and distribution and for general working capital purposes.

c) On October 8, 2015, the Company announced that as part of its developing business plans, it is in negotiation with certain manufacturers in an effort to expand the Company's distribution business. As completion of these negotiations may have an impact on the Company's future capital requirements, the Company decided to delay its previously announced private placement (see new release dated September 8, 2015) until current distribution negotiations have been concluded. Thereafter, the Company intends to re-announce the private placement.

d) On September 8, 2015, the Company announced that, subject to regulatory approval, the Company intends to proceed with a non-brokered private placement to raise up to $490,000 by the issuance of 7,000,000 units (the "Units") at $0.07 per Unit. Each Unit will consist of one common share and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share for a period of one year at an exercise price of $0.15. With respect to this private placement, the Company may pay finders' fees in the amount of 10% (payable in cash or Units), based on the sale of the Units purchased by subscribers introduced to the Company by such finders. The Company intends to use the proceeds from this private placement for financing the continued development and pursuit of business opportunities in the area of pharmaceutical and neutraceutical manufacturing and distribution and for general working capital purposes.

e) On July 6, 2015, the Company announced and provided a corporate and business update related to its goals and objectives to develop the Company into a multi-faceted generic drug manufacturing and distribution company. In its news release, the Company indicated that it is working towards building long-term relationships with international customers seeking to import neutraceutical products for sale in their respective countries. In that regard, the Company indicated that it has been negotiating with a prominent international customer to engage in a potential multi-year supply arrangement of a mainstream dietary supplement. The Company and the customer have thus far agreed upon price terms, although the anticipated order is subject to the customer's review and approval of product samples. Subject to completion of a further financing (as referred to in the Company's news release of June 9, 2015), the Company hopes to complete its GMP licensing process by Q1 2016. The process to obtain the GMP license involves a number of milestones, including: 1) Leasing a suitable GMP manufacturing facility and purchasing production equipment; 2) Renovations, such as flooring, office, security vault, and security cameras; 3) Establishing agreements with bonded janitorial services, delivery, third party lab test providers, and a supplier for active pharmaceutical ingredients; 4) Completing the GMP and Standard Operating Procedure (SOP) documentation; 5) Submission of the GMP application to Health Canada, which will then involve: a) Pre-inspection of manufacturing facility and equipment (anticipated within two months of submitted application); b) Inspection within approximately one month following pre-inspection; and c) Addressing any deficiencies raised by Health Canada prior to issuance of the GMP certification. Upon receipt of a GMP license, the Company intends to proceed with manufacturing drugs, nutra pharmaceuticals and over-the-counter ("OTC") products in Canada for the Canadian market.

f) On June 19, 2015, the Company announced that its application to voluntarily delist its shares from trading on the TSX Venture Exchange (the "Exchange") and transition to the NEX Board of the Exchange ("NEX"), as reported June 9, 2015, had been approved. Accordingly, the Company's shares commenced trading on NEX effective June 19, 2015, under the symbol "BPC.H". NEX is a separate board of the Exchange. In connection with the Company's transfer to NEX, the Company changed its name to "Canadian International Pharma Corp.", as approved by the board of directors in accordance with the articles of the Company, and by the Exchange. Effective June 22, 2015, the Company's shares began trading on NEX under the name "Canadian International Pharma Corp." and the new symbol "CIP.H". There was no change to the Company's capital structure.

g) On June 9, 2015, the Company announced that it intends to pursue new business opportunities in the area of pharmaceutical and neutraceutical manufacturing and distribution. The Company is currently working on its new business plan, but the Company anticipates developing into a multi-faceted generic drug manufacturing and distribution company with the following key business lines:

1. Manufacturing generic drugs in Canada for the Canadian market
2. Distributing Canadian manufactured neutraceuticals internationally
3. Applying Canadian Good Manufacturing Practices to generic drug manufacturing internationally.

The Company will be applying to Health Canada to get licensed under Canadian Good Manufacturing Practices ("GMP"). Once the Company has this GMP licensing it will be able to commence manufacturing generic pharmaceuticals. In order to complete this application the Company must first establish a local manufacturing facility and acquire the necessary manufacturing equipment. Once the facility has been established and the equipment has been purchased, the Company can complete its application with Health Canada.

On June 15, 2015, the Company applied to the TSX Venture Exchange (the "Exchange") to be voluntarily transferred to the NEX board of the Exchange where it will continue to grow and develop the Company's new business concept. The Company also anticipates divesting of its joint venture interest in the "Seagull Property" at a future date. The Seagull Property is a "PGE" (platinum group elements) exploration property located near Thunder Bay, Ontario and is currently under option to Minfocus Exploration Corp. of Toronto, Ontario.

In order to assist the Company in its pursuit of this new business opportunity, the Company has appointed Dr. Mack Payravi, Pharm D, MBA, MSc Industrial Pharmacy, as the Company's new President and as a Director of the Company. Dr. Payravi is a registered pharmacist and holds an MBA from Simon Fraser University. Dr. Payravi has worked for a number of Canadian pharmacies, including Shoppers Drug Mart and Rexall, where he most recently held the position of Pharmacy Director for BC responsible for operations of all stores in British Columbia. Dr. Payravi previously worked in Iran where he was head of production for an Iranian drug manufacturing company. Mr. Douglas Mason, the Company's former President will remain on the Board of Directors of the Company as Chairman and Chief Executive Officer.

Furthermore, the Company has announced that it will be commencing the process to change the name of the Company to "Canadian International Pharma Corp." to more properly reflect the Company's new business focus, subject to Exchange and regulatory approvals. In connection with the Company's new business focus and related business development needs, the Company intends to proceed with a non-brokered private placement, the terms of which will be announced in the near future.

h) On April 21, 2015, the Company announced that it had completed the second (and final) tranche of its non-brokered private placement and raised an additional $275,000 by the issuance of 5.5 million non-flow-through units at a price of $0.05 per unit. Each unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share for a period of two years at an exercise price of $0.10. In connection with this offering, a finder's fee of $2,500 was earned, which fee was paid to the finder through the issuance of 50,000 units. All securities issued in the offering are subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation, expiring on August 21, 2015.

i) On April 2, 2015, the Company announced that it had completed the first tranche of its non-brokered private placement and raised $200,000 by the issuance of four million non-flow through units at a price of $0.05 per unit. Each unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share for a period of two years at an exercise price of $0.10. All securities issued in the offering are subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation, expiring on August 3, 2015. Mehrun Payravi purchased 3,000,000 Units for investment purposes pursuant to the private placement. Following closing, Mr. Payravi held 3,000,000 common shares representing approximately 18.77% of the outstanding common shares of the Company, and 3,000,000 share purchase warrants, that, if exercised, would result in Mr. Payravi holding approximately 31.61% of the Company's then issued and outstanding common shares, assuming no other shares of the Company are issued. Mr. Payravi acquired these Units for investment purposes and may, from time to time, acquire additional securities of the Company or dispose of such securities as he may deem appropriate. In connection with the closing of the private placement, Mr. Payravi has agreed to join the Board of Directors. Andrzej Kowalski purchased 1,000,000 Units for investment purposes pursuant to the private placement. Following closing, Mr. Kowalski held 1,035,000 common shares representing approximately 6.48% of the outstanding common shares of the Company, 1,000,000 share purchase warrants to be exercised into 1,000,000 common shares of the Company and 25,000 stock options to be exercised into an additional 25,000 common shares of the Company. Assuming the exercise of the warrants and options, Mr. Kowalski would hold approximately 12.11% of the Company's then issued and outstanding common shares, assuming no other shares of the Company are issued. Mr. Kowalski acquired these Units for investment purposes and may, from time to time, acquire additional securities of the Company or dispose of such securities as he may deem appropriate.

j) On March 20, 2015, the Company reported that it had extended the closing of its non-brokered private placement offering as previously announced on January 19, 2015. Subject to regulatory approval, the Company intends to proceed with a non-brokered private placement to raise up to $600,000 by the issuance of up to 12 million non-flow through units at $0.05 per unit. Each unit will consist of one common share and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share for a period of two years at an exercise price of $0.10. With respect to this private placement, the company may pay finders' fees in the amount of 10% (payable in cash or units), based on the sale of the units purchased by subscribers introduced to the company by such finders.

k) On February 23, 2015, Douglas Mason (an Officer and Director of the Company) announced that he had acquired 113,000 common shares of the Company through the TSX Venture Exchange on February 19, 2015, at a price of $0.0497 cents per share. As a result, Mr. Mason then had, direct or indirect, ownership of 2,405,989 common shares of the Company, representing approximately 20.08% of the then issued and outstanding common shares of the Company.

l) On January 19, 2015, the Company announced that, subject to regulatory approval, the Company intends to proceed with a non-brokered private placement to raise up to $600,000 by the issuance of up to 12,000,000 non-flow through units (the "Units") at $0.05 per Unit. Each Unit will consist of one common share and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share for a period of two years at an exercise price of $0.10. With respect to this private placement, the Company may pay finders' fees in the amount of 10% (payable in cash or Units), based on the sale of the Units purchased by subscribers introduced to the Company by such finders. The Company intends to use the proceeds from this private placement for working capital purposes and to investigate certain potential business opportunities.

m) On November 5, 2014, the Company announced that it had entered into debt settlement agreements ("the Agreement") to settle obligations (the "Settlement") owed to certain non-arm's length and arm's length creditors, in aggregate amount of $182,323 through the issuance of an aggregate of 1,823,228 common shares of the Company at a deemed value of $0.10 per share (fair value of $0.04 per share). The Company received TSX Venture Exchange (the "Exchange") acceptance of the Settlement by letter dated October 24, 2014 and the subject shares were issued by the Company on October 30, 2014. The shares issued pursuant to the Settlement were subject to a statutory four months hold period expiring on March 1, 2015.

SUMMARY OF QUARTERLY RESULTS

	October 31, 2015	July 31, 2015	April 30, 2015	January 31, 2015
Total assets	$ 25,241	$ 1,030,011	$ 1,209,880	$ 958,541
Exploration and evaluation assets	-	927,224	927,224	933,224
Working capital (deficit)	33,458	69,530	224,546	(325,065)
Shareholders' equity (deficit)	(128,458)	901,754	1,021,770	613,159
Total revenue	23	31	11	15
Operating expenses	98,973	116,010	62,326	40,079
Net loss	1,030,212	120,016	66,389	35,990
Basic and diluted loss per share	(0.06)	(0.01)	(0.00)	(0.00)

	October 31, 2014	July 31, 2014	April 30, 2014	January 31, 2014
Total assets	$ 952,906	$ 955,391	$ 981,031	$ 988,198
Exploration and evaluation assets	933,224	933,224	933,224	943,224
Working capital (deficit)	(289,075)	(421,007)	(401,074)	(372,794)
Shareholders' equity	649,419	517,717	557,150	595,430
Total revenue	27	15	35	23
Operating expenses	48,880	33,891	34,352	41,551
Net loss	58,503	39,433	38,280	429,821
Basic and diluted loss per share	(0.01)	(0.01)	(0.00)	(0.04)

SELECTED ANNUAL INFORMATION

	Year Ended October 31, 2015	Year Ended October 31, 2014	Year Ended October 31, 2013
Revenues	$ 80	$ 100	$ 98
Operating loss	(317,388)	(158,674)	(321,539)
Net loss	(1,252,607)	(449,031)	(322,264)
Write off of mineral property	-	(404,738)	-
Future income tax recovery	-	-	-
Basic and diluted loss per share	(0.07)	(0.04)	(0.03)
Total assets	25,241	952,906	1,354,569

Results of Operations

The following discussion addresses the operating results and financial condition of the Company for the three and twelve month periods ended October 31, 2015 compared with the three and twelve month periods ended October 31, 2014. The Management Discussion and Analysis should be read in conjunction with the Company's audited consolidated financial statements and the accompanying notes for the year ended October 31, 2015 and 2014.

For the three month period ended October 31, 2015:

Net loss for the period

The Company had a net loss for the three month period ended October 31, 2015 of $1,030,212 (2014 - income of $58,503). The net change of $1,088,715 in the net loss for the three month period ended October 31, 2015 compared to the three month period ended October 31, 2014 was primarily due to an increase in general and administrative expenses of $50,093 and a change in other items of $1,038,622.

Other items

During the three month period ended October 31, 2015, the Company reported a net other loss of $931,239 compared to an income of $107,383 in the three month period ended October 31, 2014 from other items. Items that caused the net change in other items are noted in the following:

In comparison to the three month period ended October 31, 2014:

- Interest income of $23 (2014 - $27) remained fairly consistent.
- Unrealized loss on marketable securities of $4,038 (2014 - $2,037) changed by $2,001 was based on changing market values of securities held for trading. The marketable securities of the Company comprise securities received from a joint venture partner.
- Gain on settlement of debt of $Nil (2014 - $109,393) changed by $109,393 due to the agreements that the Company entered to settle obligations owed to certain non-arm's length and arm's length creditors during the prior period, in aggregate amount of $182,323 through the issuance of an aggregate of 1,823,228 common shares of the Company at a deemed value of $0.10 per share (fair value of $0.04 per share), which resulted in a realized gain of $109,393. No such activities incurred in the current period.
- Impairment of exploration and evaluation assets of $927,224 (2014 - $Nil) as a result of the Company recording an impairment charge of $927,224 related to the Seagull Property due to the Company's change of business and the inactivity on the Seagull Property.

Operating Expenses

General and administrative expenses of $98,973 (2014 - $48,880) are primarily comprised of consulting fees, professional fees, interest, transfer agent fees and filing fees, and general office expenses. The net increase was $50,093 compared to the three month period ended October 31, 2014. Items that caused the net increase are noted in the following:

In comparison to the three month period ended October 31, 2014:

- Consulting fees of $58,500 (2014 - $500) increased by $58,000 due to consultants re-instating their fees after voluntarily suspending them since May 1, 2013.
- Filing fees of $1,667 (2014 - $3,462) decreased by $1,795 due to the timing of the invoice received.
- Interest of $3,129 (2014 - $3,800) decreased by $671 due to the interest incurred on loans outstanding in the current period. The loan facility calls for interest rate of 1% per month (12% per annum).
- Office and miscellaneous of $7,217 (2014 - $7,393) remained fairly consistent.
- Professional fees of $6,406 (2014 - $12,864) decreased by $6,458 due to the reduced audit fee accrued for the current year compared to the prior year.
- Rent of $5,706 (2014 - $10,645) decreased by $4,939 due to reduced office space which became effective March 1, 2015.
- Transfer agent fees of $2,341 (2014 - $5,069) decreased by $2,728 due to the timing of services and invoices received.
- Travel of $4,213 (2014 - $Nil) increased by $4,213 due to increased activities as the Company investigates certain potential business opportunities.
- Wages and benefits of $9,794 (2014 - $5,147) increased by $4,647 due allocation of staff in the current period in comparison to the prior period.

For the twelve month period ended October 31, 2015:

Net loss for the period

The Company had a net loss for the twelve month period ended October 31, 2015 of $1,252,607 (2014 - $449,031). The net increase of $803,576 in the net loss for the twelve month period ended October 31, 2015 compared to the twelve month period ended October 31, 2014 was primarily due to a change in other items of $644,622 offset by an increase in general and administrative expenses of $158,714.

Other items

During the twelve month period ended October 31, 2015, the Company reported a net loss of $935,219 compared to $290,357 in the twelve month period ended October 31, 2014 from other items. Items that caused the net change in other items are noted in the following:

In comparison to the twelve month period ended October 31, 2014:

- Interest income of $80 (2014 - $100) remained fairly consistent.
- Unrealized loss on marketable securities of $8,075 (2014 - $10,112) changed by $2,037 was based on changing market values of securities held for trading. The marketable securities of the Company comprise securities received from a joint venture partner.
- Other income of $Nil (2014 - $15,000) decreased by $15,000 was due to a sublet rent credit from Waterfront Communications Inc., a company with certain former common directors for the same period in the prior year.
- Gain on settlement of debt of $Nil (2014 - $109,393) changed by $109,393 due to the agreements that the Company entered to settle obligations owed to certain non-arm's length and arm's length creditors during the prior year, in aggregate amount of $182,323 through the issuance of an aggregate of 1,823,228 common shares of the Company at a deemed value of $0.10 per share (fair value of $0.04 per share), which resulted in a realized gain of $109,393. No such activities incurred in the current year.
- Impairment of exploration and evaluation assets of $927,224 (2014 - $404,738) as a result of the Company recording an impairment charge of $927,224 in the current year related to the Seagull Property due to the Company's change of business and the inactivity and $404,738 as a result of the Company writing down its Olsen Property in prior year.

Operating Expenses

General and administrative expenses of $317,388 (2014 - $158,674) are primarily comprised of consulting fees, professional fees, interest, transfer agent fees and filing fees, and general office expenses. The net increase was $158,714 compared to the twelve month period ended October 31, 2014. Items that caused the net decrease are noted in the following:

In comparison to the twelve month period ended October 31, 2014:

- Administrative services of $Nil (2014 - $6,000) decreased by $6,000 when compared to the prior period as the payment of shared expense recoveries ceased effective January 1, 2014.
- Consulting fees of $127,500 (2014 - $3,500) increased by $124,000 due to consultants re-instating their fees after voluntarily suspending them since May 1, 2013.
- Filing fees of $11,612 (2014 - $9,541) increased by $2,071 due to recent private placements, transition of Exchange listing and fees incurred compared to the prior period.
- Interest of $15,050 (2014 - $13,420) increased by $1,630 due to the interest on loans outstanding in the current period. The loan facility calls for interest rate of 1% per month (12% per annum).
- Office and miscellaneous of $29,035 (2014 - $25,634) increased by $3,401 due to increased activities as the Company investigates certain potential business opportunities.
- Professional fees of $58,734 (2014 - $34,200) increased by $24,534 due to certain consultants re-instating their fees after voluntarily suspending them since May 1, 2013 and the increased external legal services for debt settlement transactions and the timing of the fees rendered in relation to the Company's year-end audit.

- Rent of $27,349 (2014 - $38,029) decreased by $10,680 mainly due to reduced office space which became effective March 1, 2015.
- Share-based payments of $Nil (2014 - $1,436) decreased by $1,436 due to the timing of the option issuances in each period when and if such options are available.
- Transfer agent fees of $7,973 (2014 - $8,189) remained fairly consistent.
- Travel of $10,573 (2014 - $Nil) increased by $10,573 due to increased activities as the Company investigates certain potential business opportunities.
- Wages and benefits of $29,562 (2014 - $18,725) increased by $10,837 due allocation of staff in the current year in comparison to the prior year.

LIQUIDITY AND CAPITAL RESOURCES

The Company's mineral exploration activities have been funded to date primarily through the issuance of common shares, and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flow from its pharmaceutical and nutraceutical operations. Other than as discussed herein, the Company is not aware of any trends, demands, commitments, events or uncertainties that may result in its liquidity either materially increasing or decreasing at present or in the foreseeable future.

Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure in developing a generic drug and nutraceutical manufacturing and distribution system, as well as its continued ability to raise capital.

The Company is currently reviewing its capital resource requirements as it will require funding to develop its new business in addition to covering its administrative expenses. The Company's overhead expenses are approximately $39,000 per month which includes; 1) payments under consulting agreements totalling $22,000 per month and 2) a lease of office space commitment with a basic monthly rent commitment of $1,202 and shared operating costs of $700. The Company had taken measures to reduce its overhead costs since May 2013 and continued until March 31, 2015 which caused a monthly reduction of approximately $20,000 per month and anticipates its total reduced overhead expenses to be approximately $12,000 per month until recently where the Company began developing its new business. It is anticipated that overhead expenses are projected to significantly increase as the Company investigates and develops certain potential business opportunities.

The Company assesses its financing requirements and its ability to access equity or debt markets on an ongoing basis. The assessment considers: the stage and success of the Company's evaluation activities to date; the continued participation of the Company's investors in evaluation activities; and financial market conditions. The Company had recently closed on $475,000 in private placement as announced on April 2, 2015 and April 21, 2015 in addition to prior loans totaling $135,000 to cover the Company's exploration and administrative expenses, however, further financing is required. It is possible that future economic events and global conditions may result in further volatility in the financial markets which could negatively impact the Company's ability to access equity or debt markets in the future.

As at October 31, 2015, the Company had working capital deficit of $33,458 compared to $289,075 as at October 31, 2014. As at October 31, 2015, the Company had cash of $6,186 compared to cash of $7,238 as at October 31, 2014.

Net cash used in operating activities for the year ended October 31, 2015 was $451,052 (2014 - $85,488) consisting primarily of the operating loss for the period and the change in non-cash items.

Net cash used in investing activities for the year ended October 31, 2015 was $Nil (2014 - $16,765) consisting primarily exploration and evaluation asset expenditures of $Nil (2014 - $23,765) offset by return of deposits $Nil (2014 - $7,000).

Net cash provided by financing activities for the year ended October 31, 2015 was $450,000 (2014 - $100,000) consisting of $10,000 (2014 - $100,000) in loan advances, $35,000 (2014 - $Nil) in loan repayment and $475,000 (2014 - $Nil) in the issuance of the Company's common shares.

The Company's deficit as of October 31, 2015 was $14,472,917 as compared to a deficit of $13,220,310 as at October 31, 2014.

At present, the Company's operations generate little cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. Management believes the Company will be successful at securing additional funding so that its capital resources will be sufficient to carry its operations through the next twelve months (see News Release dated June 9, 2015, regarding the Company's announcement to pursue new business opportunities in the area of pharmaceutical and nutraceutical manufacturing and distribution).

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales and from the exercise of convertible securities. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control.

OFF BALANCE SHEET ARRANGEMENTS

The Company is not a party to any off-balance sheet arrangements or transactions.

PROPOSED TRANSACTIONS

The Company does not have any current proposed asset or business acquisition of dispositions; however, the Company continues to seek new business opportunities to raise capital.

TRANSACTIONS WITH RELATED PARTIES

Included in accounts payable and accrued liabilities at October 31, 2015 is $31,365 (October 31, 2014 - $96,467) owing to directors or to companies controlled by directors or to companies with directors in common as follows:

Name of Company or Director	Directors/Officers		October 31, 2015		October 31, 2014
Gorand Enterprises Inc. (Director's fees)	A company controlled by a director, namely, Andrzej Kowalski	$	2,625	$	693
Beachfront Enterprises Limited Partnership (Rent)	A limited partnership, the majority of which is owned by a director, namely, Douglas L. Mason		1,997		7,452
Bruce E. Morley Law Corporation (Legal services)	A company controlled by a director, namely, Bruce E. Morley		2,800		720
Criterion Capital Corporation (Consulting fees)	A company controlled by a director, namely, Douglas L. Mason		2,625		720
(Interest on loans)			3,484		3,641
Sead Hamzagic, Inc. (Consulting fees)	A company controlled by a director, namely, Sead Hamzagic		2,625		720
MP Business Development (Consulting fees)	A company controlled by a director,		10,500		-
(Expense recoveries)	namely, Mehrun Payravi		441		-
Waterfront Communications Inc. (Wages and benefits and shared expense recoveries)	A company with directors in common, namely, Douglas L. Mason, Bruce E. Morley, and Sead Hamzagic		4,268		82,521
		$	31,365	$	96,467

The Company entered into a loan agreement, dated March 31, 2014, as amended, pursuant to which the lender agreed to loan the Company up to $80,000 for working capital purposes. The loan was provided by Criterion Capital Corporation, a company controlled by Douglas Mason, a director and officer of the Company, and any advances under the loan agreement are repayable on or before November 21, 2016 with interest at a rate of 1% per month (12% per annum). No loan bonus shares were issued in connection with this loan. The Company repaid $35,000 of the $80,000 in loan advances on June 23, 2015.

The Company entered into a loan agreement, dated November 7, 2013, as amended, pursuant to which it received $30,000 for working capital purposes. The loan was provided by Criterion Capital Corporation, a company controlled by Douglas Mason, a director and officer of the Company, and is repayable on or before November 21, 2016 with interest at a rate of 1% per month (12% per annum) and a loan facility fee of $1,000. No loan bonus shares were issued in connection with this loan.

The Company entered into a loan agreement, dated April 9, 2013, as amended, pursuant to which it received $25,000 for working capital purposes. The loan was provided by Criterion Capital Corporation, a company controlled by Douglas Mason, a director and officer of the Company, and is repayable on or before November 21, 2016 with interest at a rate of 1% per month (12% per annum). No loan bonus shares were issued in connection with this loan.

During the year ended October 31, 2015, the Company entered into the following transactions with companies controlled by directors or companies having directors in common:

Name of Company or Director	Directors/Officers	October 31, 2015	October 31, 2014
Beachfront Enterprises Limited Partnership (Rent)	A limited partnership, the majority of which is owned by a director, namely, Douglas L. Mason	$ 29,411	$ 38,029
Benjamin Ainsworth (Director's fees)	A former director, Benjamin Ainsworth	-	1,500
Bruce E. Morley Law Corp. (Legal services)	A company controlled by a director, namely, Bruce E. Morley	17,500	-
Criterion Capital Corporation	A company controlled by a director,		
(Consulting fees)	namely, Douglas L. Mason	17,500	-
(Interest on loans)		14,573	12,895
Gorand Enterprises Inc.	A company controlled by a director,		
(Consulting fees)	namely, Andrzej Kowalski	17,500	-
(Director's fees)		-	2,000
MP Business Development (Consulting fees)	A company controlled by a director, namely, Mehrun Payravi	65,000	-
Sead Hamzagic, Inc. (Financial consulting fees)	A company controlled by a director, namely, Sead Hamzagic	17,500	-

The Company reimbursed Waterfront Communications Inc. (a company with certain directors in common) on a cost basis, to cover shared administrative and geological payroll costs in the amount of $29,562 (2014 - $18,688) and shared expenses in the amount of $13,141 (2014 - $14,202). The Company also received or accrued $2,062 (2014 - $Nil) as other income and expenses credits.

The Company reimbursed Waterfront Capital Corporation (a company with certain directors in common) on a cost basis, to recover prior years shared administrative and geological payroll costs, and shared expenses in the amount of $Nil (2014 - $6,000).

Included in gain on forgiveness of accounts payable is $15,000 from a company controlled by a former director for unpaid consulting fees recorded in the prior year.

Included in deposits at October 31, 2015 is $5,000 (2014 - $Nil) as a payroll administration deposit to Waterfront Communications Inc. (a company with certain directors in common), to cover shared employee payroll costs.

Included in gain on settlement of debt is $109,393 from companies controlled by certain directors for unpaid consulting fees. The Company entered into debt settlement agreements to settle obligations owed to certain non-arm's length arm's length creditors, in the aggregate amount of $182,323 through the issuance of an aggregate of 1,823,228 common shares of the Company at a deemed value of $0.10 per share (fair value of $0.04 per share).

COMMITMENTS

The Company has entered into three 5 year term renewable agreements with companies controlled by three directors of the Company for the provision of consulting and/or legal services at a cost of $2,500 per month ($30,000 per annum) for each of the three agreements, however, from the period beginning May 1, 2013 and ending March 31, 2015, payments under the subject agreements were voluntarily reduced to $Nil per month ($Nil per annum) for each of the three agreements and were not paid or accrued. Effective May 1, 2015, the compensation payable on termination was changed, and accordingly, if any of such agreements are terminated without cause, or if there is a change in control of the Company, the Company is required to pay $150,000 to such contracted party so affected.

The Company has also entered into three agreements with certain directors/officers for services rendered in such capacities. Effective May 1, 2015, the compensation payable on termination was reduced, and accordingly, if such agreements are terminated without consent of the director/officer or the director/officer resigns within 120 days following a change in control, the Company must pay $50,000 (previously $100,000) to such director/officer and allow any unvested stock options to vest.

CAPITAL MANAGEMENT

The Company's shareholders equity comprises its capital under management. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

In order to maximize on-going development efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

To fund future operating activities, the Company will need to become profitable in perusing its new business and/or raise funds through future share issuances, issue new debt or dispose of assets.

There have been no changes to the Company's approach to capital management during the year ended October 31, 2015. The Company is not subject to externally imposed capital requirements.

FINANCIAL INSTRUMENTS

Fair value

The Company classifies its cash and cash equivalents and marketable securities as fair value through profit or loss; receivables and deposits as loans and receivables; and accounts payable and accrued liabilities as other financial liabilities.

The carrying values of receivables, accounts payable and accrued liabilities and loan payable approximate their fair values due to the short-term maturity of these financial instruments.

The Company's measurement of fair value of financial instruments in accordance with the fair value hierarchy is as follows:

	Total	Level 1	Level 2	Level 3
October 31, 2015				
Assets				
Cash and cash equivalents	$ 6,186	$ 6,186	$ -	$ -
Marketable securities	$ 4,037	$ 4,037	$ -	$ -
	$ 10,223	$ 10,223	$ -	$ -
October 31, 2014				
Assets				
Cash and cash equivalents	$ 7,238	$ 7,238	$ -	$ -
Marketable securities	$ 6,112	$ 6,112	$ -	$ -
	$ 13,350	$ 13,350	$ -	$ -

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

Credit risk

Credit risk is the risk of potential loss to the Company if a counter party to a financial instrument fails to meet its payment obligations. The Company is exposed to credit risk with respect to its cash and other receivables.

The Company's credit risk is primarily attributable to cash and short-term investments. Management believes that the credit risk concentration with respect to cash and short-term investments is remote as it maintains accounts with highly-rated financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. At October 31, 2015, the Company had accounts payable and accrued liabilities of $53,699 (2014 - $178,757) and loans in the amount of $100,000 (2014 - $125,000).

Based on the current funds held, the Company will need to rely upon financing from shareholders and/or debt holders to obtain sufficient working capital. There is no assurance that such financing will be available on terms and conditions acceptable to the Company.

Market risk

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

(ii) Interest rate risk

Interest rate risk consists of two components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's cash and cash equivalents consist of cash held in bank accounts and a demand guaranteed investment certificate that earns interest at the prime lending rate minus 1.95%. Due to the short-term nature of the Company's financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values.

Future cash flows from interest income on cash and cash equivalents will be affected by interest rate fluctuations. Given the balance of the guaranteed investment certificate, any fluctuations in the interest rate would lead to an immaterial change in the statements of comprehensive loss.

(ii) Foreign currency risk

The Company is not exposed to foreign currency risk.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to other price risk with respect to its investments, as they are carried at fair values based on quoted market prices, and investments, as they are carried at fair values based on quoted market prices.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the financial statements.

OUTSTANDING SHARE DATA as at January 26, 2016:

a) Authorized Share Capital:
Unlimited number of common shares without par value

b) Issued Share Capital:
21,530,156 common shares with a stated value of $13,133,931

c) Outstanding incentive stock options:

Expiry Date	Number of Options	Exercise Price
September 20, 2016	245,999	$ 0.30
July 24, 2017	25,000	$ 0.30
July 2, 2018	317,500	$ 0.05
Outstanding and exercisable	588,499	

d) Outstanding warrants:

Expiry Date	Number of Warrants	Exercise Price
April 2, 2017	4,000,000	$ 0.10
April 20, 2017	5,550,000	$ 0.10
Outstanding and exercisable	9,550,000	

e) Shares in escrow or pooling agreements: Nil

OFFICERS AND DIRECTORS

Douglas Mason, CEO and Director (Chairman)
Mehrun Payravi, President and Director
Sead Hamzagic, CFO and Director
Bruce Morley, Director
Andrzej Kowalski, Director