CardioComm Solutions, Inc.

Management's Discussion and Analysis

For the quarter ended March 31, 2015

Management's Discussion and Analysis
Financial Condition and Results of Operations

The following is a discussion of the consolidated financial position and results of operations of CardioComm Solutions, Inc. (the "Company"), as of March 31, 2015, prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars. The Management's Discussion & Analysis (MD&A) should be read in conjunction with the consolidated financial statements and accompanying notes to the consolidated financial statements for the quarter ended March 31, 2015 and 2014.

This MD&A is based on information available as at June 1, 2015.

The Company is a reporting issuer in British Columbia, Alberta, and Ontario, and trades on the TSX Venture Exchange under the symbol "EKG".

The public documents of the Company can be viewed at the SEDAR website (www.sedar.com).

Overall Performance

Financial Condition:

- Q1 2015 revenue of $587,008, an increase of 15% as compared to $512,329 in Q1 2014.
- Q1 2015 loss of $38,978, a decrease of 78% as compared to Q1 2014 loss of $173,356.
- Q1 2015 net working capital deficiency of $536,609, which is a decrease from the working capital deficiency of $662,627 reported at 2014 year end.

Company Overview

The Company was incorporated under the laws of British Columbia, on October 26, 1989 and operated as a computer related consulting firm until 1991. In 1992, the Company commenced activities in research and development of advanced software and hardware related to a personal heart arrhythmia monitoring system.

Effective December 7, 1998, the Company's name was changed to CardioComm Solutions Inc., and to CardioComm Solutions, Inc. effective November 26, 2007.

The Company's proprietary technology is used in products for the recording, viewing, analyzing and storing electrocardiograms (ECGs), for diagnosis and management of cardiac patients. Products are sold worldwide through a combination of an external distribution network and a North American-based sales team. The Company has earned the ISO 13485 certification, is HPB approved, HIPAA compliant, and has received FDA market clearance for its software and HeartCheck™ ECG devices. CardioComm Solutions, Inc. is headquartered in Toronto, Canada.

Selected Annual Information

(in thousands of Canadian dollars)

Years ended	2014	2013	2012
Revenue	$1,505	$1,695	$1,606
Net loss	(955)	(1,703)	(3,342)
Loss per share	(0.01)	(0.02)	(0.04)
Total assets	1,048	980	1,022
Long-term liabilities	-	846	26

Results of Operations

For the Three Months ended March 31, 2015 compared to the Three Months ended March 31, 2014

Operating results expressed as a percentage of revenue:

Three months ended March 31,	2015	2014
Revenue	100%	100%
Expenses		
Operations	70	82
Sales , service and support	34	17
Marketing	1	6
Research and development	5	29
	(110)	(135)
Earnings (loss) from operations	(10)	(35)
Other income (loss)	3	1
Net earnings (loss)	(7)%	(34)%

Revenue by product:

Three months ended March 31,	2015	2014
Revenue by product		
Software	18%	60%
Hardware	40	14
Support	9	12
Services	33	14
	100%	100%

Revenue by geographical region:

Three months ended March 31,	2015	2014
Revenue by region		
United States	21%	21%
Canada	78	71
Other	1	8
	100%	100%

Revenue

Revenue for the quarter ended March 31, 2015 was $587,008 compared to $512,329 for the quarter ended March 31, 2014, an increase of 15%. The increase in revenue is due to an increase in HeartCheck product sales and GEMS software revenue in the quarter ended March 31, 2015.

Cost of sales

For the quarter ended March 31, 2015 the costs of sales were $133,440 as compared to $36,746 for the quarter ended March 31, 2014, an increase of $96,694. The increase is related to inventory reductions related to a higher volume of HeartCheck ECG PEN devices being resold and thereby reflects the cost of these goods. These costs are included under “Sales, service and support”, below.

Operation

Operation expenses were $410,967 for the quarter ended March 31, 2015, compared to $419,918 for the quarter ended March 31, 2014, a decrease of 2%. The decrease in Q1 2015 reflects the reduction of office related costs.

Sales, service and support

Sales, service and support expenses were $197,577 for the quarter ended March 31, 2015, compared to $88,028 for the quarter ended March 31, 2014, an increase of 124% due to an increase in hardware sales and advertisement costs.

Marketing

Marketing expenses were $5,905 for the quarter ended March 31, 2015, compared to $30,629 for the quarter ended March 31, 2014, a decrease of 81%. The decrease in marketing costs in Q1 2015 is due to a termination of a contractor.

Research and development

Research and development expenses were $30,120 for the quarter ended March 31, 2015, compared to $151,128 for the quarter ended March 31, 2014, a decrease of 80%. The decrease in product development costs is due to decreased human resources allocated to the completion of GEMS™ WIN, and reduced customized software development work.

Net earnings

CardioComm Solutions recorded a net loss of $38,978 or $0.00 loss per share for the quarter ended March 31, 2015, compared to a net loss of $173,356 or $0.00 loss per share for the quarter ended March 31, 2014. Net loss from operations decreased 108% from $177,374 in 2014 to $57,561. The weighted average number of shares outstanding increased to 110,188,225 in Q1 2015 from 104,069,745 in Q1 2014 due to issuances of shares for cash and services.

Liquidity

Operating Activities

Cash outflow was $144,729 in the quarter ended March 31, 2015, compared to $71,162 in the quarter ended March 31, 2014. The quarter ended March 31, 2015 had a loss of $38,978 as compared to $173,356 in the quarter ended March 31, 2014.

Investing Activities

No cash was used for investing activities in the quarter ended March 31, 2015, as compared to $1,712 in the quarter ended March 31, 2014. The investing activities were due to hardware purchase and software licensing.

Financing Activities

Cash acquired by financing activities was $39,787 in the quarter ended March 31, 2015, compared to $376,165 in the quarter ended March 31, 2014. The difference is largely related to related party advance and private placements with equity financing in Q1 2015.

Cash Requirements

Short-term cash requirements are primarily related to funding of operations and marketing needs. Management continued to take steps to position the Company's operations to become cash flow positive. Management believes that its existing working capital, along with the exercising of options and warrants, as well as the cash provided from receivables, ongoing GEMS™ WIN and HeartCheck™ ECG PEN sales and an available line of credit, will provide sufficient funds to maintain operations to the end of 2015, by which time it is expected that revenues will increase from HeartCheck™ device sales, SMART Monitoring services, GEMS™ WIN software licensing and custom NRE software development agreements. The Company also has traditionally realized revenue from equipment / device sales under preferred distribution, OEM agreements with a variety of ECG monitoring manufacturers and source code licensing agreements. Salary and expenses related to sales and marketing will increase in 2015 as revenue increases. As revenue from GEMS™ WIN based annual software licensing is recognized on a monthly basis and starts only when title is transferred to a customer and customer acceptance is established, delays in recognition of sales of GEMS™ WIN may occur due to prolonged product installation scheduling by customers.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Transactions with Related Parties

MD Primer Inc., a related party that is controlled by the Company's Chairman, Dr. Anatoly Langer, has provided a $1,000,000 line of credit to the Company, with interest charged at commercial rates.

The amount payable to MD Primer as at March 31, 2015 is $870,131 drawn from the line of credit. The Company is required to repay any line of credit outstanding by December 31, 2015. The line of credit is secured by equipment, inventory, accounts receivable and intangible assets with an aggregate net book value of $700,287.

Subsequent Events

On April 9, 2015, the Company issued 214,286 common shares in exchange for consulting services provided by an external consultant valued at $15,000.

On May 14, 2015, an officer and director of the Company exercised 400,000 warrants at $0.07 per share, 250,000 options at $0.055 per share, and 250,000 options at $0.06 per share, for total proceeds of $56,750.

Forward Strategies

Management is viewing 2015 as a time when the Company will report increased revenues from software license and hardware sales, provision of fee-for-services, consultation and software customization. The Company believes custom software development and co-marketing and sales agreements would generate funds required to accommodate the Company's ongoing product development, software update/upgrade programming efforts, maintaining and growing HeartCheck™ based consumer sales and marketing efforts and associated ECG monitoring services and support, and expenses associated with GEMS™ WIN marketing expenses. While product and software enhancements are planned, these will occur in step with revenues or contracted services.

The Company has announced that it has released its GEM™ WIN software upgrade to enable their current and new clients to work within a WIN 7 and Windows Server 2008 Operating System. GEMS™ WIN was released for commercial sale in June 2014. The Company also completed its GEMS™ 4.0 software re-write, however it will focus efforts on GEMS™ WIN sales. The Company expects to report increased revenues from the existing customer base and a recapture of clients that were waiting for a WIN 7 solution, from large clients operating LAN based infrastructure who will need to upgrade to Windows 2008, from new software licensing opportunities realized by competitive products not being Windows 7 and 2008 compliant, consulting and software service and support billings. GEMS™ WIN derived revenue will enhance the Company's capacity to increase revenue along its traditional streams as well as from sales through the US Federal System for Award Management, Braemar (a wireless ECG device manufacturer) refereals and GE HealthCare MARS Event software referrals to GEMS WIN.

Critical Accounting Estimates

The presentation of financial statements in conformity with IFRS principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of the valuation of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant estimates made by management are, but are not limited to, revenue recognition, including the identification of separate units of accounting under multiple deliverable arrangements, the measurement of deferred revenue related to future services, valuation of stock-based compensation, useful lives of equipment, the allowance for doubtful accounts, inventory valuation and the estimation of deferred income tax asset valuation allowances. Actual results could differ from those estimates.

Inventories:

Inventories are valued at the lower of cost and net realizable value, with cost determined based on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.
Inventories include the cost of materials purchased, the cost of conversion, as well as other costs required to bring the inventories to their present location and condition.

Revenue recognition:

The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when it has persuasive evidence of an arrangement, the product has been delivered and is installed and operational at a customer's place of business or the services have been provided to the customer, the fee is fixed and determinable, and collectability is reasonably assured

In addition to this general policy, the following are the specific revenue recognition policies for each major category of revenue.

Software:
Revenue from the sale of proprietary software is recognized when title is transferred to the customer. Shipping and handling costs paid by the customer to the Company are included in revenue.

Service:
Revenues derived from ongoing service and maintenance contracts are recognized monthly over the term of the contract on a straight-line basis and are net of discounts. Other service revenue is recognized at the time the service is performed.

Multiple-element arrangements:
The Company also has multiple-element sales arrangements where software licenses, the associated post-contract services ("PCS") and ongoing services are sold together.

The Company has established vendor-specific objective evidence ("VSOE") of the fair value of PCS for specific customer classes based on the value of PCS when sold separately as an optional renewal after the expiry of the initial maintenance term or based on contracted prices for optional PCS renewals included in the original multiple element sales arrangement.

The Company uses the residual method to determine the fair value of the delivered hardware, services and software license if VSOE of the fair value of all undelivered elements exists. Under the residual method, the fair value of the undelivered elements is deferred and the remaining portion of the arrangement fee is recognized as revenue. In such cases when vendor-specific objective evidence of fair value exists for all of the undelivered elements (most commonly PCS), the residual amount is recognized as revenue and the PCS is recognized ratably over the PCS term, which is typically 12 months.

Income taxes:

Income tax expense comprises current and deferred taxes. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax:

Current taxes are the expected tax payable or recoverable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous years.

Deferred Tax:

The Company uses the asset and liability method of accounting for income taxes, under which deferred income tax assets and liabilities are recognized for the estimated future income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases. Deferred income tax assets and liabilities are measured using income tax rates in effect for the period in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in income tax rates or laws is recognized as part of the provision for income taxes in the period the changes are considered substantively enacted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset deferred tax liabilities and assets, and they relate to income taxes levied by the same authority on the same taxable entity, or on different tax entities, but they intend to settle liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Stock compensation:

The Company has a share-based payments awards plan, which is described in note 7 to the consolidated financial statements, available to officers, directors, employees and consultants. All share-based payments have been accounted for using a fair-value-based method of accounting. The fair value of each stock option granted is accounted for in the consolidated statements of loss and comprehensive loss, over the vesting period thereof, and the related credit is included in contributed surplus.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date using the Black-Scholes option pricing model on the date of grant with management's assumptions of risk-free interest rate, dividend yield, volatility factor of expected market price of the Company's common share, expected forfeiture and life of the options. For details regarding the determination of the fair value of equity-settled share-based transaction see note 7 to the consolidated financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the consolidated statements of loss and comprehensive loss such that the expense reflects the revised estimate, with a corresponding adjustment to contributed surplus.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Company grants the shares.

Accounting Standards and Interpretations Issued but Not Yet Adopted:

IFRS 9, Financial Instruments ("IFRS 9")

In October 2010, the IASB issued IFRS 9. IFRS 9, which replaces IAS 39, *Financial Instruments: Recognition and Measurement*, and establishes principles for the financial reporting of financial assets and financial liabilities that will present information to users of the financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. This new standard is effective for the Company's interim and annual financial statements commencing January 1, 2018. The Company is assessing the impact of this new standard on its financial statements.

Outstanding Share Data

Common shares

The total issued and outstanding common shares of the Company at March 31, 2015 are 110,718,660 and, at June 1, 2015, 111,832,946 shares.

Disclosure Controls and Procedures

The Company's audit committee has reviewed and approved this MD&A prior to its release. CardioComm Solutions is committed to providing timely, accurate and balanced disclosure of all material information about the company and to providing fair and equal access to such information. As at March 31, 2015, the Company's management evaluated the effectiveness of the design and operation of its disclosure controls and procedures, as defined under the rules adopted by the Canadian securities regulatory authorities. In addition, the Company's management has assessed whether there have been many significant changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. Disclosure controls and procedures designed to ensure that information required to be disclosed in reports filed with securities regulatory authorities is recorded, processed, summarized and reported on a timely basis, and is accumulated and communicated to the Company's management, including the CEO and CFO as appropriate, to allow timely decisions regarding required disclosure. Internal control over financial reporting is a process designed by, or under the supervision of, senior management to provide reasonable assurance regarding the reliability of financial reporting and preparation of the Company's financial statements in accordance with IFRS.

The Company's management, including the CEO and CFO, does not expect that the Company's disclosure controls or internal control over financial reporting will prevent or detect all material misstatements due to error or fraud. Because of the inherent limitations of all control systems, an evaluation of controls can only provide reasonable, not absolute assurance, that all control issues and instances of fraud or error, if any, within the Company have been detected. The Company is continually evolving and enhancing its systems of controls and procedures. Based on the evaluation of disclosure controls, and assessment of changes in internal control over financial reporting, the CEO and CFO have concluded that, subject to the inherent limitations noted above, the Company's disclosure controls are effective in ensuring that material information relating to the Company is made known to management on a timely basis, and is fairly presented in all material respects in this MD&A.

Internal Controls over Financial Reporting

Internal control over financial reporting is a process designed by, or under the supervision of, the Company's principal executive and principal financial officers, and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the IFRS. Based on their evaluation, the CEO and CFO have concluded that the design of these internal controls over financial reporting and the preparation of financial statements for external reporting at March 31, 2015 are effective, except as noted below:

The Company relies on compensating controls, including substantive periodic review of the financial statements, to ensure that disclosure controls and procedures are effective. The Company continues to address requirements to strengthen audit and financial controls.

Forward-Looking Statements

This MD&A contains forward-looking statements concerning, among other things, statements with respect to the Company's business strategy, plans, outlook, targets and expectations regarding its business. Such statements can generally be identified by the use of words or phrases such as "anticipates", "estimates", "projects", "foresees", "believes", "would", "should", "will" and other similar words or phrases. Such statements are subject to known and unknown risks, uncertainties or assumptions. These risks and uncertainties include, but are not limited to, foreign exchange, health care reform changes, financial resources, impact of current economic conditions, and variability of performance. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. These and other factors should be considered carefully by the reader and readers should not place undue reliance on forward-looking statements. The Company assumes no obligation to update or review these forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors affecting such statements, except as required by law.

Quarterly Results of Operations

The following tables contain summary unaudited quarterly results of operations for each of the eight most recent quarters, prepared on a basis consistent with the audited consolidated financial statements.

	Quarter Ended			
	Mar 31, 2015	Dec 31, 2014	Sep 30, 2014	Jun 30, 2014
Revenue	$ 587,008	$ 541,281	$ 163,272	$ 288,112
Net Income (loss)	$ (38,978)	$ (60,008)	$ (361,163)	$ (360,372)
Basic and diluted loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

	Quarter Ended			
	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013
Revenue	$ 512,329	$ 129,700	$ 521,347	$ 431,393
Net Income (loss)	$ (173,356)	$ (741,373)	$ (297,096)	$ (414,112)
Basic and diluted loss per share	$ (0.00)	$ (0.01)	$ (0.00)	$ (0.00)