MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
As at August 31, 2015
Date: November 11, 2015

The following discussion and analysis provide a review of activities, results of operations and financial condition of Sumtra Diversified Inc. (the "Company") for the year ended August 31, 2015 in comparison with those for the year ended August 31, 2014. It should be read in conjunction with the audited Consolidated Financial Statements and accompanying notes of the Company for the respective years ended August 31, 2015 and August 31, 2014.

Results of continuing operations

During the year ended August 31, 2015, the Company incurred expenses of $128,968 compared with $68,158 for the corresponding year ended August 31, 2014. The increase was mainly due to real estate commission fees of $34,931 related to the sale of land.

Income increased to $484,589 for the year ended August 31, 2015 from $87,019 for the year ended August 31, 2014. The increase was related to the gain on the land sale of $480,255.

The income before income tax for the year ended August 31, 2015 amounted to $355,621, which compared with the year ended August 31, 2014 of $18,861. The increase was the result of the aforementioned sale of land.

The net income after accounting for income tax of $33,000 for the year ended August 31, 2015 was $322,621 compared to $51,861 for the year ended August 31, 2014.

Two Year Quarterly Financial Information (Figures in thousands except per share amounts)

Quarter	Income	Net Income (Loss)	Net Income (Loss) per share	
2015				
Q4	1	(28)	$ (0.003)	
Q3	1	(24)	$ (0.003)	
Q2	1	(15)	$ (0.002)	
Q1	482	390	$ 0.06	
2014				
Q4	87	97	$ 0.016	
Q3	-	(12)	$(0.002)	
Q2	-	(21)	$(0.004)	
Q1	-	(12)	$(0.002)	

Working Capital and Liquidity

Working capital, the excess of current assets over current liabilities, increased to $470,993 at August 31, 2015 compared to $112,647 at August 31, 2014. The Company has no current plans for any major expenditures going forward and is maintaining its cash resources in secure short-term bank certificates of deposit to ensure cash is available to fund current operating overheads.

Land held for resale

The Company and a joint venture partner owned two building lots totaling six acres in the City of Guelph and sold the land on September 3, 2014.

Capital Transactions

During the year ended August 31, 2015, 60,000 stock options were issued and allocated to directors and officers. This issuance was ratified on April 21, 2015 at the Company's Annual and Special meeting.
As well, at the same meeting, the resolution proposing to reduce the option price for all the 623,740 exercisable options from $0.10 to $0.05 per share for the balance of the remaining term of the options was ratified.
During the year ended August 31, 2015 the Company recognized Stock Compensation expense of $2,725 relating to the 60,000 options granted and the exercise price amendment for all the 623,740 exercisable options. The total amount of $2,725 was recognized as Director fees during the year ended August 31, 2015.

Outstanding Share Data

The Company has an unlimited number of authorized common shares.

The number of issued and outstanding common shares at August 31, 2015 was 6,237,400.

Selected Annual Information

Selected Annual Information

		Aug-31 2015		Aug-31 2014		Aug-31 2013
Total Income	$	484,589	$	87,019	$	847
Net Income (Loss)	$	322,621	$	51,861	$	$(58,517)
Income (Loss) per share-Basic and Diluted	$	0.05	$	0.01	$	(0.01)
Total assets	$	487,640	$	254,397	$	113,791
Total non-current financial liabilities	$	nil	$	nil	$	nil
Cash dividends declared per-share	$	nil	$	nil	$	nil

Related Party Transactions

During the year ended August 31, 2015 $9,600 (2014 - $9,600) was paid for routine corporate secretarial and accounting services to a shareholder and officer of the Company.

Investor Relations

Investor Relations activities during the period consisted of providing investor and broker information in response to inquiries. Additional information relating to the Company is available on SEDAR at www.sedar.com.