



PIONEERING
TECHNOLOGY

Pioneering Technology Corporation

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

August 31, 2015

This Management Discussion and Analysis (“MD&A”) is prepared as at August 31, 2015 and should be read in conjunction with the unaudited financial statements and related notes of Pioneering Technology Corp. (the “Company”) for three and nine months ended June 30, 2015 which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standards Board (“IASB”). All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to the Company’s future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward looking statements.

International Financial Reporting Standards (“IFRS”)

All amounts for 2015, 2014 and 2013 are reported under International Financial Reporting Standards (IFRS). All dollar amounts referred to in this MD&A are expressed in Canadian dollars unless otherwise indicated.

For further information, please refer to the Company’s audited financial statements and notes for the year ended September 30, 2014. Additional information relevant to the Company’s activities can be found on the Company’s profile on SEDAR at www.sedar.com.

Advisory – Certain information in the MD&A is forward-looking and is subject to important risks and uncertainties. The results of events predicted in this information may differ from actual results or events. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “plan”, “estimate”, “expect”, “may”, “project”, “predict”, “potential” “could”, “might”, “should” and other similar expressions. The Company believes the expectations reflected in forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct. These forward-looking statements speak only to the date of the MD&A. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required pursuant to applicable security laws.

Non-IFRS Measures

In addition to disclosing results in accordance with IFRS as issued by the IASB, the Corporation also provides supplementary non-IFRS measures as a method of evaluating the Corporation’s performance. Management uses Adjusted EBITDA as a measure of enterprise-wide performance. Adjusted EBITDA is defined as earnings before interest income, taxes, depreciation and amortization, impairment losses, stock-based compensation, restructuring costs included in general and administration expense and other non-recurring gains or losses including transaction costs related to acquisition. Management believes Adjusted EBITDA is a useful measure that facilitates period-to-period operating comparisons. Adjusted EBITDA does not have any standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other companies. Adjusted EBITDA should not be considered in isolation or as a substitute for net income (loss) prepared in accordance with IFRS as issued by the IASB.

Corporate Overview

Pioneering Technology Corp (“Pioneering”) is an “Energy Smart” product innovation and consumer goods company and is North America’s leader in cooking fire prevention technologies. The Company is committed to improving the lives of its end customers by engineering solutions that make appliances safer, and more energy efficient. The Company’s core business is focused on cooking fire prevention but the Company’s product innovations also help end users save energy and deliver a return on investment. Pioneering’s intellectual property is protected by patents, patents pending and trademarks.

Pioneering’s business model is to market and/or sell its proprietary products directly to end customers and through established third party distribution channels; and its new products are now available for purchase at retail and online. The Company also licenses its technology and product components to original equipment manufacturers (“OEMs”).

Cooking fires account for approximately 44% of all residential fires in North America and result in approximately 470 deaths, 5,390 injuries and \$1 billion in direct property damage annually. Unattended cooking is the leading cause of these cooking fires. This problem has increased as a percentage of overall household fires from 20% in 1980 to 44% in 2014 (NFPA).

Pioneering’s product solutions help reduce cooking fires by preventing the fire from beginning in the first place. The Company’s two flagship products Safe-T-element® and SmartBurner™ utilize patented “temperature limiting control” (TLC) technology which has been recognized by the fire prevention community as the most effective technology for helping prevent cooking fires. Pioneering is the only company with patented “temperature limiting control” technology.

Pioneering has historically focused the majority of its resources on its patented **Safe-T-element® (STE)** cooking technology, the only technology solution of its kind that helps prevent stovetop cooking fires before they start, while also saving energy. The product is available as both an aftermarket installation or pre-equipped on new ranges and is sold to multi-residential channels and institutions throughout North America. The STE to date has generated over \$12 million in sales and is installed on over 100,000 stovetops throughout North America and around the world. There has never been a cooking fire on an STE equipped stovetop.

The Company’s patented **Safe-T-sensor™ (STS)** technology for microwave ovens, the only technology solution of its kind to help prevent microwave fires and false alarms, is currently being sold to university, seniors, health care and office channels (\$1 million in sales to date), and is also relevant in the healthcare and office channels.

The Company’s two new consumer products are beginning to broaden its reach to a much larger market segment by now offering a solution to most of the over 140 million stove owners in North America. **Smart Burner™ (SB)** is an easy to install plug and play version of the STE that has been selling extremely well in the B2B segment and is also available to the general public at retail. **RangeMinder™ (RM)** is a new easy to install consumer electronic product for gas and electric smooth top ranges, engineered to help prevent unattended cooking, the number one cause of cooking fires. Now that its new products are in market the Company will focus its efforts on building awareness and distribution to drive revenue growth and will pursue new development initiatives as resources permit.

The Company has worked hard over the years to create awareness for this significant societal problem and in creating viable effective technologies and product solutions to help address it. With the help of the fire

service, safety/public health experts/professionals, government, insurance companies and now the private sector, the Company has established this new product category for home cooking fire prevention. The Company has not only created what is a potential multi-billion dollar category but currently has the only products available in the category. All of Pioneering's technology and products are patented or proprietary and at present the Company has no real competition other than from detection and/or suppression devices, none of which are as effective as the Company's prevention devices.

With the introduction of its new products the Company is experiencing significant growth in 2015.

Overall Performance

The Company, now profitable in six of its past seven quarters, enjoyed its best quarter ever in terms of sales revenue, gross profit and net income and continued the trend of delivering positive net income and Adjusted EBITDA. For the three months ended June 30, 2015, net income was \$78,860 and Adjusted EBITDA was \$202,774. For the nine months ended June 30, 2015, net income was \$105,355 and Adjusted EBITDA was \$402,765 (See Review of Operations below).

Sales contributions during the period came from all four of the Company's cooking fire prevention products. While interest in the Safe-T-element® and Safe-T-sensor™ products continues to grow, it is the interest and sales activity of the Company's new SmartBurner™ product, specifically in its B2B channels, that has been the catalyst of recent growth and is leading the Company's growth in the immediate near term. While the Company is pursuing many new large retail opportunities for SmartBurner™, the growth this product is now generating in existing and new B2B channels is very positive. RangeMinder™, which is currently only available online and delivering minimal contribution, will benefit from consumer marketing activities that are planned for fiscal 2016. The Company expects continued growth from all of its product lines in Q4 2015 and beyond and expects to meaningfully surpass prior year Q4 and full year revenue.

As previously communicated the Company's strategic objectives for 2015 are as follows:

2015 Strategic Objectives

- 1. Create awareness, build distribution and drive revenue growth from its two new complementary cooking fire safety products SmartBurner™ and RangeMinder™** – These new products are relevant to the Company's existing B2B channels and consistent with the Company's objective of making its solutions available to the general public. 2014 revenue (almost entirely Safe-T-element) more than doubled. In 2015 with the introduction of its two new products the Company will offer a family of solutions and currently effectively has exclusive access to this multi-billion dollar market opportunity. The Company will use its existing sales organization and distributor relationships to continue to grow its B2B sales of new and existing products. The Company's objective for retail is to secure major Canadian and U.S. big box retailers for its new products. The Company also intends to generate sales online via a newly created ecommerce enabled website.
- 2. Work closely with key influencers to drive support for the product(s)** – The Company has the support of fire services in the United States and is now in the process of equipping them with the tools and new products they need to support their cooking fire prevention efforts in the US. Our objective in 2015 is to work closely with fire services to bring these solutions to the general public as part of their "Fire is Everyone's Fight" initiative, which has an emphasis on cooking fire prevention and to work with fire services and industry as they work toward changing codes and

standards making temperature control technology mandatory in the cooking appliance category (more info on this in subsequent events section).

- 3. Deliver the Pioneering story in a meaningful way to drive brand and shareholder value** – We now have the tools in place to drive exponential growth and the media and investor resources to help promote that growth. Creating awareness efficiently and effectively to both the consumer and investment communities is a strategic imperative in 2015 in an effort to create value in our products, brands and for shareholders.
- 4. Opportunistically invest in product development & acquisition** – In 2015, the Company expects its R&D expense to decrease with development efforts focused on existing products only. As revenue grows the Company will opportunistically invest in product development with a focus on enhancing current products to further penetrate current channels; work with OEMs to incorporate technology(s) at source; capitalize on current smart home trends; and/or to open up new markets outside of North America.

Review of Operations

Three Months ended June 30, 2015

Revenue for the three month period ended June 30, 2015 was \$1,207,453, up approximately 67% versus the same period year ago of \$721,577. This revenue increase was driven by sales activity from Safe-T-element®, Safe-T-sensor™ and SmartBurner™. Sales continued to grow on-line and the Company also expanded its reach and revenue in the B2B channel with STS and SmartBurner™. The Company also increased revenue from its existing customer base in the B2B channel and established new distribution relationships with Staples Advantage and HD Supply which have enabled the Company to expand its sales force significantly and generate sales from new multi-residential customers across the United States.

Gross profit for Q3 2015 was \$735,821 up approximately 50% or \$244,367 as compared to gross profit of \$491,454 during the same period in 2014. Gross profit as a percent of sales was approximately 61% as compared to 68% in the same period year ago. Gross profit was driven by continued strong demand in the U.S. market where the Company expects to maintain the momentum it is currently experiencing for its products.

Operating expenses in Q3 2015 were \$535,073 versus \$538,712 in Q3 2014, a 0.7% decrease vs. year ago. During the period the Company spent less on R&D but increased its commitment to sales and marketing activities as the Company began investing in building awareness for its new products. This investment in awareness building is resulting in a very positive return to date and the Company expects this investment to continue to help grow revenue in Q4 2015 and into 2016.

Net income for the three months ended June 30, 2015 was \$78,860 as compared to a loss of (\$109,484), an improvement of \$188,344. Adjusted EBITDA was \$202,774 as compared to \$14,666 in the same period in 2014, an improvement of \$188,808.

Nine Months ended June 30, 2015

Revenue for the nine month period ended June 30, 2015 was \$3,210,654 up approximately 20% versus \$2,670,225 for the same period year ago.

Gross profit for the nine months ended June 30, 2015 was \$1,976,842 an increase of \$282,799 or 16.7% as compared to gross profit of \$1,694,043 during the same period in 2014. This increase in gross profit has been driven by strong demand in the U.S. market and by many large direct sales.

Operating expenses for the nine month period were \$1,646,513 versus \$1,583,762 in the same period a year ago, an increase of 3.9%. During the nine month period the Company, consistent with its stated strategic objectives for 2015, continued to reduce its expenditures on R&D but increase its commitment to sales and marketing activities as the company invested in building awareness for its two new consumer products and continued to invest to grow revenue in the B2B channel.

Net income for the nine months ended June 30, 2015 was \$105,355 as compared to a loss of (\$58,936) in the same period in 2014, an improvement of \$164,291. Adjusted EBITDA was \$402,765 as compared to \$198,854 in the same period in 2014, an improvement of \$203,911.

Outlook

Based on (i) very strong sales so far in Q4, (ii) significant new supply and distribution relationships (see Q3 2015 business highlights section below) and (iii) a strong Q4 order book and sales pipeline, the Company anticipates that it will achieve significant increases in revenue and profitability in the the fourth quarter and full year 2015 as compared to 2014.

Q3 2015 Business Development Highlights:

The Company is establishing partnerships/relationships with some of the largest property management, distribution and facility companies in North America to assist with the distribution, sales and marketing of its products.

SmartBurner listed by HD Supply Canada

In April the Company announced that HD Supply Facilities Maintenance Canada has recognized Pioneering as an approved vendor and began distributing and marketing Pioneering's new **SmartBurner** product to its channel customers. HD Supply is one of the largest industrial distributors in North America. HD Supply Facilities Maintenance Canada offers wholesale product solutions, maintenance, repair, and operations (MRO) supplies and services to multifamily apartments, university and colleges, the military, hospitality/hotels and the healthcare industry. These are channels where cooking fires are an issue and **SmartBurner** can provide a meaningful, cost effective solution for HD to offer to its customers.

Pioneering Establishes New Business Channel – Private Sector Landlords

In April the Company announced the successful completion of its first large project with a major private sector property owner and rental provider. This undisclosed landlord (an Investment Trust), with interests in over 40,000 residential units, is now planning to expand its installation program. This is the first major private sector rental-housing provider to adopt Pioneering's Safe-T-element (**STE**) with its patented temperature limiting control (**TLC**) technology to better protect its tenants & properties and reduce electricity costs. This first project consisted of the installation of 3,153 STE's in the landlord's highest risk properties in Southern Ontario, Quebec and Eastern Canada. Since installing the STEs, the landlord has reported zero cooking fires and a meaningful benefit in energy related savings. One of Canada's largest electricity distribution companies provided an additional financial incentive based on the STE's energy saving benefits. A meaningful return on investment for customers is driving awareness/growth in this new channel.

STAPLES Advantage lists SmartBurner and Safe-T-sensor products

In May the Company announced that two of its products are now available through Staples Advantage in the United States. Staples have listed and now offer both Pioneering's **SmartBurner** and **Safe-T-sensor** products through the Staples Advantage Facility Solutions group. Staples Advantage Facility Solutions is a commercial B2B division of Staples. Staples is the world's largest office products company with \$27 billion in sales. Staples is a world class supply organization with both the logistics infrastructure and the sales and marketing resources to help penetrate the markets and channels where Pioneering's products are most relevant. These logistics and sales resources are already in place and Staples is already creating immediate awareness, demand and sales for the Company's SmartBurner and Safe-T-sensor products.

New SmartBurner Launch to U.S Consumer Market at National Hardware Show in Las Vegas

The National Hardware Show is the largest show of its kind in the world featuring over 2,500 exhibitors and attended by the biggest retailers in North America. Pioneering's **SmartBurner** product was featured in the Inventor's Spotlight section and in the New Product World exhibit area. The "Inventor's Spotlight" section gives the home improvement/DIY community an inside look at what may be the next big product to help revolutionize the home improvement industry. The SmartBurner was very well received and the Company made contact with some of the largest retailers in North America. It also made a number of high profile strategic, industry and awareness building connections, some of which it hopes to announce shortly.

Subsequent Events

Direct Response/Home Shopping TV

As a result of its attendance at the National Hardware show the Company is now in discussions with a number of DRTV companies and a Home Shopping Channel Network in the United States for opportunities with its SmartBurner™ and Safe-T-sensor™ products. DRTV/HSTV offers the opportunity to create significant consumer awareness for the Company's products and ultimately grow revenue which can lead to retail listings with large national retailers in both Canada and the U.S. The Company expects to close on 1-2 of these opportunities shortly.

Boardwalk REIT and SmartBurner™

Based on a successful installation in two Calgary, Alberta apartment buildings, the Company announced that Boardwalk REIT (TSX:BEI.UN) plans to include the SmartBurner in its specifications for the replacement of all future stoves in its housing portfolio. Boardwalk owns a mixture of high-rise, mid-rise and low-rise apartment buildings in Alberta, Saskatchewan, Ontario and Quebec. Boardwalk currently owns more than 220 properties with over 34,000 units making it one of Canada's biggest residential landlords. Tenant safety is a priority for Boardwalk and the investment in SmartBurner will help prevent property damage from stovetop cooking fires, improve operating costs, and contribute to an improved quality of life for Boardwalk's Resident Members. Boardwalk is the latest in a series of large property owners and REITS who have chosen the SmartBurner as an important part of their overall safe housing strategy.

Safe-T-element® now established as solution for Energy Service Companies (ESCO's)

During the period Pioneering's Safe-T-element product continued to be included as both an energy reduction and fire prevention product with some of North America's largest ESCO's having completed large projects with both Siemens and Johnson Controls in conjunction with the US Department of Housing and Urban Development (HUD). Safe-T-element continues to be recognized as a product that saves both energy and lives and currently receives tax incentives/rebates for its installation to date in 6 US states and in the Province of Ontario. These opportunities continue to grow as awareness for the products success grows.

Selected Financial Information

The following table shows selected financial information for the three months and nine months ended June 30, 2015 and 2014.

	Nine Months Ended June 30 2015	Nine Months Ended June 30 2014	Three Months Ended June 30 2015	Three Months Ended June 30 2014
Revenue	3,210,654	2,670,225	1,207,453	721,577
Income (loss) and Comprehensive Income (loss)	105,355	(58,936)	78,860	(109,484)
Earnings (loss) per share	0.00	(0.00)	0.00	(0.00)
Total assets	1,711,816	828,593	1,711,816	828,593
Financial liabilities	2,680,332	2,144,715	2,680,332	2,144,715

Adjusted EBITDA

The Company has provided a reconciliation of Adjusted EBITDA to IFRS loss in the following table. Adjusted EBITDA is defined as earnings before interest income, taxes, depreciation and amortization, stock based compensation, restructuring costs, impairment charges, and other non-recurring gains and losses. Management believes that Adjusted EBITDA is a useful measure that facilitates period to period operating comparisons.

	Nine Months Ended June 30 2015	Nine Months Ended June 30 2014	Three Months Ended June 30 2015	Three Months Ended June 30 2014
Income (loss) and Comprehensive Income (loss)	105,355	(58,936)	78,860	(109,484)
Amortization of tangible assets	22,134	23,310	7,378	7,770
Amortization of intangible assets	15,594	16,042	5,198	5,348
Stock based compensation	22,502	55,862	10,200	53,739
Foreign exchange	11,938	(7,335)	(20,801)	(4,943)
Interest and guarantee fee	225,242	169,911	121,939	62,236
Adjusted EBITDA	402,765	198,854	202,774	14,666

Selected Quarterly Results (unaudited)

	For the Quarters Ended										
	Fiscal 2015			Fiscal 2014				Fiscal 2013			
	June 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sept. 30 2014	June 30, 2014	Mar. 31, 2014	Dec. 31, 2013	Sept. 30, 2013	Jun. 30, 2013	Mar. 31, 2013	Dec. 31, 2012
\$000's											
Revenues	1207.5	809.6	1193.6	254.3	721.7	843.2	1105.4	189.7	544.8	406.7	241.5
Gross Profit	735.8	548.2	692.8	62.7	491.5	513.3	689.3	68.3	288.9	284.6	155.7
Expenses	535.1	536.1	575.3	799.3	837.4	504.8	540.2	409.9	358.3	423.5	416.2
Interest and Other Fees	121.9	67.0	36.3	72.4	82.0	89.5	18.2	16.7	16.4	17.1	14.8
Impairment	-	-	-	-	-	-	-	778.1	-	-	-
Earnings (loss) *	78.9	-55.0	81.4	(806.5)	(428.0)	(80.6)	131.2	(1,136.3)	(85.0)	(156.8)	(275.3)
Earnings (loss) per share	0.00	0.00	0.00	(0.04)	(0.02)	0.00	0.01	(0.05)	(0.00)	(0.01)	(0.01)

* Quarterly results for June 30, 2014 restated for modification of stock options which had no EBITDA (cash flow) impact - see Management Discussion and Analysis January 28, 2015

Liquidity, Capital Management

The Company's plans for 2015 are being realized. The company is successfully growing awareness and distribution for its new and existing products which will help to generate incremental operating cash flow going forward. Operationally, the Company manages its liquidity by continuously monitoring forecasted and actual gross profit, expenses, and cash flows from operations. The Company's financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has finished commercialization of its two products and is now focused on building awareness and sales for its new and existing products. The Company's ability to continue as a going-concern, generate sustained profitability and develop future product offerings is dependent upon obtaining additional external financing, generating income from operations and expanding the sales growth of products already commercialized.

During fiscal 2015 to date, the Company has financed its working capital requirements through a combination of cash flow generated by the business and debt financing. On June 26, 2015, the Company announced its intention to carry out a private placement on a brokered "best efforts" for gross proceeds of up to \$3,000,000. The private placement has not yet been completed and the Company has elected to defer the transaction until market conditions are more favourable.

McAllister Holdings Ltd. ("McAllister"), a significant shareholder of the Company that is controlled by David Dueck, one of the Company's directors, has provided a written guarantee for the full amount of the Company's revolving demand facility of \$250,000. As of March 31, 2015 this guarantee fee was increased from 12% per annum to 25% per annum. Subsequent to June 30, 2015, the Company agreed that it would obtain a release of the McAllister guarantee not later than September 30, 2015. This may require repayment or refinancing of the revolving demand facility.

There also exists a short-term loan payable to McAllister. This loan was in the original principal amount of \$500,000 . The loan was originally non-interest bearing and was issued for consideration in the form of 2,000,000 warrants at the exercise price of \$0.15 per common share, exercisable up to January 23, 2015. As of May 17, 2014, the loan became interest bearing at 12% per annum. As of March 31, 2015 this note was renegotiated to bear interest at 25% per annum and to be repayable in installments of \$100,000 May 31, 2015, \$100,000 June 30, 2015 and the balance on July 31, 2015. The Company paid the \$100,000 installment that was due on May 31, 2015 but has not yet paid the June 30 instalment or the July 31 balance. McAllister has agreed to extend the date for those payments until September 30, 2015. The Company's obligations to McAllister under the note and in respect of the revolving demand facility are secured by a first ranking security over all of the Company's assets (other than accounts receivable assigned under the accounts receivable financing facility described below).

As a result of the foregoing arrangements, the Company will be required to repay the McAllister promissory note and, potentially, the revolving demand facility not later than September 30, 2015. The total principal amount of these obligations is \$650,000. The Company intends to refinance these obligations by obtaining new debt financing from one or more third party lenders or by raising additional equity capital via a private placement of shares. The Company is currently in negotiations with a number of lending institutions that it expects will enable it to refinance the McAllister loan and the revolving demand

facility on more favourable terms. While the Company currently expects that it will be able to raise the funds required to satisfy its obligations in respect of the McAllister loan and revolving demand facility there can be no assurance that it will be able to do so. If the Company does not repay the McAllister loan or obtain the release of McAllister's guarantee under the revolving demand facility by September 30, 2015 it will be in breach of its obligations to McAllister. In those circumstances, absent a further amendment to the terms of the Company's obligations to McAllister, McAllister would be in a position to demand payment and enforce its security interests.

In addition to the revolving demand facility and McAllister loan, in June 2015 the Company obtained accounts receivable financing facility from a third party lender. This facility allows the Company to access up to \$550,000 of financing by assigning its rights to certain accounts receivable as required to the lender at a 3% discount. Amounts advanced under the facility will be repaid out of the proceeds of the assigned receivables. The Company has granted the lender a first ranking security interest for these accounts receivable as security for its obligations under the facility. As at June 30, 2015, \$485,340 was drawn on this facility. The ability of Pioneering to arrange external financing in future will depend in part upon prevailing market conditions and the financial performance of the Company. Should the Company attempt to raise capital, there can be no assurance that it will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, the existing shareholders may suffer dilution. There are material uncertainties related to these events and conditions that may cast significant doubt about the Company's ability to continue as a going concern. The Company's financial statements do not give effect to adjustments, if any, which may be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the financial statements.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the growth and development of its operations and brings new products to market and to ensure it continues as a going concern. 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. The Company will continue to assess new opportunities and seek to acquire an interest in growth situations if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

The Company has historically relied on equity and debt financing to raise capital and expects to be able to continue to do so, but its ability to do so may be impacted by the current global situation and economic uncertainties.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company and the current state of the development stage of its products, is reasonable.

Disclosure of Outstanding Share Information

The following table sets forth information concerning the issued securities of the Company as at August 31, 2015:

Description	Number
Common Shares:	
Balance at the beginning of the year	26,383,155
Issued in Fiscal 2015	2,215,000
Common Shares Outstanding as at August 31, 2015	28,598,155
Warrants:	
Balance at the beginning of the year	5,500,000
Exercised in Fiscal 2015	(2,215,000)
Expired in Fiscal 2015	(3,285,000)
Warrants Outstanding as at August 31, 2015	-
Stock Options:	
Balance at the beginning of the year	3,834,000
Granted in Fiscal 2015	-
Forfeited in Fiscal 2015	-
Expired in Fiscal 2015	-
Stock Options Outstanding as at August 31, 2015	3,834,000

Contingencies and Commitments

As at August 31, 2015, management is not aware of any liabilities, contingent or otherwise, that have not been recorded in financial statements of the Company as at June 30, 2015.

Related Party Transactions

Related party transactions and balances are as follows:

Type of payment	Six Months Ended	Six Months Ended	Three Months Ended	Three Months Ended
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<i>Key Management Salaries</i>	144,000	144,000	72,000	
<i>Directors Fees</i>	5,750	1,750	3,500	1,750
<i>Financing Expenses</i>	82,113	65,709	38,579	7,540
<i>Sales and Marketing Expense</i>	8,803	-		
Total Payments	240,666	153,312	113,447	9,290

See notes 6, 7 and 13 in the unaudited financial statements of the Company for the nine months ended June 30, 2015.

Stock options held by related parties and Board of Directors under the stock option plan to purchase ordinary shares have the following expiry dates and exercise prices:

Issuance Date	Expiry Date	Exercise Price	December 31 2014	September 30, 2014
		\$	Number Outstanding	Number Outstanding
September 30, 2009	September 30, 2019	\$0.15	865,000	865,000
January 13, 2012	January 13, 2017	\$0.25	600,000	600,000
July 6, 2012	July 6, 2017	\$0.25	390,000	390,000
			1,855,000	1,855,000

Management’s Responsibility for Financial Information

The financial statements of the Company and all the information in this report are the responsibility of management and the Board of Directors.

The financial statements have been prepared by management in accordance with IFRS. Under these principles, management has made certain estimates and assumptions that are reflected in the financial statements. Management believes that these financial statements fairly present the Company’s financial position, results of operations and cash flows.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The board carries out this responsibility principally through the Audit Committee which consists of three directors appointed by the Board.

The Audit Committee meets periodically with management as well as with the independent external auditors to discuss auditing matters and financial reporting issues. The Audit Committee reviews the financial statements and external auditors’ report thereon and reports its findings to the board for consideration when the Board approves the financial statements for issuance to the Company’s shareholders. The Committee also considers, for review by the Board and approval by shareholders, the engagement or reappointment of the external auditors. The external auditors have full and free access to the Audit Committee

Risks and Uncertainties

Readers should consider the risks and other information included in the Company’s audited financial statements and related notes for the year ended September 30, 2014 and in its unaudited financial statements and related notes for the three and nine months ended June 30, 2015. The Company is a young and emerging business whose principal activity is the development and commercialization of new technologies.

The Company, although having established products in the marketplace, is still in the early stages of penetrating its identified sales channels and also of bringing to market certain new products following the initial development stage. The Company is therefore subject to the risks associated with early stage companies, including start-up losses, uncertainty of revenue and profitability and the need to raise

additional funding. The Company previously committed financial resources to product development in order to further penetrate current sales channels and to attempt to open up new sales channels. Further penetration of existing sales channels is now occurring and, as a result, revenue is growing.

As with most businesses, the Company is subject to a number of market place, industry and economic related business risks, which could have some material impact on its' operating results. The risks include:

Key Personnel

The Company is dependent on the experience and industry knowledge of its executive officers and other key employees to execute its business plan. If the Company were to experience a substantial turnover in its' leadership or other key employees, business results from operations and financial condition could be materially adversely affected.

Competition

The Company is bringing to market new technologies. As with any new technology, existing competitor responses to the technology could materially impact the success and ability of the Company to commercialize the products. At present the Company doesn't have any direct competition to its products but that could change over time.

Credit Risk

Although the Company has historically incurred a very low bad debt expense, a change in economic climate or in the specific financial health of one or more of its' customers could result in a material impact.

Liquidity Risk

The Company has commercialized its product offerings and is now focused on generating awareness and building distribution for its products. As such, it may be reliant on raising additional funding from the capital markets. A change in the economic climate or the liquidity of the capital markets could impact the Company's ability to raise additional funds.

Going Concern

The Company's ability to continue as a going concern, generate sustained profitability and develop future product offerings may be dependent upon obtaining additional external financing, generating income from operations and expanding the sales growth of products already commercialized. The ability of Pioneering to arrange external financing in future will depend in part upon prevailing market conditions and the financial performance of the Company. Should the Company attempt to raise capital, there can be no assurance that it will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, the existing shareholders may suffer dilution (refer to Liquidity, Capital Management)

Readers are referred to the risk and uncertainty disclosure discussed in the Company's public filings which are available in electronic form at www.sedar.com.

Cautionary Statement on Forward-Looking Information

The information in the MD&A contains management's assessment of the Company's future plans and may contain forward-looking information under applicable securities laws. The forward-looking information includes estimates, forecasts and statements as to management's expectations with respect to, among other things, future trends, demand and market outlook for products and the financial results of the Company.

This forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking information. Factors that may cause actual results to vary materially include, but are not limited to, fluctuations in product prices, currency fluctuations, unanticipated operational or technical difficulties, changes in laws or regulations, changes in general economic conditions or conditions in the financial markets and the inability to raise additional financing. Readers are cautioned not to place undue reliance on this forward looking information, and to consider this forward-looking information in light of these factors and the risks and uncertainties set out under the heading "Risks and Uncertainties". The Company does not assume the obligation to revise or update this forward-looking information after the date of this document or to revise them to reflect the occurrence of future unanticipated events, except as may be required under applicable securities law.