

HLD LAND DEVELOPMENT LIMITED PARTNERSHIP

Management's Discussion and Analysis

For the Period Ended September 30, 2015

The following management's discussion and analysis ("MD&A") is prepared as at November 30, 2015 and is intended to assist readers in understanding HLD Land Development Limited Partnership ("HLD" or the "Limited Partnership"), its history, business environment, strategies, performance and risk factors from the viewpoint of management of HLD. It should be read in conjunction with the condensed interim consolidated financial statements of HLD for the nine months ended September 30, 2015 and the consolidated financial statements for the years ended December 31, 2014 and 2013 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. All figures are expressed in Canadian dollars.

Additional information relating to HLD, its activities and operations can be found on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval ("SEDAR") located at www.sedar.com.

Business of the Limited Partnership

HLD is a Canadian-based limited partnership whose limited partnership units are traded on the Canadian Securities Exchange (formerly Canadian National Stock Exchange) under the symbol HLD.UN. The Limited Partnership had a working interest in a junior oil and gas exploration and production entity until November 29, 2013 after which point it sold its working interest in that particular property. The Limited Partnership continues to make progress in pursuing its strategic initiatives and seek other junior oil and gas exploration and production investment opportunities while it carries on with its equity and foreign currency trading activities. The Limited Partnership is also mandated to engage in such other activities outside of the oil and gas industry and trading activities as the General Partner deems appropriate and in the best interest of the Limited Partnership to increase value for the unitholders.

Selected Financial Information

The Limited Partnership is actively pursuing its strategic initiatives and seeking other junior oil and gas exploration and production investment opportunities while it carries on with its equity investment trading activities. Based on the information to date, the Limited Partnership has not yet established any significant investment opportunities.

During the nine months ended September 30, 2015, the Limited Partnership had a net loss of \$213,588, negative cash flow from operations of \$131,450, negative working capital of \$227,334 and accumulated loss of \$19,024,900.

Historically, the Limited Partnership has had operating losses and negative cash flows from operations. Whether, and when, the Limited Partnership can attain profitability and positive cash flows from operations is uncertain. These material uncertainties may cast significant doubt upon the Limited Partnership's ability to continue as a going concern.

The following table sets forth selected consolidated financial information of the Limited Partnership for the three months ended September 30, 2015 and as at the end of each of the last two financial years of the Limited Partnership as at December 31, 2014 and 2013:

Quarter Ended September 30, 2015 and Years Ended December 31, 2014 and 2013			
	September 30, 2015	December 31, 2014	December 31, 2013
	(\$)	(\$)	(\$)
Balance Sheet			
Working capital	(227,334)	(13,746)	274,139
Total assets	54,407	58,408	363,404
Long term liabilities	17,859	17,859	17,859
Revenues and Earnings			
Total revenues (including interest and other income)	-	16,511	271,104
Total expenses	121,228	271,027	403,203
Net loss	(121,228)	(287,885)	(205,443)
Results of Operations – Per Unit Results			
Net loss – basic and diluted	(0.0176)	(0.0418)	(0.0298)

The following is a summary of HLD's quarterly results for the eight most recent completed quarters:

	Quarters Ended							
	Dec. 31, 2013	Mar. 31, 2014	Jun. 30, 2014	Sep. 30, 2014	Dec. 31, 2014	Mar. 31, 2015	Jun. 30, 2015	Sep. 30, 2015
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Revenue and Earnings								
Total Revenue (including interest and other income)	171,397	10,753	2,937	706	-	1,489	-	-
Net Income (Loss)	102,788	(101,827)	(77,845)	(37,873)	(287,885)	(45,954)	(46,406)	(121,228)
Per Unit Results								
Net Income (Loss) (Basic)	0.0149	(0.0148)	(0.0113)	(0.0055)	(0.0418)	(0.0067)	(0.0067)	(0.0176)
Net Income (Loss) (Fully Diluted)	0.0149	(0.0148)	(0.0113)	(0.0055)	(0.0418)	(0.0067)	(0.0067)	(0.0176)

The following is a breakdown of the HLD quarterly expenses for 2015 and 2014 and expenses for the years ended December 31, 2014 and 2013:

	3 Months Ended		Year Ended	
	Sep. 30, 2015	Sep. 30, 2014	Dec. 31, 2014	Dec. 31, 2013
	(\$)	(\$)	(\$)	(\$)
Royalties	-	-	-	24,456
Operating expenses on petroleum and natural gas properties	-	-	8,646	30,193
Depletion, depreciation and accretion	-	-	-	24,619
Foreign exchange loss (gain)	-	(1,950)	(2,115)	42
Bank charges and interest	76	176	651	1,755
Director's fees	8,025	8,025	32,101	53,604
Office and administration	3,624	1,890	10,632	22,319
Legal, accounting and audit	87,596	9,245	131,687	136,343
Commission	-	-	-	488
Consulting	6,000	6,000	24,000	42,000
Transfer agent and regulatory fees	4,654	4,643	21,299	22,215
Wages and salaries	11,253	11,253	45,011	45,169
Total	121,228	39,282	271,912	403,203

The preceding financial data is prepared in accordance with IFRS, as issued by the International Accounting Standards Board, using the same accounting policies and methods of application as described in Note 2 of HLD's condensed interim consolidated financial statements for the nine months ended September 30, 2015.

Three Months Ended September 30, 2015

Gross Revenues

No revenue was generated in the second quarter of 2015 since the sale of the oil and gas properties in November 2013 as the Limited Partnership was seeking investment opportunities.

Investment Trading

There were no equity investment trading activities for the quarter ended September 30, 2015 while a small gain of \$242 was recognized for the three months ended September 30, 2014.

Operating Expenses

Expenses related to professional fees (including legal, accounting, audit and consulting) increased to \$99,596 for the quarter ended September 30, 2015 from \$15,245 for the quarter ended September 30, 2014. A director's fee (inclusive of payroll expenses) of \$8,025 was paid during the quarter while wages and salaries for the quarter were \$11,253.

Liquidity and Capital Resources

Cash on hand as at September 30, 2015 increased to \$50,649 which was \$10,466 higher than the balance as at December 31, 2014 of \$40,183.

There was a net outflow of cash of \$131,420 from operating activities for the three months ended September 30, 2015.

There was a net cash inflow of \$141,886 from investing activities due to an advance from a related party and proceeds from sale of investments.

The Limited Partnership had a working capital deficiency of \$227,334 as at September 30, 2015 which was a further decline compared to the working capital deficiency of \$13,746 as at December 31, 2014. The Limited Partnership has no material income from operations while it is seeking investment opportunities. The Limited Partnership is dependent on raising funds by issuing new limited partner units and obtaining financing from external sources and its general partner. There is no assurance that additional funding will be available to allow the Limited Partnership to continue to explore its investment ventures and meet its current obligations.

Contractual Commitments

The Limited Partnership does not have any contractual commitments.

Off-Balance Sheet Financing

The Limited Partnership has no off-balance sheet arrangements.

Changes in Accounting Policies

There were no changes to the Limited Partnership's significant accounting policies as at September 30, 2015. See Note 2 to the condensed interim consolidated financial statements for the nine months ended September 30, 2015 for the detailed descriptions of the accounting policies.

Accounting Policies

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board. The condensed interim consolidated financial statements represent the Limited Partnership's presentation of its results and financial position along with its accounting policies under IFRS for the nine months ended September 30, 2015.

Those accounting policies are based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations that are applicable. The policies set out below were consistently applied to all the periods presented unless otherwise noted.

Principles of consolidation

The condensed interim consolidated financial statements include the accounts of the Limited Partnership and its wholly owned subsidiaries, HLD Equishare Inc., HLD (Trading) General Partner Ltd. and HLD (Trading) Limited Partnership. Inter-company transactions and balances are eliminated upon consolidation. The financial statements of the subsidiaries are prepared using consistent accounting policies and reporting date as of the Limited Partnership.

Critical judgments and sources of estimation uncertainty

The preparation of the condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects

both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgment

The following is a critical judgment that management has made in the process of applying accounting policies and that has the most significant effect on the amounts recognized in the financial statements:

- (i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involved judgment or assessments made by management.

Estimation uncertainty

The following is a key assumption concerning the future and other key sources of estimation uncertainty that has a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next fiscal year:

- (i) The valuation of financial instruments which are classified as fair value through profit or loss – See Note 4 to the condensed interim consolidated financial statements for HLD for the nine months ended September 30, 2015.

Petroleum and natural gas properties

The fair value of all consideration paid to acquire petroleum and natural gas property is capitalized, including amounts due under option agreements. Consideration may include cash, loans or other financial liabilities, and equity instruments including common shares and share purchase warrants.

Petroleum and natural gas properties also include exploration and evaluation expenditures attributable to exploration license or field where proved reserves are determined to exist.

Tangible assets acquired for use in the petroleum and natural gas activities are classified as petroleum and natural gas properties; however, to the extent that such tangible asset is consumed in developing exploration and evaluation expenditures, the amount reflecting that consumption is recorded as part of the cost of exploration and evaluation expenditures.

Exploration and evaluation expenditures

The Limited Partnership capitalizes all costs associated with an exploration well as exploration and evaluation assets until the drilling of the well project is complete and the results have been evaluated. These costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting oil and natural gas is considered to be determined. A mineral resource is considered to be determined when proved reserves are determined to exist. The carrying amount, net of accumulated impairment charges, of exploration and evaluation expenditures represents costs incurred to date and does not reflect present or future values. Upon the determination of proved reserves, the exploration and

evaluation expenditures are transferred to petroleum and natural gas properties. Management reviews each exploration license or field, at least annually, to ascertain whether proven reserves have been discovered.

Pre-license costs

The costs incurred before the legal rights to explore a specific area have been obtained and they are expensed in the period in which they are incurred.

Depletion and depreciation

Petroleum and natural gas properties are depleted on a unit-of-production basis over the estimated proved developed reserves before royalties, as determined by independent engineers. For depletion purposes, relative volumes of petroleum and natural gas production and reserves are converted to equivalent oil on the basis of six thousand cubic feet of natural gas being equivalent to one barrel of crude oil.

Costs of acquiring and evaluating unproved properties would be excluded from costs subject to depletion and depreciation until it is determined whether proved reserves are attributable to the properties or impairment occurs.

Oil tanks and equipment used in petroleum and natural gas production are amortized on a declining balance basis over their useful lives; which is estimated to be four years.

Impairment of non-current assets

Impairment tests for non-current assets are performed when there is an indication of impairment. At each reporting date, an assessment is made to determine whether there are any indications of impairment. If any indication of impairment exists, an estimate of the non-current asset's recoverable amount is calculated. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. If the carrying value of a non-current asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to profit and loss so as to reduce the carrying amount of the non-current asset to its recoverable amount.

For the purposes of assessing impairment, assets are grouped into Cash Generating Units ("CGU"), defined as the lowest levels for which there are separately identifiable cash inflows. An impairment loss is recognized for the amount by which the carrying amount of the CGU exceeds its recoverable amount.

Upon determination of proved reserves, exploration and evaluation expenditures attributable to those reserves are first tested for impairment using CGU's, and then reclassified to petroleum and natural gas properties.

Impairments are reversed for all CGU's and individual assets to the extent that events or circumstances give rise to changes in the estimate of recoverable amount since the period the impairment was recorded.

Provisions for site restoration

Obligations to retire a non-current asset, including dismantling, restoration and similar activities, are provided for at the time they are incurred or an event occurs giving rise to such an obligation. The Limited Partnership is subject to laws and regulations relating to environmental matters, including land reclamation and discharge of hazardous materials, in all jurisdictions in which it operates. The Limited Partnership may be found to be responsible for damage caused by prior owners and operators of its petroleum and natural gas properties and in relation to interests previously held by the Limited Partnership. The Limited Partnership believes it has conducted its exploration and evaluation activities in compliance with applicable environmental laws and regulations.

On initial recognition, the estimated fair value of a provision is recorded as a liability and a corresponding amount is added to the capitalized cost of the related non-current asset. The liability is increased over time through periodic charges to profit and loss. The provision is evaluated at the end of each reporting period for changes in the estimated amount or timing of settlement of the obligation.

Revenue recognition

Revenue from the sale of petroleum and natural gas is recorded when title passes to the customer and collection is reasonably assured. Revenue from petroleum and gas production represents the Limited Partnership's working interest share before royalty payments to governments and other interest owners.

Loss per limited partner unit

The basic loss per limited partner unit for 2015 and 2014 is calculated using the weighted average number of limited partner units outstanding during the period, which amounted to 6,891,064 (2014 – 6,891,064). Diluted loss per limited partner unit is the same as basic earnings for the nine months ended September 30, 2015.

Financial instruments

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss.

Financial assets classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive loss. Cash and investments are classified as fair value through profit or loss.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost. Amounts receivable and due from related party are classified as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. At September 30, 2015, the Limited Partnership has not classified any financial assets as available for sale.

Transaction costs associated with financial assets at fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Trade and other payables and promissory notes payable are classified as other financial liabilities.

Financial liabilities classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive loss. At September 30, 2015, the Limited Partnership has not classified any financial liabilities as fair value through profit or loss.

Partners' equity

Units issued by the Limited Partnership are classified as equity. Costs directly attributable to the issue of limited partner units, unit purchase warrants and unit options are recognized as a deduction from equity, net of any related income tax effects.

New standards and interpretations not yet adopted

The following is an overview of accounting standard changes that the Limited Partnership will be required to adopt in future years. The Limited Partnership does not expect to adopt any of these standards before their effective dates. The Limited Partnership continues to evaluate the impact of these standards on its consolidated financial statements.

- (i) IFRS 9 - Financial Instruments. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortized cost and fair value.

IFRS 9 prohibits reclassifications except in rare circumstances when the entity's business model changes. The new standard removes the requirement to separate embedded derivatives from financial asset hosts. It requires a hybrid contract to be classified in its entirety at either amortized cost or fair value.

- (ii) IFRS 15 – Revenue from contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2017. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. The new standard will apply to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts.

Capital Risk Management

The Limited Partnership's objectives when managing capital are to safeguard its ability to continue as a going concern to sustain the investment trading business. The Limited Partnership defines capital that it manages as cash and limited partners' contributions. In order to maintain the capital structure, the Limited Partnership may adjust the amount of its distributions, adjust its level of capital spending, issue new units, or sell assets. The Limited Partnership will continue to assess new investments if it feels there is sufficient economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable. The Limited Partnership is not exposed to any internally or externally imposed capital requirements.

Financial Instruments and Financial Risk Factors

Fair value

The fair value of the Limited Partnership's financial instruments is believed to approximate their book values due to their short terms to maturity.

The Limited Partnership classifies the fair value of cash and investments according to the following hierarchy based on the amount of observable inputs used to value the instruments:

- Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
- Level 3: Values based on prices or valuation techniques that require inputs that are both observable and significant to the overall fair value measurement.

The fair value of cash and investments are considered as Level 1.

Financial risk factors

The Limited Partnership is exposed to a number of different risks arising from financial instruments. These risk factors include liquidity risk, credit risk and market risks relating to foreign currency risk, interest rate risk and equity price risk.

The Limited Partnership maintains a governance process to manage its financial risks. Management is responsible for overseeing the Limited Partnership's risk management for trading activities. All risk management activity is carried out by management that has the appropriate skills, with the assistance of consultants, and supervision with the appropriate financial and management controls.

Liquidity risk

Liquidity risk is the risk that the Limited Partnership will encounter difficulty in meeting obligations associated with financial liabilities. The Limited Partnership believes that it has access to sufficient capital through internally generated cash flows to fund its future operations. The Limited Partnership prepares budgets and synopses which are regularly monitored and updated as considered necessary.

Credit risk

Credit risk is the risk that a counterparty to a financial asset will default resulting in the Limited Partnership incurring a loss. Most of the Limited Partnership's assets relate to cash. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Limited Partnership manages this credit risk by dealing with entities which are believed to be creditworthy.

Market risk

Market risk is the risk arising from possible market price movements and their impact on the future performance of the business. Market risk includes the following:

(i) **Foreign currency exchange risk**

The Limited Partnership is exposed to foreign currency exchange risk due to its trading activities in foreign currencies. The foreign currency exchange risk on trading activities is not considered significant.

(ii) **Interest rate risk**

The Limited Partnership is exposed to interest rate risk to the extent that the cash bears floating rates of interest. The interest rate risk on cash and on the Limited Partnership's obligations is not considered significant.

(iii) **Equity price risk**

Equity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in equity prices. Equity prices are impacted by not only the financial performance of the particular company but also world economic events that affect the overall equity market. The equity price risk on investments and investments in special warrants is not considered significant.

Transactions with Related Parties

As at September 30, 2015, the related party transactions that the Limited Partnership entered into were as follows:

- The Limited Partnership made total compensation payments to its key management personnel of \$72,000 (December 31, 2014 - \$96,000). Of which, \$31,500 was recorded as wages and salaries, \$22,500 was recorded as director's fees and \$18,000 was recorded as consulting. A consulting fee of \$24,000 (December 31, 2014 - \$6,000) remained unpaid and has been included in trade and other payables.
- A balance of \$(131,912) (December 31, 2014 - \$3,944) was payable to 7275803 Canada Inc., the general partner of the Limited Partnership.

Proposed Transactions & Outlook

Management of HLD is actively pursuing additional investment opportunities in order to broaden the Limited Partnership's investment trading activities. With a mandate to increase unitholder value, the Limited Partnership may also engage in such other activities outside of the oil and gas industry as the General Partner deems appropriate and in the best interest of the Limited Partnership.

Taxation Matters

Income taxes

The Limited Partnership is subject to income taxes on certain types of income. The Limited Partnership will be liable for income taxes determined by reference to the prevailing corporate income tax rate in effect at the time. The Limited Partnership recognizes current income taxes for the estimated income taxes payable for the current year.

In November 2012, the Canada Revenue Agency (the "CRA") issued Requirements for Information ("RFIs") to the Limited Partnership with respect to its 2010 and 2011 fiscal periods. The Limited Partnership provided virtually all of the information requested.

In July 2013, the CRA issued RFIs to directors of the Limited Partnership's general partner, and to limited partners of the Limited Partnership (including insiders and investors). The CRA later withdrew and re-issued the Insider and Director RFIs and issued a new RFI to the general partner. The Limited Partnership is continuing to discuss these RFIs with the CRA and to consider its options for challenging the RFIs, either within the CRA or in court.

The partners will be updated if and when more information becomes available or when the CRA proposes any changes to the Limited Partnership's information return.

Deferred income taxes

Deferred income tax assets and liabilities are recognized for the estimated income tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective income tax bases. Deferred income tax assets and liabilities are recognized using substantively enacted income tax rates. The effect of changes in effective income tax rates is recognized in comprehensive income in the period in which the change is substantively enacted. Deferred income tax assets are recognized with respect to deductible temporary differences only to the extent their realization is considered to be probable. The Limited Partnership will not accumulate loss carryforwards, as losses are allocated to the limited partners at the end of each year.

As at September 30, 2015, no provision for income tax payable has been recognized as the Limited Partnership was in a loss position. Also, no deferred income tax assets or liabilities have been recognized.

Disclosure of Outstanding Unit Data

As of the date of the MD&A, the Limited Partnership had 6,891,064 units issued and outstanding.