

Spackman Equities Group Inc.

Management's Discussion and Analysis For the year ended December 31, 2015

OVERVIEW

The following Management's Discussion and Analysis ("MD&A") provides additional analysis of the operations, financial position and financial performance of Spackman Equities Group Inc. ("SEGI" or the "Company") for the year ended December 31, 2015. It is supplementary information and should be read in conjunction with the Company's consolidated financial statements and accompanying notes for the year ended December 31, 2015. Reference should also be made to the Company's filings with the Canadian securities regulatory authorities that are available at www.sedar.com.

This MD&A is the responsibility of the management. The Board of Directors carries out its responsibility for the review of this disclosure principally through its audit committee which is comprised of a majority of independent directors. The audit committee reviews and, prior to its publication and pursuant to the authority delegated to it by the Board of Directors, approves this disclosure.

The effective date of this MD&A is April 29, 2016. Additional information relating to the Company is available on SEDAR at www.sedar.com.

SEGI is a publicly-traded company listed on the TSX Venture Exchange under the symbol "SQG".

SEGI is an investment holding company that invests into and develops small/medium-sized growth companies that possess industry-specific know-how or proprietary technologies, primarily in Asia. SEGI also makes investments in selected publicly-traded companies that SEGI believes are attractive investment propositions. The objectives of SEGI are to (i) invest into or acquire businesses with compelling growth potential at attractive valuations, (ii) build a diversified and balanced portfolio of investments and (iii) deliver the collective value derived from the performance of its portfolio of investments to the shareholders of SEGI. SEGI's holdings include:

- 38.77% ownership of Singapore-incorporated Spackman Entertainment Group Limited ("SEGL"), which is listed on the Catalist of the Singapore Exchange (ticker: 40E) and is a leading Korean film and entertainment company that wholly-owns Zip Cinema Co., Ltd. and Spackman Entertainment Korea Inc.;
- 100% of SEGI Investments Limited, an investment company that invests into public equities; and
- marketable securities.

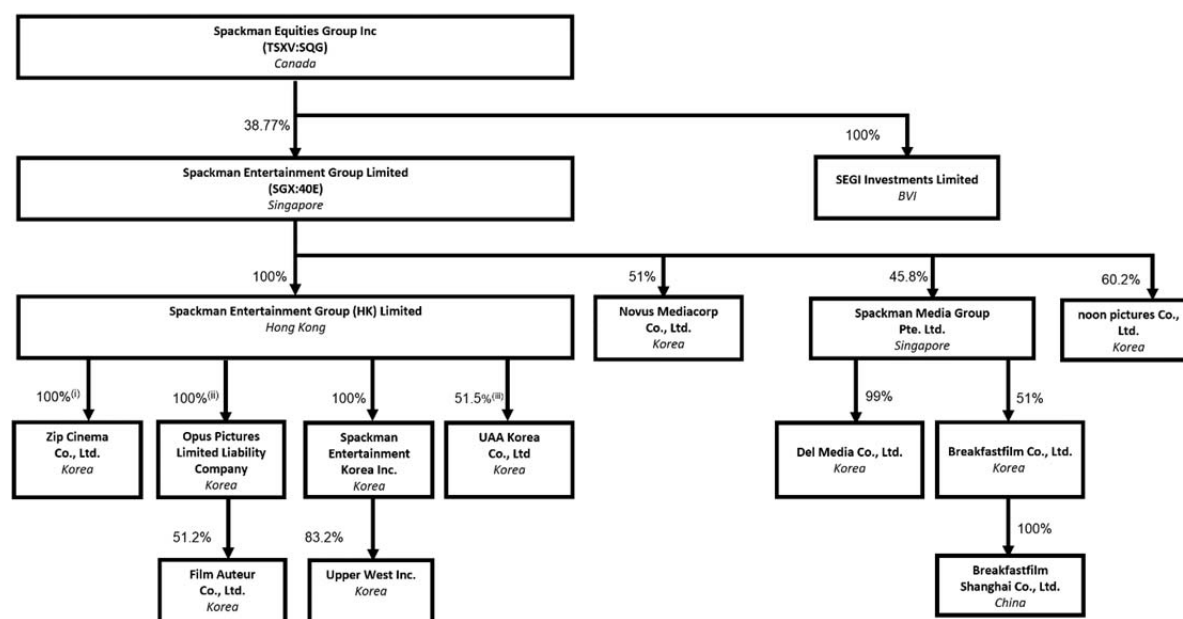
FORWARD-LOOKING STATEMENTS

Matters may be included in this MD&A that constitute "forward-looking" information within the meaning of Canadian securities law. Such forward-looking statements may be identified by words such as "plans", "proposes", "estimates", "intends", "expects", "believes", "may" or words of a similar nature. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from such statements. Factors that could cause actual results to differ materially include among others, regulatory risks, risk inherent in foreign operations, commodity prices and competition. Most of these factors are outside the control of the Company. All subsequent

forward-looking statements attributable to the Company or its agents are expressly qualified in their entirety by these cautionary comments. Except as otherwise required by applicable securities statutes or regulation, the Company expressly disclaims any intent or obligation to update publicly forward-looking information, whether as a result of new information, future events or otherwise.

STRUCTURE AND HOLDINGS

The following chart shows the structure and holdings of the Company as of April 28, 2016, the date of the MD&A:



NOTES:

- (i) Spackman Entertainment Group (HK) Limited ("SEGHK") owns 92.996% of Zip directly, and the remaining 7.004% through its wholly-owned subsidiary Spackman Equities Limited ("SEL")
- (ii) SEGHK owns 99.71% of Opus directly, and the remaining 0.29% through its wholly-owned subsidiary SEL
- (iii) SEGHK owns 51.36% of UAA Korea directly, and the remaining 0.13% through Opus
- (iv) Spackman Entertainment Group Limited ("SEGL") intends to dispose of Opus and UAA Korea as discussed under heading Proposed Sale of Opus and UAA Korea below.

Spackman Entertainment Group Limited

Spackman Entertainment Group Limited ("SEGL") is a leading entertainment production company that is primarily engaged in the independent development, production, presentation, and financing of theatrical motion pictures in Korea. In addition to the film business, SEGL also makes investments into entertainment companies and film funds that can financially and strategically complement its existing core operations. SEGL is listed on the Catalist of the Singapore Exchange Securities Trading Limited under the ticker 40E (Bloomberg: SEG SP Equity).

SEGL's Zip Cinema Co., Ltd. ("**Zip Cinema**") is one of the most recognised film production labels in Korea and has originated and produced some of Korea's most commercially successful theatrical films, consecutively producing 7 profitable movies since 2009 representing an industry leading track record. Recent theatrical releases of Zip Cinema's motion pictures include some of Korea's highest grossing and award-winning films such as *THE PRIESTS* (2015), *COLD EYES* (2013), and *ALL ABOUT MY WIFE* (2012).

SEGL also owns Novus Mediacorp Co., Ltd. ("**Novus Mediacorp**"), an investor, presenter, and/or

ancillary distributor for a total of 55 films (36 Korean and 19 foreign) including *SECRETLY, GREATLY*, which was one of the biggest box office hits of 2013 starring Kim Soo-hyun of *MY LOVE FROM THE STARS* fame, as well as *FRIEND 2: THE GREAT LEGACY*. In 2012, Novus Mediacorp was also the ancillary distributor of *ALL ABOUT MY WIFE*, a top-grossing romantic comedy produced by Zip Cinema.

SEGL films are theatrically distributed and released in Korea and overseas markets, as well as for subsequent post-theatrical worldwide release in other forms of media, including cable TV, broadcast TV, IPTV, video-on-demand, and home video/DVD, etc. SEGL releases all of its motion pictures into wide-theatrical exhibition initially in Korea, and then in overseas and ancillary markets.

The Group is a strategic shareholder of Spackman Media Group Pte. Ltd. ("**SMGPL**"), an associated company of SEGL. SMGPL owns a 99% interest in Delmedia Co., Ltd. ("**Delmedia**"), a leading variety show and unscripted entertainment program production company, which has produced some of Korea's most popular series such as *I AM A SINGER* (MBC), *INFINITE GIRLS* (MBC EVERY1) and *STAR AUDITION: THE GREAT BIRTH* (MBC). Since its founding in November 2003, Delmedia has produced more than 120 variety shows/unscripted entertainment programs, TV dramas and documentaries.

SMGPL also owns a 51.0% majority stake in Breakfastfilm Co., Ltd. ("**Breakfastfilm**"), a leading marketing and media company that specializes in the production of TV/new media commercials and K-pop music videos in Korea. Founded in 2004, Breakfastfilm has produced some of Korea's most well-known TV commercials for major multinational clients such as Samsung, Hyundai Motors, LG, Coca-Cola, McDonald's, Adidas as well as other major Korean corporate brands. Moreover, as a leading producer of K-pop music videos, Breakfastfilm has produced many of Korea's most popular music videos including Wonder Girls' *Nobody*, Girls Generation's *Genie*, 2PM's *Without You*, Miss A's *Breathe*, Rain's *I'm Coming*, Super Junior's *Bonamana*, Shinee's *Everybody*, and JYP's *No Love No More*.

On 21 August 2015, SMGPL engaged KGI Capital Limited to act as the Sole Global Coordinator, Sole Sponsor, Bookrunner and Lead Manager in respect of the proposed listing of SMGPL and its affiliates, which together will form the resultant listing group subsequent to a restructuring exercise, on The Stock Exchange of Hong Kong. Subsequently, on 30 December 2015, the Group announced a share swap agreement for the sale of its 45.8% equity interest in its associated company, SMGPL, in consideration for 7,500,000 ordinary shares in the capital of Spackman Media Group Limited.

Spackman Media Group Limited ("**SMG**"), a company incorporated in Hong Kong, together with its subsidiaries, is the leading talent agency and entertainment content production company in Korea, collectively managing 50 artistes including some of the top names in the Korean entertainment industry. SMG operates the talent management business through such renowned agencies as MStEam Entertainment Co., Ltd., SBD Entertainment Inc., UL Entertainment Co., Ltd., and Kook Entertainment Co., Ltd., and through its 52.8% subsidiary SMGPL, owns Breakfastfilm and Delmedia. Upon completion of the Proposed Share Swap, SMGPL will be the wholly-owned subsidiary of SMG.

On 19 April 2016, SEGL announced the proposed restructuring of its loss-making assets in connection with the Company's entire equity interest in its indirect wholly-owned subsidiary, Opus Pictures Limited Liability Company, and indirect 51.50% subsidiary, UAA Korea Co., Ltd.

Details concerning the operations, financial results and financial standing of SEGL and its subsidiaries Zip and Opus in 2015 are contained in SEGL's Annual Report for 2015 which is available at www.spackmanentertainmentgroup.com.

SEGL's plans to dispose of Opus and UAA Korea are discussed below.

Proposed Sale of Opus Pictures and UAA Korea

On April 19, 2016, SEGL announced a proposed restructuring of its loss making assets pursuant to which SEGL would sell its entire 100% equity interest in Opus Pictures Limited Liability Company ("Opus Pictures") and its 51.5% equity interest in UAA Korea Co., Ltd to Tae Hun Lee, the former Executive Director and Chief Executive Officer of SEGL. Tae Hun Lee resigned as Executive Director and Chief Executive Officer of SEGL on March 8, 2016.

The consideration for the proposed restructuring will be satisfied by way of a selective share buyback of 14,180,000 ordinary shares of the Company from the purchaser, to be effected by the Company pursuant to Section 76D of the Companies Act (Chapter 50) of Singapore (the "Selective Buyback")

The restructuring will allow SEGL to dispose of Opus Pictures which has incurred significant losses over the past several years and will enable SEGL to streamline its core operations and to better focus its resources on its profitable theatrical film business carried out through its subsidiaries Zip Cinema (100% owned) and Novus Mediacorp Co., Ltd. (51.0% owned). SEGL intends to convene an extraordinary general meeting to obtain shareholders' approval for the share buy-back.

RESULTS OF OPERATIONS

For the year ended December 31, 2015, the Company had investment income (loss) of \$(9,215,000) compared with investment income of \$23,120,000 for the year ended 2014. Investment income (loss) for the year is primarily the unrealized loss of \$9,239,000 on the fair value of the Company's investment in SEGL. In addition the Company had other income in the year of \$31,000.

General and administrative expenses totalled \$823,000 for the year compared with \$1,241,000 for 2014. The decrease was mainly the result of a decrease in rental expense for the Hong Kong office due to an increase of \$77,000 in rental payments received from SEGL in the year, a decrease in consulting fees of \$78,000, a decrease in professional fees of 56,000, a decrease in service fees of \$91,000, and the lack of a management bonus (\$250,000 in 2014), offset by an increase in management salaries (2015 - \$261,000; 2014 - \$220,000) and an increase of \$21,000 in consulting fees paid to an officer of SEGL. In the fourth quarter of the year the Company wrote off its \$150,000 investment in a private company and wrote off a loan to DVG Limited of US \$500,000 (CDN \$723,000).

As a result of the foregoing, the Company recorded a net loss and comprehensive loss of \$9,198,000 (\$0.06 per share) for the 2015 year (net income of \$17,493,000 (\$0.12 per share) for 2014).

SUMMARY OF SELECTED QUARTERLY INFORMATION

Detailed Quarterly Results	Fiscal 2015				Fiscal 2014			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Investment Income Sales								
Other	12,124	13,599	5,394	9	(10,092)	105,511	21,808	37,058
Gain (loss), realized and unrealized	15,645,712	(9,653,950)	(2,526,823)	(12,711,294)	(15,536,409)	38,463,962	8,750	29,426
Net income (Loss)								
Total	14,531,669	(9,653,950)	(2,526,823)	(11,549,306)	(18,839,748)	36,836,382	(300,650)	(202,624)
Per share	0.10	(0.06)	(0.02)	(0.08)	(0.13)	0.25	0.00	0.00
Per share (diluted)	0.10	(0.06)	(0.02)	(0.08)	(0.13)	0.25	0.00	0.00

LIQUIDITY, FINANCIAL POSITION AND CAPITAL RESOURCES

Cash and cash equivalents, marketable securities and investments in shares of public and private companies decreased to \$22,715,000 at December 31, 2015, from \$33,426,000 at the end of 2014.

The decrease in cash and cash equivalents, marketable securities and investments in shares of public and private companies was mainly due to:

- a \$9,239,000 decrease in the fair value of the Company's investment in SEGL at December 31, 2015;
- the payment of operating expenses in the year of \$573,000;
- a loan to DVG Limited of US \$500,000 (CDN \$644,000);
- the write off of the Company's \$150,000 investment in a private company

The Company's capital resources consist of cash and cash equivalents and marketable securities, which are used to fund the Company's financial requirements. The company's general and administrative expenses, substantially all of which are committed and non-discretionary in nature, were \$823,000 for the 2015 year (\$1,241,000 for 2014).

Current liabilities were \$33,000 at December 31, 2015, compared to \$48,000 at the end of 2014.

ANALYSIS OF FINANCIAL CONDITION AND FINANCIAL PERFORMANCE

The financial condition of the Company at December 31, 2015 and the financial performance in the year ended December 31, 2015 both declined from the previous year mainly as a result of the decrease in fair value of the Company's investment in SEGL, the payment of operating expenses of \$573,000 in the year, the write off of the Company's \$150,000 investment in the shares of a private company and a write off of a loan to DVG Limited of US \$500,000 (CDN \$644,000)

At December 31, 2015, the Company had cash and cash equivalents, marketable securities and investments in shares of public and private companies of \$22,715,000 (December 31, 2014 \$33,426,000) and current liabilities of \$33,000 (December 31, 2014 \$48,000). The deferred tax liability at December 31, 2015 decreased to \$868,000 (December 31, 2014 \$2,377,000).

ANALYSIS OF FOURTH QUARTER RESULTS

For the fourth quarter ended December 31, 2015, the Company had a profit of \$14,531,000, which is primarily due to the increase in fair value of the Company's investment in SEGL shares and the write off of the Company's \$150,000 investment in the shares of a private company and the write off of a loan to DVG Limited of US \$500,000 (CDN \$723,000)

General and administrative expenses totalled \$156,000 (\$125,000 for the fourth quarter of 2014).

As a result of the foregoing, the Company recorded a net profit of \$14,531,000 (gain of \$0.10 per share) for the fourth quarter (net loss of \$18,840,000 (\$0.13 per share) for the fourth quarter of 2014).

DIRECTORS AND OFFICERS COMPENSATION

The following table sets out all compensation paid to directors of the Corporation for their services as directors in the fourth quarter of 2015.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Douglas Babcook	1,875	Nil	Nil	Nil	Nil	Nil	1,875
William Hale	1,875	Nil	Nil	Nil	Nil	Nil	1,875
John Pennal	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Charles Spackman	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Martin Mohabeer	1,875	Nil	Nil	Nil	Nil	Nil	1,875
Richard Lee	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Mr. Spackman received \$30,000 US in the fourth quarter of 2015 as Chairman and Chief Executive officer. Mr. Pennal received \$15,000 in the fourth quarter of 2015 as Vice President. Alex Falconer received \$8,000 US in the fourth quarter of 2015 as Chief Financial Officer.

RELATED PARTY TRANSACTIONS

The following related party transactions occurred and were reflected in the consolidated financial statements during the year ended December 31, 2015 and 2014 as follows:

REMUNERATION OF KEY PERSONNEL

	December 31, 2015	December 31, 2014
Management salaries \$	260,648	\$ 220,095
Directors' fees	22,500	15,000
Management bonus	-	250,000
Stock options	-	1,160,086
Total	<u>\$ 283,148</u>	<u>\$ 1,645,181</u>

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company and its subsidiary including the Company's Board of Directors. The Company considers key management to be the members of the Board of Directors and the Chief Executive Officer.

During the year, the Company received \$121,000 (2014-\$44,000) in rental payments from SEGL which has a common director. The rental payment was a reimbursement of expenses and has been netted off rent expenses within the general and administrative expenses grouping.

During the year, the Company paid \$38,000 (2014 \$17,000) in consulting fees to an officer of SEGL which has a common director.

COMMITMENTS

The Company has entered into an operating lease agreement for its business premises in Hong Kong with rental payments of HKD \$116,280 (CAD \$19,767) per month. The lease expires on November 15, 2018 subject to renewal. In addition to the monthly rental payment, the Company is responsible for the proportionate share of common area costs and property taxes.

The Company has an employment agreement with the CEO whereby he will be entitled to compensation in the form of investment proceeds resulting from the disposition of the Company's investments during a certain period.

SIGNIFICANT ACCOUNTING POLICIES

These annual consolidated financial statements of the Company and its subsidiary were prepared using accounting policies consistent with IFRS. A summary of significant accounting policies under IFRS is presented in Note 3 of the consolidated financial statements of the Company for the year ended December 31, 2015.

RISK FACTORS AND RISK MANAGEMENT

SEGI shareholders and potential investors in SEGI should carefully consider the following risk factors and all the other information contained in this MD&A when evaluating SEGI and its common shares.

An investment in the Company's shares involves a number of risks, many of which are beyond its control. The risks and uncertainties set out below are all of the known risks, which are deemed to be material to the Company's business or the results of its operations. When reviewing forward-looking

statements and other information contained in this prospectus, investors and others should carefully consider these factors, as well as other uncertainties, potential events and industry-specific factors that may adversely affect the Company's future results. If any of these risks should actually occur, the Company's business, financial condition, results of operations, cash flows and prospects could be harmed. Such risks and uncertainties are not the only ones the Company faces. Additional risks and uncertainties of which the Company is currently unaware or that are deemed immaterial may also adversely affect the Company's business, financial condition, results of operations, cash flows and prospects.

Liquidity and Negative Cash Flows

The Company's cash on hand, cash equivalents marketable securities and public investments at December 31, 2015 was \$22,715,000. This amount should be adequate to continue to fund the Company's operations for the foreseeable future. If the Company had to raise capital to fund its operations or to make further investments in its businesses it would have to sell assets, or raise funds through the sale of additional equity or a combination of those two things. There may not be a ready market for the sale of its assets and it may not be possible to issue additional shares or other securities, or the issue of additional shares or other securities if it were to be possible may result in significant dilution to the interests of existing shareholders.

The Company's principal asset is its investment in the shares of its subsidiary SEGL which owns two film production businesses in Korea and certain other related investments. The film production businesses are at an early stage of development and will likely require additional funding to continue operations or to develop their business plans until they become self funding. Revenues from the film production businesses owned by the SEGL are very unpredictable and SEGL may experience negative cash flow from operating activities. If that is the case, SEGL would have to fund its operations with its cash on hand, cash equivalents and marketable securities.

Limited Diversification of Investments

Due to the small size of the Company and the fact that it has only a limited number of investments, the Company is subject to a greater risk of a downturn in one or more of its investments. A concentration of the Company's invested funds in a limited number of businesses –in particular in the film production business in Korea through the shares of its subsidiary SEGL - means that in the event that any such business or industry or investment is unsuccessful or experiences a downturn, this will likely have a material adverse effect on the Company's business, results from operations, and financial condition. It also means that the Company is more exposed to business cycles than it would be if it owned a larger number of investments, which were diversified over various industries with differing business cycles in different geographic areas.

Industry Risks

Each of the Company's investees is subject to the risks inherent in the industry in which it operates. In the case of SEGL, its businesses are very dependent on the strength of the Korean film industry and SEGL's ability to continue to finance and make successful, profitable movies. Illegal piracy of films and illicit internet downloads of films are also risks which will continue to threaten the Korean film industry.

Competition

The Korean film production companies owned by the Company's subsidiary SEGL face intense competition in their respective markets, including competition from other companies some of whom have greater financial and other resources, and more advanced technological development. The movie production industry is a word-wide industry and films made in Hollywood, India and many other countries compete with Korean films on the worldwide stage for viewership. There can be no assurance that they will be able to successfully compete against their respective competitors or that such competition will not have a material adverse effect on their businesses, financial condition, results of operations and cash flows.

Currency Fluctuations

The Company is exposed to fluctuations in the value of the currencies of the Republic of Korea, the Special Administrative Region of Hong Kong, Singapore, Canada and the United States. The Company does not use currency derivatives to hedge against adverse currency fluctuations.

Legal Claims and Other Contingencies

The Company and its investee companies may become parties to law suits, claims and litigation arising in the ordinary course of business. Such law suits could result in significant costs and the outcome of such law suits could have a material negative impact on the Company's financial position, operating results, or the Company's ability to continue to carry on its business activities.

Lack of Market for the Company's Shares

Although the Company's common shares are listed and traded on the TSX Venture Exchange, there may not be a liquid market for the shares and any market price for the shares may not reflect the underlying value of the Company's business and assets.

Economic Conditions in Korea

The principal asset of the Company is its investment in the shares of SEGL and the majority of SEGL's operations and assets are located in the Republic of Korea through its ownership of two film production companies based in Korea and other investments in Korea. As a result, the Company is subject to political, economic, legal and regulatory risks specific to Korea. From early 1997 until 1999, Korea experienced a significant financial and economic downturn, from which it has now recovered.

Tensions with North Korea

Relations between the Republic of Korea and North Korea have been tense throughout Korea's modern history. The level of tension between the two Koreas has fluctuated and may increase or change abruptly as a result of current and future events. In recent years, there have been heightened security concerns stemming from North Korea's nuclear weapons and long-range missile programs and increased uncertainty regarding North Korea's actions, particularly in light of the recent leadership change, and possible responses from the international community. Tensions have escalated on the Korean peninsula, and there can be no assurance that the level of tension will not escalate further in the future.

Any further increase in tensions which may occur, for example, if military hostilities occur or North Korea experiences a leadership or economic crisis, could have a material adverse effect on our the Company's operations and the market value of its common shares.

Financial Instability in Other Countries

The Korean market and the Korean economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has adversely affected the Korean economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries. A loss of investor confidence in the financial systems of emerging and other markets may cause increased volatility in Korean financial markets. It is possible that the financial events of the type that occurred in emerging markets in Asia in 1997 and 1998 will happen again which would have an adverse effect on the market value of the Company's common shares.

INTERNAL CONTROLS

Disclosure controls and procedures

Management of the Company is responsible for establishing and maintaining disclosure controls and procedures for the Company as defined under National Instrument 52-109 issued by the Canadian Securities Administrators. The Company as a venture issuer is not required to certify the design and evaluation of the issuer's disclosure controls and procedures.

Internal controls over financial reporting

Management of the Company is responsible for designing internal controls over financial reporting for the Company as defined under National Instrument 52-109 issued by the Canadian Securities Administrators. The Company as a venture issuer is not required to certify the design and evaluation of the issuer's disclosure controls and procedures.

International Financial Reporting Standards

The Company's financial statements for the year ended December 31, 2015 and the comparative information presented in the financial statements for the year ended December 31, 2014 have been prepared in accordance with IFRS applicable to the presentation of financial statements.

STRATEGY AND FUTURE DIRECTION

The Company's initial strategy and focus was to (i) identify and acquire small/medium-sized growth companies, primarily in the Republic of Korea, that possess proprietary know-how or technologies and a track record of profitable operations; (ii) assist the management of each acquired company to enhance its value; (iii) originate collaboration amongst the portfolio of acquired companies to create new opportunities for one another and leverage off each others' capabilities and resources; and (iv) reflect the collective value derived from the performance of the acquired businesses on the share price of the Company. As a result of the implementation of this strategy the Company made a number of investments in the Korean film and entertainment business through its subsidiary SEGL.

The Company's principal asset is its 38.77% interest in the shares SEGL that are listed and trade on the Catalist of the Singapore Exchange. On the day immediately prior to the date of this MD&A, the shares closed at a price of SGD \$0.132, and the market value of the Company's investment in SEGL is SGD \$20,409,000 (CAD \$19,056,000) or CAD \$0.123 per SEGL share. SEGL's strategy and focus will continue to be to work with the management of SEGL and its other investee companies to enhance the value of their businesses and thereby improve the value of the Company's investment.

SEGL may also opportunistically make investments in selected small-capitalization publicly-traded companies that the Company believes are attractive investment propositions, or undervalued relative to their underlying financial fundamentals and operating performance. After making an investment into such publicly-traded companies, SEGL plans to encourage and implement such measures as changes in management strategy, business diversification, cost cutting, strategic mergers & acquisitions, capital restructuring, improvements in investor relations activities, and other initiatives typically undertaken by corporate restructuring specialists, in order to seek capital appreciation. Such small-cap stocks targeted by SEGL are investment opportunities that are normally overlooked by institutional investors (i.e. private equity funds, hedge funds, special situations funds, etc.) due to their small size and relatively negligible presence in the market, making such opportunities an attractive niche for SEGL to exploit without significant competition.

The ultimate objective of the Company will be to reflect the collective value derived from the performances of SEGL and other investments in the Company's share price for the benefit of the Company's shareholders.

OUTSTANDING SHARE DATA

The Company has authorized an unlimited number of common shares and an unlimited number of preference shares issuable in series. At December 31, 2015 and at the date of this MD&A there were outstanding 148,900,183 common shares and options to acquire an additional 8,745,000 common shares.

OTHER INFORMATION

Additional information related to the Company may be found on SEDAR at www.sedar.com.

April 29, 2016