DRAGONFLY CAPITAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended April 30, 2015

This Management's Discussion and Analysis ("MD&A") of Dragonfly Capital Corp. ("Dragonfly" or the "Company"), prepared as of August 28, 2015, should be read in conjunction with the financial statements and the notes thereto for the year ended April 30, 2015 which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding future results of operations, performance and achievements of the Issuer. The Issuer has tried, wherever possible, to identify these forward-looking statements by , among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

DESCRIPTION OF BUSINESS

The Company was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia) on March 19, 2010.

The Company is a Capital Pool Company as its principal business is the identification and evaluation of companies, assets or business with a view to completing a Qualifying Transaction in accordance with Policy 2.4 of the TSX Venture Exchange ("Exchange"). Such a transaction will be subject to shareholder and regulatory approval.

On October 14, 2010, the Company completed its initial public offering consisting of a new issue of 2,000,000 common shares priced at $0.10 per share, for gross proceeds of $200,000. The Company's common shares commenced trading on the TSX Venture Exchange under the symbol "DRC.P" at market opening on October 15, 2010. The Company's prospectus dated July 12, 2010 was accepted effective July 14, 2010 by the regulatory authorities of British Columbia and Alberta and constituted an offering to the public of 2,000,000 common shares of the Company at $0.10 per share for gross proceeds of $200,000. The agent received a commission of 10% of the gross proceeds of the offering or $0.01 per share and an administration fee of $10,000. The Company also granted the agent warrants to acquire up to 200,000 common shares at an exercise price of $0.10 per common share exercisable for a period of 24 months from the date the Company's common shares are listed for trading on the Exchange. The agent was also reimbursed by the Company for other agent's expenses incurred pursuant to the offering.

On February 5, 2013, the Company announced the transfer of its listing to the NEX board ("NEX") of the TSXV effective at market open on February 6, 2013. The trading symbol of Dragonfly changed from "DRC.P" to "DRC.H", however, trading in the common shares of Dragonfly ("Common Shares") will remain suspended, pending completion of a Qualifying Transaction.

SELECTED ANNUAL INFORMATION

The following table sets forth selected audited financial information of the Company from the last three completed financial years ended April 30:

	2015 $	2014 $	2013 $
Total assets	1,130	53,205	171,581
Net loss	(163,347)	(137,302)	(203,558)
Net loss per share, basic and diluted	(0.03)	(0.03)	(0.04)

RESULTS OF OPERATIONS

For the year ended April 30, 2015, the Company had a net loss of $163,347 compared to $137,302 for the year ended April 30, 2014. The increase is mainly due to an increase in professional fees, management fees, and rent and administrative fees, and travel and promotion expenses in relation to finding a qualifying transaction.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the eight most recently completed quarters.

	April 30, 2015 $	January 31, 2015 $	October 31, 2014 $	July 31, 2014 $
Total revenues	–	–	–	–
Net loss	(58,662)	(31,619)	(35,905)	(37,161)
Net loss per share, basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)

	April 30, 2014 $	January 31, 2014 $	October 31, 2013 $	July 31, 2013 $
Total revenues	–	–	–	–
Net loss	(84,789)	(12,146)	(28,672)	(11,695)
Net loss per share, basic and diluted	(0.02)	–	(0.01)	–

The net loss for the quarter ended April 30, 2014 included $28,398 for the impairment of exploration and evaluation assets.

LIQUIDITY AND CAPITAL RESOURCES

As at April 30, 2015, the Company had cash of $1,130 compared to $19,255 as at April 30, 2014. As at April 30, 2015, the Company had a working capital deficit of $163,984 compared to $19,637 as at April 30, 2014.

The Company may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Year ended April 30, 2015 compared to the year ended April 30, 2014:

Operating activities

For the year ended April 30, 2015, the Company's operating activities used cash of $81,679 compared to $104,519 for the year ended April 30, 2014.

Financing activities

For the year ended April 30, 2015, the Company was provided cash of $63,554 by financing activities from net advances from related parties and proceeds from share subscriptions received, compared to $58,750 rom advances from related parties for the year ended April 30, 2014.

Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued capital, share-based payment reserve, and share subscriptions received.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended April 30, 2014.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

(a) For the year ended April 30, 2015, the Company incurred rent and administrative fees of $44,100 (2014 – $30,058) to a company controlled by two directors of the Company.

(b) For the year ended April 30, 2015, the Company incurred management fees of $44,100 (2014 – $11,025) to a company controlled by the President of the Company.

(c) As at April 30, 2015, prepaid expenses include the amount of $nil (2014 – $11,025) for rent and administrative fees paid to a company controlled by two directors of the Company.

(d) As at April 30, 2015, prepaid expenses include the amount of $nil (2014 – $22,050) for management fees paid to a company controlled by the President of the Company.

(e) As at April 30, 2015, the Company owed $77,629 (2014 - $nil) to a company controlled by two directors of the Company which is non-interest bearing, unsecured and due on demand.

FOURTH QUARTER

See summary of quarterly results.

FINANCIAL INSTRUMENTS AND RISKS

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at April 30, 2015 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, April 30, 2015 $
Cash	1,130	–	–	1,130

The fair values of other financial instruments, which include accounts payable and accrued liabilities, and due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended April 30, 2015, and have not been applied in preparing these financial statements.

New standard IFRS 9, "Financial Instruments"

Amendments to IAS a, "Presentation of Financial Statements"

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

An analysis of material components of the Company's general and administrative expenses is disclosed in the financial statements for the year ended April 30, 2015 to which this MD&A relates. An analysis of material components of the Company's exploration and evaluation assets is disclosed in the financial statements for the year ended April 30, 2015 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Share Capital

As at August 28, 2015, the Company had 6,311,000 shares issued and outstanding.

Share Purchase Warrants

As at August 28, 2015, the Company had no share purchase warrants outstanding.

Stock Options

As at August 28, 2015, the Company had 600,000 stock options exercisable at $0.10 per share expiring on October 15, 2015.

SUBSEQUENT EVENTS

On May 26, 2015, the Company issued 1,300,000 common shares at $0.10 per share for proceeds of $130,000, of which $19,000 was received as at April 30, 2015.

Subsequent to April 30, 2015, the Company repaid $68,201 to a company controlled by two directors of the Company.

QUALIFYING TRANSACTION

On July 2, 2015, the Company entered into a Letter of Intent ("LOI") to acquire all of the membership interests in Oleavicin, LLC ("Oleavicin"), a privately-held California-based manufacturer and distributor of 100% all natural treatments for skin ailments, including cold sores, canker sores, fever blisters, psoriasis, shingles and dry itchy skin. (the "Transaction").

Dragonfly's proposed acquisition of Oleavicin is intended to serve as the basis for Dragonfly's "Qualifying Transaction" under the policies of the TSX Venture Exchange (the "TSXV") and is subject to TSXV acceptance. The resulting issuer will be classified as a Tier 2 Issuer in accordance with TSXV policies, in the biotech/pharmaceutical sector.

There are currently 970,000 membership units issued in Oleavicin, of which Craig and Cindy Makela, through The Makela Living Trust, control 577,250 units, representing 59.5% of the issued units in Oleavicin. Both Craig Makela and Cindy Makela are residents of the state of California, United States of America. Pacific Paragon Capital Group Ltd. ("Pacific Paragon"), a British Columbia incorporated company, controlled by Harry Chew, a director of Dragonfly has entered into private agreements to acquire up to 260,300 membership units from some of the current members of Oleavicin, representing 26.8% of the issued units in Oleavicin. Harry Chew is a resident of the province of British Columbia, Canada.

The transaction is a non-arm's length transaction and may require shareholder approval.

About Oleavicin

Oleavicin's business was founded in 2012 by Craig and Cindy Makela and is headquartered in Goleta, California. Oleavicin is the first brand to deliver a 100% all-natural olive leaf botanical gel in a patented proprietary formula to instantly treat cold sores, canker sores, fever blisters and a variety of other painful and unsightly skin conditions. Oleavicin plans on extending its product line to include caplets, lip balms, shampoos and conditioner, a skin care line and other related products incorporating its patented formula. Oleavicin has received FDA approval to sell its product in the United States of America and has recently received its NPN license number to sell its product in Canada. The gel is currently available for purchase online and in approximately 100 grocery, natural products, and independent stores along the west coast of the United States.

Terms of the Transaction

The key terms of the Transaction, as set out in the LOI, are as follows:

1. Dragonfly is to issue to Oleavicin's members an aggregate of 15,000,000 common shares of Dragonfly (the "Exchanged Shares") in exchange for all of the membership interests of Oleavicin;
2. Dragonfly is to raise additional funds by way of a private placement of up to 7,000,000 units of the Company at a price of $0.15 per unit (the "Concurrent Financing"), with each unit consisting of one common share of Dragonfly and one share purchase warrant. Each warrant is to entitle the holder to purchase an additional common share of Dragonfly at a price of $0.25 per common share for a period of two years from the date of issuance. The Concurrent Financing is to close concurrently with the closing of the Transaction (the "Closing"). On Closing, the members of Oleavicin will together hold approximately 53% of the total issued and outstanding common shares of Dragonfly assuming completion of the maximum amount of the Concurrent Financing.
3. Upon completion of the Transaction the Board of Directors of Dragonfly is to consist of five members. It is anticipated that the initial directors of Dragonfly following the Transaction will be Harry Chew, Sonny Chew, Trent Hunter, Craig Makela and Cindy Makela. Before co-founding Oleavicin, Craig and Cindy Makela started Santa Barbara Olive Company and ran the business for 28 years from a local startup to a world recognized national brand, when it was eventually sold to a large international food company in 2009. Craig Makela has held a number of high profile leadership positions within the specialty food and natural products marketplace including founder of the California Specialty Food Group, founder and board member of the South California Culinary Guild, and committee member with the American Institute of Wine and Food. Cindy Makela was a founder of the Bank of Santa Barbara and the California Specialty Trade Association. Cindy's deep knowledge and passion for natural and gourmet products led her to the role of founder of the Santa Barbara Vintners' Association and as one of the first members of the American Institute of Wine and Food. The parties intend that the senior officers of Dragonfly upon completion of the Transaction will be Craig Makela, President and CEO; Harry Chew, CFO; Cindy Makela, Vice-President of Marketing; and Sonny Chew, Secretary.

Pacific Paragon loaned the sum of US$100,000 to Oleavicin in connection with the Transaction. Pacific Paragon intends to seek repayment of the loan from the proceeds the Concurrent Financing or through the conversion of the outstanding loan amount into common shares of the resulting issuer.

The Transaction is subject to the approval ("Regulatory Approval") of the TSXV. The parties are to negotiate a definitive share exchange agreement to reflect the terms of the LOI (the "Share Exchange Agreement").

Conditions for Closing

The closing of the Transaction with Oleavicin will be subject to a number of conditions, including but not limited to the following:

(a) completion by Dragonfly of its due diligence reviews of Oleavicin prior to August 31, 2015;

(b) receipt of historical audited financial statements of Oleavicin and such other valuations or assessments reasonably required to establish the value of the Oleavicin interests, and the number of Exchanged Shares to be issued in exchange therefore, all in a form satisfactory to Dragonfly;

(c) execution of the Share Exchange Agreement;

(d) receipt of Regulatory Approval, including acceptance of the Share Exchange Agreement by the NEX and TSXV and Dragonfly establishing to the TSXV that it will meet all required minimum listing requirements of the TSXV as a Tier 2 issuer, post-Closing;

(e) shareholder approval of Dragonfly, if required by the TSXV;

(f) closing of the Concurrent Financing of up to $1,050,000; and

(g) entering into employment and management agreements, including non-competition terms, with Craig Makela, Cindy Makela and Harry Chew.

Sponsorship

Sponsorship of a Qualifying Transaction of a Capital Pool Company is required by the TSXV unless an exemption from the sponsorship requirement is available. Dragonfly intends to either engage a member firm to act as the sponsor for this Qualifying Transaction or rely upon an exemption from the sponsorship requirement, if available.

Trading Halt

As required by the policies of the TSXV, trading of Dragonfly's common shares has been halted in connection with the announcement of the Qualifying Transaction. Trading will remain halted pending the satisfaction of the TSXV's initial filing requirements in respect of the Qualifying Transaction and the TSXV's initial assessment of the Transaction and related matters. Shareholders are advised that trading may remain halted until the TSXV provides its final acceptance to the Qualifying Transaction.

OTHER

Additional disclosures pertaining to the Company's material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.