ESSEX ANGEL CAPITAL INC.
Form 51-102F1

Management's Discussion & Analysis
For the six months ended February 29, 2016

1.1 Introduction

Corporate structure and background

The following management's discussion and analysis ("MD&A"), prepared as of April 29, 2016, is a review of operations, current financial position and outlook for Essex Angel Capital Inc. (the "Corporation"). Additional information relevant to the Corporation's activities can be found on SEDAR at www.sedar.com. This MD&A should be read in conjunction with the Corporation's unaudited condensed interim financial statements for the six months ended February 29, 2016 and the Corporation's audited financial statements for the year ended August 31, 2015 and the notes thereto. Those financial statements were prepared in accordance with IFRS. Amounts are reported in Canadian dollars, unless otherwise specified.

The Corporation was incorporated on February 10, 2010 pursuant to the *Canada Business Corporations Act*. The Corporation completed its initial public offering on December 7, 2010 and is listed on the TSX-V as a Tier 2 Investment Issuer under the symbol "EXC". The Corporation's stated business goal is to build a portfolio of investments, with a view to participating in income and capital growth from the ultimate sale or other disposal of those investments.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Corporation's management, are intended to identify forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements. The Corporation does not intend and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments, except as required by law.

Risks and Uncertainties

The Corporation has no material assets other than cash and investments. It does not have a history of earnings, nor has it paid any dividends, and may never pay dividends. Readers should refer to the risk factors disclosed in the Corporation's Filing Statement dated July 6, 2011 filed on SEDAR.

Additional Risk Factors

In addition to the risk factors disclosed in the Corporation's Filing Statement, there are risks relating to the reported value of the Corporation's investments. As described in Notes 3 and 9 to the unaudited interim condensed financial statements, although the Corporation's active investments (as at February 29, 2016) are comprised mostly of publicly traded shares, there is no guarantee that the market would be able to absorb sale of the number of shares held by the Corporation without a drop in the share price, should the Corporation attempt to realize its investments within a very short timeframe. The reported fair value does not necessarily reflect the value that would be obtained should the Corporation sell its investments in an arm's-length transaction.

1.2 Overall Performance

The Corporation was incorporated under the *Canada Business Corporations Act* on February 10, 2010. On December 7, 2010, the common shares of the Company began trading on the TSX-V under the ticker symbol "EXC.P". On July 15, 2011, the Corporation completed its Qualifying Transaction and is now listed on the TSX-V as a Tier 2 Investment Issuer. Pursuant to the Qualifying Transaction, the Corporation entered into agreements to acquire debt securities of Wellness Indicators Inc. ("Wellness") and 3Gyros Inc. ("3Gyros").

During the year ended August 31, 2013, the Corporation foreclosed on its debt securities of Wellness Indicators Inc. ("Wellness"), and was able to secure the collateral pursuant to its security interest that it shared pro rata with certain other minority senior lenders of Wellness. Immediately upon foreclosure, the Corporation sold the collateral to Zivo Bioscience Inc. ("Zivo") (formerly Health Enhancement Products Inc.), a health and wellness company quoted on the OTCBB. The Corporation's portion of the consideration received was 1,792,315 common shares of Zivo, with a market value on the transaction date of $834,126. The market value of these shares on August 31, 2013 was $820,979.

During the year ended August 31, 2013, the Corporation determined that 3Gyros Inc. was not meeting its production or sales targets. In addition, 3Gyros was not providing to the Corporation all information required under the terms of the loan agreement. On July 29, 2013, the Corporation served 3Gyros with notice that 3Gyros was in breach of key terms of the loan agreement, and demanded immediate repayment of the loan in accordance with the terms of said agreement, but did not receive a satisfactory response. In the absence of adequate information to support a net positive carrying value, the investment in 3Gyros was written down to $nil.

As at August 31, 2013, the Corporation's investments comprised 1,792,315 common shares of Zivo, acquired as described above.

On November 8, 2013, the Corporation acquired 400,000 common shares of Targeted Microwave Solutions Inc. (formerly Microcoal Technologies Inc. (Canadian Stock Exchange ("CSE") symbol "MTI")) for consideration of $100,000, and acquired 200,000 share purchase warrants of LED Medical Diagnostics Inc. (CSE:"LMD") for consideration of $50,000, which was settled with the issuance of a note payable totaling $150,000. Each share purchase warrant of LED Medical was exercisable at a price of $0.20 for one whole common share of LED Medical until June 20, 2015. On June 20, 2015 the Company sold the warrants at their book value of $16,800 to the lender under the notes payable, payment being made by reducing the principal of the notes payable to $133,200. The lender also waived the requirement to pay the remaining balance of the $33,200 portion of the notes related to the warrants on disposition of the warrants. Effective December 24, 2015, the common shares of TMS were consolidated on a five old shares for one new share basis.

On December 20, 2013, the Corporation entered into five debt settlement agreements with related parties resulting in the Company distributing 1,107,409 common shares of Zivo to settle amounts outstanding of $343,296. These common shares had a fair value of $413,949 based on the end of day share price on the date of the settlements, resulting in the Company recording a loss on settlement of debt of $70,653.

On February 19, 2014, the Company acquired a convertible debenture of Valparaiso for proceeds of $25,050, where the debenture is convertible into common shares of Valparaiso at $0.033 per common share. As consideration for investing in the convertible debenture of Valparaiso, the Company received an additional 751,500 common shares of Valparaiso. On March 18, 2014, the Company exercised its right to convert the debenture into 751,500 common shares of Valparaiso. During the year ended August 31, 2015, Valparaiso consolidated its common shares on a one-for-four basis, where the Company's 1,503,000 common shares of Valparaiso was adjusted to 375,750 common shares.

On August 19, 2014, the Company acquired 1,750,000 common shares in SPT Sulphur Polymer Technologies Inc. ("SPT Sulphur") for consideration of $35,000. SPT Sulphur trades on the CSE under the symbol "SEE". In December 2015, SPT Sulphur completed a change of business, including a change of name to LeenLife Pharma International Inc., and commenced trading under the symbol "LLP" on the CSE.

On January 26, 2015, the Company acquired 100,000 units of Imperus Technology Corp. (TSXV – "LAB") for consideration of $35,000. Each unit consists of one common share and one-half warrant. Each whole warrant shall entitle the holder thereof to purchase one common share at a price of $0.55 per warrant until January 28, 2018. In April 2015, the Company sold 3,000 shares from its holdings of Imperus.

On January 30, 2015, the Company acquired 250,000 common shares in Levon Resources Inc. (TSX -"LVN") for consideration of $71,193. In May 2015, the Company sold 34,000 shares from its holdings of Levon. In July 2015, Levon completed a Plan of Arrangement pursuant to which the Company's 216,000 shares of Levon (hereafter referred to as "Old Levon") were exchanged for 216,000 shares of SCIVAC Therapeutics Inc. ("SCIVAC") and 108,000 shares of Levon Resources Ltd. ("New Levon"). The Company sold the New Levon shares upon receipt of the certificates.

On February 6, 2015, the Company acquired 1,000,000 units of M Pharmaceuticals Inc. (CSE – "MQ") for consideration of $20,000, subsequently consolidated on a one-for-ten basis to become 100,000 units. Each unit consists of one common share and one warrant. Each warrant shall entitle the holder thereof to purchase one common share at a price of $0.50 per warrant until February 6, 2017.

In April 2015, the Company acquired in market purchases, 260,000 common shares of Blueocean Nutrasciences Inc. ("Blueocean") (TSXV: "BOC") for proceeds of $48,243. In May 2015, the Company sold 83,500 shares from its holdings of Blueocean.

At August 31, 2015, the fair value of the Company's investment portfolio of shares and warrants was $689,541 the particulars of which are set out in Note 3 to the audited annual financial statements of the Company for the year ended August 31, 2015.

On September 24, 2015, the Company acquired 100,000 units of Moseda Technologies, Inc. for consideration of $15,105. Each unit consisted of one common share and one-half of a share purchase warrant. Each whole share purchase warrant is exercisable into one common share at a price of $0.25 per share for one year.

On November 2, 2015, the Company acquired 200,000 units of Columbus for consideration of $12,000. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable into one common share at a price of $0.08 per share for one year.

At February 29, 2016, the fair value of the Company's investment portfolio of shares and warrants was $855,858 the particulars of which are set out in Note 3 to the unaudited condensed interim financial statements of the Company for the six months ended February 29, 2016.

1.3 Selected Annual Information

The following provides a summary of selected financial information, derived from the Company's audited financial statements for the years ended August 31, 2015 and 2014:

	Years ended August 31	
	2015 $	2014 $
Total revenues	10,814	-
Net Income (loss) and income (loss) – total	98,211	(820,030)
Net income (loss) and comprehensive income (loss) – per share	0.01	(0.10)
Total assets	696,146	595,605
Total liabilities	216,702	214,372

The financial information presented in the table above for the years ended August 31, 2015 and 2014 are from the Company's financial statements prepared in accordance with International Financial Reporting Standards. The reporting currency for all periods is Canadian dollars.

1.4 Summary of Quarterly Results

The following table summarizes information derived from the Corporation's financial statements for each of the Corporation's most recently completed eight quarters:

Quarter ended:	Total revenue (1)	Total net income (loss)	Earnings (loss) per share (actual and fully–diluted) (2)
May 31, 2014	$-	($258,517)	($0.032)
August 31, 2014	$-	($77,940)	($0.007)
November 30, 2014	$-	(140,540)	($0.010)
February 28, 2015	$-	1,478,508	$0.14[3]
May 31, 2015	$-	(1,014,715)	($0.10)
August 31, 2015	$10,814	(225,042)	($0.02)
November 30, 2015	$-	817,974	$0.08[4]
February 29, 2016	$-	(936,348)	$(0.09)

Notes:

(1) Excludes adjustments to fair value of investments.

(2) Based on weighted average shares outstanding in the relevant period, therefore total for each group of four quarters does not agree to annual total reported in relevant audited financial statements.

(3) Fully diluted $0.08 per share.

(4) Fully diluted $0.04 per share.

For the six month period ended February 29, 2016 and February 28, 2015

	February 29, 2016 $	February 28, 2015 $
Net Income (Loss) for the period	(118,374)	1,340,280
Compensation	-	20,351
Professional Fees	9,450	22,056
Gain (Loss) FV Investments	130,148	1,414,450

1.5 Results of Operations

Discussion of Operating Results - six months ended February 29, 2016

During the six months ended February 29, 2016, the Company recorded a loss of $118,374 as compared with a net income of $1,340,280 during the six months ended February 28, 2015. The decline of $1,469,927 is primarily due, amongst other things, to: a decrease of in the fair value of investments as at February 29, 2016 from the fair value at August 31, 2015 of $32,083. This decrease was partially offset by a reduction of $20,351 in director and management compensation in the 2015 period as a result of a change in management in 2015; a reduction of $12,606 in professional fees in the 2016 period reflecting the reduced use of legal services in the period; as offset by: an increase of $23,382 in general and administrative expenses in the 2016 period and an unrealized foreign exchange gain of $7,711 in the 2016 period due to the fluctuation in the relative values of the Canadian and U.S. dollars on US dollar based investments and accounts payable held by the Corporation.

Discussion of Operating Results - three months ended February 29, 2016

During the three months ended February 29, 2016, the Company recorded a loss of $936,348 as compared with a net income of $1,489,781 during the three months ended February 28, 2015. The decline of $2,426,129 is primarily due, amongst other things, to: a decrease of in the fair value of investments in the current year of $925,061 as compared to an increase during the comparative period of $1,520,130. This decrease was partially offset by a reduction of $6,287 in professional fees in the 2016 period reflecting the reduced use of legal services in the period; as offset by: an increase of $11,124 in general and administrative expenses in the 2016 period and an unrealized foreign exchange gain of $19,368 in the 2016 period due to the fluctuation in the relative values of the Canadian and U.S. dollars on US dollar based investments and accounts payable held by the Corporation.

1.6 and 1.7 Liquidity and Capital Resources

At August 31, 2015, the Company had a working capital deficit of $76,897 with a cash balance of $1,183. Not part of the calculation of its working capital is the Company's holdings of investments in publicly traded shares that are available for sale which had a market value of $689,541 at August 31, 2015.

At February 29, 2016, the Company had a working capital deficit of $163,188 with a cash balance of $1,468, the increase in the deficit being the result of the receipt of certain short term loans and subscription proceeds during the three month period. The Company's holdings of investments in publicly traded shares available for sale had increased to a market value of $855,858 at February 29, 2016.

Ongoing working capital requirements are limited to those necessary to maintain the Company's ongoing public reporting obligations, and support the Company in its identification and completion of further potential investment and fund raising opportunities. Should the Company not be able to attract additional debt or equity financing, management of the Company is able to raise funds as needed through sales from its investment portfolio.

The Corporation has not pledged any of its assets as security for loans or otherwise, and is not subject to any debt covenants.

1.8 Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements.

1.9 Transactions with Related Parties

During the six months ended February 29, 2016, the Company:

(a) incurred professional fees of $9,450 (2015 - $nil) to the former Chief Financial Officer of the Company. As at February 29, 2016, accounts payable and accrued liabilities includes $9,450 (November 30, 2104 - $nil) owing to the former Chief Financial Officer of the Company, which is non-interest bearing, unsecured, and due on demand;

(b) incurred director and management compensation of $Nil (2015 - $20,351) to the former President of the Company. As at February 29, 2016, accounts payable and accrued liabilities includes $nil (August 31, 2015 - $nil) owing to the former President of the Company, which was non-interest bearing, unsecured, and due on demand.

These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount agreed upon by the transacting parties.

1.10 Other Events

Effective April 15, 2016, Christopher Cherry was appointed as CFO of the Company upon the resignation of Douglas Eacrett.

1.11 Changes in Accounting Policies

See Note 2 to the Corporation's unaudited condensed interim financial statements for the period ended February 29, 2016 for a description of the Company’s accounting policies and new accounting standards that have been issued but are not yet effective with respect to the Corporations financial statements.

1.12 Financial Instruments and Other Instruments

At November 30, 2015, the Company’s financial instruments consist of cash and cash equivalents, investments, accounts payable and accrued liabilities, and note payable. See Notes 3 and 4 to the Company's unaudited condensed interim financial statements for the three months ended November 30, 2015 for more information.

1.13 Additional Information Outstanding Share Data as at February 29, 2016 and the Report Date

Authorized

The Company is authorized to issue an unlimited number of Common Shares.

Issued and issuable under warrants or options

As at February 29, 2016	10,838,333	Common Shares issued and outstanding

As at February 29, 2016	10,838,333	Common Shares issued and outstanding
and April 29, 2016:	8,761,333	Issuable pursuant to outstanding warrants
	Nil	Issuable pursuant to outstanding options
	19,749,666	Fully diluted

1.15 Officers and Directors

David Berg, CEO, Director
Christopher Cherry, CFO
David McAdam, Director
Julie Zhu, Director
Nick Watters, Director