

LEO ACQUISITIONS CORP.
(A Capital Pool Corporation)

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND
NINE MONTHS ENDED MARCH 31, 2015**

June 1, 2015

The following discussion and analysis of the operating results and financial position is supplementary to, and should be read in conjunction with, the unaudited interim condensed financial statements for the three and nine months ended March 31, 2015 of Leo Acquisitions Corp. ("Leo" or the "Company"). The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts are expressed in Canadian dollars.

FORWARD-LOOKING INFORMATION

The discussion and analysis and other sections of this report contain forward-looking statements. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause results to differ materially from those contemplated by these forward-looking statements. Management considers the assumptions on which these forward-looking statements are based to be reasonable at the time the statements were prepared, but cautions the reader that they could cause actual results to differ materially from those anticipated.

COMPANY PROFILE

Leo Acquisitions Corp.

Leo Acquisitions Corp. was incorporated under the Business Corporations Act (Ontario) on October 28, 2009 and is classified as a Capital Pool Corporation as defined in TSX Venture Exchange Inc. (the "Exchange") Policy 2.4. The Company has not commenced commercial operations and has no significant assets other than cash. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction, as defined in Exchange Policy 2.4. Except as described in the Company's prospectus dated November 4, 2010, the funds raised pursuant to the Company's Initial Public Offering (the "Offering") will be utilized only for the identification and evaluation of potential Qualifying Transactions and, to the extent permitted by Policy 2.4, for general and administrative expenses.

On February 2, 2011, the Company completed its Initial Public Offering (the "Offering") of 5,740,500 common shares at a price of \$0.10 per common share for total gross proceeds of \$574,050 and has filed for listing as a Capital Pool Company on the TSX Venture Exchange. Union Securities Ltd. acted as lead agent on the Offering. The common shares of Leo commenced trading on the TSX Venture Exchange on February 8, 2011 under the trading symbol "LEQ".

On August 10, 2011, the Company completed a non-brokered private placement of 500,000 common shares at price of \$0.10 per share for gross proceeds of \$50,000.

On May 14, 2013, the Company announced that at the annual and special shareholders' meeting held on April 26, 2013, shareholders of the Company passed a resolution to approve the application to list the Company's common shares on the NEX board of the TSXV. Pursuant to TSXV Policy 2.4 - Capital Pool Companies, 50% of the seed shares purchased by Non-Arm's Length Parties, as that term is defined under the TSXV Policies, at a discount to the initial public offering price must be cancelled upon transfer of a capital pool company from the TSXV to the NEX. Accordingly, 1,000,000 common shares of the Company held by Non-Arm's Length Parties have been cancelled. These actions are a result of the Company's inability to complete a Qualifying Transaction within the time period prescribed by the TSXV

On May 30, 2014, the Company entered into a signed letter of intent (the "LOI") with Axcelon Biopolymers Inc. ("Axcelon"), a corporation incorporated under the Business Corporation Act of Ontario, which outlines the general terms and conditions pursuant to which the Company and Axcelon would be willing to complete a transaction that will result in a reverse take-over of the Company by the shareholders of Axcelon (the "Transaction"). The proposed transaction is intended to constitute the Company's Qualifying Transaction (the "Qualifying Transaction" or "QT") as such term is defined in the policies of the TSX Venture Exchange (the "TSXV"). The LOI was negotiated at arm's length and is effective as of May 30, 2014.

The LOI is to be superseded by a definitive merger, amalgamation or share exchange agreement (the "Definitive Agreement") to be signed on or before May 31, 2015 (or such other date as may be mutually agreed in writing between the Company and Axcelon). The Transaction is subject to requisite regulatory approval, including the approval of the TSXV and standard closing conditions, including the approval of the directors of each of the Company and Axcelon of the Definitive Agreement and completion of due diligence investigations to the satisfaction of each of the Company and Axcelon. The legal structure for the Transaction will be confirmed after the parties have considered all applicable tax, securities law and accounting efficiencies, however, it is currently contemplated that the transaction will be structured as a securities exchange.

The Company proposes to acquire all of the issued and outstanding Axcelon Shares pursuant to the terms of a Definitive Agreement. It is expected that each shareholder of Axcelon will receive in exchange for each Axcelon Share held (the "Exchange Ratio") that number of Leo Shares such that the current shareholders of Leo would hold no less than 10.8% of the common shares of the combined entity (the "Resulting Issuer") and the current shareholders of Axcelon would hold approximately 89.2% of the common shares of the Resulting Issuer, on a non-diluted basis, upon completion of the Transaction.

An aggregate of \$1 million worth of Leo Shares will be held in escrow and released to the current holders of Axcelon Shares on the Resulting Issuer meeting certain financing and performance milestones upon completion of the Transaction.

Immediately after the completion of the Transaction, (i) Axcelon would be a direct, wholly owned subsidiary of the Resulting Issuer, and (ii) the former Axcelon shareholders would collectively exercise control over the Resulting Issuer.

The Company currently has two employees, Gerry Goldberg, Chief Executive Officer and Warren Goldberg, Chief Financial Officer. Neither officer is compensated by the Company.

SELECTED INTERIM INFORMATION

Summarized selected financial information with respect to the Company for the unaudited three and nine month periods ended March 31, 2015 and 2014 is as follows:

		Three months ended March 31, 2015		Three months ended March 31, 2014		Nine months ended March 31, 2015		Nine months ended March 31, 2014
Total expenses	\$	(30,838)	\$	(2,111)	\$	(62,907)	\$	(6,898)
Net loss		(30,838)		(2,111)		(62,907)		(6,898)
Loss per share	\$	(0.005)	\$	(0.000)	\$	(0.01)	\$	(0.001)
Total assets	\$	426,835	\$	454,690	\$	426,835	\$	454,690
Total liabilities		54,278		10,247		54,278		10,247
Shareholders' equity		372,557		444,443		372,557		444,443

RESULTS OF OPERATIONS

Unaudited Three-months ended March 31, 2015 compared to 2014

The Company recorded a net loss of \$30,838 during the three-months ended March 31, 2015 compared to a net loss of \$2,111 during the comparative period in the prior year. The reason for the increase is associated with legal fees incurred in connection with Company's proposed Qualifying Transaction with Axcelon Biopolymers Inc.

During the three-month period ended March 31, 2015, the Company incurred legal fees of \$27,128 in connection with the Company's proposed Qualifying Transaction with Axcelon Biopolymers Inc. and fees of \$999 for general corporate matters. The Company also incurred \$1,250 of filing fees representing NEX listing fees in respect of the Company's quarterly continuous disclosure obligations and \$500 in other filing fees. General and administrative costs totalled \$961 consisting of courier and mailing costs.

During the three-month period ended March 31, 2014, the Company incurred \$1,250 of filing fees representing NEX listing fees in respect of the Company's continuous disclosure obligations and \$250 in other filing fees, and incurred legal fees of \$548 in connection with general corporate matters and general and administrative charges of \$63 consisting of printing and postage charges.

Loss per share during the three-month period ended March 31, 2015 was \$(0.005) compared to a loss per share of \$(0.000) during the comparative period ended March 31, 2014.

Unaudited Nine-months ended March 31, 2015 compared to 2014

The Company recorded a net loss of \$62,907 during the nine-month period ended March 31, 2015 compared to a net loss of \$6,898 during the comparative period in the prior year. The reason for the increase is associated with consulting fees paid for due diligence work and legal fees incurred in connection with the Company's proposed qualifying transaction with Axcelon Biopolymers Inc.

During the nine-month period ended March 31, 2015, the Company incurred consulting fees of \$10,000 and legal fees of \$41,833 in connection with the Company's proposed Qualifying Transaction with Axcelon Biopolymers Inc. as well as legal fees of \$999 for general corporate matters. The Company also incurred \$7,217 of filing fees representing NEX listing fees, TSX Venture Exchange participation fees and SEDAR charges in respect of the Company's annual continuous disclosure obligations. General and administrative expenses totalled \$2,858 and consisted of printing, mailing and courier costs associated with disseminating press releases in relation to the announcement of the Company's proposed Qualifying Transaction with Axcelon Biopolymers Inc. and disbursements associated with the above legal fees.

During the nine-month period ended March 31, 2014, the Company incurred \$6,027 of filing fees representing NEX listing fees and SEDAR costs in respect of the Company's continuous disclosure obligations, \$260 of charges associated with disseminating press releases and other shareholder information, and incurred legal fees of \$548 in connection with general corporate matters and general and administrative charges of \$63 consisting of printing and postage charges.

Loss per share during the nine-month period March 31, 2015 was \$(0.01) compared to a loss per share of \$(0.001) during the comparative period ended March 31, 2014.

SUMMARY OF QUARTERLY RESULTS

Note: The Company's fiscal year end is June 30. Fiscal 2015 and 2014 are comprised of the periods ending June 30, 2015 and 2014, respectively.

The following table presents selected financial data of the Company for its last eight quarters as reported in the particular period:

Quarter	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Fiscal Year	2015	2015	2015	2014	2014	2014	2013	2013
Net loss	(30,838)	(11,422)	(20,647)	(8,979)	(2,111)	(-)	(4,787)	(39,981)
Loss per share	(0.005)	(0.002)	(0.003)	(0.001)	(0.000)	(0.000)	(0.001)	(0.006)

LIQUIDITY

At March 31, 2015, the Company had \$418,987 in cash and \$7,848 recorded as other receivables. On June 30, 2014, the Company had cash balances of \$461,854 and \$113 recorded as other receivables.

Total liabilities were \$54,278 at March 31, 2015, an increase of \$27,775 from total liabilities of \$26,503 at June 30, 2014. The increase is attributable to the accrual of legal fees incurred in respect of the Company's proposed Qualifying Transaction as well as for the accrual of filing fees incurred in connection with the Company's annual filing and disclosure obligations during the nine-month period ended March 31, 2015.

Shareholders' equity decreased from \$435,464 on June 30, 2014 to \$372,557 on March 31, 2015. The decrease is attributable to the loss of \$62,907 incurred during the nine-month period ended March 31, 2015.

CAPITAL RESOURCES

The Company financed its operations during the nine-month period ended March 31, 2015 from the remaining net cash proceeds received from the Company's Initial Public Offering (the "Offering").

Cash raised by the Company from the Offering are to be used by the Company to fund its activities relating to the identification and evaluation of potential Qualifying Transactions and, to the extent permitted by Policy 2.4, for general and administrative expenses. Until such time as the Company identifies a Qualifying Transaction, it is contemplated that the working capital requirements of the Company will relate generally to expenses associated with the Company's continuous disclosure obligations under applicable securities legislation, and costs incurred in identifying, evaluating and executing a potential qualifying transaction. The only material ongoing contractual obligations of the Company relate to the payment of transfer agency fees and legal and audit fees.

The Company believes it has sufficient capital resources to execute a qualifying transaction.

OFF-BALANCE-SHEET ARRANGEMENTS

The Company had no off-balance-sheet arrangements as of March 31, 2015.

RELATED-PARTY TRANSACTIONS

The Company had no significant related party transactions during the nine-month period ended March 31, 2015.

SEGMENTED INFORMATION

The Company has a single reportable geographic segment – Canada – and all of the Company's assets are located in Canada.

INVESTOR RELATIONS

During the three month period ended March 31, 2015, the Company's directors handled the Company's investor relations activities.

SHARE CAPITAL

As at March 31, 2015, the Company had authorized unlimited common shares without par value and had issued 7,240,500 common shares.

At the annual and special shareholders' meeting held on April 26, 2013, shareholders of the Company passed a resolution to approve the application to list the Company's common shares on the NEX board of the TSX Venture Exchange. Pursuant to TSXV Policy 2.4 – Capital Pool Companies, 50% of the seed shares purchased by non-arm's length parties at a discount to the initial public offering price must be

cancelled upon transfer of a capital pool company from the TSXV to NEX. Accordingly, 1,000,000 seed shares of the Company held by non-arm's length parties were cancelled, effective as of May 16, 2013.

In addition, the Company has options outstanding to acquire a total of 774,050 common shares at a price of \$0.10 per common share. Such options expire on February 2, 2016. On February 2, 2013, 574,150 options issued to the agents on completion of the Company's Initial Public Offering expired. If all options were exercised, the number of common shares outstanding would be 8,014,550.

PROPOSED QUALIFYING TRANSACTION

On May 30, 2014 the Company entered into a signed Letter of Intent (the "LOI") for the arm's-length acquisition of 100% of the issued and outstanding shares of Axcelon Biopolymers Inc. ("Axcelon"), a corporation incorporated under the Business Corporation Act of Ontario, which outlines the general terms and conditions pursuant to which the Company and Axcelon would be willing to complete a transaction that will result in a reverse take-over of the Company by the shareholders of Axcelon (the "Transaction"). The proposed transaction was intended to constitute the Company's Qualifying Transaction (the "Qualifying Transaction" or "QT") as defined in Policy 2.4 of the TSX Venture Exchange (the "TSXV"). The LOI was negotiated at arm's length and is effective as of May 30, 2014.

The LOI was to be superseded by a definitive merger, amalgamation or share exchange agreement (the "Definitive Agreement") to be signed on or before May 31, 2015 (or such other date as may be mutually agreed in writing between the Company and Axcelon). The Transaction is subject to receipt of all the requisite regulatory approval, including the approval of the TSXV and standard closing conditions, including the approval of the directors of each of the Company and Axcelon of the Definitive Agreement and completion of due diligence investigations to the satisfaction of each of the Company and Axcelon, as well as the conditions described below.

The legal structure for the Transaction is currently contemplated to be structured as a three-cornered amalgamation involving Axcelon, Leo Subco (a wholly-owned subsidiary of Leo, incorporated solely for the purpose of completing the Qualifying Transaction) and the Company, pursuant to which the Company will acquire all of the issued and outstanding Axcelon shares.

Prior to completion of the Transaction (and as conditions of closing):

- Axcelon must complete a private placement financing for minimum gross proceeds of not less than \$2,000,000 and up to \$6,000,000 (the "Axcelon Offering") to fund capital expenditures, research and development, and general working capital. The terms and conditions of such financing have not yet been determined and will be dependent on various factors, including market conditions.
- The parties will prepare a filing statement in accordance with the rules of the TSXV, outlining the terms of the Transaction.
- The Company and Axcelon will enter into a Definitive Agreement in respect to the Transaction on or before May 31, 2015 (or such other date as may be mutually agreed in writing between the Company and Axcelon).
- Axcelon will obtain the requisite shareholder approvals for the Transaction.
- All requisite regulatory approvals relating to the Transaction, including, without limitation, TSXV approval, will have been obtained.
- Prior to the amalgamation, the Company will complete a 2.981382353 share consolidation of its existing common shares.

Terms of the Transaction:

The transaction will effectively provide for the acquisition of all of the outstanding equity interests of Axcelon by the Company pursuant to the terms of a Definitive Agreement in a transaction in which the shareholders of Axcelon will receive shares of Leo for each Axcelon share held. It is expected that each shareholder of Axcelon will receive in exchange for each Axcelon Share held (the “Exchange Ratio”) that number of Leo Shares such that, immediately prior to giving effect to the conversion of Axcelon Loans and the Axcelon Offering, the current shareholders of Leo would hold no less than 10.8% of the common shares of the combined entity (the “Resulting Issuer”) and the current shareholders of Axcelon would hold approximately 89.2% of the common shares of the Resulting Issuer, on a non-diluted basis, upon completion of the Transaction. All classes of Axcelon Shares will be exchanged for common shares of Leo in connection with the Transaction.

An aggregate of \$1 million worth of Leo Shares will be held in escrow and released to the current holders of Axcelon Shares on the Resulting Issuer meeting certain financing and performance milestones upon completion of the Transaction.

Immediately after the completion of the Transaction, (i) Axcelon would be a direct, wholly owned subsidiary of the Resulting Issuer, and (ii) the former Axcelon shareholders would collectively exercise control over the Resulting Issuer.

The transaction is an arm’s-length transaction and therefore is not a related party transaction. As a result, no meeting of Leo shareholders is contemplated as a condition to completion of the transaction. Completion of the transaction is conditional upon all necessary regulatory approvals, including the approval of the Exchange, and other conditions which are typical for a business combination transaction of this type.

CRITICAL ACCOUNTING ESTIMATES

The Company’s financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The critical accounting policies followed by the Company are as follows:

Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and form assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the preparation of these financial statements include, among others, the recoverability of other receivables, the fair value of options issued and the fair value of financial assets and liabilities. Actual results may differ from those estimates.

Financial Instruments

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 (“FVTPL”).

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

Financial assets classified as held to maturity and loans and receivable are measured at amortized cost using the effective interest rate method. Other receivables are classified as loan 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 equity instruments without a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost. No financial assets were classified as available for sale.

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

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. Accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as fair value through profit or loss is measured at fair value with unrealized gains and losses recognized through profit or loss. As at March 31, 2015, the Company has not classified any financial liabilities as fair value through profit or loss.

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instruments;
- Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The types of financial instruments classified as Level 1 include cash.

Share-Based Compensation

The Company uses the fair value method of accounting for options granted under its share purchase option plan. Options granted to directors, officers and employees are measured at fair value, which is

charged to operations over the applicable vesting period, with an offsetting credit to share option reserves. Options granted to non-employees are measured at fair value of goods and services received, which is charged to operations at the date the options are fully vested, with an offsetting credit to share option reserves. The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. Consideration received upon exercise of share purchase options, along with the related amount previously recorded in the share option reserve, is credited to share capital. Cash received on the exercise of share options is recorded in share capital and the related compensation included in share option reserves is transferred to share capital to recognize the total consideration for the shares issued.

Loss per share

Basic loss per share is calculated using the weighted-average number of shares outstanding during the year. Contingently issuable shares are not considered outstanding common shares and consequently not included in loss per share calculations. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that proceeds would be used to purchase common shares at the average market price during the year. Diluted earnings (loss) per share calculation assume the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings (loss) per share.

Adoption of New and Revised Standards and Interpretations

The IASB issued a number of new IFRS standards, amendments to existing standards and interpretations which are effective for the Company's financial year beginning on or after January 1, 2013. For the purpose of preparing and presenting the Company's financial information for the relevant reporting periods, the Company has consistently adopted all these new standards for the relevant reporting periods. Certain new standards, amendments to existing standards and interpretations have been issued by the IASB or IFRIC that are applicable to annual periods beginning on or after January 1, 2014, with earlier adoption permitted. The Company has not early adopted these standards, amendments and interpretations, however, the Company is currently assessing the impact that the new standards will have on its financial statements or whether to early adopt any of the new standards. The following is a brief summary of the new standards:

IFRS 9, "Financial Instruments: Classification and Measurement" ("IFRS 9"), introduces new requirements for the classification and measurement of financial instruments as defined in IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39.

IAS 32, "Financial instruments, Presentation" ("IAS 32"), IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company is exposed to a variety of financial risks by virtue of its activities: market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management is carried out by the officers of the Company as discussed with the Board of Directors. The officers of the Company charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the expectations of the Board of Directors.

Fair value:

The Company's financial instruments, consisting of cash, other receivables and accounts payable and accrued liabilities, approximate their fair value due to the relatively short term maturities of these instruments.

Interest rate risk:

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Financial assets and financial liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company is currently not exposed to interest rate risk.

Foreign currency risk:

The Company's functional currency is the Canadian dollar. All of the Company's cash is in Canadian dollars. All of the Company's purchases are transacted in Canadian dollars. The Company is currently not exposed to foreign currency risk.

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages its liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. Officers of the Company are actively involved in the review and approval of planned expenditures.

As at March 31, 2015, the Company has accounts payable and accrued liabilities of \$54,278 due within twelve months and has cash of \$418,987 to meet its current obligations. As a result, the Company has minimal liquidity risk.

Credit risk:

The Company's exposure to credit risk arises from the possibility that its debtors may fail to meet their obligations. Cash is held in trust by the Company's lawyers. The Company manages the credit exposure related to cash by making sure that the lawyers maintain bank accounts with Schedule I banks in Canada. The carrying amount of cash and other receivables represents the maximum credit exposure.

MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company includes equity, comprised of issued share capital, share option reserves and accumulated deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the Exchange policy 2.4. Approximately \$209,000 of the Company's cash as of March 31, 2015 is restricted for this use.

OUTLOOK

The Company's primary focus for the foreseeable future is to complete its current Qualifying Transaction in a timely and efficient manner. The Company believes that it has sufficient cash and capital resources to accomplish its goal.

OTHER INFORMATION

Additional information on the Company is available on SEDAR at www.sedar.com.