



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015**

## INTRODUCTION

**71 CAPITAL CORP. (“the Company”)** is a Canadian controlled Capital Pool Company engaged in the business of identifying and evaluating companies, businesses, or assets with a view to completing a Qualifying Transaction as defined in Policy 2.4 of the TSX Venture Exchange.

The Company was incorporated on February 6, 2008, under the Canada Business Corporations Act. The principal place of business for the Company is c/o Fogler, Rubinoff LLP, Suite 3000 – 77 King Street West, Toronto Dominion Centre, Toronto, Ontario, M5K 1G8.

The Company does not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

The Company attained its listing on the TSX Venture Exchange on December 24, 2008. The Company’s present listing is on NEX, a separate board of the TSX Venture Exchange. The trading symbol for the Company is SVN.H.

### **Subsequent Event**

On May 19, 2015, the Company announced in a press release that a letter of intent for a Qualifying Transaction had been signed. The letter of intent was to acquire all of the issued and outstanding securities (“the Prodigy shares”) of TCB Corporation doing business as Prodigy Ventures. Prodigy Ventures is a private company and a “venture builder” creating new business platforms and applications in many of the highest growth technology segments. At the Company’s Shareholder Meeting held on June 22, 2015, the shareholders approved the transaction with Prodigy Ventures. Subsequent to June 30, 2015, the parties submitted all applicable information to the regulatory authorities for their approval. The Company has received conditional approval from the TSX Venture Exchange for the transaction with Prodigy Ventures and has filed its filing statement in respect of the transaction on SEDAR ([www.sedar.com](http://www.sedar.com)) (see press release dated August 17, 2015).

On August 20, 2014, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the NEX. The letter of intent was for the amalgamation of the Company with Brightstar Seniors’ Living Corporation (“Brightstar”). Brightstar is a private company engaged in the development of independent seniors’ housing projects. The Company issued a press release on February 12, 2015, stating that the letter of intent with Brightstar has been terminated by them due to the current market conditions. The Company’s common shares resumed trading on February 17, 2015.

On September 5, 2013, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the NEX. The letter of intent was for the amalgamation of the Company with ADL Oilfield Ltd. (“ADL”). ADL is a privately held Calgary based oil and gas service company engaged in providing cleanouts, stimulation, optimization, and remediation of oil and gas wells using a patented Stable Foam process. The Company issued a press release on March 11, 2014, stating that it has terminated its letter of intent with ADL due to the current market conditions. The Company’s common shares commenced trading on March 13, 2014.

On May 4, 2011, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities continue the halt in trading of its common shares on the NEX. The letter of intent was for the amalgamation of the Company with Kingsview Iron Ore Limited (“Kingsview”). Kingsview is a private company engaged in the exploration and development of mining claims in the Province of Quebec, Canada, prospective for iron deposits. The Company issued a press release on April 30, 2013, stating that it has terminated the letter of intent with Kingsview. The Company’s common shares resumed trading on May 2, 2013.

On October 28, 2010, the Company announced that a letter of intent for a Qualifying Transaction had been signed and requested that the regulatory authorities halt the trading of its common shares on the TSX Venture Exchange. The letter of intent was for the amalgamation of the Company with Orx Pharmaceutical Corporation (“Orx”), a Canadian Controlled Private Corporation. The Company issued a press release on May 4, 2011, stating that the Company has terminated its letter of intent with Orx.

On August 18, 2009, the Company announced that a letter of intent for a Qualifying Transaction had been signed. The letter of intent was for the acquisition of all of the issued and outstanding securities of Prairie Pulse Inc. (“Prairie”), a Canadian Controlled Private Company. The Company received notice; after the markets were closed on July 14, 2010, from Prairie stating that “its shareholders are no longer interested in pursuing a transaction with 71 Capital Corp.” The Company issued a press release in regard to the preceding on July 15, 2010.

The following is management’s discussion and analysis and results of operations of the company for the three and six months ended June 30, 2015, and its financial position as at June 30, 2015.

This management’s discussion and analysis (“MD&A”) includes financial information from, and should be read in conjunction with, the financial statements for the six months ended June 30, 2015, including the notes thereto and, the financial statements for the year ended December 31, 2014, including the notes thereto. The Company’s fiscal year end is December 31. The reporting currency is the Canadian dollar. The financial data contained in this discussion and analysis is in compliance with International Financial Reporting Standards (IFRS).

The financial statements and the notes thereto have been prepared under principles applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business.

The date of this management’s discussion and analysis is August 19, 2015.

Additional information on 71 Capital Corp. has been filed electronically through the System for Electronic Document Analysis and Retrieval (“SEDAR”) and is available on line at [www.sedar.com](http://www.sedar.com).

#### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION**

This MD&A contains “forward-looking statements” and “forward-looking information” under applicable Canadian securities laws. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “believe”, “plan”, “intend”, “estimate”, “forecast”, “predict”, “potential”, “continue”, “anticipate”, or the negative thereof or variations thereon or similar terminology concerning matters that are not historical facts. Forward-looking information may relate to management’s future outlook and anticipated events or results, and may include statements or information regarding the future plans or prospects of the Company. Without limitation, this would include statements about the Company’s search for a Qualifying Transaction. Forward-looking information is based on certain factors and assumptions regarding, among other things, the due diligence pertaining to a Qualifying Transaction and the subsequent approval of the documentation that would be prepared for the regulatory authorities and respective shareholders. It could also apply to the estimation of initial and sustaining capital requirements for such. While management considers these assumptions to be reasonable, based on information currently available to it, they may prove to be incorrect. See “Risks and Uncertainties”, “Financial Instruments”, and “Outlook” sections of this MD&A.

Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in the securities of the Company should not place undue reliance on these forward-looking

statements.

We disclaim any intention or obligation to update or revise any forward-looking statement whether as a result of new information, future events or otherwise, except to the extent required by applicable laws and that the forward-looking statements contained in this MD&A are made as of the date hereof.

## **EVALUATION OF DISCLOSURE, INTERNAL CONTROLS, AND PROCEDURES**

### **Disclosure Controls and procedures**

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in reports filed with or submitted to the various securities regulators is recorded, processed, summarized and reported within the time periods specified. This information is gathered and reported to the Company's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), so that timely decisions can be made regarding disclosure.

The Company's management, under the supervision of, and with the participation of, the CEO and CFO, have designed and evaluated the Company's disclosure controls and procedures as defined in their signed certification of annual and interim filings venture issuer basic certificate. Based on this evaluation, the CEO and CFO have concluded that, as of the date of this MD&A, the Company's disclosure controls and procedures were effective.

### **Internal Control over Financial Reporting**

Designing, establishing and maintaining adequate internal control over financial reporting is the responsibility of the Company's management. Internal control over financial reporting is a process designed by, or under the supervision of management, and affected by the Board of Directors, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements in conformity with IFRS. These controls include policies and procedures pertaining to the maintenance of records that, in reasonable detail, accurately reflect transactions pertaining to its assets; provide reasonable assurance that all transactions are recorded to permit the preparation of its financial statements and that expenditures are being made only in accordance with authorizations of management of the Company, and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements. Management is responsible for establishing and maintaining internal control over financial reporting and has designed and implemented such controls to ensure that the required objectives of these internal controls have been met. The management of the Company applied its judgement in evaluating the cost-benefit relationship to controls and procedures. The result of which was, because of the inherent limitations in all control systems, no evaluation of the controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

Minor control deficiencies have been identified within the Company's accounting and/or finance departments and its financial information systems over segregation of duties and user access respectively. Specifically, as is common for companies of this size, certain duties within the accounting and/or finance departments were not adequately segregated due to the limited number of individuals employed in these areas. At the present time, the CEO and CFO oversee all material transactions and related accounting records. The audit committee reviews the financial statements in detail, the key risks of the Company, and queries management about all significant transactions.

For the period covered by this MD&A there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the

Company's internal control over financial reporting.

#### **EXECUTIVE COMPENSATION**

There has been no executive compensation paid to the executives of the Company since its inception.

#### **FINANCIAL HIGHLIGHTS**

The Company attained its listing on the TSX Venture Exchange on December 24, 2008.

The Company's continued operations are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or, an investment of an interest in a Qualifying Transaction as defined in Policy 2.4 of the TSX Venture Exchange.

The Company raised \$117,000 from the issuance of 2,340,000 common seed shares at \$0.05 per common share on June 12, 2008. Pursuant to a special resolution passed at the Annual and Special Meeting of Shareholders held on March 21, 2011, 1,000,000 common shares purchased by directors and officers of the Company at a discount to its initial public offering were cancelled. This cancellation resulted in the average cost per common share to these individuals being increased to \$0.10 per common share which equates to the initial public offering price per common share. The Company instructed its transfer agent to cancel such common shares which took place on March 30, 2011.

Options on 234,000 common shares were granted on June 12, 2008, to the directors and officers of the Company at \$0.10 per common share exercisable until June 11, 2013. As a result of the resolution to cancel 1,000,000 common shares, 100,000 of these common share options were cancelled in order to comply with the Company's stock option plan leaving options to acquire 134,000 common shares outstanding which expired on June 11, 2013.

The Initial Public Offering (IPO) of the Company's common shares took place on December 18, 2008, resulting in an additional 3,050,600 common shares being issued at \$0.10 per share for aggregate proceeds of \$186,626 which was net of financing expenses.

Compensation options on 305,060 common shares were granted to the agents of the Company as a portion of their compensation pertaining to the Initial Public Offering at \$0.10 per common share exercisable until December 17, 2010. In May, 2009, one of the agents exercised options on 20,671 common shares at \$0.10 per common share amounting to \$2,067. The applicable stock-based compensation on this exercise was \$827. This left compensation options on 284,389 common shares outstanding which expired on December 17, 2010.

Options on 305,060 common shares were granted on December 18, 2008, to the directors and officers of the Company at \$0.10 per common share expired on December 17, 2013.

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The expenses relating to the three and six months ended June 30, 2015, and 2014 were:

EXPENSES	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Bank charges	\$ 30	\$ 40	\$ 60	\$ 60
Shareholder information	1,380	-	1,651	-
Sustaining and filing fees	1,412	1,412	7,204	7,235
Transfer agent	475	973	1,274	1,770
	<u>\$ 3,297</u>	<u>\$ 2,425</u>	<u>\$ 10,189</u>	<u>\$ 9,065</u>

### Three months ended June 30, 2015

The loss recorded by the Company for the three months ended June 30, 2015 was \$3,297 compared to a loss of \$2,425 for the same period in 2014. The details of the increased loss of \$872 in 2015 are: a decrease in bank charges of \$10 in 2015, an increase in shareholders information of \$1,380, and a decrease in transfer agent fees of \$498.

### Six months ended June 30, 2015

The loss recorded for the six months ended June 30, 2015 was \$10,189 compared to a loss of \$9,065 for the same period in 2014. The details of the increased loss of \$1,124 in 2015 are: an increase in shareholders information of \$1,651, a decrease in sustaining and filing fees of \$31 and a decrease in transfer agent fees of \$496.

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Set forth below is certain selected financial information in respect of the three most recently completed years of the Company. These data are derived from the Company's financial statements.

### STATEMENTS OF FINANCIAL POSITION as at

Expressed in \$000's of Canadian dollars	<b>Dec. 31 2014</b>	<b>Dec. 31 2013</b>	<b>Dec. 31 2012</b>
<b>ASSETS:</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Current	<u>109</u>	<u>133</u>	<u>173</u>
 <b>LIABILITIES AND EQUITY</b>			
Current	<u>7</u>	<u>7</u>	<u>7</u>
Shareholders' equity			
Share capital	306	306	306
Contributed surplus	31	31	31
Deficit	<u>(235)</u>	<u>(211)</u>	<u>(171)</u>
	<u>102</u>	<u>126</u>	<u>166</u>
	<u>109</u>	<u>133</u>	<u>173</u>
<b>WORKING CAPITAL</b>	<u>102</u>	<u>126</u>	<u>166</u>
<b>CASH DIVIDENDS DECLARED</b>	-	-	-
Weighted average number of common shares outstanding			
Basic (000's)	4,411	4,411	4,411
Diluted (000's)	4,411	4,763	4,850

### STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

Expressed in whole Canadian dollars	<b>Jan. 1 to Dec.31 2014</b>	<b>Jan. 1 to Dec.31 2013</b>	<b>Jan. 1 to Dec.31 2012</b>
<b>EXPENSES</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Bank charges	120	132	85
General	-	892	-
Insurance	-	2,584	-
Legal and audit	6,780	6,497	7,060
Qualifying transaction - due diligence	-	-	8,475
Shareholder information	4,343	11,843	-
Sustaining and filing fees	8,648	10,992	5,650
Transfer agent	4,157	6,895	3,440
	<u>24,048</u>	<u>39,835</u>	<u>24,710</u>
 <b>NET LOSS FOR THE PERIOD</b>	 <u>24,048</u>	 <u>39,835</u>	 <u>24,710</u>
 <b>BASIC AND DILUTED LOSS PER SHARE</b>	 <u>\$0.01</u>	 <u>\$0.01</u>	 <u>\$0.01</u>

## **RELATED PARTY TRANSACTIONS**

Since the inception of the Company, no related party transactions have taken place.

## **LIQUIDITY AND CAPITAL RESOURCES**

The present international economic situation appears to still be in a state of flux. Risk management together with the inherent uncertainties will be paramount in the minds of the Company's management as they endeavor to plot the course for the Company in the ensuing months and possibly year ahead.

Working capital was \$92,203 at June 30, 2015, compared to \$102,392 at December 31, 2014. The decrease in working capital of \$10,189 was related to a decrease in cash and cash equivalents of \$16,969 and a decrease in accounts payable and accrued liabilities of \$6,780. Working Capital at June 30, 2015, was represented by cash and cash equivalents of \$92,203.

Under the rules of the TSX Venture Exchange, capital pool companies have restrictions placed on the manner in which they can spend their cash. The rules provide that no more than the lesser of 30% of the gross proceeds from the sale of securities issued by a capital pool company and \$210,000 may be used for purposes other than those relating to identifying a qualifying transaction. Although 71 Capital Corp. has not spent any of its cash on items prohibited by the policy, since 71 Capital Corp. has been in existence since February 6, 2008 it has not been able to comply with the above noted 30% limitation. This limit has been exceeded due to the requirement to pay ongoing expenses necessary to continue 71 Capital Corp. as a listed entity including, transfer agent fees, listing fees and audit fees. 71 Capital Corp. believes that it received a mandate from its Shareholders to spend its funds in this manner when Shareholders approved the transfer of the listing to the NEX Exchange rather than winding up.

The Company's approach to managing its liquidity is to ensure that it has sufficient resources to meet its liabilities as they come due and have sufficient working capital to fund operations until it consummates an agreement for an acceptable Qualifying Transaction.

### **Three months ended June 30, 2015**

#### **Cash flow used in operating activities**

The Company recorded a loss for the three months ended June 30, 2015 of \$3,297 which resulted in a cash usage of \$3,297 in operating activities.

### **Six months ended June 30, 2015**

#### **Cash flow used in operating activities**

The Company recorded a loss for the six months ended June 30, 2015 of \$10,189 and a decrease in accounts payable and accrued liabilities of \$6,780 which resulted in a cash usage of \$16,979 in operating activities.

## **CAPITAL STOCK AND DEFICIT**

The authorized capital of the Company consists of an unlimited number of common shares without nominal or par value. As at June 30, 2015, and December 31, 2014, 4,411,271 common shares were issued and outstanding as fully paid and non-assessable.

The Company, under its stock option plan, had no options outstanding on its common shares at June 30, 2015. All options that were outstanding expired during 2013.

Shareholders' equity at June 30, 2015, was \$92,203 compared to \$102,392 at December 31, 2014, a decrease of \$10,189. This occurred as a result of the following:

Net loss for the period	\$10,189
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The following common shares were outstanding at June 30, 2015:

Common shares	4,411,271
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## **CONTRIBUTED SURPLUS**

The contributed surplus balance at June 30, 2015, and December 31, 2014, was unchanged at \$30,597.

## **RISKS AND UNCERTAINTIES**

Any investment in the common shares of the Company must be regarded as highly speculative due to the nature of its business.

The Company was incorporated on February 6, 2008, and has no active business or assets other than cash and cash equivalents. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction.

Any offering of the Company's common shares is only suitable to investors who are prepared to rely entirely on the directors and management of the Company and can afford to risk the loss of their entire investment.

The directors and officers of the Company will only devote part of their time and attention to the affairs of the Company and there are potential conflicts of interest to which some of the directors and officers of the Company will be subject in connection with the operations of the Company.

Upon completion of any offering of the Company's common shares, an investor will suffer an immediate dilution on investment per common share based on the gross proceeds of the issue less the financing expenses of the issue. An acquisition financed by the issuance of treasury shares could result in a change in the control of the Company and may cause the shareholders' interest in the Company to be further diluted. There can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to sell their common

shares.

Until the completion of a Qualifying Transaction, 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. The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction.

## **OUTLOOK**

The Company, a capital pool company, has only one objective and that is its successful involvement in the identification and evaluation of a Qualifying Transaction as defined in Policy 2.4 of the TSX Venture Exchange. Once identified and due diligence has taken place, the TSX Venture Exchange must approve the Qualifying Transaction and so must shareholders.

The Company is confident that a Qualifying Transaction will be completed and, at that time, will apply to be listed on either the TSX Venture Exchange or the Toronto Stock Exchange.

## **OTHER INFORMATION**

### **Contractual Obligations**

The Company does not have any contractual obligations.

### **Off-Statements of Financial Position Items**

As at June 30, 2015, and December 31, 2014, the Company had no material arrangements off its Statements of Financial Position such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market, or credit risk to the Company.

### **Going Concern**

Management has prepared its financial statements using accounting principles applicable to a going concern which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. Should the going concern assumption no longer be valid, adjustments would be required to the carrying values of assets and liabilities and to the reported expenses, and statements of financial position classifications.

### **Critical Accounting Policies**

The financial statements are reported in Canadian dollars and, they may include management's estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. If estimates and assumptions were made actual results could differ from these estimates and assumptions. The financial statements have been prepared using careful judgment within the significant accounting policies summarized below.

Loss per share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number

of common shares outstanding during the year. Contingently issuable shares are not considered outstanding common shares and consequently are not included in the loss per share calculation. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, warrants and other similar instruments outstanding that may add to the total number of common shares.

#### Financial Instruments

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instrument: held to maturity, loans and receivables, fair value through profit or loss ("FVTPL"), available for sale, FVTPL liabilities or other liabilities.

FVTPL assets and liabilities are subsequently measured at fair value with the change in the fair value recognized in net income (loss) during the period.

Held to maturity assets, loans and receivables, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded 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.

The Company has classified its financial instruments as follows:

<u>Financial instrument</u>	<u>Classification</u>
Cash and cash equivalents	FVTPL
Accounts payable and accrued liabilities	Other liabilities

All financial instruments measured at fair value are categorized into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair value of assets and liabilities.

Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets.

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the comparable asset or liability, either directly or indirectly.

Level 3 - one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

Cash and cash equivalents and accounts payable and accrued liabilities are considered Level 1 in the hierarchy.

#### Income taxes

The Company accounts for its income taxes using the deferred tax assets and liabilities method. Deferred income tax assets and liabilities are determined based on the difference between the carrying amount and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is included in profit or loss. Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable profit for the

years in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recognized when it is likely they will be realized. Deferred tax assets and liabilities are not discounted.

The tax expense includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income or of equity, in which case the tax expense is recognized in other comprehensive income or equity respectively.

Current income tax assets and liabilities are obligations or claims for the current and prior periods to be recovered from (or paid to) taxation authorities that are still outstanding at the end of the reporting period. Current tax is computed on the basis of tax profit which differs from net profit. This calculation is made using tax rates and laws enacted at the end of the reporting period.

#### Accounting for stock-based compensation

The Company has adopted IFRS 2, Share based payment, for the recognition, measurement, and disclosure of stock-based compensation. The Company's options vest on granting therefore, compensation expense is recognized at that time with the same amount being recorded as contributed surplus. The expense is determined using an option pricing model that takes into account the exercise price, the term of the option, the current share price, the expected volatility of the underlying shares, the expected dividend yield, and the risk free interest rate for the term of the option. If the options are exercised, contributed surplus will be reduced by the applicable amount. Stock-based compensation calculations have no effect on the Company's cash position.

#### Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amount of expenses during the reported period. These estimates are reviewed periodically, and as adjustments become necessary they are made in the period in which they become known. Actual results could differ from these estimates.

#### Capital disclosures

The Company manages its capital structure and makes adjustments to it in light of the changes in economic conditions and the risk characteristics of its underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the Company.

The Company's capital structure consists of its shareholders' equity. The Company's objective when managing its capital is to safeguard the Company's accumulated capital by maintaining a sufficient level of funds to complete a Qualifying Transaction (as defined by Policy 2.4 of the TSX Venture Exchange).

The Company does have externally imposed capital requirements to which it is subject as defined in policy 2.4 of the TSX Venture Exchange.

The Company has never declared a dividend to its shareholders.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable considering the nature and relative size of the Company.

There were no changes in the Company's approach to capital management during this reporting period.

## **DIRECTORS AND OFFICERS**

L. Kirk Brennenstuhl:	Director
Mark E. Crossett:	Director
Gregory W. Hewitt:	Director, Chief Executive Officer, President
A. George Matthew:	Director, Chief Financial Officer, Secretary
Eric R. Roblin:	Director

**August 19, 2015.**