

**Management Discussion and Analysis**  
**For the three and nine months ended November 30, 2014**  
**Neoteck Solutions Inc.**  
**Report Dated January 26, 2015**

**INTRODUCTION**

This Management Discussion and Analysis of the Financial Position and Results of Operations for Neoteck Solutions Inc. (the “Company” or “Neoteck”), prepared as of January 26, 2015 (“MD&A”), should be read in conjunction with the unaudited condensed interim financial statements for the three and nine months ended November 30, 2014. This MD&A is the responsibility of management and has been reviewed and approved by the Board of Directors of Neoteck.

These statements have been prepared in conformity with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company’s audited financial statements for the year ended February 28, 2014.

These condensed interim statements do not include all the information required for complete annual financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and therefore should be read together with the audited annual financial statements for the year ended February 28, 2014 and the related MD&A for the year then ended.

**CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

The following discussion and analysis may contain forward-looking statements which are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth in the following discussion.

**GENERAL**

The Company was incorporated under the Company Act of British Columbia, and changed its name to Neoteck Solutions Inc. on September 10, 2012. Since divesting its gas detection operations in 2012, Management has been investigating other possible acquisitions of assets or companies which make good economic sense for the Company to pursue. The Company is listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol “NEO.H”.

**MANAGEMENT AND DIRECTORS**

On September 1, 2014, Natasha Tsai was appointed as CFO of the Company replacing Sharon Muzzin who had resigned.

**RESULTS OF OPERATIONS**

*Nine months ended November 30, 2014*

The Company recorded a net loss of \$107,055 (\$0.00 per share) for the nine months ended November 30, 2014 as compared to a net loss of \$158,537 (\$0.00 per share) for the nine months ended November 30, 2013.

Variances of note in administrative expenses are detailed below:

- Accounting and audit of \$16,628 (2013 – \$33,383), legal fees of \$6,603 (2013 – \$13,193), management and consulting fees of \$47,250 (2013 – \$67,659), and office and miscellaneous of \$818 (2013 – \$7,507) were lower during the nine months ended November 30, 2014 due to lower corporate business activities. The management and consulting fees were incurred due to the Company's efforts to find a viable project or acquisition target for the Company. Higher legal fees were incurred during the nine months ended November 30, 2013 partly as a result of the due diligence work performed on a potential acquisition target.
- Regulatory and stock transfer of \$8,756 (2013 – \$12,550) decreased, because the Company held its Annual General Meeting relating to the 2014 fiscal year on December 17, 2014 and incurred the related costs subsequent to November 30, 2014, while the Company held its Annual General Meeting relating to the 2013 fiscal year on November 7, 2013 and incurred the related costs during the nine months ended November 30, 2013.

Three months ended November 30, 2014

The Company recorded a net loss of \$42,259 (\$0.00 per share) for the three months ended November 30, 2014 as compared to a net loss of \$54,566 (\$0.00 per share) for the three months ended November 30, 2013.

Variances of note in administrative expenses are detailed below:

- Accounting and audit of \$7,368 (2013 – \$8,959), management and consulting fees of \$15,750 (2013 – \$20,659) and office and miscellaneous of \$669 (2013 – \$5,363) were lower in the 2014 fiscal year due to lower corporate business activities. The management and consulting fees were incurred due to the Company's efforts to find a viable project or acquisition target for the Company.
- Legal fees of \$6,603 (2013 – \$4,268) were higher during the three months ended November 30, 2014 due to more corporate secretarial and legal services required for regulatory filings to reflect the change in CFO.
- Regulatory and stock transfer of \$2,869 (2013 – \$5,542) decreased, because the Company held its Annual General Meeting on December 17, 2014 during the current fiscal year and incurred the related costs subsequent to November 30, 2014, while the Annual General Meeting was held on November 7, 2013 during the last fiscal year and incurred the related costs during the three months ended November 30, 2013.
- Rent of \$9,000 (2013 – \$9,775) decreased due to disallowed GST input tax credits originally claimed in prior periods being expensed during the 2013 fiscal year.

## QUARTERLY FINANCIAL REVIEW

The following table sets forth selected financial information from the Company's unaudited quarterly financial statements for each of the eight most recently completed quarters. No cash dividends were declared in any of the reported periods.

	THREE MONTHS ENDED			
	Nov 30, 2014 \$	Aug 31, 2014 \$	May 31, 2014 \$	Feb 28, 2014 \$
Total assets	5,818	12,371	57,813	85,137
Working capital (deficiency)	(37,566)	4,693	36,497	69,489
Net loss	(42,259)	(31,804)	(32,992)	(35,487)
Net loss per share <sup>(1)</sup>	(0.00)	(0.00)	(0.00)	(0.00)

	THREE MONTHS ENDED			
	Nov 30, 2013 \$	Aug 31, 2013 \$	May 31, 2013 \$	Feb 28, 2013 \$
Total assets	121,591	167,977	253,352	278,784
Working capital	104,976	159,542	219,846	263,513
Net loss	(54,566)	(60,304)	(43,667)	(42,312)
Net loss per share <sup>(1)</sup>	(0.00)	(0.01)	(0.00)	(0.00)

<sup>(1)</sup>The basic and fully diluted calculations result in the same value due to the anti-dilutive effect of outstanding stock options and warrants if any.

The net losses reflected for the quarters are comparable. The working capital has trended downward in recent quarters as funds were expended on administrative expenses.

## FINANCING ACTIVITIES

There were no financing activities during the nine-month period ended November 30, 2014.

## LIQUIDITY

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure that optimizes the costs of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its primary source of operating working capital and the Company's capital resources are largely determined by its ability to compete for investor support of its projects.

The Company is not subject to any capital requirements imposed by a regulator, other than continued listing requirements of the TSX-V.

As at November 30, 2014, the Company held cash of \$5,813 (February 28, 2014 – \$85,137) and had a working capital deficiency of \$37,566 (February 28, 2014 – working capital of \$69,489). During the nine months ended November 30, 2014 net cash used in operating activities was \$94,324 (2013 – \$153,597), offset by loans from related parties of \$15,000 (2013 – \$nil). The Company has to complete additional financings in order to maintain its current activity levels and in particular, once the direction of future operations is determined, to fund ongoing operations. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the future.

### **CAPITAL EXPENDITURES**

The Company did not incur any capital expenditures during the nine months ended November 30, 2014 and does not currently have any capital expenditure commitments.

### **RELATED PARTY TRANSACTIONS**

The Company's related parties consist of the Company's directors, officers and companies associated with them, including Malaspina Consultants Inc., a company owned by Robert McMorran, a director, and in which Sharon Muzzin, the former CFO, and Natasha Tsai, the current CFO, are associates.

The Company incurred charges to directors and officers, or to companies associated with these individuals during the three and nine months ended November 30, 2014 and 2013 as follows:

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accounting and corporate secretarial fees <sup>(1)</sup>	3,800	4,696	9,679	21,753
Management fees <sup>(2)</sup>	7,875	2,625	23,625	18,375
	11,675	7,321	33,304	40,128

<sup>(1)</sup> The charges include accounting and corporate secretarial fees paid to Malaspina Consultants Inc.

<sup>(2)</sup> The charges include management fees paid to Gunther Roehlig, President and CEO.

Accounts payable and accrued liabilities at November 30, 2014 included \$3,546 due to Gunther Roehlig and \$4,058 due to Malaspina Consultants Inc. Accounts payable and accrued liabilities at February 28, 2014 included \$441 due to Malaspina Consultants Inc. Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

Key management of the Company includes the President, CFO and the Directors. During the three and nine months ended November 30, 2014, compensation paid to key management consisted of management fees of \$7,875 and \$23,625 (2013 – \$2,625 and \$18,375) paid to Gunther Roehlig, and accounting and corporate secretarial fees of \$3,800 and \$9,679 (2013 – \$4,696 and \$21,753) paid to Malaspina Consultants Inc.

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any off-balance sheet arrangements.

## **CAPITALIZATION**

The authorized share capital consists of an unlimited number of common shares. As of January 26, 2015, an aggregate of 38,060,966 common shares were issued and outstanding. The Company did not have any share purchase warrants or options outstanding as of January 26, 2015.

## **FUTURE OUTLOOK**

In the short term Management will continue its efforts to identify the Company's future business focus.

## **DISCLOSURE CONTROLS AND PROCEDURES**

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim financial statements for the nine months ended November 30, 2014 and this accompanying MD&A.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company on SEDAR at [www.sedar.com](http://www.sedar.com).

## **RISKS AND UNCERTAINTIES**

The Company is currently subject to financial and regulatory risks. The financial risk is derived from the uncertainty pertaining to the Company's ability to raise capital to continue operations. Regulatory risks include the possible delays in getting regulatory approval for the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings and the introduction of ever more complex reporting requirements, the cost of which the Company must meet in order to maintain its exchange listing.

## **OTHER INFORMATION**

Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com).