



NETCOINS INC.

**MANAGEMENTS' DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016**

(EXPRESSED IN CANADIAN DOLLARS)

GENERAL

This Management's Discussion and Analysis of Netcoins Inc. ("Netcoins" or the "Company") ("MD&A") is dated April 30, 2018, provides analysis of the Company's financial results for the year ended December 31, 2017, compared to the year ended December 31, 2016. The following information should be read in conjunction with the financial statements for the years ended December 31, 2017 and 2016 with accompanying notes which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures are expressed in Canadian dollars unless otherwise stated.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that may be deemed "forward-looking statements", including statements regarding developments in the Company's operations in future periods, adequacy of financial resources and future plans and objectives of the Company. All statements in this document, other than statements of historical fact, which address events or developments that the Company expects to occur, are forward looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets" and similar expressions, or events or conditions that "will", "would", "may", "could" or "should" occur. Forward-looking statements in this document include statements regarding future expenditures on research and development and operating expenses, liquidity and effects of accounting policy changes.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Readers are cautioned not to place undue reliance on this forward-looking information.

Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that Management's beliefs, estimates, opinions or other factors should change except as required by law.

These statements are based on a number of assumptions including, among others, assumptions regarding general business and economic conditions, the timing of the receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Company and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Company's proposed transactions and on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.

There can be no assurance that such information will prove to be accurate, and readers are cautioned not to place undue reliance on this forward-looking information.

COMPANY OVERVIEW

Netcoins was incorporated in British Columbia, Canada on July 8, 2014. The Company owns and operates a proprietary virtual Bitcoin (BTC) software platform. Netcoins' powerful software engine manages the creation of BTC wallet, provides real-time quoting, exchange, ordering, and automated invoicing. The Netcoins' virtual application allows Bitcoin to be purchased quickly and easily by consumers in a familiar retail experience. It also processes transactions faster than traditional Bitcoin ATMs and with lower fees. Because the Netcoins solution is virtual, it is highly scalable.

The Company's registered and records office is located at Unit 28, 301 – 3007 Glen Drive, Coquitlam, British Columbia, V3B 0L8, Canada.

CONVERTIBLE DEBENTURE

On October 13, 2017, the Company issued 25,000,000 convertible debenture units (the "Debenture Units") for gross proceeds of \$500,000. Each Debenture Unit is convertible into a unit of the Company (the "Netcoins Units") at a conversion price of \$0.02 per Debenture Unit. Each Netcoins Unit consists of one Class B share of the Company and one share purchase warrant to purchase one Class B share ("Class B Warrant"). Each Class B Warrant entitles the holder to acquire an additional Class B share at an exercise price of \$0.05 per share for a period of 3 years. The 25,000,000 Debenture Units were converted into 25,000,000 Class B shares, and 25,000,000 Class B Warrants were issued to the Debenture Unit holders on January 30, 2018. The proceeds of the Debenture Units were held in escrow until certain conditions were satisfied by the Company and were released to the Company on January 30, 2018. On February 1, 2018 the Class B Warrants were exercised for gross proceeds of \$1,250,000.

REVERSE ACQUISITION

On March 9, 2018, the Company and GAR Limited., ("GAR") a company listed on the Canadian Securities Exchange ("CSE" or the "Exchange") completed a share exchange agreement (the "Share Exchange Agreement"). The Share Exchange Agreement provides for the acquisition of all the outstanding equity interest in Netcoins by GAR in a transaction (the "Transaction") in which Netcoins shareholders received shares of GAR. As a result of the acquisition of Netcoins, GAR became the sole registered owner of all the issued and outstanding shares of Netcoins.

Pursuant to the Share Exchange Agreement:

- In consideration for the acquisition of all of the Class A Shares, GAR will (i) paid to the Class A shareholders pro rata in proportion to their holdings of Netcoins Class A Shares, an aggregate of \$4,000,000, and (ii) issued from treasury to the Class A shareholders pro rata in proportion to their holdings of Class A shares, an aggregate of 2,857,142 common shares in the equity of GAR, free and clear of any encumbrances.
- In consideration for the acquisition of the Netcoins Class B shares, GAR issued from treasury to the Class B shareholders one common share in the equity of GAR for each Netcoins Class B share held, free and clear of any encumbrances.
- At the time of closing of the Transaction, each of the holders of Class B Warrants disposed of their respective right to acquire Netcoins Class B shares under the outstanding Class B Warrants held by such warrant holders at that time and those outstanding Class B Warrants were deemed immediately cancelled. In consideration for the disposition by a Class B Warrant holder of each right to acquire one Netcoins Class B share pursuant to a Class B Warrant, the Class B Warrant holder received the right to acquire one common share of GAR (each a "Replacement Warrant" and collectively, the "Replacement Warrants"), rounded down to the nearest whole number of common shares. The exercise price under each Replacement Warrant equaled to the exercise price of the particular Class B Warrant that was cancelled in consideration for such Replacement Warrant.
- As a result of the Transaction, GAR issued an aggregate of 52,857,142 GAR common shares to Netcoins shareholders. At the completion of the Transaction, 116,694,562 GAR common shares are outstanding.
- At the closing Transaction, the shareholders of Netcoins hold 45.3% of GAR. Accordingly, Netcoins is considered to have acquired GAR with the transaction being accounted for as a reverse takeover of GAR by Netcoins shareholders (the "RTO").
- On March 13, 2018, GAR resumed trading on the Canadian Securities Exchange (CSE) under the symbol "NETC", will be doing business as "Netcoins," and operating under its wholly owned subsidiary, Netcoins Inc.

Additional information relating to the Transaction is provided in GAR's Listing Statement dated February 28, 2018.

OVERALL PERFORMANCE

During the year ended December 31, 2017, the Company experienced significant growth in the business from the sales of Bitcoins via the Netcoins' virtual Bitcoin platform. For the year ended December 31, 2017, revenues from Bitcoin sales were \$14,133,570, representing an increase of 14,429%, compared to Bitcoin sales revenues of \$97,276 during the same period in the prior year. The increase in Bitcoin sales is primarily due to the Company engaging stores and agents in the active sales of Bitcoin, selling Bitcoins directly, private labelling of the Company's software to other Bitcoin sellers, the strong appreciating value of the price of Bitcoin, all in the context of increased adoption of cryptocurrency.

The Company expanded its sales and marketing efforts by providing its software to various retail outlets including precious metal retailers, convenience stores, individual sellers and a prepaid voucher retail program. The ease with which end users can purchase Bitcoin using the Company's platform, compared to the difficult process of purchasing from Bitcoin exchanges, facilitated growth in sales through the Company's various outlets. The Company continued to add more retail locations throughout the period, and now has presence across Canada. As the adoption of Bitcoin grew during the period, the Company attracted individuals wishing to purchase larger volumes of Bitcoin exceeding the order limit of its retail outlets. In response, the Company began selling Bitcoin in larger amounts directly to end users. This "private brokerage" channel is now a significant component of the Company's sales.

SELECTED ANNUAL INFORMATION

| | Year ended December 31, 2017 \$ | Year ended December 31, 2016 \$ |
|---------------------|------------------------------------------|------------------------------------------|
| Current Assets | 921,019 | 33,026 |
| Current Liabilities | 1,001,061 | 57,028 |
| Total Assets | 921,019 | 33,026 |
| Total Liabilities | 1,001,061 | 57,028 |
| Revenues | | |
| Bitcoin sales | 14,133,570 | 97,276 |
| Bitcoin purchases | (13,556,257) | (92,996) |
| Gross profit | 577,313 | 4,280 |
| Gross margin | 4.1% | 4.4% |
| Expenses | 685,523 | 32,373 |
| Net loss | 91,888 | 3,133 |
| Loss Per Share | \$91.89 | \$3.13 |

SUMMARY OF QUARTERLY RESULTS

Key financial information for the three months ended December 31, 2017 is summarized as follows, reported in Canadian dollars except for per share amounts:

| | December 31, 2017 (\$) | December 31, 2016 (\$) |
|---------------------------|------------------------------|------------------------------|
| Current Assets | 921,019 | 33,026 |
| Current Liabilities | 1,001,061 | 57,028 |
| Total Assets | 921,019 | 33,026 |
| Total Liabilities | 1,001,061 | 57,028 |
| Revenues | | |
| Bitcoin sales | 6,980,598 | 32,889 |
| Bitcoin purchases | (6,691,331) | (31,542) |
| Gross profit | 289,267 | 1,347 |
| Gross margin | 4.1% | 4.1% |
| Total Operating Expenses | (549,197) | (27,318) |
| Net Income (Loss) | (38,550) | (13,945) |
| Earnings (Loss) per Share | (38.55) | (13.95) |

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER 31, 2017**Revenues**

Revenues from Bitcoin sales for the three months ended December 31, 2017 were \$6,980,598, compared to revenues of \$32,889 during the same period in the prior year.

Cost of sales from Bitcoin purchases for the three months ended December 31, 2017 were \$6,691,331, compared to cost of sales of \$31,542 during the same period in the prior year.

Gross margin for the three months ended December 31, 2017 remained consistent at 4.14% compared to 4.10% in the same period in the prior year.

Expenses

Expenses for the three months ended December 31, 2017 were \$549,197, compared to \$27,318 incurred the same period in the prior year. The significant differences in expenditures were as follows:

- Bitcoin Exchange Fees: \$42,328 for the three months ended December 31, 2017 versus \$nil during the same period in the prior year, as the Company purchased Bitcoin from a Bitcoin exchange in 2017 which charged a fee;
- General and Administrative Expenses: \$669,975 for the three months ended December 31, 2017 versus \$1,995 during the same period in the prior year, commensurate with the growth in business;
- Professional Fees: \$364,091 versus \$nil during the same period in the prior year, as the Company engaged advisors to assist in the rapid growth of the business and in preparation for the Proposed Transaction;
- Foreign Exchange Gain: \$9,261 for the three months ended December 31, 2017 versus \$nil during the same period in the prior year as the number of Bitcoin transactions increased in an environment of changing exchange rates.

Taxes

Provision for income taxes: \$nil versus \$nil during the same period in the prior year.

As a result of the foregoing, the Company recorded a net loss for the three months ended December 31, 2017 of \$38,550, as compared to a net loss of \$13,945 during the same period a year prior.

RESULTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**Revenues**

Revenues from Bitcoin sales for the year ended December 31, 2017 were \$14,133,570, compared to revenues of \$97,276 during the year ended December 31, 2016.

Cost of sales from Bitcoin purchases for the year ended December 31, 2017 were \$13,556,257, compared to cost of sales of \$92,996 during the year ended December 31, 2016.

Gross margin for the year ended December 31, 2017 was 4.1% consistent with the the year ended December 31, 2016, as the Company at 4.4%.

Expenses

Expenses for the year ended December 31, 2017 were \$685,523, compared to expenses of \$32,373 during the year ended December 31, 2016. The significant differences in expenditures were as follows:

- General and administrative expenses increased for the year ended December 31, 2017 to \$636,694 from \$6,705 during the same period in the prior year due to the Company undertaking a public listing; and
- Compensation decreased to \$6,796 for the year ended December 31, 2017 compared to \$25,015 during the same period in the prior year.

As a result of the foregoing, the Company recorded a net loss for the year ended December 31, 2017 of \$91,888, as compared to a net loss of \$3,133 during the year ended December 31, 2016.

CAPITAL STRUCTURE

As of the date of this MD&A, the Company's shares issued and outstanding Class A and Class B Shares were exchanged for GAR shares.

CAPITAL RESOURCES

The Company defines capital as consisting of shareholder's equity and due to a related party. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As at December 31, 2017 and 2016, the Company is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the years ended December 31, 2017 and 2016.

LIQUIDITY

The Company's objective in managing liquidity risk is to maintain sufficient liquidity in order to meet operational and investing requirements at any point in time. The Company has historically financed its operations primarily through shareholder loans.

At December 31, 2017, the Company had cash of \$761,071 (2016 - \$25,654) and working capital of \$(80,042) (2016 - \$(24,002) (working capital deficit)). The change in working capital from December 31, 2016 to December 31, 2017 is attributed to several factors commensurate with the growth of the business including the increase in cash on deposit with Bitcoin exchanges to facilitate the timely purchase of Bitcoin, the growth in trade receivables and payables, the growth in the shareholder loan to finance the cash on deposit, and an allowance for income taxes due to taxable income in 2017. The change in working capital from December 31, 2015 to December 31, 2016 is due to a combination of a reduction in cash reserves, an increase in trade receivables, an increase in trade payables, and an increase in due to related party.

To maintain liquidity, the Company is primarily funded through operations and shareholder loans.

Cash generated in operating activities was \$365,073 during the year ended December 31, 2017, compared to \$2,591 generated in operating activities during same period in the prior year. The change in working capital is attributed primarily to the increase in profitability of the Company.

Cash used in operating activities was \$152,576 during the year ended December 31, 2017, compared to \$5,356 used in operating activities during the year ended December 31, 2016. The change in working capital is attributed primarily to the decrease in operating loss of the Company.

Cash provided by financing activities of \$585,821 for the year ended December 31, 2017 was primarily due to receipt of funds from the convertible debenture units.

The continued operation of the Company in the future may depend on the Company's ability to obtain additional financings. In the past, the Company has relied on shareholder loans and cash generated from operations to meet its cash requirements. Future developments, in excess of funds on hand, will depend on the Company's ability to obtain financing through equity financing, shareholder loans or other means. There can be no assurances that the Company will be successful in obtaining any such financing; failure to obtain such additional financing could have a material adverse effect on the Company's operations.

OUTLOOK

In the next three months upon closing of the financing contemplated by this listing application, the Company intends to increase its sales by adding five sales people and a senior sales executive. The sales people will variously be assigned to increasing the number of retail locations across Canada using the Company's software to sell Bitcoins, to increasing the sale of larger orders of Bitcoins through the Company's private brokerage system, and to expanding sales internationally in Latin America, Asia and Europe, primarily by licensing the use of its software under private label. Over the course of the next year, the Company will increase its digital marketing efforts to attract more in-bound customers and to develop the Company's brand as a reliable provider of Bitcoin software and a frictionless source of Bitcoin sales. The Company will also hire an experienced CEO in the near term, and senior operating staff and additional software developers over the course of the next year.

The Company believes that Bitcoins and other crypto currencies will continue to increase their penetration of the mainstream market given the security and lower costs provided by those currencies' use of blockchain technology, Cryptocurrencies simplify commercial transactions by disintermediating centralized banks and payment system to leave only the parties to the transactions involved on a peer-to-peer relationship. The trend to greater adoption is already evident as more businesses are accepting payment in Bitcoin, and the financial media are publishing a plethora of articles predicting the mainstream adoption of cryptocurrencies. The Company intends to benefit from the growing adoption of Bitcoin in particular by rapidly expanding the penetration of its software in retail outlets and direct sales in Canada, and by licensing its software under private label to other Bitcoin sellers around the world.

RELATED PARTY TRANSACTIONS

The Company's related parties include key management personnel and companies related by way of directors or shareholders in common.

Key Management Personnel Compensation

During the nine months ended September 30, 2017 and 2016, year ended December 31, 2017 and 2016, the Company paid and/or accrued the following fees to key management personnel:

| | Year ended December 31, 2017 \$ | Year ended December 31, 2016 \$ |
|---------------------------------|------------------------------------------|------------------------------------------|
| Management | | |
| Michael Vogel, CEO and Director | 6,796 | 25,015 |
| | 6,796 | 25,015 |

Key management includes the Company's Board of Directors and members of senior management.

Due to Related Parties

As at December 31, 2017 and 2016, the Company has the follow amounts due to related parties:

| | December 31, 2017 \$ | December 31, 2016 \$ |
|----------------------|----------------------------|----------------------------|
| Due to related party | 138,700 | 52,879 |
| | 138,700 | 52,879 |

The related party is Michael Vogel, the founder, CEO, sole director and sole employee of the Company. The amount is non-interest bearing, and repayable in part or in full on demand.

OFF BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels.

The hierarchy is as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

The fair value of cash approximates their carrying value due to the short-term maturity. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial Risk Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash held with banks, cash on deposit with fiat to Bitcoin Exchanges and from outstanding trade receivables. The Company minimizes credit risk associated with its cash balance substantially by dealing with financial institutions deemed to be reliable due to their history of operations. Credit risk associated with Bitcoin sale proceeds collected by vendors on behalf of the Company is limited as transactions are usually settled within 1 or 15 days.

Liquidity risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

Foreign Currency Risk

Currency risk is the risk that the value of financial assets and liabilities denominated in currencies, other than the functional currency of the Company, will fluctuate due to changes in foreign currency exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company is exposed to foreign currency risk through cash on deposit with fiat to Bitcoin exchanges which is denominated in United States dollars (USD). As at December 31, 2017, the Company had \$230,731 (USD \$184,334) on deposit with fiat to Bitcoin exchanges. A 5% change in the value of Canadian dollar in comparison to USD would cause a change in net income

of approximately \$11,537. During the year ended December 31, 2017, the Company recorded a foreign exchange loss of \$9,263.

BUSINESS RISKS AND UNCERTAINTIES

Additional information on risks and uncertainties relating to Netcoins' business is provided in GAR's Listing Statement dated February 28, 2018, under the heading "Risk Factors".

CONTRACTUAL OBLIGATIONS

The Company presently has no contractual obligations pursuant to which the Company has any payments owing in the next five years.

Additional information on Netcoins' material contracts is provided in GAR's Listing Statement dated February 28, 2018, under the heading "Information Concerning Netcoins – Material Contracts".

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ significantly from these estimates.

The following discusses the most significant accounting judgements, estimates and assumptions that the Company has made in the preparation of its financial statements.

Areas of judgment:

- Revenue recognition

In recognizing revenue, the Company determines if it acts as a principal in executing transactions with third parties, judgment is required to determine if the Company is acting as the principal or an agent in order to determine if revenue should be recognized on a gross or net basis for bitcoin sales and purchases.

- Going concern

Determining if the Company has the ability to continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will be able to continue as a going concern.

- Deferred tax assets

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Management applies judgment in determining the likelihood of future taxable profits.

- Determination of fair values

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

- Provision for doubtful account

The allowance for doubtful accounts and past due receivables are reviewed by management on a monthly basis. Trade and other receivables are considered for impairment on a case-by-case basis when they are past due or when objective evidence is received that a customer will default. Management makes these assessments after taking into consideration the customer's payment history, their credit worthiness and the current economic environment in which the customer operates to assess impairment.

- Tax assets and liabilities

Provisions for income taxes are made using the best estimate of the amount expected to be paid or recovered based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made. Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in tax laws and rate as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are summarized in Note 4 to the audited financial statements for the years ended December 31, 2017 and 2016.

ACCOUNTING STANDARDS ISSUED AND APPLICABLE TO THE COMPANY

IFRS 9 Financial Instruments. In July 2014, the IASB completed the final elements of IFRS 9 "Financial Instruments." The standard supersedes earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 "Financial Instruments: Recognition and Measurement." IFRS 9, as amended, includes a principle-based approach for classification and measurement of financial assets, a single 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. The standard will come into effect for annual periods beginning on or after January 1, 2018 with earlier adoption permitted. IFRS 9 will be applied by the Company on January 1, 2018 and the Company is has evaluated the effect on its financial statements and no significant impact is anticipated.

IFRS 15 Revenue from Contracts with Customers. In May 2014, the IASB issued IFRS 15 "Revenue from Contracts with Customers" which replaces IAS 18 "Revenue," IAS 11 "Construction Contracts," and related interpretations. The standard is required to be adopted for fiscal years beginning on or after January 1, 2018, with earlier adoption permitted. IFRS 15 will be applied by the Company on January 1, 2018 and the Company is has evaluated the effect on its financial statements and no significant impact is anticipated.

IFRS 16 Leases. In January 2016, the IASB issued IFRS 16 "Leases", which replaces IAS 17 "Leases". For lessees applying IFRS 16, a single recognition and measurement model for leases would apply, with required recognition of assets and liabilities for most leases. The standard will come into effect for annual periods beginning on or after January 1, 2019, with earlier adoption.