

HPB INVESTMENTS INC.
FORM 51-102F1
ANNUAL MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE YEAR ENDED
DECEMBER 31, 2014

Date

This management discussion and analysis ("MD&A") is dated October 29, 2014 and is in respect of the year ended December 31, 2013. Information contained herein is presented as at April 15, 2015, unless otherwise indicated.

Introduction

The following MD&A of the financial condition and results of the operations of HPB Investments Inc. (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2014. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2014, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The results for the period presented are not necessarily indicative of the results that may be expected for any future period.

The financial statements for the year ended December 31, 2014, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Cautionary Note Regarding Forward-Looking Information

Certain statements in this MD&A may constitute "forward-looking" statements, which involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this MD&A, such statements use words such as "may", "will", "should", "could", "anticipate", "expect", "believe", "intend", "plan", "potential", "continue" and other similar terminology. These statements reflect management's current expectations regarding future plans, intentions, events, growth, operating performance and business prospects and opportunities and speak only as of the date of this MD&A. These forward-looking statements involve a number of risks and uncertainties. See "Risk Factors". New risk factors may arise from time to time and it is not possible for management of the Company to predict all of them or the extent to which any factor or combination of factors may cause its actual results, performance or achievements to be materially different from those contained in forward-looking statements.

Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results

will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as may be required by law.

Description of Business

HPB Investments Inc. was incorporated under the laws of Canada. On May 12, 1999, HPB acquired all the issued and outstanding common shares of Housewarmers Inc., a private company. Housewarmers Inc. is a corporation engaged in the development and marketing of customer acquisition and retention programs for retailers and other consumer providers. The aggregate purchase price was \$182,002, which was satisfied with \$23,668 of cash on hand and the issue of 5,000,000 of common shares of HPB valued at \$158,334. The acquisition was accounted for using the purchase method.

On July 9, 2001, the shareholders of HPB approved the sale of Housewarmers Inc. to Alice Bowers, a 27.1% shareholder of HPB in exchange for the return to treasury of 4,000,000 common shares of HPB.

The Company has not been active after the sale of Housewarmers Inc. in 2001 and has no established business.

The Company's ability to continue as a going concern is dependent on its ability to complete a transaction, complete sufficient public equity financing and generate profitable operations in the future. The Company's ability to achieve and maintain profitable operations is dependent upon the Company to establish its market.

The Company was able to obtain funds from non-interest bearing notes payable from its directors in the current and prior years to fund operations.

The Cease Trade Order issued by the Ontario Securities Commission dated May 23, 2002 was lifted on December 31, 2014.

On January 26, 2015, HPB entered into a non-binding letter of interest with Bradstone Financial Corp. ("Bradstone") such that HPB and Bradstone would merge. If the transaction is completed the shareholders' of Bradstone, through a reverse take-over would obtain control of HPB. The completion of transaction is subject to the completion of a merger agreement between Bradstone and HPB and approval of the transaction by the shareholders of HPB and applicable regulatory agencies.

Overall Performance

At December 31, 2014, the Company has assets of \$34,178 and shareholders' deficit of \$234,587. This compares with no assets and shareholders' deficit of \$154,403 at December 31, 2013. At December 31, 2014, the Company had \$114,161 of current liabilities compared to current liabilities of \$44,788 at December 31, 2013. Additionally the Company notes payable to certain directors increased to \$154,604 from \$109,604 between December 31, 2014 and 2013.

At December 31, 2014, the Company had a working capital deficiency of \$234,587, compared to working capital deficiency of \$154,403 at December 31, 2013. The Company believes that additional financing will be required to fund its operating expenses as it searches for a transaction or a public equity financing.

Trends

The Company plans to continue to attempt to complete a transaction, complete sufficient public equity financing and generate profitable operations in the future. There can be no assurance that such events will occur.

Selected Annual Financial Information

A summary of selected financial information for the years ended December 31, 2014, and 2013 follows:

	December 31, 2014	December 31, 2013
Total revenue	Nil	Nil
Net earnings (loss)	(\$80,184)	(\$9,475)
Total assets	\$34,178	Nil
Long-term financial liabilities	Nil	Nil

The Company declared no cash dividends during the above financial years.

Results of Operations

For the year ended December 31, 2014, the Company reported a net loss of (\$80,184) versus a net loss of (\$9,475) in the corresponding period in 2013.

Expenses for the 2014 year were \$80,184 versus \$9,475 in the prior year. The increase is primarily attributable to costs incurred by the company for consulting and professional fees in 2014.

Overall Objectives

For the 2015 fiscal year the Company plan is to complete the transaction with Bradstone.

Summary of Quarterly Results

A summary of selected financial information for the previous eight quarters is as follows.

	Q4 2014 (unaudited)	Q3 2014 (unaudited)	Q2 2014 (unaudited)	Q1 2014 (unaudited)	Q4 2013 (unaudited)	Q3 2013 (unaudited)	Q2 2013 (unaudited)	Q1 2013 (unaudited)
Total revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss and comp. loss	(\$56,630)	(\$23,518)	(\$15,681)	(\$7,840)	(\$5,377)	(\$1,366)	(\$1,366)	(\$1,366)
- Total	(\$56,630)	(\$23,518)	(\$15,681)	(\$7,840)	(\$5,377)	(\$1,366)	(\$1,366)	(\$1,366)
- Per share	(\$0.004)	(\$0015)	(\$0.0010)	(\$0.0005)	(\$0.0003)	(\$0.0001)	(\$0.0001)	(\$0.0001)
Working capital	(\$234,587)	(\$177,921)	(\$170,084)	(\$162,243)	(\$154,403)	(\$149,026)	(\$147,660)	(\$146,294)
Total assets	\$34,178	\$24,354	Nil	Nil	Nil	Nil	Nil	Nil

Liquidity and Financial Position

As at December 31, 2014, the Company had a working capital deficiency of \$234,587. Management believes that additional funding will be required to fund the Company's general and administrative expense as it completes the proposed transaction with Bradstone. The Company requires funds to enable it to meet its public company reporting obligations until it completes a transaction or equity financing. There can be no assurance however that additional financing will be available or on terms acceptable to the Company.

Transactions with Related Parties

As at December 31, 2014 and 2013, the Company has notes payable of \$154,604 and \$109,604, respectively due to directors of the Company. The notes payable are non-interest bearing and due on demand. The notes payable were provided to the Company to fund operations. Additionally the Company incurred costs for services provided in the amount of \$45,000 by a company who is also a shareholder of the company.

Off-Balance Sheet Arrangements

The Company does not have any off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations or financial condition, including, without limitation, such considerations as liquidity, capital expenditures and capital resources that would be considered material to investors.

Proposed Transactions

As at the date hereof, the only proposed transactions of a material nature being considered by the Company is that on January 26, 2015, HPB enter into a non-binding letter of interest with Bradstone Financial Corp. ("Bradstone") such that HPB and Bradstone would merge. If the transaction is completed the shareholders' of Bradstone, through a reverse take-over would obtain control of HPB. The completion of transaction is subject to the completion of a merger agreement between Bradstone and HPB and approval of the transaction by the shareholders of HPB and applicable regulatory agencies.

Critical Accounting Estimates

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations 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.

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 future periods if the review affects both current and future periods. Information regarding significant areas of estimation, uncertainty and critical judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements relate to accrued liabilities and the recognition of deferred income taxes.

Capital Management

The Company includes equity, comprised of issued share capital, contributed surplus and deficit, in the definition of capital, amounting to \$(234,587). The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its activities relating to identifying a transaction. To secure the additional capital necessary to pursue this plan, the Company may attempt to raise additional funds through the issuance of equity or debt.

Financial Instruments

The Company's financial instruments consisting of accounts payable and accrued liabilities and notes payable, approximate fair values due to the relatively short-term maturities of these instruments. It is management's opinion that the Company is not exposed to significant interest risk, currency or credit risks arising from these financial instruments

As at December 31, 2014, the Company has negative working capital of \$234,587 (December 31, 2012 – \$154,403). The Company will require additional financing to meet its ongoing obligations and its business objectives.

Changes in Accounting Policies

Recent Accounting Pronouncements

Recently issued but not adopted accounting guidance includes, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, IFRS 7, “Financial Instruments”: Disclosures”, IFRS 11 - “Joint Arrangements”, IFRS 12 - “Disclosure of Interests in Other Entities”, IFRS 13 - “Fair Value Measurement”, IAS 1 - “Presentation of Financial Statements” and IAS 12, “Deferred Taxes”. These are described in note 2 to the audited annual financial statements for the year ended December 31, 2014. These recent accounting pronouncement have not been adopted and the adoption of these standards are not expected to have a significant impact on its financial statements.

Risk Factors

At the present time, the Company does not hold any interest in an operating asset or business. The Company's viability and potential success lies in its ability to identify and successfully complete a transaction. Management believes that the Company's ability to identify and complete a transaction will be greatly influenced by the strength of the capital markets. Markets that are robust and receptive to equity financings are expected by management to be most favourable for the completion of a transaction. Revenues, profitability and cash flow from any business acquisition involving the Company is difficult to predict and will be influenced by factors unknown to management at the present time. The Company has limited financial resources and there is no assurance that additional funding will be available to it. Failure to obtain such additional financing could result in the Company not being able to meet its general and administrative expenses or maintain its public company status, and could delay or indefinitely postpone the identification of transaction once a suitable business has been identified.

Disclosure of Outstanding Share Data

As at the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities previously issued by the Company:

Designation of Securities	Number or Principal Amount Outstanding	If Convertible, Exercisable or Exchangeable for Common Shares, Maximum Number of Common Shares Issuable
Common Shares	15,780,000	N/A
TOTAL (maximum number of Common Shares - fully-diluted)		15,780,000

Disclosure of Internal Controls

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited financial statements, and (ii) the audited financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's accounting framework.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.