

**Form 51-102F2**  
**Management's Discussion & Analysis (MD & A)**

## **Forward-Looking Information**

This MD&A contains “forward-looking information” that is based on management’s expectations, estimates and projections as of the date of this MD&A. Forward looking information in this MD&A can frequently be identified as incorporating such words as “plans”, “becomes”, “expects”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes”, “may”, “could”, “would”, “might” or “will”. This forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by the forward looking information in this MD&A. Actual results may vary materially from the forward looking information contained in this MD&A. The forward-looking information contained in this MD&A is based on the information available as of the date of this MD&A and we have no intention of updating them except as required by applicable securities law. Numerous events and circumstances could occur subsequent to the date of this MD&A that could cause the actual results, performance or achievements that may be expressed or implied by the forward-looking information.

Forward-looking statements are included in sections 1.2, 1.3, 1.4, 1.5, and 1.6. Examples of such forward looking information included in this MD&A include, but are not limited to, trends in the marketplace favoring both Quizam’s products; the demand for Corporate Computer training being fueled by the increased reliance on computers in the workplace; growing use of the internet helping to improve the awareness and consequent demand for the Quizam product; demand for Quizam’s products increasing; the large global increase in the use of cell phones and internet, together with an increased appreciation for education and training giving the company excellent strategic positioning; all future global License sales will be in Canadian dollars; there can be no assurance that the company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable; the company will continue to improve its cash positions by focusing on increasing sales, improving profitability and equity financings; broadening of On-TrackTV; increasing our On-TrackTV sales team; significant parental/family demand for study tools; inventory increasing in value; anticipating receiving deferred purchases; management anticipates more Country Licenses coming on board and increased website visits in the coming quarters.

All of the above forward looking statements are subject to significant risks and uncertainties. Certain material risk factors, that could cause actual results to differ materially from the forward-looking information contained in this MD&A include, but is not limited to, changes in the actions of competitors; fluctuations of exchange rates; the trading level of the company’s stock; the continued availability of financing on appropriate terms for future projects; the continued increase of commercial run rates; a decline in market liquidity, and the volatility of global markets. Events and circumstances that occurred during the period ended February 29, 2016, which are reasonably likely to cause actual results to differ materially are the volatility of the global economy and increased competition which could prevent the company from improving its cash

position, improving profitability, increasing Country Licenses or completing necessary financings; decreased usage of the internet, cell phones, and PDA's which could decrease demand for Academic Quizzing software and Quizam's products; the inability to hire appropriate staff and the results of product development activities could prevent further revisions to the software and the development of new products.

The current economy increases the uncertainty of forward looking statements and information included in the MD&A.

## **1.1 Date of Information**

April 29, 2016

## **1.2 Overall Performance**

We are pleased with development of On-TrackTV as it has received a great deal of attention in Canada, the United Kingdom and Bahrain. On-TrackTV distributes on-line information technology learning over the internet. The business model is based on self-service through a website with residual subscriptions. People are going to the On-TrackTV site and using the training.

We continue to enhance On-TrackTV. Our two main areas of On-TrackTV development include the LMS (learning management system) and content. As software companies continue to release new versions we continue to develop On-TrackTV content for these new versions.

Though the Canadian economy is strong much of the current global economy is unstable and uncertain. Many other countries such as Greece, France and the United States of America are less stable. The company competes in the global marketplace and the instability of the global economy creates a more challenging environment for the company. More recently, the devalued Canadian Dollar is helping to make our product more competitive globally.

The page hits and Video view/downloads from the On-TrackTV website continue to increase quarter by quarter. It appears that trends in the marketplace are favoring Quizam's On-TrackTV product. The demand for corporate computer training is being fueled by the increased reliance on computers in the workplace coupled with the continued releases of new products from software producers like Microsoft.

Our usage and page hits worldwide for the each of the last eight quarters are as follows

Fiscal quarter ended:	Page Hits	Video Downloads
February 29, 2016	117,211	89,095
November 30, 2015	114,724	91,777
August 31, 2015	71,532	48,979
May 31, 2015	119,356	86,034
February 28, 2015	80,049	54,291
November 30, 2014	68,920	47,060
August 31, 2014*** (see note below)	46,954	26,821
May 31, 2014	190,938	158,668

(note\*\*\* starting June 2014 we introduced new strict filters that have zero tolerance with “web Bots” that stroll the Web checking out sites, as well all Page Hits must land for minimum of 4 seconds and Video Downloads must view for a minimum of 50% of the lesson. This produces more accurate sense of site usage and viewings.)

We are currently transitioning from face to face training to online training. Our online division is growing faster than the face to face training division and the ontracktv.com website is growing much faster than the On-Track face to face training website.

Quizam has altered its “Exclusivity” agreement with Central Media in the UK. The agreement is now non-exclusive and permits Quizam to work with other partners in the UK for the sale and distribution of ontrackTV.com into the UK market under the name ontrackTV.co.uk. The ontrackTV.co.uk library of online learning videos is sold via annual subscriptions to those seeking to learn about common software packages, Human Resource (HR) training, and Management Leadership Training.

On-TrackTV continues to diversify its offering to include far more than just software training.

Our UK partner is continuing to forge new clients for us in the UK market.

In March 2010 we established a new partner in the Middle East. We are looking forward to some success with this new territory as well. We will soon start to deliver an Arabic version of our training.

Until now On-TrackTV has focused on information technology computer training, however, due to client demands and custom training requests we are now expanding the curriculum to include soft skill training for corporations. We have added new soft skill courses such as Conflict Resolution in the Workplace, Brain Storming and Increasing Workplace Assertiveness. We have also added 500 new on-line courses in trades including apprentice programs for plumbing, electrical, pipe fitting and carpentry.

In addition to the training services described above, our global strategy with On-TrackTV has been to place our tags on partner’s websites; however, revenue from this source has been minimal so far.

The Company has two teams familiar with both markets working in Canada and the United Kingdom. Increased demand for On-TrackTV has resulted in reassigning some of the Quizam Software team and as a result, Quizam Software development and sales efforts have become secondary to On-TrackTV. However, we are still working to develop a free shared online Quizam community.

We are also adding administrative components to On-TrackTV which will broaden our corporate appeal. We are looking at broadening On-TrackTV to include other broadcasts such as CEO messages, compliance issues, and other customized corporate communication requirements for clients. We plan to increase our On-TrackTV corporate sales team and to sell the product to Fortune 500 companies.

Management feels that the growing use of the internet will help to improve the awareness and consequently demand for the Quizam product.

Management sees the demand for Quizam's products increasing. The global increased use of cell phones and internet, together with an increased appreciation for education and training will give the company excellent strategic positioning. We are currently developing products for handheld devices such as iPhones, Blackberries and Android phones.

The Company is continuing to add quizzes to its internet library. Many of the topics are classic and timeless. As this library continues to grow it becomes a valuable asset to the Company. The Company is exploring ways of accelerating the growth of this library either through corporate purchases of content or perhaps a "community" sharing model where quizzes can be added by global users. In either case management sees this inventory increasing in value as time goes on.

In December 2013 the Company moved its offices to 885 West Georgia Street, Vancouver, BC. The new space has a better layout and saves almost \$120,000 per year in rent.

The Company has the equipment and experience in producing non-fiction learning vignettes. Management decided to expand its content to include some "Fiction" based filming such as Movies for Entertainment. In October, 2014, the Company announced the opening of a new Entertainment Division. The Company will be a producer/aggregator of family entertainment. In October, 2014 the Company also announced the appointment of Lewis Schoenburn, Jacquie Wechselberger and Uwe Boll as members of the Company's Advisory Board.

In January 2015 the Company signed a deal with Event Film for film distribution and management believes that overall performance is improving. The Company is working toward producing content both for education and for entertainment.

In February 2015, the Company signed a deal with Extreme Video in Italy to produce a horror thriller movie entitled "The Blind King".

In March 2015, the Company signed a deal with Clarius Entertainment in Los Angeles whereby the Company will guarantee loans of up to US\$6.25Million to assist with theatrical releases in the North American market. In May 2015 both parties agreed to have the deal expire and work on new improved deal whereby Quizam could have equity position (see below).

In May 2015, the Company entered into a licensing agreement with Koch Media whereby Koch will purchase 4 feature films from the Company for the Italian speaking European market. The films are titled "Gifted", "Gifted 2", "Primal Shift" and "The Blind King". Koch is to pay US\$35,000 plus 50% of all gross receipts from the exploitation of the films. A 20% commission is to be paid to Event Film.

In June 2015, the Company entered into a letter of intent to acquire a 10% non-dilutable equity interest in William Sadleir's new motion picture distribution company, Aviron Capital, LLC, ("Aviron") headquartered in Beverly Hills, California.

The Company subsequently entered into a Share Exchange Agreement which closed on November 5, 2015 (the “Agreement”). Under the terms of the Agreement, the Company issued 1,000,000 common shares and 12,250,000 share purchase warrants to acquire 1,000 Class A units of Aviron, representing a 10% non-dilutable equity interest. Each warrant entitles the holder to acquire one common share at a price of \$0.08 for a period of 60 months following closing. Aviron granted the Company a Net Earnings Participation interest consisting of (i) US\$50,000 per year for five years, paid quarterly (ii) the issuance of a non-interest bearing promissory note of US\$1,000,000 due and payable on or before October 30, 2020 (iii) 10% of Aviron’s net annual revenues (iv) and 10% of all proceeds or value received at the time of a liquidity event, including a public or private sale of Aviron, or winding up of the company.

The Company plans to continue to focus on growth and profitability. The main strategies in the process include:

- a) Strict focus on increasing gross sales in each month compared to the same month in previous year;
- b) Increase of pricing in all areas;
- c) Huge expansion of course offerings beyond IT and computer training. Some of the new course offerings include customer service, conflict resolution, minute note-taking, and project management;
- d) Special marketing team devoted to gaining Fortune 500 companies as clients for On-Track TV;
- e) Continue to develop On-Track TV markets in the UK, North America, Bahrain (Middle East) and Australia;
- f) Add quizzing component to On-Track TV where users are quizzed after viewing content;
- g) Offering web development services under the name On-Track Web Development. This enables us to leverage our in house team and increase revenue; and
- h) Continue to enhance the LMS (learning management system) of the On-Track TV website.
- i) Further development of the UK market.
- j) Full scale animation and film productions in the areas of non-fiction and education.
- k) Production of 3 – 4 Independent films per year.
- l) Participating with Aviron Pictures to distribute Theatrical Releases in the North American market.
- m) Develop and offer courses in common accounting software such as Simply Accounting, Quick Books and Caseware. This would be for both Face to Face and OntrackTV.

### 1.3 Discussion of Operations

Revenue for the nine months ended February 29, 2016, decreased to \$362,222 from \$436,793 during the nine months ended February 28, 2015. Revenue decreased as a result of the new course requiring modifications and testing that reduced our ability to provide our normal load of training. Loss before other items increased to \$1,109,805 (2015 - \$741,399) during the nine months ended February 29, 2016. Operating expenses increased from \$1,178,192 during the nine months ended February 28, 2015, to \$1,472,027 during the nine months ended February 29, 2016. The increase of \$293,835 was mainly as a result of an increase in professional fees, investor and finance development, On-Track TV development cost, and travel and business development. This also resulted in an increase in net loss of \$358,532.

The significant changes were as follows:

- Accounting and legal costs increased to \$225,300 for the nine months ended February 29, 2016 (2015 – \$166,104). The increase is mainly as a result of increased legal work related to the Company’s acquisition of its investment in Aviron and work related to other agreements entered into during the period.
- Investor and finance development costs increased to \$134,111 for the nine months ended February 29, 2016 (2015 – \$72,073). The increase is a result of more investor relations meetings and more focus on setting up the entertainment division of Quizam Media.
- On-Track TV development costs increased to \$211,002 for the nine months ended February 29, 2016 (2015 - \$124,812). The increase in On-Track TV costs is a result of management focusing more time and effort on the development for new schedule and marketing planning according the recent changes in economic environment.
- Travel and business development increased to \$223,323 for the nine months ended February 29, 2016 (2015 - \$85,181). The increase is a result of more meetings regarding investor/finance development activities.

Our training division continues to improve its performance and management feels we are gaining more market share every quarter. We are blending out On-TrackTV with our face to face offerings to attract more large clients.

## 1.4 Summary of Quarterly Results

The effect of applying the treasury stock method to the Company's loss per share calculation is antidilutive. Therefore basic and diluted losses per share are equal for the periods presented.

The quarterly periods in the table below are presented under International Financial Reporting Standards in Canadian dollars.

Description	February 29, 2016	November 30, 2015	August 31, 2015	May 31, 2015	February 28, 2015	November 30, 2014	August 31, 2014	May 31, 2014
Total Revenue	\$125,884	\$121,050	\$115,288	\$112,748	\$132,924	\$156,341	\$147,528	\$149,252
Income or (loss) before other items	\$(415,799)	\$(436,261)	\$(257,805)	\$(247,140)	\$(277,102)	\$(399,948)	\$(64,349)	\$(472,091)
Net Income or (loss) for the period	\$(410,395)	\$(431,866)	\$(257,376)	\$(247,054)	\$(277,013)	\$(399,683)	\$(64,349)	\$(468,828)
Net income (Loss) before other items per share basic and diluted	\$(0.01)	\$(0.01)	\$(0.00)	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.00)	\$(0.04)
Income (Loss) per share basic and diluted	\$(0.01)	\$(0.01)	\$(0.00)	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.00)	\$(0.04)

Revenue decreased during the three months ended August 31, 2014, as there has been a decrease in On-Track TV and face to face business. Net loss during the first quarter ended August 31, 2014 is comparable to the net loss during the first quarter ended August 31, 2013.

Revenue increased during the three months ended November 30, 2014. Net loss increased during the second quarter ended November 30, 2014, over the first quarter ended August 31, 2014 as a result of increased revenue offset by increased operating expenses.

Revenue decreased during the three months ended February 28, 2015, as there has been a decrease in On-Track TV and face to face business. Net loss decreased during the second quarter ended February 28, 2015, over the third quarter ended November 30, 2014 as a result of decreased operating expenses.

Revenue increased during the three months ended May 31, 2015. Net loss decreased during the third quarter ended February 28, 2015, over the second quarter ended November 30, 2014 as a result of decreased operating expenses.

Revenue increased during three months ended August 31, 2015. Net loss increased during the first quarter ended August 31, 2015 as a result of increased operating expenses.

Revenue increased during three months ended November 30, 2015. Net loss increased during the second quarter ended November 30, 2015 as a result of decreased revenue and increased operating expenses.

Revenue and net loss during three months ended February 29, 2016, was consistent with the previous quarter.

## 1.5 Liquidity

The Company's liquidity has increased at February 29, 2016, since May 31, 2015.

	February 29, 2016	May 31, 2015
	\$	\$
Cash and cash equivalents (bank overdraft)	4,879	(11,367)
Amounts receivable & prepaid expenses	138,609	63,779
Accounts payable and accrued liabilities	128,659	126,022
Due to a related party	8,146	177,904
Promissory notes payable	-	131,817

As at February 29, 2016, the Company had cash of \$4,879 and a working capital deficiency of \$18,126 compared to bank overdraft of \$11,367 and a working capital deficiency of \$408,410 as May 31, 2015. The Company's increase in working capital is mainly attributable to funds raised through the issuance of common shares.

During the nine months ended February 29, 2016, the Company used \$1,311,913 of cash for operating activities compared to \$515,129 in the comparative period. The Company incurred \$3,675 (2015 - \$44,932) in acquisition of equipment and \$40,350 for investment in film production (2015 - \$55,000) during the period ended February 29, 2016. The Company has financed its operations for the last two years mainly through the issuance of share capital. The Company has raised \$1,372,184 (2015 - \$565,260) through subscription of share capital during the period ended February 29, 2016. The Company received \$nil (2014 - \$55,354) through advances from related parties during the period ended February 29, 2016. The Company has incurred losses as it continues to develop its software products. The Company continues to be dependent on its cash reserves and future financings.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. If adequate financing is not available when required, the Company may be required to delay or scale back its software development and marketing. Any equity offerings will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

Currently the Company has insufficient funds to meet its requirements for the coming year. It will continue to improve its cash positions by focusing on increasing sales, improving profitability and equity financings.

## 1.6 Capital Resources

The Company's capital currently consists of common shares, options and warrants. The Company's principal source of funds is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to meet the Company's educational software development, internet training development and film production to ensure the growth of activities.



The Company is committed to an office lease through June 2017. As at February 29, 2016, the minimum lease payments over the remaining lease term were as follows: 2016 - \$35,515; 2017 - \$142,059; 2018 - \$11,839. Also as at February 29, 2016, the Company was committed to a \$14,650 payment upon completion of the film production project.

## 1.7 Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

## 1.8 Transactions Between Related Parties

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties as follows:

	2016	2015
Wages and benefits, and fees	\$ 108,040	\$ 100,170
Share-based payments	-	-
	<u>\$ 108,040</u>	<u>\$ 100,170</u>

For the nine months ended February 29, 2016, and February 28, 2015, key management personnel were not paid any post-employment benefits, termination benefits or any other long-term benefits.

At February 29, 2016, the Company owed \$8,146 (May 31, 2015 - \$177,904) to a significant shareholder and companies owned by a significant shareholder, who is also a director and officer, and to a company owned by his relative.

Accounting, investor and finance development, product development, moving, office and other miscellaneous expenses are provided by a company owned by a significant shareholder. An amount of \$325,852 (2015 - \$245,104) was included in expenses for these services during the nine months ending February 29, 2016.

During the nine months ended February 29, 2016, marketing and publicity, investor and finance development, product development fees, and moving expenses totaling \$254,162 (2015 - \$190,203) were included in expenses to a company owned by a relative of one of the directors.

During the nine months ended February 29, 2016, product development fees and office expenses totaling \$107,548 (2015 - \$74,173) were included in expenses to relatives of one of the directors.

## 1.9 Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions which affect the reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses for the period reported. Significant areas requiring the use of management estimates relate to estimation of an allowance for doubtful accounts, the measurement of share-based compensation,

expected lives of long-lived assets, and the recognition of deferred income tax assets. Actual results could differ from those estimates. Significant judgements are applied by management to determine whether sales have met the Company's revenue recognition criteria, whether investments in film production are recoverable, and to assess the probability of realizing deferring income tax assets based on the likelihood of generating taxable income in the future. Different judgement could yield different results.

## **1.10 Changes in Accounting Policies including Initial Adoption**

The mandatory adoption of the following new and revised accounting standards and interpretations on June 1, 2015 had no significant impact on the Company's consolidated financial statements for the periods presented:

### ***IAS 36 – Impairment of Assets***

In May 2013, the IASB issued an amendment to address the disclosure of information about the recoverable amount of impaired assets or a CGU for periods in which an impairment loss has been recognized or reversed. The amendments also address disclosure requirements applicable when an asset's or a CGU's recoverable amount is based on fair value less costs of disposal.

### **Future Accounting Changes:**

New accounting standards effective for the Company on June 1, 2016 or later:

### ***IFRS 15 – Revenue from Contracts with Customers***

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2018.

### ***IFRS 9 – Financial Instruments***

The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments. The standard is effective for annual periods beginning on or after January 1, 2018.

Management is currently evaluating any impact that the above standards may have on the Company's consolidated financial statements and this assessment has not yet been finished.

## 1.11 Financial Instruments and Other Instruments

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivable or at fair value through profit or loss (“FVTPL”). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities. Financial instruments comprise cash and cash equivalents, accounts receivable, amounts receivable, promissory note receivable, accounts payable, due to related parties and promissory notes payable. The Company has elected to account for transaction costs related to the issuance of financial instruments as a reduction of the carrying value of the related financial instruments.

At initial recognition management has classified financial assets and liabilities as follows:

a) Financial assets

The Company has classified its investment in Aviron Group LLC as available for sale. The Company has classified accounts receivable, amounts receivable and promissory note receivable as loans and receivables. The Company has not classified any financial assets held to maturity.

b) Financial liabilities

The Company has recognized its cheques written in excess of funds on deposit, accounts payable, due to related parties and promissory notes payable as other financial liabilities. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

The following table summarizes information regarding the carrying values of the Company’s financial instruments:

	<b>February 29, 2016</b>	<b>May 31, 2015</b>
	\$	\$
FVTPL (i)	4,879	–
Loans and receivables (ii)	947,913	12,287
Other financial liabilities (iii)	(136,805)	(422,110)

(i) Cash and cash equivalents

(ii) Accounts receivable, amounts receivable and promissory note receivable

(iii) Accounts payable, and due to related parties

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs that are not based on observable market data.

The following table sets forth the Company’s financial assets measured at fair value on a recurring basis by level within the fair value hierarchy:

	Level	February 29, 2016 \$	May 31 2015 \$
Cash and cash equivalents	1	4,879	–

The risk management function within the Company is carried out in respect of financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures, in order to minimize operational and legal risks.

#### Credit Risk

Financial instruments that potentially subject the Company to concentrations of accounts receivable. The Company manages its exposure to credit risk by only working with reputable companies and by performing on-going credit evaluations of its customers' financial condition and requires letters of credit or other guarantees whenever deemed appropriate. The maximum exposure to loss arising from accounts receivable is equal to their carrying amounts.

All of the 61 days and over balance outstanding at February 29, 2016, has been subsequently collected.

#### Liquidity Risk

The Company manages its ability to meet its short-term obligations through the capital management described in Note 13 to the consolidated financial statements. The Company has a working capital deficit and requires additional financing to fund operations.

#### Foreign Exchange Risk

As the Company generates a portion of its revenues in the U.K., the Company's foreign exchange risk arises primarily with respect to the U.K. pound sterling. Financial instruments that subject the Company to foreign currency exchange risk include cash and accounts receivable. Approximately 5% of the Company's revenues are denominated in the U.K. pound sterling (2015 – 5%), while a significant amount of the Company's expenses are denominated in Canadian dollars. In management's opinion the Company is not exposed to significant foreign exchange rate risk.

#### Interest Rate Risk

In management's opinion the Company is not exposed to significant interest rate risk.

## 1.12 Additional Information

Additional information about the Company is available on SEDAR (Website: [www.sedar.com](http://www.sedar.com))

## Outstanding Share Data

The following table summarizes the outstanding share capital as of the date of the MD&A:

	Number of shares issued or issuable
Common shares	70,797,263
Stock options	2,840,000
Warrants	32,665,373

### 1.13 Subsequent Events

- (a) On March 1, 2016, the Company granted 1,400,000 stock options exercisable at \$0.05 per share until March 1, 2018.
- (b) On March 14, 2016, the Company closed a non-brokered private placement of 5,400,000 units at \$0.025 per unit. Each unit consists of one common share and one share purchase warrant exercisable at \$0.08 per share for 18 months. In connection with the private placement, the Company issued 180,000 common shares as finders' fees with a fair value of \$4,500.
- (c) Subsequent to February 29, 2016, the Company issued 1,000,000 shares upon exercise of options for gross proceeds of \$70,000.
- (d) Subsequent to February 29, 2016, a total of 1,030,000 stock options with an exercise price of \$0.15 per share expired unexercised.