

**NANOSTRUCK TECHNOLOGIES INC.
AMENDED MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

The following amended management's discussion and analysis ("MD&A") should be read in conjunction with annual audited financial statements, including the notes attached thereto for the years ended September 30, 2014 and 2013. Additional information relating to NanoStruck Technologies Inc. ("NanoStruck" or the "Company") is available on SEDAR at www.sedar.com. This MD&A is prepared as of April 7, 2015, and has been approved by the Company's Board of Directors. All currency amounts are in Canadian dollars unless otherwise noted.

Summary of Amendments

This MD&A of NanoStruck for the years ended September 30, 2014 and 2013 has been revised at the request of the British Columbia Securities Commission (the "BCSC") to address certain deficiencies identified by the BCSC. Specifically, this MD&A has been revised to include:

- Inclusion of item 1.5 Summary of Quarterly Results as required under National Instrument 51-102F1; and
- Inclusion of item 1.3 Selected Annual Information for each of the three most recently completed financial years as required under National Instrument 51-102F1.

Information in this amended MD&A continues to be as of April 7, 2015, unless otherwise stated.

Forward-looking Information

Certain statements included in this document constitute "forward-looking statements". All statements, other than statements of historical fact, included herein, including but not limited to, statements regarding future anticipated development activities, the nature of future anticipated scientific research programs and the results thereof, business and financing plans and business trends, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct.

Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, variations in the market for, and pricing of, any products the Company may produce or plan to produce, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, the Company's inability to produce products successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks and uncertainties identified herein under "Risks and uncertainties".

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in any of those forward-looking statements. For this reason, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant fluctuations in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to develop any of its present or future mineral properties.

OVERVIEW

NanoStruck Technologies Inc. (formally known as Blue Gold Water Technologies Ltd.) (the “Company”), was incorporated in British Columbia under the Business Corporations Act on June 20, 2006 under the name Golden Cross Resources Inc. On May 29, 2013 Golden Cross Acquisition Inc. (“Golden Cross”), a subsidiary of Golden Cross Resources Inc. and Blue Gold Tailing Technologies Inc. (“Tailing”) amalgamated. The amalgamated company was then named Blue Gold Tailings Technologies Ltd. (“Tailings”) and is legal subsidiary of the Company. As a result of this amalgamation, the former shareholders of Tailing were considered to have acquired control of the Company as a result of their controlling share ownership in the resulting entity, the assumption of management of the Company by Tailing's management team and as a result of Tailing's control of the Company's Board of Directors post amalgamation.

The Company's main focus is the business of water remediation and tailings processing, using nanotechnology solutions to clean wastewater and recover precious metals from mine tailings. The Company has a suite of technologies that remove molecular sized particles using absorptive organic polymers. These versatile biomaterials are derived from crustacean shells or plant fibers, depending on requirements of their usage. Acting as molecular sponges, the nanometer-sized polymers are custom programmed to absorb specific particles for remediation or retrieval purposes. These could be used to clean out acids, hydrocarbons, pathogens, oils and toxins in water via its NanoPure solutions or to recover precious metal particles in mine tailings, such as gold, silver, platinum, palladium and rhodium using the Company's NanoMet solutions.

By using modifications to conventional technologies and adding polymer-based nano-filtration, the Company's offers environmentally safe NanoPure solutions for water purification. The Company uses Environmental Protection Agency (EPA) and World Health Organization (WHO) guidelines as a benchmark for water quality and safety to conform to acceptable agricultural or drinking water standards in jurisdictions where the technology is used. Additionally, the Company's technology can be used to recover precious and base metals from mine tailings, which are the residual material from earlier mining activities. By retrieving valuable metals from old tailing dumps, the Company's NanoMet solutions boosts the value of existing mining assets and reduces the need for new, costly and potentially environmentally harmful exploration and mining.

On October 2, 2013, the Company announced that the Company had changed its name to NanoStruck Technologies Inc. to better reflect its proprietary nano polymer technologies used in water remediation and precious metal retrieval and commenced trading on the CSE under the symbol “NSK”. The Company also announced that effective October 3, 2013; it had commenced trading on OTCQX(R) under the symbol "NSKTF". The Company has chosen to trade on this US marketplace to provide its growing number of US-based investors with home country disclosure, current financial disclosures and Real-Time Level 2 quotes on www.otcmarkets.com. The Company has also changed its trading symbol with the Frankfurt Exchange to 8NSK.

On October 11, 2013, the Company announced the appointment of Mr. Nicholas Bridges as Vice President International Sales and Business Development. Mr. Bridges has been involved in the mining industry for the past 30 years, principally with Zambia Consolidated Copper Mines (Zambia), Minequip Pvt Ltd (Zimbabwe), San Martin Mining (Kenya), Gecamines (Democratic Republic of the Congo) and in a joint venture with Sentrachem, a listed South African chemicals conglomerate.

On October 25, 2013, the Company announced I. Vellmer Inc., Chartered Accountant (the “Former Auditor”) of the Company has resigned, at the request of the Company, as auditor of the Company, and the board of directors have appointed Collins Barrow Toronto LLP (the “Successor Auditor”) of Toronto, Ontario as auditor for the Company. The Company's audit committee and its board of directors had approved the resignation of the Former Auditor as auditor of the Company.

On November 4, 2013, the Company announced that the Company has granted stock options to purchase a total of 6,620,000 common shares at an exercise price of \$0.15 per share. The options are exercisable for a period of three years from date of grant and are subject to vesting over one year with one quarter of options vesting each quarter, in accordance with the provisions of the Company's stock option plan. The options are allocated as to (i) 4,600,000 options to the Company's directors and officers, (ii) 1,420,000 options to the Company's consultants, and (iii) 600,000 options to the Company's advisory board.

On November 6, 2013, the Company announced the restructuring of its executive management team. Former Chief Financial Officer, Mr. Alfredo Albi has taken on the new role of Chief Operating Officer (COO). Mr. Rajeev Agarwal was appointed as Chief Financial Officer (CFO) of the Company. In addition, Raj Kurichh assumed the role of Chief Marketing Officer (CMO) of the Company.

On November 7, 2013, the Company announced the shipment of NanoClear field test filters for Nanosan. As announced by the Company in June 2013, NanoStruck received a purchase order of 23,000 units from New World Sanitations CC of South Africa.

On November 12, 2013, the Company announced the renaming and rebranding of its product suite:

- its water purification technology solution that utilizes its proprietary chitosan polymer to treat wastewater is renamed and rebranded as NanoPure;
- its custom designed filter to clear water in sanitation systems is rebranded as NanoClear; and
- its proprietary technology system to retrieve precious metals, such as gold, silver and platinum from mine tailings, is renamed and rebranded as NanoMet.

The capacity of each NanoPure plant can range from 0.5 liters to 400 liters per second. The plant model numbers reflect this capacity. A typical model to treat landfill wastewater (leachate) will be NP10 or NP15, for example, to reflect remediation capacity of 10 liters and 15 liters per second respectively. NanoPure's treatment plants can either be built in portable steel containers or constructed on site, with the latter suited for larger remediation capacities. The precious metal retrieval plants are further rebranded for the metals they primarily retrieve: NanoPlat refers to the Platinum Group Metals (PGM) such as platinum, palladium and rhodium; NanoGold to gold and NanoSilver to silver. NanoClear filters also make use of the Company's chitosan polymer to clean sanitation water.

On November 13, 2013, the Company announced the completion of a trial period with Food Specialties, a Canadian company specializing in the formulation and development of frozen dessert products and flavorings. Food Specialties was notified by the Ontario Ministry of Food and Agriculture as well as the Municipality of Peel Region in the Greater Toronto area, for exceeding the provincial and municipal levels for acceptable wastewater discharge limits. Specific testing discovered elevated levels of BOD (Biological Oxygen Demand) and TSS (Total Suspended Solids). NanoStruck engineering and scientific teams investigated the issue and employed internal and external lab testing on the water samples provided by Food Specialties. Once the lab analysis results were confirmed, NanoStruck discovered that the water contained 10 times the authorized contaminants in their wastewater discharge. NanoStruck designed and installed a water remediation plant that met the specific environmental and CAPEX requirements of Food Specialties.

On November 19, 2013 the Company announced that it has issued shares to a consultant for amounts owed for consulting fees. The Company issued a total of 111,706 common shares of the Company.

On November 22, 2013, the Company announced the appointment of Mr. Somail S. Bains as the Chair of the NanoStruck Advisory Board effective immediately. The Company, in its press release had announced establishing an Advisory Board of eminent individuals to assist with science, technology, governance and business development.

On January 24, 2014, the Company announced that Rocky Bellotti has resigned as a member of Board of Directors of the Company.

On January 31, 2014, the Company announced the appointment of Brian Mok as Senior Mining Analyst as a consultant-in-residence. Brian has been involved with the mining industry for the past 17 years. He is a Senior Mining Analyst at BG Partners Corp.

On February 7, 2014 the Company announced that testing of its mine tailings treatment techniques and preliminary results showing recovery rates of gold from mine tailings from Zimbabwe to be much higher than expected by industry observers. NanoStruck's techniques involve nanotechnology and industrial collaboration for specific innovative milling, pyrometallurgy and hydrometallurgy processes combined with proprietary organic compounds. Tests completed over the past three months indicate that the NanoStruck techniques can recover as much as 96% of grams per metric ton, or 0.32 ounces per ton, of gold contained in representative gold tailings samples.

On February 18, 2014 the Company announced signing of a non-binding Letter of Intent (“LOI”) with Tierra Nuevo Mining Ltd (TNM), a private exploration company with mining assets in Mexico BG Partners Corp. The LOI is to explore the potential of TNM engaging NanoStruck to recover gold and silver from TMN’s tailings material using the NanoMet Technology at TNM’s Noche Buena Mine site, located in Zacatecas state, 10 kilometers northeast of Goldcorp’s Peñasquito Mine. The Noche Buena mine began operations sometime between 1926 and 1930 and was worked continuously until 1992 when it was shut down due to the collapse of metal price.

On February 24, 2014 the Company announced that it has reached an agreement with Nano Africa (Pty) Ltd. and its affiliate New World Sanitations (NWS) whereby NWS intends to increase sales of its sanitation system, which utilizes NanoStruck's NanoClear Filters as well as Nano Africa marketing and promoting NanoStruck’s NanoPure water purification and NanoMet precious metal retrieval systems in South Africa. As consideration, Nano Africa shall receive a commission, based on net revenues achieved by NanoStruck, in relation to each water remediation and/or mineral remediation plant that is sold in South Africa as a result of Nano Africa's efforts. Additionally, Jurgen Graupe, or his assigns, shall receive 500,000 common shares of NanoStruck as consideration for consulting services already provided to NanoStruck.

On February 27, 2014 the Company arranged a short term loan for up to \$500,000, out of which \$260,000 (September 30, 2013 - \$Nil) has been advanced to date. The loan bears an annual interest of 10% per annum payable on a quarterly basis in arrears, is unsecured, and is due on demand.

On March 10, 2014 the Company announced the signing of a Letter of Intent (LOI) with the town of El Tuito to use the Company’s NanoPure technology to treat wastewater from the municipality of Cabo Corrientes in Mexico.

On April 14, 2014 the Company announced the appointment of Steve McCann as a new Board Member of NanoStruck Technologies Inc. In addition, the Company announced that for personal reasons Mr. Alfredo Albi has decided to step down from the Board and as a Chief Operating Officer. Also Mr. David Rowson stepped down from the Board.

On May 7, 2014 the Company announced that it has completed the first tranche of a non-brokered private placement in the amount of \$512,000. Pursuant to the private placement, NanoStruck will issue 6,400,000 units at a price of \$0.08 per unit. Each unit sold in the private placement consists of one common share and one common share purchase warrant. The shares, warrants and warrant shares underlying the units are subject to a four-month and a day hold period (the “Hold Period”). Each warrant is exercisable at \$0.13 per share on or before 36 months from the closing date.

On May 20, 2014, the Company announced a new sales contract with Buttcon Limited, a Canadian general contractor specializing in industrial, commercial, institutional and high-rise residential construction. The Company will supply a wastewater treatment plant for Metrolinx, the public transportation agency for the Greater Toronto and Hamilton Area, which operates the regional public transit service, GO Transit.

On May 21, 2014 the Company announced that it has signed a one-year agreement, renewable yearly, with Metrolinx to maintain its bus wash treatment unit at the GO Transit Halton Hills bus facility.

On May 27, 2014 the Company announced signing a non-binding Letter of Intent (LOI) with Purple Grid Trading Pvt. Ltd (“Purple Grid”), a Zimbabwean company. The LOI describes that Purple Grid Trading agrees to cooperate with NanoStruck for the purpose of utilizing the Company’s NanoMet technology to extract gold and other precious metals from the tailings that arise from mining projects accessed or owned by Purple Grid Trading in Zimbabwe.

On June 6, 2014 the Company announced that the Company would be issuing 500,000 shares and 250,000 options at an exercise price of \$0.15 per share for a period of three years, in accordance with the provision of the Company’s stock option plan. These shares and options were issued on June 09, 2014.

On June 17, 2014 the Company approved an Advance Notice Policy effective May 22, 2014 and the policy will be presented to shareholders of the Company in the form of amendments to the Company’s articles at the Company’s annual general and special meeting of shareholders to be held on June 20, 2014.

On June 18, 2014 the Company announced signing of a Letter of Intent (LOI) with the Municipality of Puerto Vallarta, Mexico to treat the leachate water at the Puerto Vallarta Landfill site. Both parties will be working to finalize an agreement for sale of plant for a price of approximately C\$2.21M including financing costs, payable over 72 monthly payments. The LOI spells out the technology and commercial terms for the proposed undertaking.

On June 19, 2014 the Company announced that it will be issuing shares to a third party consultant, board members and certain key management for amounts owed for consulting fees, board fees and expenses. The Company issued a total of 6,480,538 common shares of the Company at a deemed value of \$0.08 and 1,453,850 warrants exercisable at \$0.13 per share for a term of three years. In addition, the Company has also granted stock options to purchase a total of 1,150,000 common shares at an exercise price of \$0.15 per share for a period of three years, in accordance with the provisions of the Company's stock option plan.

On June 23, 2014 the Company announced that Brij P.S Chadda and Martin Bernholtz has been appointed as the new board members. In addition, the Company has entered into an investor relations consulting agreement with First Canadian Capital Corp ("First Canadian") under which First Canadian will provide consulting services to the Company to raise investor awareness, attract investment and find strategic, financial partners, for a term of 12 months from the date of execution of the consulting agreement, for a fee of (i) \$5,000 per month, plus HST, and (ii) the grant a total of 400,000 incentive stock options to First Canadian, exercisable at \$0.15 per share for a period of three years. The grant of the options was announced in a press release on June 18, 2014.

On June 24, 2014 the Company announced the results of its AGM as follows:

1. The ordinary resolution fixing the number of directors to 6 was approved.
2. All the directors were reappointed.
3. Collins Barrow was appointed as auditors.
4. Stock option plan was re-approved.
5. The amendment of articles to incorporate advance notice provision was approved.

On July 15, 2014 the Company announced that it has signed a binding agreement to acquire a technology business in order to strengthen the Company's technology and operations. Upon completion of accretive acquisition, the Company will be able to consolidate financial results of the two companies. The parties have signed a binding agreement subject to the signing of a definitive purchase and sale agreement upon completion of final due diligence and receiving regulatory approval.

On August 21, 2014 the Company announced that it had completed interim second and third tranches of a non-brokered private placement in the amount of \$210,000. Pursuant to the private placement, NanoStruck issued 2,625,000 units at a price of \$0.08 per unit. Each unit sold in the private placement consists of one common share and one common share purchase warrant. The shares, warrants and warrant shares underlying the units are subject to a four month and a day hold period. Each warrant is exercisable at \$0.13 per share on or before 36 months from the closing date.

On September 4, 2014, the Company announced positive results from test work carried out on silver mine tailings utilizing proprietary cyanide free recovery technologies that returned up to 87.6% of silver from samples grading 56 grams of silver per metric ton (g/t).

On September 9, 2014, the Company announced that Simon Charles was appointed to its Board of Directors. Mr. Charles is a senior equity partner at Marriott Harrison LLP based in the city of London, England. He advises companies, intermediaries and investors in various sectors, including manufacturing, resourcing and technology. His clients include private and public companies, brokers, nominated advisers and investing individuals and institutions. Simon Charles takes over the Company Board seat for John Morita, who has stepped down from the Board.

On September 24, 2014, the Company announced the appointment of Richard Goldman as NanoStruck's Chief Financial Officer (CFO). Richard Goldman takes over the CFO position from Rajeev Agarwal, who had decided to step down from that position.

SELECTED ANNUAL INFORMATION

Summary of Quarterly results

The following table sets forth selected audited financial information for the Company's eight most recent quarters ending with the last quarter for the three months ending September 30, 2014.

	For the Three Months Ended							
	September 30, 2014	June 30, 2014	March 31, 2014	December 31, 2013	September 30, 2014	June 30, 2014	March 31, 2014	December 31, 2013
Revenue		-	-	-	-	-	35,400	-
Income (loss) from continuing operations	(1,870,685)	(1,513,879)	(994,880)	(740,185)	(988,685)	(851,196)	(920,025)	(563,408)
Reverse take over transaction costs	-	-	-	-	-	4,964,243	-	-
Net Income (Loss)	(1,870,685)	(1,513,879)	(994,880)	(740,185)	(988,685)	(5,815,439)	(920,025)	(563,408)
Income (loss) from continuing operations per share -basic and diluted	(0.02)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(563,408)
Income (loss) per share - basic and diluted	(0.02)	(0.02)	(0.01)	(0.01)	(0.01)	(0.07)	(0.01)	(401,930)

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Selected Annual Information

	For Year Ended September 30				
	2014	2013	(6 months) 2012	2014/2013 change	
	\$	\$	\$	\$	%
Statement of operations					
Revenue	-	35,400	-	(35,400)	100.00%
Expenses					
Salaries and benefits	889,269	1,095,794	383,236	(206,525)	-18.85%
Amortization	24,798	51,679	9,661	(26,881)	-52.02%
Other overhead expenses Interest	4,191,915	2,383,519	637,209	1,808,396	75.87%
Reverse takeover transaction costs	13,647	(172,278)	(223,569)	185,925	107.92%
Total expenses	-	4,964,243	-	(4,964,243)	100.00%
	5,119,629	8,322,957	806,537	(3,203,328)	
Income (loss) before taxes					
Net income (loss)	(5,119,629)	(8,287,557)	(806,537)	3,167,928	
Net income (loss) attributable to shareholders	(5,119,629)	(8,287,557)	(806,537)	3,167,928	
Earnings per share (EPS -basic and diluted)	(0.06)	(0.42)	(806,537)	3,167,928	
Balance sheet data					
Total assets Total liabilities	385,300	2,538,120	768,789		
Total shareholders funds	1,741,283	646,553	1,575,324		
	(1,355,983)	1,891,567	(806,535)		

As the Company is still in the research and development stage, the Company has incurred significant operating losses since inception. In the current year ended September 30, 2014, the operating loss increased significantly due increased marketing and business development expenses, as well as an increase of fixed asset impairment charges. The Company expects the loss will continue until the Company is successful in completing its research and development efforts including the installation of its water remediation plants.

For the Year ended September 30, 2014

The Company's net loss for the period was \$5,119,629 compared to the loss of \$8,287,557 for last period. The decrease in loss of \$3,167,928 was primarily due to the following:

- Professional fees, consulting and advisory increased by \$30,773 from \$481,115 in 2013 to \$511,888 in 2014. The increase was primarily due to higher audit-related fees; and
- Salaries and wages decreased by \$206,525 from \$1,095,794 in 2013 to \$889,269 in 2014. The decrease was mainly due to a decrease in salaries for management, production and research and development related items; and
- Office expenses decreased by \$241,056 from \$471,859 in 2013 to \$230,803 in 2014. The decrease was mainly due to lower expenditures on general office expenses and lower utility and maintenance costs; and
- Bad debt decreased by \$426,332 from \$426,332 in 2013 to nil in 2014; and

- e) Research and development costs increased by \$63,604 from \$416,064 in 2013 to \$479,668 in 2014. The increase reflected the Company's investment in Research and Development initiatives; and
- f) Advertising and promotion fees increased by \$439,475 from \$109,885 in 2013 to \$549,360 in 2014. The increase was due to several business development and market awareness campaigns, plus increased investor relation activities; and
- g) Reverse take over transaction costs decreased by \$4,964,243 from \$4,964,243 in 2013 to \$nil in 2014. These costs were incurred in 2013 as part of reverse take over transaction on May 29, 2013; and
- h) Fixed asset impairment charges increased by \$1,257,213, from \$nil in 2013 to \$1,257,213 in 2014. The increase was due to the write-off of construction in progress assets which relate to contracts no longer being pursued, including the NanoSan, Genesis, GO Transit, Nice Jewelry, SmartSan and Sylvania projects; and
- i) Share based payments increased by \$664,081 from \$nil in 2013 to \$664,081 in 2014. The increase was primarily attributable to options granted to consultants and management during the period, as well as to debt that was owed by the Company to consultants and management that was converted into shares; and
- j) Inventory obsolescence increased by \$71,222, from \$nil in 2013 to \$71,222 in 2014. The increase was due to the write-off of construction in progress assets which relate to contracts no longer being pursued; and
- k) Intangible assets impairment increased by \$100,000, from \$nil in 2013 to \$100,000 in 2014. The increase was due to the recognized impairment in the amount of \$100,000 which was due to uncertainty of the status of the agreement with the University of Saskatchewan.

LIQUIDITY AND CAPITAL RESOURCES

The financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise commercialization and development programs depending on its working capital position.

Issue and outstanding warrants at September 30, 2014 were 24,146,878 with exercise prices of \$0.13, \$0.20, \$0.36, and \$0.38 (post consolidated).

Issued and outstanding stock options at September 30, 2014 totaled 8,120,000, with 7,170,000 options having an exercise price of \$0.15, with an average contractual life of 1.92 years, and 950,000 options having an exercise price of \$0.48, with an average contractual life of 3.91 years

On November 7, 2013, as part of settlement agreement with a consultant, a total of 111,706 shares were issued. On April 25, 2014, as consideration for consulting services already provided to the Company by Nano Africa (Pty) Ltd. and its affiliate New World Sanitations CC of South Africa, Jurgen Graupe, and his assigns, were issued a total of 500,000 shares. On May 02, 2014 the Company completed a private placement of 6,400,000 units at \$0.08 per unit, raising a total of \$512,000 in gross proceeds. Each unit is comprised of one common share and one non-transferrable common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at an exercise price of \$0.13. Of the \$512,000 in gross proceeds \$343,532 was allocated to the fair value of the shares and \$168,468 was allocated to the value of the warrants. No finder's fees was paid. During the quarter ended June 30, 2014, the Company issued 500,000 shares to a consultant for marketing and business development services. In addition the Company issued 500,000 shares to a third party consultant for business development and 5,980,538 shares to certain directors and key management for amounts owed for board fees, consulting fees and expenses.

On February 27, 2014 the Company arranged a short term loan for up to \$500,000, out of which \$260,000 (September 30, 2013 - \$Nil) had been advanced as of September 30, 2014. The loan bears an annual interest of 10% per annum payable on a quarterly basis in arrears, is unsecured, and is due on demand.

At September 30, 2014, the Company's working capital deficit was \$1,404,763 (September 30, 2013 surplus of \$844,833). As of the date of this MD&A, the Company has no outstanding commitments other than its on-going trade payable, lease commitments and has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. The Company recognizes the need to obtain equity financing to meet its obligations and fund its development programs. The Corporation is in discussion with potential investors, however, at this time potential investors have made no written commitments. There is no guarantee that the Corporation will be successful in raising sufficient funds to continue as a going concern.

TRANSACTIONS WITH RELATED PARTIES

The Company has entered into certain transactions with related parties during the year ended September 30, 2014. A description of these related parties' transactions are as follows:

- (a) The following is the detail of remuneration/ consulting paid / accrued (excluding out of pocket expense) to related parties:

Name of Officer/ Director	Position	Nature of Payment	Fees Accrued/ Paid (\$)	Shares issued (\$)	Stock Options (\$)	Warrants (\$)	Oct 1, 2013 - Sep 30, 2014 Total (\$)	Balance unpaid as at Sept, 30 2014 inc expenses (\$)
Bandeep S. Rangar	Chairman, Interim CEO	Consulting fees	76,073	162,377	216,049	38,270	492,769	22,014
Raj Kurichh (see Note 14)	Director, Officer	Consulting fees	116,000	45,000	59,413	-	220,413	65,288
Rajeev Agarwal	Ex-CFO	Consulting fees	126,809	38,191	64,815	-	229,815	63,490
Alfredo Albi	Ex-Director, Ex-COO	Consulting fees	66,600	-	59,413	-	126,013	20,818
John Morita	Ex-Director	Board fees	5,000	16,312	32,407	-	53,719	5,000
Steve McCann	Director, Chair of Audit Committee	Board fees	5,833	4,250	-	-	10,083	5,833
Richard Goldman	Ex-CFO	Consulting fees	4,000	-	-	-	4,000	-
Rocky Bellotti	Ex-Director	Board fees	4,000	-	64,815	-	68,815	6,497
Michael Morris	Strategic Advisor	Consulting fees	30,000	50,000	-	-	80,000	47,520
IndusView UK Limited	A company with common Director	Consulting fees	30,000	-	-	-	30,000	99,066
Brij Chadda	Director	Board fees	5,250	-	-	-	5,250	5,250
Martin Bernholz	Director	Board fees	5,250	-	-	-	5,250	5,250

(b) The following is the detail of remuneration/ consulting paid to related parties during the year ended September 30, 2013:

Name of Officer / Director	Position	Nature of payment	Fees Accrued/ Paid (\$)	Share issued (\$)	Oct 1, 2012- Sept 30, 2013 Total (\$)
Bundeep Singh Rangar	Director, Interim CEO	Consultancy fees	22,500	-	22,500
Raj Kurichh	Director, Officer	Consulting fees	27,473	57,527	85,000
Alfredo Albi	Director, CFO	Consulting fees	150,700	-	150,700
John Morita	Director	Consulting fees	5,100	-	5,100
David Rowson	Director, Ex-CEO	Consulting Fees (2)	15,000	-	15,000
Rocky Bellotti	Director	Professional Fees (1)	61,000	-	61,000
Lance Morgan	Ex-Director	Consultancy	4,000	-	4,000
Derek Blackburn	Former Director	Consulting Fees	4,973	57,527	62,500
Board Fees Accrual	Directors	Board fees (3)	10,000	-	10,000

1. Amounts paid to Bellotti Capital Partners, in which Rocky Bellotti is an officer, for advisory fees \$57,000 and Board fees \$4,000.
2. Amount paid as consulting fees effective May 29th 2013 to August 31, 2013.
3. Board fees accrued for five directors for two months.

Key management personnel were not paid post-retirement benefits, termination benefits or other long-term benefits during the year ended September 30, 2014.

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 expenses during the reporting year. Financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

1. Impairment of property, plant & equipment and intangible assets – in assessing impairment, management must determine the level at which independent cash flows exist, the asset or an asset grouping. Estimates of the recoverable amount of each asset or cash generating unit is determined; based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.
2. Fair value measurements for share-based payments and other equity-based transactions.
3. Useful lives of depreciable assets – management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of water remediation and mining tailings recovery equipment.

4. Recognition of deferred tax assets and liabilities – the extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company’s future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.
5. Determination of the recoverability of the carrying value of exploration and evaluation assets.
6. Recognition and valuation of provisions for restoration and environmental liabilities.

CONTRACTUAL OBLIGATIONS

Future minimum payments under operating leases for premises & equipment and payment to a consultant are approximately as follows:

	September 30, 2014	September 30, 2013
	\$	\$
Due within one year	101,066	281,882
Due from one to five years	65,662	139,265
Due after five years	-	-
	166,728	421,147

The Company is also required to pay its share of maintenance, taxes and other costs of the leased premises..

ACCOUNTING POLICIES

Accounting standards issued but not yet effective

Several new standards, interpretation and amendments to existing standards have been issued by the IASB and IFRIC that are mandatory but not yet effective for the year ended September 30, 2014, and have not been applied in preparing these financial statements. Many of these are not applicable or inconsequential to the Company and have been excluded from the discussion below. The Company is currently assessing the impact of standards that may be applicable on the financial statements.

The following standards or interpretations have been issued by the IASB and IFRC and are effective in the annual period beginning on or after the date shown:

IFRS 7	<i>Financial Instruments: Amendment Regarding Offsetting Financial Assets and Financial Liabilities</i>	January 1, 2013
IFRS 9	<i>Financial Instruments</i>	January 1, 2015
IFRS 13	<i>Fair Value Measurement</i>	January 1, 2013
IFRS 10	<i>Consolidated Financial Statements</i>	January 1, 2013
IFRS 11	<i>Joint Arrangements</i>	January 1, 2013
IFRS 12	<i>Disclosure of Interests in Other Entities</i>	January 1, 2013

IFRS 7 Financial Instruments: Amendment Regarding Offsetting Financial Assets and Financial Liabilities: This amendment enables users of the financial statements to better compare financial statements prepared in accordance with IFRS and US Generally Accepted Accounting Principles.

IFRS 13 Fair Value Measurement: This standard defines fair value, provides guidance on its determination and introduces consistent requirements for disclosures on fair value measurements.

IFRS 10 Consolidated Financial Statements: This standard will replace IAS 27 Consolidated and Separate Financial Statements (“IAS 27”) and SIC-12 Consolidation – Special Purpose Entities (“SIC-12”). Concurrent with IFRS 10, the IASB issued IFRS 11 Joint Arrangements (“IFRS 11”), IFRS 12 Disclosures of interests in Other Entities (“IFRS 12”), IAS 27 Separate Financial Statements, which has been amended for the issuance of IFRS 10 but retains the current guidance for separate financial statements; IAS 28 Investments in Associates and Joint Ventures (“IAS 28”), which has been amended for conforming changes based on the issuance of IFRS 10 and IFRS 11.

IFRS 10 uses control as the single basis for consolidation, irrespective of the nature of the investee, eliminating the risks and rewards approach included in SIC-12, and requires continuous assessment of control over an investee.

IFRS 11 Joint Arrangements: This standard introduces new accounting requirements for joint arrangements replacing IAS 31 Interests in Joint Ventures. It eliminates the option of accounting for jointly controlled entities by proportionate consolidation.

IFRS 12 Disclosure of Interests in Other Entities: This standard includes disclosure requirements about subsidiaries, joint ventures and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements.

IFRS 9 Financial Instruments: This standard replaces the current IAS 39 Financial Instruments: Recognition and Measurement. The standard introduces new requirements for classifying and measuring financial assets and liabilities.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial asset and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets and liabilities are measured subsequently as described below.

FINANCIAL RISK MANAGEMENT

The Company’s activities may expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity price risk). The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

1. *Credit risk* is the risk that a customer or a related party receivable will be unable to pay the Company in full when an amount becomes due. The Company does not have material exposure to customer credit risk as there has been minimal revenue generated. However, the Company has risk that the related party receivable will be collected. The Company’s other exposure to risk is on its other receivables. This risk is minimal.
2. *Liquidity risk* is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and

anticipated investing and financing activities to ensure it has sufficient funds available to meet current and foreseeable financial requirements. As at September 30, 2014, the Company had a working capital deficit of \$1,404,763 (September 30, 2013 – surplus of \$844,833). The accounts payables and accrued liabilities are due within one year.

3. *Foreign exchange risk* is the risk to the Company's earnings that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company does not have material exposure to these risks, as the extent of business transaction in foreign currencies is minimal.
4. *Interest rate risk* is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company is not exposed to interest rate risk.
5. *Capital management*: The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, contributed surplus net of accumulated deficit. The Company's capital was negative \$1,355,983 as at September 30, 2014 (September 30, 2013 \$1,891,567 with a decrease in the amount of capital of \$3,247,550 during the year ended September 30, 2014.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets. Management reviews the capital structure on a regular basis to ensure that the Company's capital management objectives are achieved.

There were no changes in the Company's approach to capital management during the year ended September 30, 2014. The Company is not subject to any externally imposed capital requirements. The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds to support its mine tailings, water remediation and NanoSan.
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk of loss of principal.
- To obtain the necessary financing, if and when it is required.

In the management of capital, the Company includes shareholders' equity in the definition of capital. The Company is not exposed to externally imposed capital requirements.

In order to maximize ongoing development efforts, the Company does not pay dividends. Notwithstanding the risks described in notes to the financial statements, the Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

6. *Fair value*: The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:
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 or indirectly; and
Level 3 – Inputs that are not based on observable market data

RISK FACTORS

Share Price Volatility: During the past year, worldwide securities markets, particularly those in the United States and Canada, have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced unprecedented declines in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Therefore, there can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise funding.

Financing Risks and insufficient Financial resources: The Company has limited financial resources, has limited source of operating cash flow and has no assurance that additional funding will be available to it for its projects or to fulfill its obligations under any applicable agreements. Although the Company has been successful in the past in obtaining financing through private placements, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development of its projects with the possible loss of such projects.

Dilution to the Company's existing shareholders: The Company will require additional financing to be raised in the near future. The Company may issue securities at less than favorable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Dependence Upon Others and Key Personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design the water remediation and tailings projects; (ii) the ability to attract and retain additional key personnel responsible for technology, marketing, development and finance. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities.

The industry is subject to rapid technological change and our solution may become obsolete: The market for water remediation technology is characterized by rapid technological change, including new product introductions by our competitors and new entrants to the market and changes in the industry standard components. There can be no assurance that our solution will remain highly competitive regardless of such future technological changes. If the Company fails to anticipate or respond quickly to such changes by bringing new developments to market in a timely and cost-effective manner, the solution may become obsolete, which could affect competitiveness and could have a material adverse effect on our business, results of operations, and financial condition.

Currency fluctuation risks and other risks relating to international operations: Since most of the projects of the Company are based out of Canada, therefore the Company may be subject to additional foreign exchange and operations risks. These foreign operations face risks arising from local political, legal, and economic factors, such as varying regulatory requirements, compliance with international and local trade, labor and other laws, and differences in intellectual property protections in certain jurisdictions. The Company may also face difficulties in managing these international operations, collecting receivables in a timely fashion, and repatriating earnings. These factors could materially impact the Company's international operations and adversely affect the results of our operations as a whole.

Intellectual property risks: The Company relies on various intellectual property protections, including contractual provisions, patents, copyright, trademark, and legislation governing trade secrets, to protect the intellectual property rights. Despite these measures, third parties may misappropriate our intellectual property, which could result in lost revenue opportunities and impair our ability to compete. Alternatively, the Company could be subject to claims by third parties that its products or services infringe their intellectual property rights. In either case, this would result in costly litigation that would divert the attention of the management away from our ongoing business. Third party claims also could result in damages or other costs which could materially disrupt our business, and could adversely affect our financial condition and the results of our operations and could have a material adverse effect on our business, results of operations, and financial condition.

Competition risk: The Company's competitors may continue to improve the existing technologies. Many of the competitors have substantially greater financial and other resources with which to pursue research and development, marketing, and distribution of their products. New technology announcements or introductions by our competitors could impact our ability to compete effectively. The intensely competitive market in which we conduct our business also could require us to reduce our prices. If the competitors offer deep discounts on certain products or services in an effort to recapture or to gain market share, the Company may be required to lower prices or to offer other favorable terms to compete successfully. Any such changes would be likely to reduce the margins and could adversely affect the operating results.

Limited Experience with Water remediation and Tailings Operations: The Company has limited experience in placing water remediation and tailings projects into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if it places its placing water remediation and tailings projects into production.

No Assurance of Profitability: The Company has no history of earnings and, due to the nature of its business there can be no assurance that the Company will be profitable in the short term. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The major source of funds available to the Company is from the sale of its common shares or, possibly private placements. While the Company may generate additional working capital through further equity offerings there can be no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

OTHER INFORMATION

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Going concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. The ability of the Company to continue as a going concern is dependent upon its ability to obtain financing on reasonable terms and to attain profitable operations and further fund operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate additional financing in the future, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of operations, the net realizable value of its assets may be substantially less than the amounts recorded on the statements of financial position. These consolidated financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

During the year the Company made losses of \$5,119,629 at September 30, 2014 and had a working capital deficit of \$1,404,763. The Company does not currently have revenue-generating assets.

The Company therefore reduced all expenditure and has limited this to external essential costs only. The directors will fund such costs. Whilst operating in this manner the Company continues to explore and develop further targets, for the eventual improvement in the Company's cash position going forward. In addition to maintaining this approach to the current operation, the Company is working to secure new business in both of its main sectors. The first is in the use of nanotechnology solutions to economically recover precious metals from mine tailings. There is currently a commission-only project under discussion requiring no additional capital cost from NanoStruck. If precious metal samples have positive processing results with the manufacturer there will be medium to high certainty of a full-scale business. Annual commissions are expected to exceed \$1 million. The major focus, however, is on the water purification sector of the Company. In particular, in Mexico where there are several projects under discussion. One project could start up by summer 2015. A pilot plant is currently planned and if the results are favorable there is a high degree of certainty that this project will come to fruition. This alone

will introduce significant revenues and profits by 2016. The Company is currently seeking alternative financing for this project development and working capital. Other water projects within Ontario are also being reviewed and evaluated.

In addition to the project businesses referenced above the Company is also looking at alternative profitable businesses opportunities to generate additional cash flows. There are currently two proposals being considered and once any decision is made and the plans are finalized, the directors would seek new equity and funding partners to accelerate the expansion.

Given the uncertainty over the future funding the Directors recognize that there is a material uncertainty that casts significant doubt over the Company's ability to operate as a going concern. These financial statements do not contain the adjustments that would be necessary if the Company was unable to continue as a going concern. Such adjustments would include presenting assets at their recoverable amounts, which would be likely to result in further provisions to the current carrying amounts in these financial statements and to providing for further liabilities that might arise on a break up basis of preparation.

INVESTOR RELATIONS

As disclosed by the Company On June 23, 2014 the Company has signed an agreement with First Canadian Capital Corporation for providing investor relations services. Under the agreement, First Canadian will provide consulting services to the Company to raise investor awareness, attract investment and find strategic, financial partners, for a term of 12 months from the date of execution of the consulting agreement, for a fee of (i) \$5,000 per month, plus HST, and (ii) the grant a total of 400,000 incentive stock options to First Canadian, exercisable at \$0.15 per share for a period of three years. The grant of the options was announced in a press release on June 18, 2014.

OUTSTANDING SHARE DATA

As at the date of MD&A, the following securities were outstanding:

Outstanding Securities:	Number
Common Shares	94,658,046
Warrants	24,146,878
Stock options	8,120,000

CONTINGENCIES

The Company is aware that there is currently an ongoing investigation by Ontario Securities Commission (OSC) over the dealings of a private company, Holdings during the period July 2010 to April 2013, related to alleged breaches of Ontario Securities Law and conduct contrary to public interest. Holdings is not a subsidiary of the Company nor does the Company have any say in the affairs of Holdings.

During 2013, the Company issued shares to Holdings for the exclusive license and assignment agreement to the University of Saskatchewan license and patents. In addition, in 2013 the Company issued builder common shares and common shares in consideration for services provided. The OSC has raised concern over these dealings with Holdings. Holdings, as well as three of Holdings' founders, including Raj Kurichh, a director of the Company, have been named as respondents in the investigation.

The Company has not been named as a respondent and the OSC hearing has not commenced. Although the eventual outcome cannot be predicted, there is a possibility that there could be repercussions of the Company's dealings with Holdings or Raj Kurichh. As such the outcome or potential impact on the Company is not known at this time.

It should also be noted that the company's interim CEO instructed its legal counsel Bacchus Law to conduct a governance audit on July 3, 2013. The audit report was prepared and submitted to the Company's Board by Bacchus

Law on July 11, 2013, which implemented its recommendations, including the set up of a temporary Special Governance Committee with its own charter in September 2013.

SUBSEQUENT EVENTS

Subsequent to the September 30, 2014 year end, on October 21, 2014 the Company announced recent results of test work carried out on palladium mine tailings, utilizing a proprietary recovery technology that recovered in the order of 84.8% of palladium, from samples grading 0.68 parts per million (ppm), or 0.68 grams per metric ton.

On January 27, 2015, the Company announced the appointment of Stephen McCann as NanoStruck's Chief Financial Officer (CFO). Stephen McCann takes over the CFO position from Richard Goldman, who had decided to step down from that position as of January 15, 2015.

Subsequent to the September 30, 2014 year end all contracts related to Construction in Progress like Bacardi, Nanosan, Vallarta, Genesis, Go Transit and Nice Jewellery Sylvania and other minor projects were cancelled and hence the value of projects in progress was written down to \$Nil at the end of year September 30, 2014.

Subsequent to the September 30, 2014 year end, the following advances were received against the Short Term Loan:

November 13, 2014	\$ 82,000
December 11, 2014	\$ 34,500
January 6, 2015	\$ 15,120
<u>Sub-Total</u>	<u>\$131,620</u>
<u>Previous Principal Balance</u>	<u>\$260,000</u>
<u>Total</u>	<u>\$391,620</u>