MAG ONE PRODUCTS INC.

(Formerly Acana Capital Corp.)

Management's Discussion & Analysis

Nine Months Ended June 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS
NINE MONTHS ENDED JUNE 30, 2015
FORM 51-102F1

DATE AND SUBJECT OF REPORT

The following Management's Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of the operations of Mag One Products Inc., formerly Acana Capital Corp., ("Mag One", the "Corporation", or the "Company") for nine months ended June 30, 2015.

This MD&A should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the same period (the "2015 Interim Financial Statements") and audited consolidated financial statements for the recent year ended September 30, 2014, which are presented in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC). The Company's financial statements and other important information of the Company such as press release and informational circular are available at www.sedar.com. This MD&A has been prepared effective as of August 29, 2015.

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward looking statements involve a number of risks and uncertainties, including the impact of general economic conditions, industry conditions, and changes in Canadian and foreign laws and regulations, increased competition, fluctuations in real estate properties market, foreign exchange, and interest rates and stock market volatility. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and while many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. Mag One. is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward looking statements.

Forwarding looking statements	***Assumptions***	***Risk factors***
The Company intends to finance the Company's operations and to eliminate the working capital deficiency by additional related party financing, equity financing, forming joint ventures, restructuring, or disposition of properties.	*Based on the Company's understanding of current capital market*	*The Company may loss support from the related parties*

OVERALL PERFORMANCE

Mag One was incorporated on June 18, 2007 in British Columbia, Canada and had its name change on March 18, 2015. The Company's head office is located at Suite 200 – 8338 120th Street, Surrey, BC, V3W 3N4. The Company's shares are currently traded on the Canadian Securities Exchange ("CSE") under the symbol "MDD". Significant events of the Company year-to-date are summarized as follows:

Corporate Restructuring

On July 15, 2014, the Company and two of its wholly owned subsidiaries, Ameri-Can Agri Co, Inc. ("Ameri-Can") and JG Wealth Management Corp. ("JG"), entered into a plan of arrangement in order to proceed with a corporate restructuring (the "Arrangement") by the way of a statutory plan of arrangement. Ameri-Can is the Company's wholly subsidiary incorporated in British Columbia of Canada on October 17, 2014.

In accordance with the Arrangement, the Company would transfer its properties, excluding the Shangri La Unit to Ameri-Can; and its marketable securities and the Shangri La Unit to JG (collectively the "Assets Transfer") in return for common shares of Ameri-Can and JG which would be distributed to the shareholders of the Company on a pro-rata basis based on their relative shareholdings of the Company. Ameri-Can and JG would concurrently seek to list their shares on the CSE. Upon the completion of the Arrangement, Ameri-Can and JG would no longer be subsidiaries of the Company.

This Arrangement received the approval from the BC Supreme Court and the Company's shareholders on October 28, 2014. The Company conducted the Asset Transfer on January 1, 2015, and the Arrangement completed on March 12, 2015 when the common shares of JG and Ameri-Can commenced their trading on the CSE.

The Company's principal activity was the acquisition and development of real estate properties. After the Asset Transferred completed on January 1, 2015, the Company has been actively seeking new business opportunities (refer to the section of "Outlook" in the below) which is pending approval from the CSE.

Details of the Assets Transfer under the Arrangement are as follows:

Transactions with Ameri-can

The assets and liabilities transferred from the Company to Ameri-can on January 1, 2015 are as follows:

Assets acquired by Ameri-can:	$
Cash	47,951
Other receivable *(i)*	260,345
Properties to Ameri-can	9,733,513
Liabilities assumed by Ameri-can:	
Accounts payable and accrued liabilities	(75,622)
Due to Mag *(ii)*	(7,051,914)
Due to the Company's CEO and his spouse	(163,719)
Note payable *(iii)*	(191,846)
Interest held by minority interest	(1,982,462)
Net assets acquired by Ameri-can	576,246

(i) Other receivable represents the amount due from the limited partner of JDLP.

(ii) Due to Mag is a payable that is unsecured, due on demand, and non-interest bearing.

(iii) The promissory note balance is denominated in US dollar (US$169,950), bears interest at 4% per annum, is due on June 26, 2016, and is secured by the Bader Road Lot property.

Transactions with JG

The assets and liabilities transferred from the Company to JG on January 1, 2015 are as follows:

Assets acquired by JG	$
Cash	58,362
Marketable securities (iv)	788,749
Property – Shangri La Unit	1,166,062
Liabilities assumed by JG	
Deferred revenue	(4,983)
Net assets acquired by JG	2,008,190

(iv) Marketable securities transferred are comprise of investments in shares (fair value of $737,661) and share purchase warrants (fair value of $51,088) of Canadian public companies. .

Properties

The Company transferred all the real/farming properties on hands to on January 1, 2015 as part of the Assets Transfer. Details are as follows:

	September 30, 2014 $	Effect of foreign exchange $	Addition/ disposal $	Development cost deferred $	January 1, 2015 $
Properties transferred to JG:					
Shangri La Unit	1,166,062	-	-	-	1,166,062
Properties transferred to Ameri - can:					
106 Glenn	684,941	13,496	-	-	698,437
860 Corning	3,136,549	61,801	-	-	3,198,350
Vineyard Plaza	2,814,783	55,461	-	-	2,870,244
Bader Road Lot	309,752	6,103	-	-	315,855
Tuscon Building	2,599,409	51,218	-	-	2,650,627
Total to Ameri-can	9,545,434	188,079	-	-	9,733,513

Shangri La Unit

Shangri La Unit is a residential condominium located in Toronto, Canada. This property has been transferred to JG on January 1, 2015 as part of the Assets Transfer (Note 1 and 5)

Properties to Ameri-can

The Company transferred the following real/farming properties to Ameri-can as part of the Assets Transfer (Note 1 and 5)

106 Glenn :_ this is 106 acres of farm land in Corning, California, USA. The Company, before the completion of the Arrangement, owned 50% interest through its 50% owned limited liability partnership JDLP.

860 Corning : this is a piece (800 acres) of farm land in Corning, California, USA. The Company, before the completion of the Arrangement, owned 50% interest through its 50% owned limited liability partnership JDLP. 106 Glenn and 860 Corning are adjacent to each other

Vineyard Plaza : this is a piece of commercial land located in Sacramento county, California, USA, and is intended for commercial buildings development.

Bader Road Lot: this is a piece of vacant land located in Elk Grove, California, USA which is intended for multi-family residential development

Tuscon Building : this is an industrial building located in 5575 S Houghton St., Tuscon, Arizona. This property is leased out the for three years commencing January 1, 2015 to December 31, 2017 for US$20,000 per month.

Private Placement

On March 26, 2015 and June 8, 2015, the Company closed the first and second tranche of a private placement ("Offering") and issued 300,000 units for $150,000 and 950,000 units for $475,000 respectively. The Company intends to issue up to 2,000,000 units (the "Units") at a price of $0.50 per Unit for gross proceeds of up to $1,000,000 in this Offering. Each Unit will consist of one common share and one common share purchase warrant of the Company. Each warrant can be exercised into one common share at $0.60 per share for a period of twenty four (24) months from the date of issuance.

The Company will use the proceeds from the Financing for its working capital.

OUTLOOK AND ACQUISITION OF BUSINESS

Acquisition of Business

Since the completion of the Arrangement, the Company has been actively getting into businesses of extraction of magnesium ore and production of magnesium compounds.

On March 25, 2015, the Company entered into an access agreement that provides the Company access to 30 million tonnes of magnesium tailing at $1.50/tonne. The Company is required to pay $100,000 for this agreement and $31,690 has been paid as at June 30, 2015.

On April 2, 2015, the Company has entered into a definitive agreement ("Acquisition") to acquire 100% of North American Magnesium Products, LLC ("NAMP"), a LLC formed by Orion Laboratories, LLC, which is headed by James G. Blencoe, Ph.D. for the consideration of $1 (one dollar).

The assets of NAMP include know-how, trade secrets, and other pieces of intellectual property that relate to the production of magnesium (Mg) metal and Mg compounds in very competitive prices.

The members of Orion Laboratories will receive up to 40 million common shares of the Company based on the operating performance of the Company: One common share for $1.00 operating profit of the Company earned in designated period.

The Acquisition is considered to be fundamental change in business and was approved by the CSE on May 28, 2015.

As a result of the Acquisition, the Company appointed the following experienced executives to help to company getting into the new business:

- Nelson Skalbania B.Sc, M.Ap. Sc, P. Eng. to be Chairman of the Company
- James Blencoe, Ph.D. to be Co-Chairman and Chief Operating Officer of the Company
- Gillian Holcroft, B. Eng, M. Eng – Chief Executive Officer and President of Mag One Operations Inc., the Canadian wholly owned operating subsidiary of the Company

Outlook

The Company plans to develop and commercialize the proprietary technology acquired from NAMP to become a low-cost and environmentally friendly manufacturer of Magnesium metal ingots and ultra-pure Mg Compounds. The Company is currently in the process of finalizing a budget in order for the Company to secure a site to build the production facility in the next twenty four months. The Company intends to raise more equity financing to finance the capital and operating expenditure once the budget is approved by the Board of the Directors.

SUMMARY OF QUARTERLY RESULTS

Management believes the Company's operation in these past eight quarters are not subject to seasonality.

Loss of the Company have been increasing since Fiscal 2012 when the Company's operating expenses increased with the amount of business activities increased. Management expects the Company's operation expenses may increase further in the future when more development works of the Company's properties are done.

The loss in 2013 Q4 and 2014 Q4 was significantly higher than the other quarters, which was mainly a result of having non-cash accounting adjustments for taking impairment of various assets. Details of the impairment charges are available in the Company's financial statements for Fiscal 2014 and 2013.

The Company had quarterly gain in 2014 Q2 and Q3 as the Company recorded un-realized gain from the marketable securities being held. Given the fluctuating nature of the fair value of market securities, the Company's quarterly result may subject to further fluctuation in the future. The Company had quarterly gain in 2015 Q2 as the Company had a one-time gain from debt settlement.

The Company was operative inactive during 2015 Q2 after transferring all of the operating assets at the beginning of 2015 Q2. The Company expects the operating losses will increases significantly after 2015 Q3 before the Company starts to earn revenue, which is not expected within two years.

The table below sets out the recent eight quarterly information of the Company.

	Q3 2015	**Q2 2015**	**Q1 2015**	**Q4 2014**	**Q3 2014**	**Q2 2014**	Q1 2014	**Q4 2013**
	$	**$**	**$**	**$**	**$**	**$**	$	**$**
Rental revenue, net of direct rental cost	-	-	15,239	15,512	29,946	11,358	15,581	9,917
Net income (loss) to the equity holders	(82,796)	221,266	(713,813)	(939,587)	248,440	164,586	(114,689)	(2,911,680)
Income (loss) per share, basic and diluted	(0.00)	0.01	(0.02)	(0.03)	0.01	0.01	(0.00)	(0.10)

RESULTS OF OPERATIONS

Nine months ended June 30, 2015 ("2015 Nine Months")

The Comparison of the Company's results of 2015 Nine Months to the same period of 2014 is as follows:

	2015 Nine Months	2014 Nine Months	2015-2014 Nine Months	Ref
	$	$	$	
Net Rental income	15,239	56,885	(41,646)	
Expenses				
Business development	125,000	–	125,000	1
Office and administration	24,636	123,629	(98,993)	2
Professional fees	(4,106)	25,526	(29,632)	
Trust and filing fees	66,796	22,245	44,551	
Total operating expenses	212,326	171,400	40,926	
Others				
Gain (losses) on marketable securities	(521,392)	316,543	(837,935)	3
Gain on debt settlement	313,666	–	313,666	5
Dividends on retractable preferred shares	–	(339,515)	339,515	4
Interest expenses	(170,555)	(4,729)	(165,826)	4
Income (loss)	(575,368)	(142,216)	(433,152)	

1	*The Company reimbursed $125,000 to a company controlled by Nelson Skalbania, a director of the Company, for the efforts and expenditures incurred in order to secure the* access agreement discussed in the section of "Outlook" in the above. No similar transactions in 2014 Nine Months.
2	*Operating expenses are generally lower in 2015 Nine Months as the Company slowed down its operation pending the acquisition of new business.*
3	*The fluctuation of the gain (loss) in connection with marketable securities depends on the market price of the marketable securities on hands.*
4	*The Company's operations were financed from issuance of preferred shares in 2014Q1 and promissory notes in 2014 Q3. The amount of interests and dividends expenditures depended on the amount of outstanding of these instruments throughout 2014 and 2015 Nine Months respectively.*
5	*The Company settled the amount owing to the Company's CEO and his spouse at discount. There was no similar transactions is 2014 Nine Months.*

As at June 30, 2015, the Company had $342,447 cash (September 30, 2014 - $117,747), $Nil marketable securities (September 30, 2014 - $1,353,570), $Nil properties (September 30, 2014 - $10,711,496), due to related party of $Nil (September 30, 2014 - $445,446), debenture of $Nil (September 30, 2014 - $7,064,401) and share capital of $3,433,250 (September 30, 2014 - $2,808,250). The increase of cash was mainly a combined result of receiving $625,000 from private placement which was partially offset by transferring 106,313 cash to its ex-subsidiaries upon the completion of the Arrangement, and use of $337,416 in operations.

Three months ended June 30, 2015 ("2015 Q3")

The Comparison of the Company's results of 2015 Q3 to 2014 Q3is as follows:

	2015 Q3	2014 Q3	2015-2014 Q3	Ref
	$	$	$	
Net Rental income	-	29,946	(29,946)	
Expenses				
Business development	93,310	–	93,310	1
Office and administration	1,552	30,313	(28,761)	
Professional fees	(63,299)	11,428	(74,727)	2
Trust and filing fees	51,233	11,974	39,259	
Total operating expenses	82,796	53,715	29,081	
Others				
Dividends on retractable preferred shares	–	(127,015)	127,015	
Gain (losses) on marketable securities	–	(25,488)	25,488	
Interest expenses	–	(1,175)	1,175	
Income (loss)	(82,796)	(177,447)	94,651	

1	*Discussed in the point 1 of 2015 Six Months*
2	*There was a $63,299 professional fees recovery in 2015 Q3. The Company had an outstanding invoice of $67,000 in connection with the consulting services rendered for the Company's Arrangement. During 2015 Q3, the Company negotiated with its two former subsidiary, JG and Ameri-can and had the two subsidiaries taking over this liability as these two subsidiaries are part of the Arrangement. There was no such recovery in 2014 Q3,*

LIQUIDITY & CAPITAL RESOURCES

Financing of operations has been achieved primarily by equity and debt financing. On June 30, 2015, the Company had a cash balance of $342,447 and working capital of $266,787. The Company is not subject to external working capital requirements.

Management realizes that the capital and liquidity on hand is not adequate for the Company to achieve its long term business objectives as the development of real properties, including farming properties takes years to finish before these properties can generate positive operating cash flow. The Company intends to finance the Company's operations and to eliminate the working capital deficiency by additional equity financing.

While the Company was able to raise financing when needed in the past, there is no guarantee that the Company can do so in the future.

During 2015 Nine Months, the Company received $625,000 from private placements (refer to section "Private Placement" in the above).

During 2015 Nine Months the Company used $62,884 in investing activities which was the combined result of transferring $106,313 to its ex-subsidiaries in connection with the Arrangement which was partially offset $43,429 net proceeds received from disposition (acquisition) of marketable securities.

Compensation paid to key management

There was no compensation paid to key management during 2015 Nine Months (2014 Nine Months - $Nil)

Debenture

On June 18, 2014, the Related Persons exchanged 8,000,000 Class B and 2,250,000 Class B Series A preferred shares for a $8,500,000 debenture (”Debenture”) that bears interest at 10% per annum, that is due on June 18, 2015 and is secured against the Company's wholly owned subsidiary Ameri-Can Agri Co.

On September 30, 2014, the Company assigned $1,677,791 in promissory notes from the sale of Crocker and Pershing to the Related Persons in exchange for extinguishing $1,677,791 of the Debenture.

During three months ended December 31, 2014, interest expense $170,555 was accrued on the Debenture. This Debenture was fully settled during nine months ended June 30, 2015 (refer to debt settlement section in the below). The Continuity of this Debenture is as follows:

		Principal	Accrued interest	Total
		$	$	$
June 18, 2014	Inception	8,500,000	-	8,500,000
	Accrued interest for the period		242,192	242,192
September 30, 2014	Partially repaid	(1,677,791)		(1,677,791)
	Accrued interest for the period		170,555	170,555
March 25, 2015	Fully settled	(6,822,209)	(412,747)	7,234,956
June 30, 2015	Balance	-	-	-

Debt Settlement

Upon the completion of the Arrangement, Ameri-can assumed an amount owing to the Company of $7,051,914 (“$7.05 M Payable to Mag One”). On March 25, 2015, Ameri-can assigned this $7.05M Payable to Mag One to the Company's Related Persons in exchange for a promissory note issued to the Related Persons in the same amount.

On March 25, 2015, under the Company's request and agreed by the Related Persons, the Debenture (principal and accrued interest totaling $7,234,956) and a non-interest bearing advance to the Company by the Related Persons in the amount of $130,623 are considered fully repaid by the settlement of the $7.05 M Payable to Mag One. As a result, the Company recorded a gain of $313,665 from this debt settlement.

Others transactions

During three months ended December 31, 2014, the Company leased the Shangri La Unit to a company with a director in common for $6,107 per month on a month to month basis and earned rental income of $18,320. As the Shangri La Unit was transferred to JG Wealth on January 1, 2015 as part of the Arrangement, the Company did not have rental income since then.

The Company reimbursed $125,000 to a company controlled by Nelson Skalbania, a director of the Company, for the efforts and expenditures incurred in order to secure the access agreement discussed in the section of "Outlook" in the above.

Amounts due to related parties

As at June 30, 2015, the Company owed $Nil (September 30, 2014 -$288,446) to the spouse of the Company's CEO (Lucky Janda). The Company had a $19,034 and $157,000 payable balance owing to Innovative Properties Inc. ("Innovative") as at June 30, 2015 and September 30, 2014 respectively. A director of the Company (Sonny Janda) was also the former CEO of Innovative who resigned from the CEO during 2014. As a result, the $19,034 owing to Innovative was included in the Company's accounts payable as at June 30, 2015 but the $157,000 owing to Innovative was included in the Company's due to related parties as at September 30, 2014.

The amounts owing to related parties do not bear any interest, are unsecured and are due on demand.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 31,896,670 common shares outstanding. The Company also has and 1,250,000 share purchase warrants that can be converted to common shares of the Company on a one-to-one basis.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company does not have proposed transactions that have material effects to the Company to discuss at this time.

CHANGES IN ACCOUNTING POLICIES

The Company has not changed its accounting policies since the last year ended September 30, 2014.

FINANCIAL INSTRUMENTS

The Company has not changed its approach to manage the risks associated with its financial instrucments since its recent year ended September 30, 2014.

Fair value

The fair values of the Company's financial assets and liabilities approximates the carrying amounts either due to their short-term nature or because the interest rates applied to measure their carrying amount approximate current market rates.

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:

- 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 either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company did not have financial assets measured at fair value as at June 30, 2015.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	June 30, 2015	September 30, 2014
Loans and receivables:		
Cash	$ 342,447	$ 117,747
Receivable from JDLP's 50% partner	-	250,968
Financial assets held at fair value through profit and loss:		
Marketable securities	-	1,353,570
	$ 342,447	$ 1,722,285

RISK FACTORS

Risks of the Company's business include the following:

Conflicts of Interest

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in real estate development or management. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Competition

Magnesium Metal is a competitive market and the ability to secure off-take agreements with magnesium metal clients is critical. The key to success is to ensure that the Corporation is consistently a low cost magnesium metal producer compared to its competitors. Although the Corporation's estimates that its technology/process will be the lowest cost producer currently on the market, there is no guarantee that new competition with a lower cost approach will gain market share.

New Business

The Company currently does not have any contractual customers. To mitigate this risk, the Corporation has actively in discussion with several large organizations who have shown great interest in purchasing the Corporation's magnesium based products. However, there is a risk that the Company may not be able to find sufficient customers at the early stages.

Market

The profitability of the Corporation's operations is significantly affected by changes in the market prices of the products. The level of interest rates, the rate of inflation, and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

Project Execution Risk

The business is based on a novel, low cost modular method for producing magnesium metal and magnesium hydroxide. Although the majority of the unit operations are commercially proven, several key processing steps need to undergo a technical and economic review and possible testing prior to engineering and construction.

To mitigate this risk, this capital and operating cost review will be carried out by an independent engineering firm prior to detailed engineering design and construction of the facility.

Once the detailed engineering design is complete, there are no guarantee that the processing facility will be built on time and on budget. Any delays in receiving the appropriate environmental and construction permits, construction delays, as well as ramp up to full capacity may materially impact the Corporation's financial performance and cash flow. This risk, however is being mitigated through the design and construction of a modular facility. This approach limits the financial exposure and helps to ensure adequate cash flow prior to expanding production through additional modular units.

Key Personnel

The loss or departure of the Corporation's key management personnels would have a material impact on delivering the novel magnesium processing facility. This risk is mitigated through the engagement of technology experts who can intervene in such an instance. Once the design basis is complete this risk is further mitigated

The facility will be located in an industrial community and as such the ability to engage qualified personnel to operate the facility is deemed to be a low risk. The Corporation is aware that this jurisdiction has a strong union history and as such will carefully select its personnel to avoid a unionized environment which may increase its labor costs and subsequently the Corporation's profitability.

Product Quality

The novel Magnesium process is designed to produce high purity magnesium metal ingots. If the processing steps result in inconsistent product quality then the Corporation will not be able to fulfill its contractual agreements to its customers which will adversely impact its financial performance.

In addition to producing Magnesium ingots, the process is also designed to produce significant quantities of secondary products for sale to customers. If the quality of these secondary products does not meet market specifications then these by-products become a waste product. This will result in disposal costs that will inherently reduce the overall profit margin of the Corporation.

Consumable and Raw Material costs

The process is based on transforming serpentine tailings into magnesium metal and other by-products. The Corporation has secured a long term agreement for the raw material supply at a fixed price. This contract ensures a long term raw material supply and as such this risk has been mitigated.

Because the process is based on the cost effective re-use of chemical consumables, the risk of higher consumable pricing from third parties has also been mitigated. In addition, the location of the production facility is in a mining/ industrial friendly, low electrical power cost jurisdiction. As such substantial increases in electricity costs is not a concern.

Property Damage

The facility will be insured against loss of property as well as other insurances to protect against certain risks. The Corporation, however cannot insure against operator error, improper maintenance and general equipment failure. As such these events may increase the overall operational costs of the facility and thus impact the profitability of the Corporation.

Environmental and Safety Compliance
The processing facility will be designed and constructed to meet all required environmental, health and safety standards. Although best practices will be used to design, construct and operate the facility, there is always a risk that operator error or equipment failure will result in environmental and / or safety non-compliance.

Intellectual Property
The Corporation has significant know-how which will be protected through the filing of patents as well as the issuance of non-disclosure agreements for specific know-how and business confidential information. Although every effort will be made to ensure that the Corporation's IP and know-how are protected, there is a risk that the Competition and/or employees will not respect their legal obligations and the Corporation may be forced to take legal action.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

Venture issuers are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"). In particular, the Company's certifying officers are not making any representations relating to the establishment and maintenance of:

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

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

OFFICERS AND DIRECTORS

Lucky Janda, CEO, Director
Sonny Janda, Director
Charn Deol, Director
Nelson Skalbania, Director (after March 31, 2015)
Dr. James Blencoe, Director (after March 31, 2015)
Jared Scharf, CFO