PROSPECT PARK CAPITAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED

SEPTEMBER 30, 2014

Introduction

This Management's Discussion and Analysis ("**MD&A**") is dated January 26, 2015, unless otherwise indicated and should be read in conjunction with the audited financial statements of Prospect Park Capital Corp. (the "**Corporation**") for the period from December 8, 2012 to September 30, 2013 and for the year ended September 30, 2014 and the related notes thereto. This MD&A was written to comply with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results presented for the year ended September 30, 2014 are not necessarily indicative of the results that may be expected for any future period.

The Corporation applies International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations issued by the IFRS Interpretations Committee ("**IFRIC**").

Further information about the Corporation and its operations can be obtained from the offices of the Corporation or from **www.sedar.com**.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "**forward-looking statements**"). These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. 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.

Forward-looking statements	Assumptions	Risk factors
The Corporation's ability to meet its working capital needs at the current level for the twelve-month period ending September 30, 2015	The operating activities of the Corporation for the twelve-month period ending September 30, 2015, and the costs associated therewith, will be consistent with the Corporation's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Corporation	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; regulatory compliance and changes in regulatory compliance and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Corporation's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk and Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Corporation's ability to meet its working capital needs at the current level for the next twelve-month period; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; and general business and economic conditions.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Corporation undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Corporation does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

The Corporation was incorporated under the *Business Corporations Act* (Ontario) on September 7, 2012 and to date there have been limited operations. The registered office of the Corporation is located at 181 Bay Street, Suite 4400, Toronto, Ontario, M5J 2T3. The Corporation's financial year ends on September 30.

On March 28, 2013, the Corporation completed an initial public offering (the "**Offering**") pursuant to Policy 2.4 – *Capital Pool Companies* ("**Policy 2.4**") of the TSX Venture Exchange ("**Exchange**") and became classified as a Capital Pool Company (as such term is defined in Policy 2.4). The Corporation's common shares were listed on the Exchange on March 27, 2013 and commenced trading under the symbol "PPK.P" on March 28, 2013. The Corporation's principal business is the identification and evaluation of assets or businesses for the purpose of completing a Qualifying Transaction (as such term is defined in Policy 2.4).

On October 7, 2013, the Corporation announced that it had entered into three agreements for investments in Skyline Medical Inc. ("**Skyline**"), JB Therapeutics and IOI, LLC ("**IOI**"). Pursuant to the terms of the agreements and subject to completion of certain conditions precedent, including, satisfactory due diligence, execution of definitive agreements and receipt of all necessary director, shareholder, regulatory and Exchange approvals, the proposed transactions are intended to qualify as the Corporation's Qualifying Transaction.

Pursuant to a subscription agreement dated October 2013 between IOI and the Corporation (the "**IOI Investment**"), the Corporation agreed to acquire from IOI approximately 5.0% to 7.5% of the outstanding interests of the members of IOI ("**IOI Membership Interest**") for the purchase price of USD$150,000. On October 20, 2014, the Corporation completed the acquisition and purchased 5.66% in IOI Membership interest for $169,065 (U.S. $150,000). IOI, as co-lender, and various lenders have entered into a credit and guaranty agreement dated as of July 12, 2013 with Serenity Pharmaceuticals, LLC ("Serenity") as borrower and Firefly Agent, LLC as administrative agent ("IOI Credit Agreement"). Pursuant to the IOI Credit Agreement, IOI (as to 20%) and the Lenders (as to 80%) have agreed to extend to Serenity a USD$15,000,000 senior secured first lien multi-draw term loan (the "**Minimum Term Loan**"), subject to an increase of up to USD$5,000,000 to USD$20,000,000 (the "**Maximum Term Loan**") at Serenity's option subject to certain qualifications as outlined in the IOI Credit Agreement.

Pursuant to a share purchase agreement dated August 28, 2014 between SOK Partners LLC ("**SOK**") and the Corporation (the "**SOK Agreement**"), the Corporation agreed to acquire (such acquisition, the "**Skyline Investment**") 10,423,309 common shares ("**Skyline Shares**") of Skyline from SOK for the purchase price of $1,000,000. The purchase price was payable as follows: (i) $400,000 payable in cash at closing; (ii) $300,000 payable at the closing by the issuance of 1,304,347 common shares of the Corporation at a deemed price of $0.23 per share; and (iii) $300,000 payable within six (6) months of the Skyline Closing by the issuance of 1,714,285 common shares of the Corporation at a deemed price of $0.175 per share. On October 23, 2014, the Company completed the transaction and paid both the $400,000 cash and issued the initial 1,304,347 common shares.

On August 28, 2014, the Corporation received conditional approval from the Exchange for its Qualifying Transaction. The Corporation called an annual and special meeting of shareholders for September 25, 2014 (the "**Meeting**") to consider (among other matters) the Majority of the Minority Shareholder Approval (as such term is defined in Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("**MI 61-101**")) of the Skyline Investmentand the IOI Investment(together, the "**Transactions**"). Subject to completion of certain conditions precedent, including, receipt of all necessary regulatory and Exchange approvals, the Transactions will collectively constitute the Corporation's "Qualifying Transaction".

The Corporation did not proceed with the previously announced proposed investment in JB Therapeutics.

As SOK, Skyline and IOI may each be considered a "related party" to the Corporation, the Transactions were considered a "related party transaction" (as such term is defined in MI 61-101) and, accordingly, required (among other things) Majority of the Minority Shareholder Approval at the Meeting. At the Meeting the Transactions were approved.

Further details regarding SOK, Skyline, IOI, the Transactions, the Meeting, and the "related party's" can be found in the management information circular for the Meeting and the News Release issued by the Corporation on August 29, 2014.

On October 23, 2014, the Corporation announced the closing of the Qualifying Transaction.

Pursuant to the Qualifying Transaction, the Corporation issued an aggregate of 1,304,347 common shares to SOK. Following the completion of the Qualifying Transaction, 8,676,260 common shares are outstanding and 2,814,976 common shares are reserved for issuance. At the closing of the Qualifying Transaction 5,041,260 common shares are subject to escrow (including the 1,304,347 common shares issued to SOK on closing).

In connection with the Qualifying Transaction, as previously announced, Kyle Appleby was appointed the new Chief Financial Officer in place of Samuel Herschkowitz who will remain as Chief Executive Officer.

As at September 30, 2014, the Corporation has not commenced commercial operations and has no assets other than cash and cash equivalents and accounts receivable.

Selected Annual Financial Information

The following is selected financial data derived from the audited financial statements of the Corporation as at September 30, 2014, September 30, 2013 and December 7, 2012 and for the periods then ended.

	Year ended September 30, 2014	**Period ended September 30, 2013**	**Period ended December 7, 2012**
Total revenues	nil	nil	nil
Total loss (1)(2)	(271,814)	(182,727)	nil
Net loss per share – basic (3)(4)	(0.04)	(0.03)	nil
Net loss per share – diluted (3)(4)	(0.04)	(0.03)	nil
	As at September 30, 2014	**As at September 30, 2013**	**As at December 7, 2012**
Total assets	946,902	1,056,150	491,591
Total non-current financial liabilities	nil	nil	nil
Distribution or cash dividends (5)	nil	nil	nil

(1) Loss from continuing operations, in total;

(2) Net loss from operations, in total;

(3) Loss from continuing operations, on a per-share and diluted per share basis;

(4) Net loss from operations, on a per-share and diluted per-share basis; and

(5) Declared per-share for each class of share.

- The net loss for the year ended September 30, 2014, consisted primarily of professional fees and disbursements of $208,609, transfer agent, listing and filing fees of $76,190 and interest income of $12,805.

- The net loss for the period from December 8, 2012 to September 30, 2013, consisted primarily of share-based compensation of $131,957 and professional fees and disbursements of $51,485.

- There was no loss for the period from September 7, 2012 to December 7, 2012.

As the Corporation has no revenue, its ability to fund its operations is dependent upon its securing financing through the sale of equity or assets. See "Risk Factors" below.

Discussion of Operations

Year ended September 30, 2014 compared with the period from December 8, 2012 to September 30, 2013

The Corporation's net loss totaled $271,814 for the year ended September 30, 2014, with basic and diluted loss per share of $0.04. This compares with net loss of $182,727 with basic and diluted loss per share of $0.03 for the period from December 8, 2012 to September 30, 2013. The increase of $89,087 in net loss was principally because there was (i) a decrease in share-based compensation of $131,957 for the year ended September 30, 2014 compared to the period from December 8, 2012 to September 30, 2013; (ii) an increase in professional fees and disbursements of $155,124 for the year ended September 30, 2014, compared to the period from December 8, 2012 to September 30, 2013; (iii) an increase in transfer agent, listing and filing fees of $76,190 for the year ended September 30, 2014 compared to the period from December 8, 2012 to September 30, 2013; (iv) an increase of $1,575 in foreign exchange gain; and (v) an increase of $12,805 in interest income. The increase in net loss resulted principally from the decrease in the share-based compensation which was offset by the increase in professional expenses (including disbursements) and transfer agent, listing and filing fees.

Three months ended September 30, 2014, compared with three months ended September 30, 2013

The Corporation's net loss totaled $124,198 for the three months ended September 30, 2014, with basic and diluted loss per share of $0.02. This compares with net loss of $22,001 with basic and diluted loss per share of $0.01 for the three months ended September 30, 2013. The increase of $97,197 in net loss was principally because there was (i) an increase in professional fees and disbursements of $44,088 for the three months ended September 30, 2014, compared to the three months ended September 30, 2013; (ii) an increase in transfer agent, listing and filing fees of $61,099 for the three months ended September 30, 2014 compared to the three months ended September 30, 2013 which was offset by (iii) an increase of $2,395 in interest income and (v) an increase in foreign exchange gain of $1,575. The increase in net loss resulted principally from the increase in transfer agent, listing and filing fees and professional expenses (including disbursements).

Selected Quarterly Information

A summary of selected information for the quarter presented below is as follows:

Three Months Ended	Net Revenues ($)	Net Loss Total ($)	Net Loss Basic and Diluted Loss Per Share (1) ($)
September 30, 2014	-	(124,198)	(0.02)
June 30, 2014	-	(22,040)	(0.00)
March 31, 2014	-	(72,519)	(0.01)
December 31, 2013	-	(53,057)	(0.01)
September 30, 2013	-	(22,001)	(0.01)
June 30, 2013	-	(7,698)	(0.00)
March 31, 2013	-	(141,878)	(1.17)
December 31, 2012	-	(11,150)	(0.00)

(1) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Liquidity

At September 30, 2014, the Corporation had working capital of $756,146. The Corporation manages its capital structure and makes adjustments to it, based on available funds to the Corporation. Capital levels for Capital Pool Companies are regulated pursuant to guidelines issued by the Exchange. These guidelines state that proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation not related to the identification and evaluation of a Qualifying Transaction. These restrictions apply until Completion of the Qualifying Transaction by the Corporation. Management believes the Corporation's working capital is sufficient for the Corporation to meet its ongoing obligations and meet its objective of completing a Qualifying Transaction. As of September 30, 2014, these restrictions have been met.

Capital Resources

The following financings have been completed by the Corporation:

Date	Gross Proceeds	Type of Transaction
October 18, 2012 to November 1, 2012 (1)	$500,000	Seed Financing
March 28, 2013 (2)	$727,000	Initial Public Offering

(1) Between October 18, 2012 and November 1, 2012, the Corporation issued 3,736,913 common shares for cash of $500,000 in its seed financing. Upon completion of the Offering, these shares are being held in escrow and will be released in future periods in accordance with the policies of the Exchange.

(2) On March 28, 2013, the Corporation completed the Offering by issuing 3,635,000 common shares at a price of $0.20 per share for gross proceeds of $727,000. Canaccord Genuity Corp. (the "**Agent**") acted as agent for the Offering. The Corporation paid the Agent a commission of $72,700 (10% of the gross proceeds of the Offering) and a $10,000 corporate finance fee. In addition, the Corporation granted the Agent warrants to acquire 363,500 common shares at a price of $0.20 per share that may be exercised until March 28, 2015.

In addition, at the closing of the Offering on March 28, 2013, the Corporation granted incentive stock options to its then existing four directors to acquire a total of 737,191 common shares. The incentive stock options may be exercised for a period of ten years at a price of $0.20 per share. The incentive stock options vested on the date of grant.

Off-Balance Sheet Arrangements

As of the date of this filing, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Related Party Transactions

Related parties include the Board of Directors, close family members, enterprises and others over which it exercises significant influence.

The below noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors.

(i) During the year ended September 30, 2014, the Corporation incurred expenditures of $162,224 (2013 - $4,863) from McMillan LLP for legal services. Robbie Grossman is a partner of McMillan LLP and an officer and director of the Corporation. Included in the September 30, 2014 accounts payable and accrued liabilities is $159,484 (2013 - $4,863) due to McMillan LLP.

(iii) During the year ended September 30, 2014, the Corporation also incurred expenditures of $nil (2013 - $44,574) from Garfinkle Biderman LLP for legal services. Robbie Grossman is a former partner of Garfinkle Biderman LLP and an officer and director of the Corporation. Included in the September 30, 2014 accounts payable and accrued liabilities is $5,126 (2013 - $5,126) in respect of Garfinkle Biderman LLP.

The Corporation is not aware of any arrangements that haven't been disclosed, that may, at a subsequent date, result in a change in control of the Corporation. To the knowledge of the Corporation, it is not directly or indirectly owned or controlled by another company, by any government or by any natural or legal person severally or jointly.

Risk Factors

An investment in the Corporation and the common shares should be considered highly speculative and investors should carefully consider all of the information disclosed in this MD&A prior to making an investment. In addition to the other information presented in this MD&A, the following risk factors should be given special consideration when evaluating an investment in the Corporation or the common shares.

The value of the shares of the Corporation will fluctuate based on the value of the Corporation's investment portfolio and general market conditions. There can be no assurance that shareholders will realize any gains from their investment in the Corporation and may lose their entire investment.

There is no assurance that the investment objectives of the Corporation will actually be achieved. The value of the shares of the Corporation will increase or decrease with the value of its investment portfolio and general economic conditions beyond the control of the Corporation's management, including the level of interest rates, corporate earnings, economic activity, the value of the Canadian dollar and other factors.

Investments made by the Corporation may lack liquidity.

Due to market conditions beyond its control, including investor demand, resale restrictions, general market trends and regulatory restrictions, the Corporation may not be able to liquidate investments, including its investments and any other target companies without a listed market for their securities, when it would otherwise desire to do so in order to operate in accordance with its investment policy and strategy. Such lack of liquidity could have a material adverse effect on the value of the Corporation's investments and, consequently, the value of the shares of the Corporation.

There is no guarantee that the Corporation will be able to reduce its investment risk by diversifying its investment portfolio. Expenses incurred by the Corporation may exceed any gains realized by the Corporation on its investments.

The Corporation intends to participate in a limited number of investments and, as a consequence, the aggregate returns realized by the Corporation may be substantially and adversely affected by the unfavourable performance of even a single investment. Accordingly, there can be no assurance that the Corporation will be able to reduce its investment risk by diversifying its portfolio. The resulting lack of diversification may adversely impact the ability of the Corporation to achieve its desired investment returns.

Investment is denominated in U.S. dollars and carries currency risks.

An investment in the Skyline Shares and the IOI Membership Interest is denominated in U.S. dollars and entails risks that are not associated with a similar investment in a security denominated in Canadian dollars. Such risks include, without limitation, the possibility of significant changes in rates of exchange between the Canadian dollar and the U.S. dollar.

The long–term viability for the Corporation will depend, in part, on its ability to raise additional investment capital.

If the Corporation is unable to raise additional investment capital either through investment returns or new financing through securities offerings, then it will be limited in its ability to fulfill its investment objectives. This may adversely affect its long–term viability. To raise additional capital, the Corporation may have to issue additional shares which may dilute the interests of existing shareholders.

The Corporation faces competition from other capital providers and there can be no assurance that suitable investments will be found.

The Corporation faces competition from other capital providers, all of which compete for investment opportunities. These competitors may limit the Corporation's opportunities to acquire interests in investments that are attractive to the Corporation. The Corporation may be required to invest otherwise than in accordance with its investment policy and strategy in order to meet its investment objectives. If the Corporation is required to invest other than in accordance with its investment policy and strategy, its ability to achieve its desired rates of return on its investments may be adversely affected.

The Corporation will be dependent on attracting key personnel.

The Corporation's success will depend on its ability to attract and retain its key personnel. The inability of the Corporation to retain its directors or officers, as a result of volatility or lack of positive performance in the Corporation's stock price, may adversely affect the Corporation's ability to carry out its business.

Shareholders will be required to rely on the Corporation to conduct the business of the Corporation. The services provided by the Directors will not be exclusive to the Corporation and conflicts of interest may arise in the ordinary course of business.

Shareholders will be required to rely on the business judgment, expertise and integrity of the directors and officers of the Corporation. The Corporation must rely substantially upon the knowledge and expertise of its directors and officers in entering into any investment agreement or investment arrangements, in determining the composition of the Corporation's investment portfolio, and in determining when and whether to dispose of securities owned by the Corporation. The death or disability of any of the Corporation's directors and officers could adversely affect the ability of the Corporation to achieve its objectives.

The directors and officers of the Corporation will not be devoting all of their time to the affairs of the Corporation, but will be devoting such time as may be required to effectively manage the Corporation. Certain of the directors and officers of the Corporation are engaged and will continue to be engaged in the search for investments for themselves and on behalf of others, including other private and public corporations. Accordingly, conflicts of interest may arise from time to time. Any conflicts will be subject to the procedures and remedies under the *Business Corporations Act (Ontario)*.

Shareholders may face dilution in the event of the issuance of additional securities.

The Corporation will be authorized to issue an unlimited number of shares. In order to fund further investments, the Corporation may have to issue additional securities including, but not limited to common shares, or some form of convertible security, the effect of which will result in a dilution of the equity interest of any existing shareholders.

The Corporation is not required to pay dividends.

To date, the Corporation has not paid dividends on any of its shares and the Corporation does not intend, and is not required, to pay any dividends on its shares in the foreseeable future. Any decision to pay dividends will be made on the basis of the Corporation's earnings, financial requirements and other conditions.

The market price of securities of the Corporation may be volatile.

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many junior companies have experienced wide fluctuations in price. The market price of the shares may be volatile and could be subject to wide fluctuations due to a number of factors. Broad market fluctuations, as well as economic conditions generally and in the healthcare industry specifically, may adversely affect the market price of the shares.

Investments in early stage companies.

The investments by the Corporation in the future may, expose the Corporation to the risks inherent with an investment in early stage companies. Each of the investment is, and any other investment that the Corporation may invest in may be, an early stage company whose products and technologies: are under development; will require further investment; are without a substantial market; are dependent on acceptance by the marketplace of new technologies and products; and face competition from other companies, many of which have greater financial, marketing, technological and personnel resources.

Prior Ranking Indebtedness.

Investments by the Corporation in the indebtedness of Skyline and IOI or other companies in which the Corporation may invest in in the future, may be subordinated to permitted senior indebtedness of such investment. In the event of such investment's insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up, its assets would be made available to satisfy the obligations of the creditors of such senior indebtedness before being available to pay such obligations to the Corporation. Accordingly, all or a substantial portion of such investment's assets could be made unavailable to satisfy the claims of the Corporation.

Minority interest in investment companies.

The Corporation holds a minority interest in each of Skyline and IOI and may hold minority interests in any future companies and will have a limited ability to influence management of such companies with respect to: business and financial decisions; the issuance of additional securities; and the issue price for additional securities.

Accounting Standards Adopted during the Period

(i) IFRS 13 – Fair Value Measurement ("IFRS 13") was issued by the IASB in May 2011. IFRS 13 is a new standard which provides a precise definition of fair value and a single source of fair value measurement considerations for use across IFRSs. At October 1, 2013, the Corporation adopted this pronouncement and there was no material impact on the Corporation's financial statements.

Recent Accounting Pronouncements

(i) IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 will be effective for annual periods beginning on or after January 1, 2018. The Corporation is in the process of assessing the impact of this pronouncement.

(ii) IAS 32 – Financial Instruments: Presentation ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. Earlier adoption is permitted. The Corporation is in the process of assessing the impact of this pronouncement.

Financial Instruments

Fair Values

At September 30, 2014, the Corporation's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risks consist principally of cash and cash equivalents and accounts receivable. Cash and cash equivalents are held with a major Canadian chartered bank, from which management believes the risk of loss to be minimal.

Accounts receivable consists of sales tax receivable from government authorities in Canada and other receivables. Management believes that the credit risk with respect to this accounts receivable is minimal.

Interest Rate Risk

The Corporation is not exposed to any significant interest rate risk.

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

Capital Management

The Corporation's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Corporation's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Corporation does not have any externally imposed capital requirements to which it is subject. The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares.

Outlook

The Corporation continues to evaluate the opportunity to indirectly participate in investments in early stages of a company development or in technologies that are developed and validated but may be in the early stage of commercialization or in companies that require strategic guidance and thus are undervalued.

Share Capital

As of the date of this MD&A, the Corporation had 8,676,260 issued and outstanding common shares. In addition, the Corporation had warrants outstanding exercisable for 363,500 common shares and stock options outstanding exercisable for 737,191 common shares. Therefore, the Corporation had 9,776,951 common shares on a fully diluted basis.

Additional Disclosure for Venture Issuers without Significant Revenue

General and Administrative

	Year ended September 30, 2014 ($)	Period ended September 30, 2013 ($)
Share-based compensation	nil	131,957
Professional fees (including disbursements)	208,609	51,485
Transfer agent, listing and filing fees	76,190	nil
Bank charges	1,395	nil
Foreign exchange	(1,575)	nil
Total	**284,619**	**183,442**