

**SPARX ENERGY CORP.**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2015**

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This management's discussion and analysis ("MD&A") presents an analysis of the financial position of Sparx Energy Corp. ("Sparx" or the "Corporation") for the three months ended March 31, 2015. The following information should be read in conjunction with the December 31, 2014 audited financial statements of the Corporation, including the accompanying notes, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

**Date of Report**

This MD&A is dated May 27, 2015 and presents material information up to this date.

**Forward-Looking Statements**

This MD&A may contain forward-looking statements relating to future events. In some cases, forward-looking statements can be identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "should", "believe", or similar expressions. These forward-looking statements by their nature involve risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements, including the "Risks and Uncertainties" discussed in this MD&A. The Corporation considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but cautions the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect.

**Description of Business**

Sparx is classified as a reporting issuer for purposes of the British Columbia Securities Commission. As a reporting issuer, the Corporation's current business is to comply with all reporting requirements while endeavouring to find, acquire and finance a suitable business or project. The Corporation has not conducted commercial operations other than to meet filing requirements.

Although the Corporation believes it will have enough capital resources to meet filing requirements until a suitable opportunity is identified and financing arranged, there is no guarantee that the Corporation will be able to do so, or to secure additional financing in the future on terms that are acceptable to it or at all.

**Strategy**

During October, 2012, Glenmark Capital Corp.'s (formerly Abbastar Resources Corp.) ("Glenmark") board of directors approved a plan of arrangement ("the Arrangement") between Glenmark and its four wholly-owned subsidiaries: Anacott Resources Corp ("Anacott"), Brunello Resources Corp. ("Brunello"), Sparx Energy Corp. ("Sparx") and Teldar Resources Corp. ("Teldar"). The Arrangement was approved by shareholders of Glenmark on November 30, 2012, by the Supreme Court of British Columbia on December 5, 2012 and by the TSX Venture Exchange on January 14, 2013.

On the closing of the Arrangement on May 31, 2013, Glenmark transferred the following to Sparx: \$17,500 in cash and the Doran Interest (described below) in exchange for the same number of Sparx

shares as the number of Glenmark shares that are issued on the distribution record date multiplied by the conversion factor.

### **Doran Interest**

In 2007 Glenmark and Entourage Mining Ltd. (“Entourage”) entered into an option agreement (the “Doran Agreement”) wherein Glenmark was granted the sole option and right to acquire up to 70% of Entourage’s interest in the Doran uranium property (the “Doran Property”) situated in Costebelle Township, on the north shore of the Gulf of St. Lawrence in southeastern Quebec. Glenmark paid Entourage the \$100,000 required pursuant to the Doran Agreement in order to exercise and acquire the interest in the Doran Property.

To March 31, 2013, Glenmark had incurred \$1,520,190 in mineral property exploration expenditures as defined in the Doran Agreement and earned a 35% interest in the property. Glenmark elected not to make the necessary mineral exploration expenditures on the Doran Property during the third year of the agreement and may, pursuant to the Doran Agreement, proceed on a joint venture basis with Entourage.

During the year ended December 31, 2012, Glenmark wrote down the property to \$35,000. As a result of certain claims lapsing in 2013 Sparx wrote-down the property to \$Nil.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from potential aboriginal claims and frequently ambiguous conveyancing history characteristic of many mineral properties. At the time of the acquisition, Glenmark had investigated title to all properties and, to its knowledge, titles to all properties were in good standing.

### **Potential Acquisition**

On October 18, 2013, Sparx entered into a letter of intent (“LOI”) to acquire the Mankota Helium project, located in southern Saskatchewan, and a right of first refusal on certain U.S. projects, from Weil Group Resources, LLC (see News release dated October 24, 2013). In the event that the acquisition was completed, the Corporation would consolidate its current share capital on the basis of 1 new share for every 1.61 old shares and change its name to “Weil Helium One Inc.”. Subsequently the Corporation must complete a private placement of not less than \$5,000,000 and obtain a listing on the TSX Venture Exchange. The vendors, Weil Group Resources, LLC, would receive 29,000,000 post-consolidation common shares of the Corporation in consideration for the property. The transaction also contemplated inclusion of other customary closing conditions.

On November 19, 2013 the parties signed a letter agreement extending the period to sign a definitive agreement, under the terms of the LOI period, to 60 days from the period agreed under the LOI of 30 days.

The parties have since allowed this LOI to lapse.

### **History of the Corporation and Overall Performance**

Sparx was incorporated October 5, 2012 in the Province of British Columbia and December 31 is the date of its fiscal year end.

The Corporation does not currently have operations or assets capable of generating ongoing revenue or cash flows and there is no certainty that it will be successful in acquiring a suitable opportunity. Although

these financial statements have been prepared and presented on a going concern basis, there is significant risk that the Corporation will not become a going concern, in which case this basis of presentation will not be appropriate.

### Selected Annual Information

The following financial data are selected for the Corporation for the three most recently completed financial years:

	31-Dec-14	31-Dec-13	31-Dec-12
	\$	\$	\$
Total revenue	Nil	Nil	Nil
Net loss	23,695	100,319	Nil
Net loss per share, basic and diluted	0.00	0.01	0.00
Total assets	2,356	1,273	1
Non-current financial liabilities	Nil	Nil	Nil

Sparx was incorporated in 2012 and had no operations during that year. During 2013 and 2014 the Corporation has received loans and share capital while it investigates potential business opportunities for acquisition. This activity has lead to consulting and professional costs as well as the costs of maintaining the Corporation as a reporting issuer. The Corporation has reported no discontinued operations and has paid no dividends and is unlikely to pay dividends for the foreseeable future.

### Selected Quarterly Financial Information

The following selected financial data is derived from the financial statements of the Corporation prepared within acceptable limits of materiality and is in accordance with International Financial Reporting Standards.

	3 Months ended Mar 31, 2015	3 Months ended Dec 31, 2014	3 Months ended Sept 30, 2014	3 Months ended June 30, 2014	3 Months ended Mar 31, 2014	3 Months ended Dec 31, 2013	3 Months ended Sept 30, 2013	3 Months ended June 30, 2013
	\$	\$	\$	\$	\$	\$	\$	\$
Total revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	9,820	4,860	6,868	7,404	4,563	48,786	16,172	12,361
Net loss per share, basic and diluted	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Total assets	386	2,356	2,371	866	382	1,273	37,978	45,044
Total liabilities	186,719	178,869	174,023	165,650	157,763	154,091	139,510	130,404
Total shareholders' deficit	(186,333)	(176,513)	(171,652)	(164,784)	(157,381)	(152,818)	(101,532)	(85,360)

### Operating Results for the Three Months Ended March 31, 2015

During the three month period ended March 31, 2015, the Corporation incurred bank charges of \$35 (2014 - \$69), consulting fees of \$2,100 (2014 - \$2,100), interest expense of \$2,569 (2014 - \$2,489) and office costs of \$10 (2014 - \$Nil). Professional fees (legal and accounting costs) were \$1,867 in the 2015 quarter while the Corporation reported a recovery of \$920 in the 2014 period. Lastly, regulatory and transfer agent fees were \$3,239 in the first quarter of 2015 compared to \$825 in the 2014 period. As a

result the Corporation incurred a loss of \$9,820 (\$0.00 per share) in the first quarter of 2015 versus a loss of \$4,563 (\$0.00 per share) in the first quarter of 2014.

### **Loans Payable**

Loans payable in the amount of \$116,875 (December 31, 2014 - \$110,000) are unsecured, bear interest at 10% per annum and will be repaid once the Corporation's business plan is implemented. The lender has the option to be repaid in cash or shares of the Corporation. This loan represents funds advanced by an investor who is assisting the Corporation implement its business plan. It is not presently known what business, organizational or management changes may be necessary to complete its efforts.

Receipt of these loans is providing the working capital for the Corporation to prepare and file financial statements, pay regulatory and transfer agent fees, for corporate registrations and to redeem the two shares held by previous directors. As a result, the Corporation has gained further time in which to implement its intended business plan. In the three months ended March 31, 2015, \$6,875 in loans were advanced to the Corporation.

### **Liquidity, Capital Resources and Outlook**

As at March 31, 2015, the Corporation had cash of \$33, amounts receivable of \$353 and current liabilities of \$186,719. As at March 31, 2015 the Corporation has a working capital deficiency of \$186,333. Additional equity or debt financing will be required to implement its business plan. There can be no assurance that the Corporation will be able to obtain adequate financing to achieve its objectives.

During the three months ended March 31, 2015 Sparx used \$7,158 of cash in operating activities (2014 - \$2,108) and raised \$6,875 in financing activities (2014 - \$1,500). The Corporation invested no cash in the first quarters of 2015 or 2014.

### **Off-Balance Sheet Arrangements**

There are no off-balance sheet arrangements as at March 31, 2015.

### **Financial Instruments and Other Instruments**

The Corporation's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and loans payable. It is management's opinion that the Corporation is not exposed to significant interest (the interest on the Loans payable is at a fixed 10% per annum), currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying values, as applicable.

### **Transactions with Related Parties**

During the three months ended March 31, 2015 the Corporation incurred \$1,800 plus GST (2014 - \$1,500 plus GST), in Consulting fees paid to an existing director, Richard Grayston, and a company in which a director is a principal (2014 - an existing director). At March 31, 2015 the Corporation owed the existing director (Richard W. Grayston) \$11,570 ( 2014 - \$5,250) in respect of these fees.

### **Significant Accounting Judgments and Use of Estimates**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported

amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates, which, by their nature, are uncertain. The impacts of such 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 the revision affects both current and future periods.

The Corporation's significant judgments and estimates are disclosed in the financial statements as at and for the period ended December 31, 2014.

### **Disclosure of Outstanding Share Data**

The Corporation is authorized to issue an unlimited number of common shares of which 13,111,431 common shares are issued and outstanding as at the date of this MD&A.

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

	<b>Authorized</b>	<b>Outstanding</b>
Voting or equity securities issued and outstanding	Unlimited Common Shares	13,111,431 Common Shares

On April 24, 2013, the Corporation issued 2 common shares at a price of \$0.05 per share to two officers of the Corporation for gross proceeds of \$0.10. On May 7, 2013, these shares were redeemed and cancelled for \$95,000 in cash.

On May 31, 2013, the Corporation cancelled its 1 incorporating share and issued 13,111,431 common shares for \$17,500 in cash and an assignment of the Doran mineral property interest (which then was valued at \$35,000) under the Arrangement.

### **Warrants**

As of the date of this MD&A 12,100,000 warrants were outstanding. Each warrant is exercisable to acquire a common share of the Corporation for \$0.10 per share until April 8, 2018. The warrants were issued pursuant to the amended plan of arrangement previously discussed.

### **Changes in Internal Controls over Financial Reporting**

There have been no changes in the Corporation's internal control over financial reporting during the three months ended March 31, 2015, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

### **Risks and Uncertainties**

The Corporation has a limited history of existence. There can be no assurance that it will be successful in acquiring a suitable business or project. Equity or debt financing may be required to complete the implementation of its business plan. There can be no assurance that the Corporation will be able to obtain adequate financing to continue. The securities of the Corporation should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Corporation's securities:

- a) the Corporation has had no business activity and has not acquired any material assets since its incorporation other than cash;
- b) the Corporation does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends in the foreseeable future;
- c) the Corporation has only limited funds with which to identify and evaluate potential opportunities and there can be no assurance that the Corporation will be able to identify a suitable business or project;
- d) the business or project may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation;
- e) there can be no assurance that an active and liquid market for the common shares will develop and an investor may find it difficult to resell its common shares; and
- f) if the Corporation fails to complete the acquisition of a suitable business or project, an interim cease trade order may be issued against the Corporation's securities by an applicable securities commission.

#### **Events After the Reporting Period**

There were no material events after March 31, 2015 to the date hereof.

#### **Approval**

The board of directors of the Corporation has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.