ORCA TOUCHSCREEN TECHNOLOGIES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR

THE YEAR ENDED DECEMBER 31, 2014

#126851-3

MANAGEMENT'S DISCUSSION AND ANALYSIS
Dated April 17, 2015
for the Year Ended December 31, 2014

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") dated April 15, 2015 of Orca Touchscreen Technologies Ltd (the "Company" or "Orca Touchscreen") has been prepared by management in accordance with the requirements of National Instrument 51-102. This MD&A should be read in conjunction with the audited financial statements as at December 31, 2014 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained in this MD&A is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this MD&A is not intended to be a comprehensive review of all matters and developments concerning the Company.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of our management as well as assumptions made by and information currently available to us. When used in this document, the words "*anticipate*", "*believe*", "*estimate*", "*expect*" and similar expressions, as they relate to our company or our management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued development of our technological property. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or our achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

COMPANY OVERVIEW

Orca Touchscreen Technologies Ltd. was incorporated under the *Business Corporations Act* (British Columbia) on December 31, 2013. The head office of the Company is at 1500 – 701 West Georgia Street, Vancouver, British Columbia, V7Y 1C6. The registered and records offices of the Company are at 1820 – 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2.

On June 13, 2014, the common shares of the Company commenced trading on the Canadian Securities Exchange ("CSE") under the trading symbol "OAA". During the year, the Company completed a four-for-one forward stock split and its common shares were quoted for trading on 3 markets: the Canadian Securities Exchange, the Frankfurt Stock Exchange under the symbol "6OT" and the OTCQB (part of OTC Markets Group) under the symbol "ORTFF".

<u>During the year ended December 31, 2014:</u>

- On February 28, 2014, the Company issued 22,800,000 common shares at a price of $0.005 per common share for gross proceeds of $114,000.
- On March 3, 2014, the Company issued 40,000 common shares at a price of $0.025 per common share for gross proceeds of $1,000.
- On March 6, 2014, the Company completed a statutory arrangement under a plan of arrangement with Gorilla Minerals Corp. and Orca Mobile Solutions Ltd. ("Orca Mobile") As a result of completing the Arrangement, the Company became a reporting issuer in Alberta and British Columbia, and Orca Mobile became a wholly-owned subsidiary of the Company.
- On April 11, 2014, the Company issued 2,000,000 common shares at a price of 0.025 per common share for a total value of $50,000.
- On April 28, 2014, 1,600,000 common shares of the Company were cancelled and returned to treasury, and $8,000 was refunded.
- On May 12, 2014, the Company, through its wholly-owned subsidiary, Orca Mobile, entered into an asset purchase agreement with Sollensys Corporation ("Sollensys"), a company based in South Korea, by which the Company acquired an invention, being an apparatus for folding and laminating touch sensor panels to produce touchscreens, (the "Invention") and its related patent (the "Invention Patent").

- On May 1, 2014, the Company, through its wholly-owned subsidiary, Orca Mobile, entered into a patent and technology license agreement with Sollensys, whereby the Company acquired an exclusive 6-year worldwide license to use all of Sollensys' technology and 18 patents.
- On June 10, 2014, the Company issued 8,000,000 common shares were issued for $0.025 per share for gross proceeds of $200,000;
- On July 11, 2014, the issued and outstanding share capital of the Company was increased from 10,110,000 to 40,440,000 common shares by way of a 4-for-1 forward stock split, as approved by resolutions of the board of directors dated July 4, 2014. The number of issued and outstanding shares has been retroactively restated for all periods presented unless otherwise stated.
- On September 30, 2014, the company entered into a letter of intent with Sollensys and Mr. Carlos Fernando Rivers Sandoval, governing the proposed incorporation of a Guatemala joint venture company called Sollen-Mobile SA.
- During 2014, a total of $92,000 USD ($106,729 CDN) in short-term loans were received by the Company from certain of its directors and a person related to an officer of the Company to fund the proposed joint venture in Guatemala.

Plan Of Arrangement

On January 6, 2014, the Company entered into an arrangement agreement which included a statutory plan of arrangement (the "Arrangement") with Gorilla Minerals Corp. ("Gorilla") and Orca Mobile Solutions Ltd. ("Orca Mobile"). Gorilla was, at that time, a reporting issuer in the provinces of Alberta and British Columbia.

Pursuant to the Arrangement, the following principal steps were completed on March 6, 2014:

a) the Company acquired all the issued and outstanding shares of Orca Mobile from all shareholders of Orca Mobile through a 1-for-1 share exchange;

b) Orca Mobile acquired all issued and outstanding shares of the Company from Gorilla for consideration of $10,000 (the "Purchase Shares");

c) Gorilla issued 4 common shares to the Company and, in turn, the Company issued 4,000 common shares to Gorilla (collectively, the "Exchange Shares"); and

d) the Purchase Shares and the Exchange Shares were then cancelled.

Following closing of the Arrangement, the Company became a reporting issuer in Alberta and British Columbia.

As a result of the Arrangement, the former shareholders of Orca Mobile are, for accounting purposes, considered to have acquired control of the Company. Accordingly, the Arrangement has been accounted for as a reverse takeover that was not a business combination and effectively a capital transaction of the Company. As Orca Mobile is deemed to be the accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on December 17, 2013 are included in the consolidated financial statements at their historical carrying value. The consolidated financial statements are a continuation of Orca Mobile in accordance with IFRS3, Business Combinations. The Company's results of operations are included from March 6, 2014 onwards. At the time of the execution of the Arrangement, the Company had no net identifiable assets. Accordingly, no reverse acquisition transaction costs were recognized.

Intellectual Property Acquisition Agreement and License Agreement

On May 12, 2014, the Company entered into an asset purchase agreement with Sollensys, whereby the Company acquired the Invention and the Invention Patent for $50,000 cash (paid); and entered into a patent and technology license agreement with Sollensys, whereby the Company acquired an exclusive 6-year worldwide license to use all of Sollensys' technology and patents. In consideration of the license, the Company agreed to pay a royalty of 10% of the gross revenues from the patents and 80% of the net revenues received by the Company from the sale of Sollensys products sold by the Company. Royalty payments are due on the last day of December each year during the term and are payable as to $4,000 per month on the first day of each month beginning July 1, 2014 as guaranteed advance payments of the royalty. During the year ended December 31, 2014, the Company incurred $24,000 in royalty payments pursuant to the terms of the agreement and advanced another $38,708 towards future royalty payments. Sollensys is a related party to the Company as its principal shareholder, senior officer and a director is GwanJe (Frank) Woo, CEO and President of the Company, and another of Sollensys' senior officers and directors is Seong-Mo (Kevin) Jeong, a director of the Company.

The business of Sollensys is the worldwide sale and distribution of touchscreen panels for mobile, medical, industrial and other applications. Sollensys has its headquarters in Gwang-Ju City, Korea. Sollensys has spent over $5,000,000 developing its capacitive touchscreen panel technology and manufacturing facilities. Sollensys was founded in May 2010 to develop, manufacture and sell touchscreen technology and to provide related consulting services. Capacitive touchscreens are the core of Sollensys' technology. Capacitive touchscreens use the human body as an electrical conductor and are made of an insulator such as glass covered by a transparent conductor. Capacitive technology is widely touted as the future of the touchscreen industry. Worldwide, 80% of mobile phones in 2012 employed this technology. In addition to capacitive touchscreen technology, Sollensys continues to develop new technology such as its S-Sensor and multi-touch, which will evolve from two-finger to unlimited interactivity. Sollensys believes that with the launch of Windows 8, the use of multi-touch will become a standard component of even the most traditional computing environments. Capacitive touchscreens rely on conductors imbedded onto a sheet of glass. When the display turns on, the conductors create an electrostatic field. Since the human body naturally holds an electrical charge, touching the display distorts the electrostatic field. From the distortion of the electrostatic field, the image processor calculates where the touch occurred.

Guatemala project

On December 31, 2014, the Company entered into a non-binding letter of intent with Sollensys and Mr. Carlos Fernando Rivers Sandoval governing the proposed incorporation of a Guatemala joint venture company called Sollen-Mobile SA for the purpose of:

- developing, manufacturing and marketing a smart and inexpensive way of allowing access to telecommunications technology to large masses of mobile phone users;
- developing, manufacturing and marketing an inexpensive tablet or pad, allowing a large number of customers (especially those in education and business) to enjoy increased productivity; and
- developing and implementing programs for computers and mobile applications to provide content to the above tablet or pad hardware.

The initial paid-in capital of Sollen-Mobile is proposed to be US$300,000, of which the Company paid US$100,000 ($112,080 CDN) for its one-third share of the investment. In addition, the Company provided the joint venture with equipment for a total of $11,449.

The initial board of directors of Sollen-Mobile is to be composed of six members and three alternatives. Each partner has the right to appoint two directors and one alternative. The officers of Sollen-Mobile are proposed to be Mr. Rivers Sandoval as the chairman of the board of directors and legal representative, and Mr. Adrian Oh as the general manager and legal representative.

The head office and plant location of Sollen-Mobile is proposed to be Escuintla, Guatemala, specifically in the industrial park called Technopark, for logistical convenience and for tax advantages.

The letter of intent is governed by the laws of the Republic of Guatemala.

As at the date of this MD&A, the partners are currently working toward a definitive agreement for the project.

RESULTS OF OPERATIONS

During the year ended December 31, 2014

The financial statements reflect the continuation of Orca Mobile which was incorporated December 17, 2013. Therefore, results available are for the period from December 17 to December 31, 2013 and cannot be used as comparatives.

The Company has not generated revenue to date and incurred a net loss of $474,396 during the year ended December 31, 2014. The loss per share totaled $0.01.

Total expenses of $474,396 were primarily incurred in connection with the completion of the plan of arrangement, the acquisition of the intellectual property and license agreement, and the letter of intent for the Guatemala joint venture. During the year, the Company completed a four-for-one forward stock split and its common shares were quoted for trading on 3 markets: Canadian Securities Exchange, Frankfurt Stock Exchange and OTCQB.

During the year, the Company incurred professional fees including $28,181 for accounting and audit fees and $88,431 for legal fees, management fees totaling $36,878, consulting fees totaling $16,325, filing and regulatory fees totaling $41,966 and going public costs totaling $11,700. General and administrative expenses of $28,053 include the purchase of equipment for the proposed Guatemala joint venture totaling

$11,449. Also included in the total expenses is $185,479 of stock based compensation expense, representing the fair value of the stock options vested during the period.

During the year ended December 31, 2014, the Company made $24,000 in royalty payments to Sollensys pursuant to the terms of the license agreement and advanced another $38,708 towards future royalty payments.

SUMMARY OF QUARTERLY RESULTS

Results for the most recent completed financial quarter are summarized in the table below:

	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4
Net Loss	$216,844	$159,143	$71,051	$ 27,357	$11,999
Loss per Share	$0.01	$0.01	$0.00	$ 0.00	$ 0.01
Total Assets	248,365	$258,303	$269,221	$91,321	$ 8,000
Working Capital (Deficit)	$(94,497)	$12,122	$208,093	$87,144	$7,501

During the three months ended December 31, 2014

The Company incurred a net loss of $216,844 during the three months ended December 31, 2014, of which $81,227 representing non-cash fair value of the stock options granted to a director and officers of the Company which had vested during the period.

The net loss for the quarter was primarily due to the following individual items: professional fees of $42,769, consulting and management fees of $16,825, filing and regulatory of $13,814 in connection with proposed Guatemala smart-phone project, and expenses related to the Company's financings and general matters.

During the period, the basic and diluted loss per share was $0.01.

LIQUIDTY AND CAPITAL RESOURCES

The Company had total assets of $248,365 as at December 31, 2014 (2013 - $8,000). The primary assets of the Company are cash of $26,106 (2013- $8,000), prepaid $60,179, investment $112,080 towards a proposed joint venture in Guatemala, and intellectual property and a license agreement carried at $50,000. As at December 31, 2014, the Company had a working capital deficiency of $94,497 (2013 - working capital $7,501).

During the year ended December 31, 2014, the Company completed 4 private placements whereby a total 31,240,000 of common shares were issued for gross proceeds of $357,000.

On July 11, 2014, the Company completed a four-for-one forward stock split. The Company executed the forward split using the push-out method whereby the shareholders on record as of July 11, 2014 kept the share certificates they held and were issued additional shares. All references herein to numbers of shares and per-share amounts have been retroactively restated unless stated otherwise.

a) On February 28, 2014, the Company issued 22,800,000 common shares at a price of $0.005 per common share for gross proceeds of $114,000.
b) On March 3, 2014, the Company issued 40,000 common shares at a price of $0.025 per common share for gross proceeds of $1,000.
c) On April 11, 2014, the Company issued 2,000,000 common shares at a price of 0.025 per common share for a total value of $50,000.
d) On April 28, 2014, 1,600,000 common shares of the Company were cancelled and returned to treasury, and $8,000 refunded.
e) On June 10, 2014, the Company issued 8,000,000 common shares were issued for $0.025 per share for gross proceeds of $200,000;

During 2014, a total of $92,000 USD ($106,729 CDN) in short-term loans were received by the Company from certain of its directors and a person related to an officer of the Company to fund the proposed joint venture in Guatemala. Subsequently, the Company repaid these loans with applicable interest.

The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. Management believes that the Company will require additional working capital to meet its primary business objectives over the next 12 months.

Even though the Company plans to raise capital through equity or debt financing, the Company believes that the latter may not be a viable alternative for funding its operations as the Company does not have sufficient assets to secure any such debt financing. The Company anticipates that any additional funding will be in the form of equity financing from the sale of our common shares. However, the Company does not have any financing arranged and it cannot provide any assurance that it will be able to raise sufficient funds from the sale of its common shares to fund its operations or planned business development activities. In the absence of such financing, the Company will not be able to acquire further technology product interests. Even if the Company is successful in obtaining equity financing to expand its operations and to fund its business development activities, there is no assurance that it will obtain the funding necessary to acquire any additional further technology product interests. If the Company does not continue to obtain additional financing, it may be forced to abandon its business plan or technology product interests.

Modifications to the Company's plans will be based on many factors, including the results of its new product acquisition plan, marketing plan and financing plan; negotiations with potential product suppliers and distribution partners; the demand for touchscreen products worldwide; and the amount of available capital. Further, the extent to which the Company carries out its business plan is dependent upon the amount of financing available to it.

SHORT-TERM LOANS

During 2014, a total of $92,000 USD ($106,729 CDN) in short-term loans were received by the Company from certain of its directors and a person related to an officer of the Company to fund the proposed joint venture in Guatemala.

During 2014, the Company received $40,000 USD from its director and $10,000 USD from a person related to an officer of the Company. The loans bore interest at a rate of 25 percent per annum, were unsecured and were for a term of 2 months. As of December 31, 2014, interest of $2,911 USD ($3,377 CDN) was accrued.

In October 2014, the Company received $42,000 USD from a director of the Company. The loan bore interest of 8 percent per annum, was unsecured and was payable on demand. As of December 31, 2014, interest of $709 USD ($822 CDN) was accrued.

Subsequent to December 31, 2014, all loans and accrued interest were repaid.

CAPITAL MANAGEMENT

The Company considers capital to be an element of shareholders' equity. The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the sale and distribution of its technology products. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

CONTINGENCIES

The Company has no contingent liabilities.

OFF-BALANCE SHEET ARRANGMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are comprised of services rendered by directors and/or officers of the Company and a company controlled by a former officer of the Company. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

1. Key management personnel are the Chief Executive Officer, Chief Financial Officer, and Directors of the Company. The remuneration of the key management personnel is as follows:

    - Paid or accrued management and consulting fees of $36,878.
    - Share based payments of $185,479.

    As at December 31, 2014 is $8,000 (2013 - $Nil) due to an officer of the company for unpaid management fees.

2. On May 12, 2014, the Company, through its wholly-owned subsidiary Orca Mobile, entered into an asset purchase agreement and a patent and technology license agreement, both with Sollensys. Sollensys is a related party to the Company as its principal shareholder, senior officer and a director is GwanJe (Frank) Woo, CEO and President of the Company, and another of Sollensys' senior officers and directors is Seong-Mo (Kevin) Jeong, a director of the Company (Note 4).

   During 2014, the Company paid Sollensys $50,000 for the Invention and the Invention Patent and advanced a total of $62,708 in royalty payments.

3. During 2014, a total of $92,000 USD in short-term loans were received by the Company from certain of its directors and a person related to an officer of the Company to fund the proposed joint venture in Guatemala (Notes 5 and 7). As of December 31, 2014, interest of $4,199 was accrued. Subsequently, all principal and related interest was paid.

SUBSEQUENT EVENTS

On January 23, 2015, the Company closed a private placement of 1,037,382 common shares at a price of $0.50 for gross proceeds of $518,691. The shares are subject to a 6-month hold period from the closing date.

On January 26, 2015 the Company announced a private placement of up to 20,000,000 units of the Company at a price $0.44 per unit for gross proceeds of up to $8,800,000. Each unit will be comprised of one common share and one-half warrant. Every whole warrant will be exercisable into one common share of the Company at an exercise price of $0.55 for 5 years.

On January 9, 2015, Company engaged the services of an investor relations consultant for a period of 1 year. The Company will pay $6,000 per month for the services rendered.

On March 12, 2015, the Company entered into a service agreement with a private equity and venture capital firm based in Singapore (the "Firm") pursuant to which the Firm will provide business development services at a rate of CAD$85,000 per month for the first nine months and CAD$5,000 per month for each month thereafter. The initial term of the agreement is three years, unless terminated by either party on thirty days' written notice. The Company has advanced CAD$750,000 to the Firm as payment for services.

OTHER MD&A REQUIREMENTS

a) Additional information relating to the Company is on SEDAR at www.sedar.com.

b) Disclosure of Outstanding Share Data

   As at December 31, 2014 the Company had 40,440,000 issued and outstanding common shares and as at the date of the MD&A the Company had 41,477,382 issued and outstanding common shares.

c) Share Purchase Options:

   As at December 31, 2014 and the date of the MD&A there are share purchase options outstanding exercisable to purchase up to 600,000 common shares at an exercise price of $0.80 per share expiring on July 15, 2016. These stock options vest at 25% every three months following the date of grant.

d) Warrants:

   As at December 31, 2014 and the date of the MD&A, there are no warrants outstanding.

SIGNIFICANT ACCOUNTING POLICIES

New accounting policies that the Company has adopted or expects to adopt are noted below and also disclosed in the annual December 31, 2014 financial statements:

Intangible assets:

Intangible assets consist of touchscreen technology and patent acquired externally and are recorded at cost less accumulated amortization and impairment losses.

Research costs are expensed as incurred. Development costs are expensed as incurred unless they meet certain criteria for deferral and amortization. The Company assesses whether it has met the relevant criteria for deferral and amortization at each reporting date.

Impairment of tangible and intangible assets:

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Accounting standards issued but not yet applied:

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended December 31, 2014:

- IFRS 9 — New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets[(i)]

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.

RISKS AND UNCERTAINTIES

The Company's future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional costs, including the Company's ability to (i) create brand recognition for the Products; (ii) determine appropriate advertising strategies, messages and media; and (iii) maintain acceptable operating margins on such costs. There can be no assurance that advertising and promotional costs will result in revenues for the Company's business in the future, or will generate awareness of the Company's technologies or services. In addition, no assurance can be given that the Company will be able to manage the Company's advertising and promotional costs on a cost-effective basis.

Uninsured or Uninsurable Risk

Orca Touchscreen may become subject to liability for risks against which Orca Touchscreen cannot insure or against which the Company may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company's usual business activities. Payment of liabilities for which Orca Touchscreen does not carry insurance may have a material adverse effect on the Company's financial position and operations.

Conflicts of Interest Risk

Certain of the Company's directors and officers are, and may continue to be, involved in other business ventures in the technology industry through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the Products that Orca Touchscreen intends to provide. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from the Company's interests. In accordance with the BCBCA, directors who have a material interest in any person who is a party to a material contract or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the Company's best interests. However, in conflict of interest situations, the Company's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to Orca Touchscreen. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavorable Company's able to us.

Key Personnel Risk

The Company's success will depend on its directors and officers to develop the Company's business and manage its operations, and on the Company's ability to attract and retain key technical, sales and marketing staff or consultants once operations begin. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on the Company's business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that Orca Touchscreen will be able to attract or retain key personnel in the future, which may adversely impact the Company's operations.

Speculative Nature of Investment Risk

An investment in the Company's common shares carries a high degree of risk and should be considered as a speculative investment by purchasers. Orca Touchscreen has no history of earnings, limited cash reserves, a limited operating history, have not paid dividends, and are unlikely to pay dividends in the immediate or near future. Orca Touchscreen is in the development and planning phases of its business and has not started commercialization of the Company's products and services. The Company's operations are not yet sufficiently established such that Orca Touchscreen can mitigate the risks associated with its planned activities.

No Established Market for Shares Risk

There is currently no established trading market through which common shares in the Company's authorized capital may be sold. Even if a trading market develops, there can be no assurance that such market will continue in the future. As a result, investors in the Company may lose their entire investment.

Liquidity and Future Financing Risk

Orca Touchscreen is in the development stage, has not started operating and has not generated any revenue. Orca Touchscreen will likely operate at a loss until the Company's business becomes established and Orca Touchscreen may require additional financing to fund future operations and expansion plans. Orca Touchscreen needs to raise further funds to carry out the Company's business plan, but Orca Touchscreen do not yet have a commitment from anyone to invest the funds. The Company's ability to secure any required financing to sustain its operations will depend in part upon prevailing capital market conditions, as well as the Company's business success. There can be no assurance that Orca Touchscreen will be successful in the Company's efforts to secure any additional financing or additional financing on terms satisfactory to the Company's management. If additional financing is raised by issuing common shares in the Company's authorized capital, control of the Company's company may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, Orca Touchscreen may be required to scale back its business plan or cease operating.

Going-Concern Risk

Orca Touchscreen's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that Orca Touchscreen will be successful in completing equity or debt financing or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should Orca Touchscreen be unable to continue as a going concern.

Global Economy Risk

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. Orca Touchscreen will be dependent upon the capital markets to raise additional financing in the future, while Orca Touchscreen establish a user base for the Products. Access to financing has been negatively impacted by the ongoing global economic downturn. As such, Orca Touchscreen is subject to liquidity risks in meeting the Company's development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company and its management. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized, which could have an adverse impact on the Company's operations and the trading price of the Company's common shares on the Canadian Securities Exchange (the "Exchange").

Dividend Risk

Orca Touchscreen has not paid dividends in the past and does not anticipate paying dividends in the near future. Orca Touchscreen expect to retain the Company's earnings to finance further growth and, when appropriate, retire debt.

Share Price Volatility Risk

It is anticipated that the Company's common shares will be listed for trading on the Exchange. As such, external factors outside of the Company's control such as announcements of quarterly variations in operating results, revenues and costs, and sentiments toward technology sector stocks may have a significant impact on the market price of the Company's common shares. Global stock markets, including the Exchange, have from time to time experienced extreme price and volume fluctuations that have often been unrelated to the operations of particular companies. The same applies to companies in the technology sector. There can be no assurance that an active or liquid market will develop or be sustained for the common shares.

Increased Costs of Being a Publicly Traded Company

As a company with publicly-traded securities, Orca Touchscreen will incur significant legal, accounting and filing fees not presently incurred. Securities legislation and the rules and policies of the Exchange require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which will significantly increase the Company's legal and financial compliance costs.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of receivables, accounts payable and accrued liabilities and loans payable approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2014, the Company had a cash balance of $26,106 to settle current liabilities of $180,781.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipated it will need additional capital in the future to finance on-going developments of its technology, such capital to be derived from the completion of other equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future development of its technology, although the Company has been successful in the past in financing its activities through the previously mentioned financing activities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and the success of its technology. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents and short-term investments. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. Receivables consist mainly of GST receivable from the Government of Canada. The Company has been successful in recovering input tax credits and believes credit risk with respect to receivables to be insignificant.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

a) Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash and restricted cash. The Company's current policy will be to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at December 31, 2014, the Company did not have any investments in investment-grade short-term deposit certificates.

b) Foreign currency risk

The majority of the Company's planned business is conducted in South Korea in United States dollars. As such, the Company is exposed to foreign currency risk in fluctuations among the Canadian dollar and the US dollar. Fluctuations in the exchange rate among the Canadian dollar and the US dollar may have a material adverse effect on the Company's business and financial condition. Fluctuations do not have a significant impact on operating results.

c) Price risk

The markets for touchscreens are fragmented, highly competitive and rapidly changing. With the introduction of technological advances and new entrants into these markets at a rapid pace, we expect competition to intensify in the future, which could harm our ability to develop a customer base for the Products and begin generating revenue.

Directors and Officers

As of the date of this report, the Company's directors and officers are GwanJe (Frank) Woo (CEO), Jong Myung (James) Choi (CFO), Seong-Mo (Kevin) Jeong, and Jung Hyub (Paul) Choi.