ORCA TOUCHSCREEN TECHNOLOGIES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS
Dated October 18, 2016
For the three and nine months ended September 30, 2016

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") 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. 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. Specific risks facing the Company are set out explicitly in Appendix 1 of this MD&A. In addition, certain statements in this report incorporate forward looking information and readers are advised to review the cautionary note regarding such statements in Appendix 2 of this MD&A.

This MD&A should be read in conjunction with the Company's audited financial statements as at December 31, 2015 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

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.

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 1500 – 701 West Georgia Street, Vancouver, British Columbia, V7Y 1C6.

On September 18, 2014, the Company commenced trading on the Canadian Securities Exchange ("CSE") under the trading symbol "OAA". During that year, the Company completed a four-for-one forward stock split and obtained listings for trading on 3 markets: Canadian Securities Exchange, Frankfurt Stock Exchange and OTCQB.

On September 30, 2014, the Company entered into a non-binding letter of intent with Sollensys Corp. ("Sollensys"), a touchscreen development company incorporated and based in South Korea, and Mr. Carlos Fernando Rivers Sandoval ("Sandoval"), a Guatemalan lawyer, governing the proposed incorporation of a Guatemala joint venture company called Sollen-Mobile SA for the purpose of developing, manufacturing and marketing computer and telecommunications hardware and software. The initial paid-in capital of Sollen-Mobile was proposed to be US$300,000, of which the Company paid US$100,000 ($112,080 CDN) for its proposed one-third share of the investment. The Company has since completed a definitive agreement for the project.

Intellectual Property Acquisition Agreement and License Agreement

On May 12, 2014, the Company entered into an asset acquisition agreement with Sollensys Corporation ("Sollensys") whereby the Company acquired Sollensys' touchscreen patent for $50,000 and the Company 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 remaining 18 patents. In consideration of the license, the Company agreed to pay a royalty of 10% of the gross revenues derived 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 nine months ended September 30, 2016, the Company incurred $36,000 (2015 – $12,000) in royalty payments pursuant to the terms of the license agreement. Sollensys is a related party to the Company as one of its principal shareholders, senior officers and directors is GwanJe (Frank) Woo, who is a principal shareholder, CEO and President of the Company.

The business of Sollensys is the worldwide development, sale and distribution of touchscreen panels for mobile, medical, industrial and other applications. Sollensys, founded in May 2010, has its headquarters in Gwang-Ju City, South Korea. Sollensys has spent over $5,000,000 developing its capacitive touchscreen panel technology and manufacturing facilities.

Guatemala Project

On September 30, 2014, the Company entered into a letter of intent governing the proposed incorporation of a Guatemala joint venture company called Sollen-Mobile S.A. ("Sollen Guatemala"), a company incorporated in Guatemala on November 14, 2014 for the purpose of developing, manufacturing and marketing computer and telecommunications hardware and software.

On February 11, 2016, the Company, through its wholly-owned subsidiary, Orca Mobile Solutions Ltd. ("Orca Mobile"), entered into a definitive agreement for the joint venture which governs the investment in and the management of Sollen Guatemala.

Sollensys, Sandoval, Adrian Martinez Corral, a Guatemalan lawyer ("Corral"), Adrian Oh, a Guatemalan businessman with South Korean business experience ("Oh"), and GwanJe (Frank) Woo ("Woo"), CEO and President of the Company, by which the parties have agreed that:

(a) Sollen Guatemala will develop, manufacture, market, service and refurbish electronic devices equipped with touchscreens, including but not limited to smartphones and smart tablets;
(b) Sollen Guatemala has the right to register in Guatemala and to use in the Territory (comprised of Guatemala, Latin America, Central America and Southern Mexico) the tradenames "Sollen", "Sollen Mobile" and "Lucid" and the trademark shown below in Figure A;

Figure A

(c) unless earlier terminated by all parties or as a result of one party acquiring a 100% interest, the Agreement shall remain in full force and effect, however, such termination shall not relieve any Party from any obligations theretofore accrued but unsatisfied;
(d) Orca Mobile will pay USD $100,000 [paid July 2014 and equivalent to approximately CAD $112,080] to acquire 30% of the common shares of Sollen Guatemala on closing;
(e) Sandoval shall be Chairman of the Board of Sollen Guatemala and his local knowledge, contacts and experience have a deemed value of USD $100,000 for which Sandoval shall receive 30% of the common shares of Sollen Guatemala on closing;
(f) Corral shall oversee and pay all costs associated with the construction of a factory in Guatemala, and that those costs shall have a deemed value of USD $100,000 for which Corral shall receive 30% of the common shares of Sollen Guatemala on closing;
(g) Oh shall be General Manager, Vice President and legal representative of Sollen Guatemala and shall be responsible for sales in Guatemala, Latin America, Central America and Southern Mexico, for which Oh shall receive 3% of the common shares of Sollen Guatemala on closing;
(h) Woo, along with Sandoval, shall be a co-CEO of Sollen Guatemala, and Woo is central to the planning and coordination of the business, for which Woo shall receive 3% of the common shares of Sollen Guatemala on closing;
(i) the remaining balance of 4% of the common shares of Sollen Guatemala shall be reserved for any future contributors to Sollen Guatemala and issued at the discretion of the board of directors of Sollen Guatemala; and
(j) the Board of Directors of Sollen Guatemala shall be composed of 6 members and 3 alternatives, of which Orca Mobile, Sandoval and Corral shall each have the right to appoint 2 members and 1 alternate.

In addition, the Company provided the joint venture with equipment with a value of $11,449.

The following parties to the Agreement are Related Persons to the Company:

(a) Sollensys Corp., as one of its senior officers and principal holders is GwanJe Woo, President, CEO and a principal shareholder of the Company and CEO of Orca Mobile; and
(b) GwanJe Woo, who is President, CEO and a principal shareholder of the Company and CEO of Orca Mobile.

The Agreement is governed by the laws of the Republic of Guatemala.

RESULTS OF OPERATIONS

During the three months ended September 30, 2016
The Company incurred a net loss of $71,278 during the three months ended September 30, 2016, compared to a net loss of $121,238 for the same period in 2015.

Business development – For the three months ended September 30, 2016, business development expenses were $nil compared to $271,657 for the same period in 2015. The expenses incurred in 2015 were for services provided by a firm based in Singapore.

Legal fees – For the three months ended September 30, 2016, legal fees were $4,992 compared to $38,566 for the same period in 2015. The decrease in 2016 was primarily caused by the Company's decreased corporate activity.

Consulting fees – For the three months ended September 30, 2016, consulting fees were $11,163 compared to ($302,385) for the same period in 2015. For 2015, consulting fees were reallocated to business development and investor relations expenses to better reflect the nature of these expenses.

Travel – For the three months ended September 30, 2016, travel expenses were $nil compared to $4,339 for the same period in 2015. The decrease in 2016 was the result of decreased corporate travel among South Korea, Canada and Guatemala compared to the same period in 2015.

Share-based payments – For the three months ended September 30, 2016, share-based payments were $6,620 compared to $nil in 2015. The amount in 2016 was primarily a result of options vesting in the period.

Investor relations – For the three months ended September 30, 2016, investor relations expense was $50 compared to $75,423 for the same period in 2015. The decrease in 2016 was the result of decreased corporate activity.

Basic and diluted loss per share was $0.00 compared for the three months ended September 30, 2016 and 2015.

<u>During the nine months ended September 30, 2016</u>
The Company incurred a net loss of $646,715 during the nine months ended September 30, 2016, compared to a net loss of $1,324,175 for the same period in 2015.

Business development – For the nine months ended September 30, 2016, business development expenses were $184,600 compared to $696,657 for the same period in 2015. The expenses incurred in 2015 were for services provided by a firm based in Singapore.

Legal fees – For the nine months ended September 30, 2016, legal fees were $44,471 compared to $154,638 for the same period in 2015. The decrease in 2016 was primarily caused by the Company's decreased corporate activity.

Travel – For the nine months ended September 30, 2016, travel expenses were $35,738 compared to $28,042 for the same period in 2015. The increase in 2016 was the result of increased corporate travel among Korea and Canada.

Share-based payments – For the nine months ended September 30, 2016, share-based payments were $41,542 compared to $18,104 in 2015. The increase in 2016 was primarily a result of more options vesting in the period compared to the same period in 2015.

Investor relations – For the nine months ended September 30, 2016, investor relations expense was $10,412 compared to $75,423 for the same period in 2015. The decrease in 2016 was the result of decreased corporate activity.

During the nine months ended September 30, 2016, basic and diluted loss per share was $0.01 compared to $0.03 for the same period in 2015.

SUMMARY OF QUARTERLY RESULTS
A summary of the Company's quarterly results for which financial statements have been prepared is as follows:

	2016 Q3	**2016 Q2**	**2016 Q1**	**2015 Q4**	**2015 Q3**	**2015 Q2**	**2015 Q1**	**2014 Q4**
Net Loss	$71,278	$101,241	$474,196	$2,439,921	$145,238	$845,774	$357,163	$220,700
Loss per Share	$0.00	$0.00	$0.01	$0.05	$0.00	$0.02	$0.01	$0.01
Total Assets	$387,355	$387,691	$476,287	$795,579	$1,975,642	$1,042,225	$1,126,050	$248,365
Working Capital (Deficit)	($177,744)	($112,393)	$51,464	$495,297	$1,093,642	$717,763	$893,107	($94,496)

HISTORICAL SELECTED ANNUAL INFORMATION

	Year Ended December 31, 2015	Year Ended December 31, 2014	For the period from incorporation on December 17,2013 to December 31, 2013
Revenues	$ -	$ -	$ -
Loss before tax	(3,788,096)	(474,396)	(11,999)
Net loss and comprehensive loss for the period	$ (3,788,096)	$ (474,396)	$ (11,999)
Total current assets	$ 542,825	$ 86,285	$ 8,000
Total non-current assets	252,754	162,080	-
Total assets	$ 795,579	$ 248,365	$ 8,000
Total current liabilities	$ 47,528	$ 180,782	$ 499
Total non-current liabilities	-	-	-
Total liabilities	$ 47,528	$ 180,782	$ 499
Cash dividends declared	$ -	$ -	$ -
Shareholders' equity	$ 748,051	$ 67,583	$ 7,501

LIQUIDITY AND CAPITAL RESOURCES

To date, the Company has funded its operations and capital requirements through a combination of short-term loans from related parties and equity financings.

As at September 30, 2016, the Company had total assets of $387,355 (December 31, 2015 - $795,579). The primary assets of the Company are a loan of $208,827 to Smart Sollen (December 31, 2015 - $100,000), an investment of $112,080 (December 31, 2015 - $112,080) towards the joint venture in Guatemala, intellectual property and a license agreement carried at a net book value of $33,680 (2015 - $40,674) and GST receivable of $22,241 (December 31, 2015 - $15,089). As at September 30, 2016, the Company had a working deficit of $177,744 compared to working capital of $495,297 as at December 31, 2015.

At September 30, 2016, the Company has not achieved profitable operations and has accumulated losses of $4,921,207 (December 31, 2015 – $4,274,492) since inception and expects to incur further losses in the development of its business. This material uncertainty may cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Equity financing

On February 1, 2016, the Company completed a private placement of 1,259,244 units at a price of $0.30 per unit for gross proceeds of $377,773. Each unit is comprised of one common share and one-half warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.40 for 5 years. The shares and warrants comprising the units are subject to a 6-month and one day hold period from the closing date. On February 16, 2016, the Company completed a private placement of 524,190 units at a price of $0.30 per unit for gross proceeds of $157,257. Each unit is comprised of one common share and one-half warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.40 for 5 years. The shares and warrants comprising the units are subject to a 6-month and one day hold period from the closing date.

On March 4, 2016, the Company completed a private placement of 270,000 units at a price of $0.30 per unit for gross proceeds of $81,000. Each unit is comprised of one common share and one-half warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.40 for 5 years. The shares and warrants comprising the units are subject to a 6-month and one day hold period from the closing date.

On April 18, 2016, the Company completed a private placement of 1,471,150 units at a price of $0.30 per unit for gross proceeds of $441,345. Each unit is comprised of one common share and one-half warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.40 for 5 years. The shares and warrants comprising the units are subject to a 6-month and one day hold period from the closing date.

On August 16, 2016, the Company completed a private placement of 186,620 units at a price $0.30 per unit for gross proceeds of $55,986. Each unit is comprised of one common share and one-half warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.40 for 5 years. The shares and warrants comprising the units are subject to a 6-month and one day hold period from the closing date.

Management believes that the Company will require additional working capital to meet its primary business objectives over the next 12 months. The Company plans to raise capital through equity or debt financing, although the latter may not be a viable alternative for funding 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 its common shares. However, there can be no assurance that the Company 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 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 is not able to obtain additional financing, it may be forced to abandon its business plan and/or its technology product interests.

Modifications to the Company's plans will be based on many factors, including the results of our 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. Additionally, the extent to which the Company is able to carry out its business plan is dependent upon the amount of financing obtained.

CAPITAL MANAGEMENT

The Company considers capital to be the sole 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.

COMMITMENTS

On January 30, 2015, the Company entered into a consulting agreement with Primoris Group Inc. ("Primoris"), of Toronto, Ontario, by which Primoris agreed to act as the Company's investor relations consultant by providing proactive, customized investor and media relations services. The initial term of the agreement was for 1 year, beginning January 2015. The term renews automatically on a month-to-month basis until terminated by either party on 30 days' written notice. For the nine months ended September 30, 2016, the Company paid $10,000 (2015 - $28,000) to Primoris for investor relation services rendered. On May 31, 2016, the agreement was terminated by mutual agreement.

On March 18, 2015, the Company entered into a service agreement with a private equity and venture capital firm based in Singapore, pursuant to which the firm agreed to provide business development services. The initial term of the agreement is three years, unless terminated by either party on thirty days' written notice. The initial term of the agreement is three years, unless terminated by either party on thirty days' written notice. Subsequently, by amendment dated October 31, 2015, the Company and the Firm agreed to change the Firm's compensation to fees at a rate of $500 per hour as invoiced. For the nine months ended September 30, 2016, business development expenses were $184,600 (2015 - $696,657).

CONTINGENCIES

There are 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.

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

	Three months ended September 30,		Nine months ended September 30,	
	2016	**2015**	**2016**	**2015**
Management fees	$ 24,000	$ 55,500	$ 24,000	$ 67,000
Accounting fees	4,500	-	13,500	-
Legal fees	4,408	-	30,302	-
Share-based payments	-	-	-	18,104
	$ 32,908	$ 55,500	$ 115,802	$ 85,104

As at September 30, 2016, $80,005 (December 31, 2015 - $2,645) was due to officers, the secretary and directors of the company for unpaid management, accounting and legal fees.

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 September 30, 2016 and the date of this MD&A, the Company has 56,006,438 issued and outstanding common shares.

c) Options
As at September 30, 2016 and the date of this MD&A, there are options outstanding to purchase up to 2,900,000 common shares.

d) Warrants
As at September 30, 2016 and the date of this MD&A, the Company has warrants outstanding to purchase 7,264,533 common shares.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Assumptions used in the calculation of the fair value assigned to share-based payments

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions, including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's equity reserves.

Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

The Company's significant accounting policies are disclosed in Note 2(b) of the Company's annual audited consolidated financial statements for the year ended December 31, 2015. There have been no changes to the Company's critical accounting estimates and judgments during the nine months ended September 30, 2016.

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:

<u>Liquidity risk</u>

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 September 30, 2016, the Company had a cash balance of $1,065 to settle current liabilities of $210,512.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipates 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 is 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 September 30, 2016, 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 between the Canadian dollar and the US dollar. Fluctuations in the exchange rate between 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 MD&A, the Company's directors and officers are:

President & CEO	GwanJe (Frank) Woo
CFO	Michael Malana
Secretary	David Schwartz
Director	Jong Hyub (Paul) Choi
Director	Soo Rae Park
Director	Yong Chul Kim

APPENDIX 1

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 unfavourable 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 establishes 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.

APPENDIX 2

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and information relating to the Company that is 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.