



**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.
(FORMERLY UNIQUE RESOURCES CORP.)**

**FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS**

August 25, 2015

The following analysis concerns the financial situation, operating results and cash flows of Bee Vectoring Technologies International Inc. (formerly Unique Resources Corp.) ("BVT" or the "Company") for the three and nine months ended June 30, 2015, and the comparable periods ended June 30, 2014. The discussion should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended June 30, 2015 and related notes thereto and the annual audited financial statements for the year ended September 30, 2014 and 2013. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All monetary amounts are reported in Canadian dollars unless otherwise noted. These documents, as well as additional information on the Company, are filed electronically through the System for Electronic Document Analysis and Retrieval (SEDAR) and are available online at www.sedar.com.

Forward-Looking Statements

This document may contain forward-looking statements relating to the Company's operations or to the environment in which it operates, which are based on the Company's operations, estimates, forecasts and projections. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict or are beyond the Company's control. A number of important factors including those set forth in other public filings could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they are made.

Forward-looking information reflects the Company's current beliefs and is based on information currently available to the Company and on assumptions it believes to be not unreasonable in light of all of the circumstances. In some instances, material factors or assumptions are discussed in this MD&A in connection with statements containing forward-looking information. Such material factors and assumptions include, but are not limited to: the forecasted demand for the Company's imaging services; the Company's success in obtaining patents for key technologies; the Company's success in expanding its product offerings; the Company's success in building differentiated applications and products; the ability of the Company to achieve rapid incremental customer growth; the Company's ability to retain key members of its management and development teams; and the Company's ability to access the capital markets. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is made as of the date of this MD&A and, other than as required by law, the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

Company History and Business Overview

The Company was incorporated as Unique Resources Inc. pursuant to the provisions of the Business Corporations Act (British Columbia) on May 20, 2011. On June 1, 2015, the Company entered into a share exchange agreement with Bee Vectoring Technologies Inc. (“BEE”) pursuant to which the Company would acquire all of the issued and outstanding shares of BEE (the “Transaction”) in exchange for 19,200,000 post –consolidated common shares of the Corporation at a deemed issue price of \$0.25. The Transaction closed on June 30, 2015 and upon completion of the Transaction, BEE became a wholly owned subsidiary of the Company. The acquisition was classified as a Reverse Take-over defined in Policy 5.2 by the TSX Venture Exchange Inc. (the “Exchange”). The combined entity continues to carry out the business of BEE.

On June 30, 2015 the Company changed its name to Bee Vectoring Technologies International Inc. The common shares of the Company commenced trading on the Exchange under the stock symbol "BEE.V" on July 7, 2015.

BVT is a development stage company which owns the patent pending Technology specifically designed to utilize bees as natural delivery mechanisms for a variety of powdered mixtures comprised of organic compounds or currently use products which inhibit or eliminate common crop diseases, while at the same time promoting the growth of the same crops. This application process is without the use of water which might be beneficial to areas under strict water management practices.

The bees walk through the mixtures as they exit their hive and the mixture become temporarily attached to their legs en-route to the flowers containing the crops of interest. The BVT System consists of a dispenser tray that is incorporated into the lid of commercially reared bumblebee hives. The dispenser has a removable tray that contains non-toxic organic or synthetic pesticides and fertilizers in powdered form, including BVT’s proprietary carrier Vectorite™. Vectorite allows the bumblebees to effectively pick up the inoculums on their way out of the hive. Multiple inoculums for a variety of different pathogens can be mixed in the Vectorite™ a process called “stacking”. BVT has its own bio control organic inoculant fungi, BVT-CR7, used to inhibit and controls pathogens in high value crops such as strawberries, blueberries, Tomatoes, Canola, Sunflowers.

The trays are changed every three to nine days in order to replenish the depleted inoculum, ensure the freshness of the inoculant fungi, prevent infections to the bees which may result from bee waste, and avoid packing or clumping of the inoculum in the trays. No special skills are required to replace the trays and they take a minimal amount of time to put in place. Exact and predetermined amounts of inoculum are placed in the tray as well as other kinds of inoculum for certain applications. BVT has custom designed machinery to precisely fill these sealed trays called Vectorpaks™

Summary

BVT was established with a view to providing effective protection of crops against disease organisms and insect pests, which is critical for achieving high yield and quality in many crops. Inadequate protection of crops can lead to major losses in yield and quality of fruit and seed. BVT possesses a patent pending organic crop control and delivery system that has numerous competitive advantages over commercial pesticides and their applications.

The current technology used for protecting the flowers of crops relies heavily on the use of chemical pesticides (fungicides and insecticides) applied as sprays while the crops are in bloom. Problems with current spray technology include:

- Limited effectiveness because many flowers may open and die during spray intervals and therefore remain untreated. Sprays generally protect flowers for only 3-4 days. As many as half of the flowers during the entire bloom period of a crop may remain untreated by spray programs.
- Most of the pesticide is deposited on non-targets, such as soil and leaves.
- Pesticide sprays often kill or inactivate many beneficial organisms present in crops.
- Pesticide use risks contamination of the environment, such as soil and water resources.
- Pesticides can contaminate foods and feeds, such as fruits and seeds.

- With many crops, such as greenhouse tomatoes, workers cannot re-enter the crop for hours or days after pesticides are applied, which is disruptive to crop production practices and labour use.
- Many pesticides lose their effectiveness with repeated use as disease organisms, as pests and plants become resistant and insensitive to the repeated use of certain chemicals.
- Many chemicals require substantial amounts of water to be used as part of the delivery system and result in issues of run-off to the water table.
- Current chemicals are suspected of killing insects and bees and other organisms long after application with possible long-term detrimental effects on the environment.

BVT's patent pending technology uses predominantly bumblebees but also can use honey bees as a system to deliver naturally-occurring beneficial fungus and other beneficial microbes to flowering plants. BVT offers an organic means to control diseases and pests and provide plant enhancing properties while requiring zero water for delivery. The delivery method allows for delivery of BVT inoculums either individually or together with other bio controls. Multiple bio controls could be mixed together for delivery by bees to solve a range of problems. The platform can deliver many inoculums or pathogen controlling products effectively. The flower is an effective portal to deliver these controls to crops and bees are the ideal natural way to get to the majority of the blooms. Bees will touch almost all flowers that are in bloom thereby delivering inoculum consistently through a bloom period.

Prior to 1990 virtually no bees were used for pollination in greenhouses, however today greenhouses worldwide use bees to pollinate vegetable crops and fruits. The process of using bees as a delivery system is called "bee vectoring". BVT will employ these same bees to deliver inoculants on outbound trips to assist in crop pest control and to deliver a fertilizer or plant enhancer products in greenhouse crops and outdoor crops.

BVT currently targets two primary diseases with its own bio control BVT-CR7, Botrytis and Sclerotinia.

Botrytis

Strawberries, blueberries or raspberries often grow grey fuzz, which appears over time as the berries are stored or refrigerated resulting in waste. This is Botrytis and it becomes more active as the produce ripens in shipment or storage. The fungal pathogen, *Botrytis cinerea*, causes blossom blight and berry rot. It overwinters as mycelium in dead leaves and mummified berries of affected crops and as minute black bodies (sclerotia) such as on raspberry canes. Under humid conditions throughout the growing season, spores (conidia) are produced on minute tree-like structures (conidiophores) that grow on the dead foliage, old berries and on sclerotia. In mass they appear greyish hence the name "grey mold". The spores are dispersed in their millions by wind, rain, and overhead irrigation, many to new leaves, flowers and berries. Under favorable conditions of moisture and temperature the spores can germinate and infect these aerial parts of the crop.

The fungus can infect leaves of almost any age but it remains quiescent and latent inside the leaves until they senesce and turn yellow. Young canes (primocanes) of raspberries can be infected via the leaf petioles and may wilt, die and be covered with grey mold. Flowers of all berry crops are highly susceptible to Botrytis infection. Germinating spores of the fungus can readily infect and colonize all flower parts throughout the bloom period, often turning the blossoms brown. It is from this important entry point that the fungus is able to grow and establish latent infections within the young fruit. Fruit infections generally remain quiescent and without symptoms until the berries are nearly ripe or have been harvested. In strawberries and raspberries, spores produced on unpicked, leaky, or overripe fruit may lead to further flower and fruit infections in the crop.

Sclerotinia

The soil borne pathogen *Sclerotinia* causes white mold diseases can seriously damage and in some cases quickly and completely destroy a crop. Numerous kinds of crops can be attacked, including canola, sunflowers, blueberries and strawberries.

Sclerotinia white mold is a significant risk in all fields of canola and sunflowers in Canada and in many other regions of the world. No viable solution exists for sunflowers as spraying is impractical due to height of the flowers and the frequency of applications needed for adequate control. In many areas, fungicides are no longer effective against *Sclerotinia* on account of pathogen resistance.

These two diseases, Botrytis and Sclerotinia, are very closely related and part of the reason BVT's patent pending bio works on both pathogens. BVT's patent pending bio controls diseases by spatial occupation of plant tissues and preempting tissue invasion by pathogens. As soon as bees deliver BVT's patent pending bio to flowers, the fungus germinates and colonizes the flower tissues without causing any harm or symptoms. It colonizes earlier and faster than disease organisms and thereby occupies space the disease organisms would normally use while attacking the plant.

Principal Products

BVT has patents pending for the following technologies:

1. a bio-control called "BVT-CR7": a particular strain of fungus acting as a beneficial endophyte controlling targeted crop diseases and increasing crop yield;
2. Vectorite™: a recipe of ingredients that allows bees to carry BVT-CR7 and other beneficial fungi or bacteria in their outbound flights to the crops; and
3. An integrated dispenser and removable and sealable tray system in which the Vectorite containing BVT-CR7 is placed through which the bees pass and pick up the BVT-CR7.

BVT-CR7, is an organic strain of a natural occurring endophytic fungus. It has not been genetically modified or altered in any way. Bees and plants are well accustomed to this kind of fungus and it is harmless to humans. After delivery by the bees to the crops it dies out naturally within 24-48 hours if it is unable to find suitable host plants. BVT-CR7 is a selected strain of a fungus that is common found in a large diversity of plants and soils all around the world. It grows harmlessly in the inside of plant tissue. BVT-CR7 is able to control numerous diseases but is especially effective for controlling those caused by the fungal pathogens, such as Botrytis and Sclerotinia discussed above. BVT-CR7 is endophytic in flowers, fruits, leaves, stems, and roots of plant hosts. It does not cause disease or substances toxic to plant tissue. Other microbial agents are not endophytic or have very limited endophytic ability.

As an endophyte, BVT-CR7 also enhances plant growth by organically increasing nutritional uptake, improving root size and structure, improving vegetative growth and size of plants, increasing the number of flowers and flower size, increasing resistance to diseases and environmental stresses, and preventing Botrytis and Sclerotinia development. BVT-CR7 has no re-entry issues (i.e. the time workers have to be excluded from the greenhouse to allow conventional pesticides to dissipate), it can be used up to the day of harvest, it's organic, and its beneficial effects last longer than traditional chemical fungicides.

Berries developing from BVT-CR7 treated flowers have natural built-in protection against diseases and consequently last longer and have a longer shelf life. This gives growers additional valuable time to get the fruit to market and consumers more time to enjoy the pesticide-free or organic fruit. Blueberries, for example, sometimes require 14 days just to get to market.

One of the significant benefits to this system is the fact that many bio controls can be used together to cover more diseases and pests than just those targeted by BVT-CR7, thereby reducing costs and making this system more effective. For example, Thrips are present in almost all greenhouses in the world and a significant issue to the grower. The additional bio control BVT will use will likely be Beauveria, a fungus already registered and produced by third parties for use in spraying applications but at significant cost. Beauveria is used to control Thrips which either spread a virus that kills crops or lays their eggs in fruit like strawberries rendering them useless. Most if not all greenhouses, including flowering or ornamental greenhouses, in the world, suffer from Thrips.

BVT has developed an inoculum dispenser system that is incorporated into the lid of the commercial bumble bee hive. In the dispenser is a removable tray that contains, in powder form, the inoculant fungi and a mixture of products (being, Vectorite) that allows the bees to effectively pick up the product on their way out of the hive. The trays are changed every three to nine days in order to replenish the depleted inoculum, ensure the freshness of the inoculant fungi, prevent infections to the bees which may result from bee waste, and avoid packing or clumping of the inoculum in the trays. No special skills are required to replace the trays and they take a minimal amount of time to put in place. Exact and predetermined amounts of inoculum can be placed in the tray as well as other kinds of inoculum for certain applications. Vectorite allows the inoculant to get attached to the bee's hairy legs and bodies as they walk through the tray on their way out of the hive.

Bumblebees, as opposed to honeybees, are used because of their efficiency and effectiveness in distributing BVT-CR7. Bumble bee hives are produced commercially and are approximately 14 x14 x10 inches in dimension. Each hive holds up to 300 bumble bees and the bees live for live for approximately 5-6 weeks then die out naturally. At the end of this cycle, the hives are destroyed. Bumble bees are natural pollinators making thousands trips a day each and visiting approximately 10 flowers per minute. Bumble bees fly in colder temperatures than honey bees do (12 C° versus 17 C° for honey bees). In addition, they carry 10 times more pollen and inoculant than honey bees upto 100% of their body weight. Bumblebees are much less aggressive and agricultural workers can stay in the greenhouses and continue their duties when the bees are present.

Factors Concerning the Company's Financial Performance and Results of Operations

The key performance indicators for the Company are revenue growth, EBITDA and net income.

The success of the Company to expand will be measured by revenue growth. Revenue growth will be dependent on the Company being able to penetrate new markets and gain new customers through acquisitions, and continued development of its technologies.

Management believes that net income is a measure of how efficiently and effectively the business is running. The Company is in a period of expansion and growth. Therefore, selling and general administration costs will increase over the next twelve months. To achieve an acceptable net income, management will need to balance the increase in selling and general administration costs and revenue growth. Net income is also viewed as an important measure for determining the value created for shareholders.

Management believes that in addition to revenue and net income, earnings from continuing operations before interest and finance costs, taxes, depreciation and amortization, other non-cash items and one-time gains and losses (for the purposes of the Company's MD&A, EBITDA) as derived from information reported in the interim statements of operations and comprehensive income is a useful supplemental measure as it provides an indication of the results generated by the Company's principal operating segments but also factors in the administrative expenses incurred during the period. It is believed that EBITDA will become a more meaningful metric in the future when it has had a chance to benefit from the planned marketing and development activities and the building of the required infrastructure to support recurring sales.

Results of Operations

The Company is in the early stage of registration of its products and has not recorded significant revenues from its operations. The Company's general activity during the three and nine months ended June 30, 2015 was focused on listing on a public stock exchange, locating a facility to support sales of the tray system with Vectorite (as-well as producing the BVT-CR7 for use in trials), and obtaining registration and regulatory approval for BVT-CR7.

Revenue

The Company is in the development stage and will not have any significant revenues until registration and regulatory approvals are received.

No revenues have been reported for the three and nine months ended June 30, 2015 and 2014.

Expenses

Expenses for the three and nine months ended June 30, 2015 consisted of office and general, interest on debentures, project expenses and listing expense as follows:

	Three months ended June 30,		% Change
	2015	2014	from 2014
Expenses			
Office and general	223,900	71,796	212%
Interest on debentures	1,290	-	n/a
Listing expense	1,791,737	-	n/a
Project expenses	-	7,324	n/a
Total	2,016,927	79,120	2449%

	Nine months ended June 30,		% Change
	2015	2014	from 2014
Expenses			
Office and general	300,439	170,673	76%
Interest on debentures	5,570	-	n/a
Listing expense (note 4)	1,791,737	-	n/a
Project expenses	-	114,003	n/a
Total	2,097,746	284,676	637%

Office and general:

Below is a breakdown of what comprised office and general for the three and nine months ended June 30, 2015:

	Three months ended June 30,		Nine months ended June 30,	
	2015	2014	2015	2014
Travel	\$ 11,379	\$ 8,859	\$ 11,379	\$ 21,489
Legal	151,455	-	170,184	1,734
Accounting and audit	27,395	28,385	54,961	55,085
Transfer agent	14,709	-	14,709	-
Business development	6,323	8,265	6,323	8,902
Occupancy costs	114	10,078	17,173	27,901
Salaries and benefits	1,407	11,063	1,407	29,805
Telephone and computer	2,532	1,509	2,890	2,774
Amortization and depreciation	4,668	-	11,543	-
Interest and bank charges	3,532	2,685	8,893	3,469
Office and general	387	952	977	19,514
Total	\$ 223,901	\$ 71,796	\$ 300,439	\$ 170,673

Major changes in office and general expenses included:

- Legal – Increase in legal was attributed to work on completing the Transaction.
- Transfer agent – Primarily consisted of costs related to the Transaction and issuance of shares. In the prior period the company was not public and therefore did not require the services of a transfer agent.
- Occupancy costs – There was a reduction on occupancy costs as the Company terminated its lease in October of 2014.
- Salaries and benefits – The reduction of salaries was due to the termination of employees in September 2014.
- Amortization - related to equipment, moulds and dies.

Interest on debentures:

The Company paid interest on various debentures. See note 8 to the unaudited condensed interim consolidated financial statement for the nine months ended June 30, 2015. All the debentures were converted to common shares on June 30, 2015 (the date the Transaction closed).

Project costs:

These costs related to designing and creating the Company's patented dispenser and tray system, selection of production site, trials, testing of bee dispenser and tray system and other such related costs.

Listing expense

The excess of the deemed acquisition cost over the net assets acquired on the Transaction has been charged to operations and is presented as a cost of listing.

Summary of quarterly results

Three Months Ended	Net Revenues (\$)	Net Loss	
		Total (\$)	Basic and Diluted Income (Loss) Per Share ⁽¹⁾ (\$)
30-Jun-15	-	(2,016,928)	(0.33)
31-Mar-15	-	(29,278)	(0.00)
31-Dec-14	-	(11,993)	(0.00)
30-Sep-14	-	(218,442)	(0.04)
30-Jun-14	-	(79,120)	(0.01)
31-Mar-14	-	(130,103)	(0.02)
31-Dec-13	-	(115,897)	(0.02)
30-Sep-13	-	(92,735)	(0.02)

Liquidity and Capital Resources

	June 30, 2015	September 30, 2014
	\$	\$
Cash	2,002,024	8,099
Working capital (deficiency)	1,848,579	(768,137)

For the nine months ended June 30:

	2015	2014
	\$	\$
Cash used in operating activities	(370,928)	(267,020)
Cash from (used) in investing activities	(108,480)	(117,316)
Cash from in financing activities	2,473,334	385,045

Cash used in operating activities

Cash used in operating activities for the nine months ended June 30, 2015 increased by \$103,908 compared to the same period in 2014. Major components of this year over year decline were:

Increase in cash used in non-cash working capital	\$(144,116)
Offset by:	
Decrease in cash used in cash operations	40,208
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Change in period over period cash used in operating activities	\$ (103,908)
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Cash flows used in investing activities

Cash from in investing activities for the nine months ended June 30, 2015 decreased by \$8,836 compared to the same period in 2014. Major components of this year over year increase were:

Cash received on the acquisition	\$ 46,656
Offset by:	
Increase in capital assets and intangible additions	(37,820)
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Change in year over year cash used in investing activities	\$ 8,836
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Cash flows from financing activities

Cash generated from financing activities for the nine months ended June 30, 2015 increased by \$2,088,289 compared to the same period in 2014. The increase is attributed to the net proceeds from a private placement in the amount of \$2,674,034 (2014 - \$nil), and proceeds from the issuance of a convertible debenture of \$49,300 (2014 notes payable \$548,943).

Future Financing

Notwithstanding its cash position at June 30, 2015, the Company will need additional financing for costs related to operations and its growth strategy. Management recognizes the need for improved cash flow and liquidity for future operations and growth. Management closely monitors the Company's current cash position and the short-term and long-term cash requirements. The Company may be required to obtain additional funding to take advantage of the market opportunities. If additional funding is required, an issuance of common shares or a commitment to issue common shares will most likely be a component of the funding.

The Company's operations currently generate negative cash flow and may depend on future equity issuances or other means of financing to assist in financing its operations, cover administrative costs and finance growth.

The ability of the Company to continue operations will be dependent upon obtaining additional financing as required. The timing and ability to do so will depend on the liquidity of the financial markets as well as the acceptance of investors to small cap companies, in addition to the results of the Company's operation. There can be no guarantee that the Company will be able to secure any required financing.

Off Balance Sheet Arrangements

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

Related Party Transactions

In connection to the Transaction, the CEO and director of the Company received 1,494,129 common shares of the Company. The shares were received in exchange for shares of BEE.

In connection to the Transaction, the spouse of the CEO and director of the Company received 7,111,111 common shares of the Company. The shares were received in exchange for shares of BEE.

In connection to the Transaction, Chelsian sales and Marketing Inc. (“Chelsian”) a company controlled by the CEO of the Company, received 1,224,230 common shares of the Company. The shares were received on conversion of a note payable (note 9).

As at June 30, 2015, \$26,216 was due to Todd Mason, Vice President of the Company. The amounts are non-interest bearing and have no specific terms of repayment.

As at June 30, 2015, \$15,033 was due to the spouse of Mr. Collinson, CEO of the Company. The amounts are non-interest bearing and have no specific terms of repayment.

There was no compensation paid to key management personal for the nine month periods ended June 30, 2015 and 2014.

Proposed Transactions

As at the date of this MD&A there are no proposed transactions.

Accounting Estimates and judgements

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated 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 also in future periods when the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Functional Currency

In concluding on the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences sales and the cost of providing goods and services in each jurisdiction in which the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated, the currency in which funds are retained and whether the activities of the subsidiaries are carried out as an extension of the Company or if they are carried out with a degree of autonomy.

Intangible Assets Valuation

The values associated with intangible assets involve significant estimates and assumptions, including those with respect to future cash inflows and outflows, discount rates and asset lives. These estimates and assumptions could affect the Company’s future results if the current estimates of future performance and fair values change. These determinations will affect the amount of amortization expense on definite life intangible assets recognized in future periods. The Company assesses impairment by comparing the recoverable amount of an intangible asset with its carrying value. There coverable amount is defined as the higher of value in use, or fair value less cost to sell. The determination of the recoverable amount involves management estimate.

Allowance for Bad Debts

The Company establishes an appropriate provision for uncollectible or doubtful accounts. Estimates of recoverable amounts are based on management’s best estimate of a customer’s ability to settle its obligations, and actual amounts received may be affected by various factors, including industry conditions and changes in individual customer financial conditions. To the extent that actual losses on uncollectible accounts differ from those estimated in the Company’s provision, both accounts receivable and net earnings will be affected.

Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2015 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

Financial Instruments

Fair Value

Financial instruments of the Company consist of cash, accounts receivable, accounts payable and accrued liabilities, and due to related parties. There are no significant differences between the carrying amounts of the items reported on the statements of financial position and their estimated fair values.

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. Where quoted market values are not readily available, the Company may use considerable judgment to develop estimates of fair value. Accordingly, any estimated values are not necessarily indicative of the amounts the Company could realize in a current market exchange and could be materially affected by the use of different assumptions or methodologies.

The Company’s risk exposures and their impact on the Company’s financial instruments are summarized below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, foreign exchange risk, commodity price risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

Interest rate risk

The Company is exposed to interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk arising from fluctuations in interest rates received on its cash balance. Fluctuations in market interest rates do not have a significant impact on the Company’s results of operations due to the short-term nature of interest bearing cash.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company’s maximum exposure to credit risk at the end of the reporting period is the

carrying value of its financial assets. Cash is held with large financial institution in Canada, and management believes that exposure to credit risk is not significant.

Disclosure of Share Capital

As at the date of this report the Company had 40,800,350 common shares issued and outstanding.

As at the date of this report the Company had 3,647,687 share purchase warrants outstanding.

As at the date of this report the Company 3,315,000 stock options outstanding.

For more details see notes 11, 12 and 13 to the June 30, 2015 unaudited interim consolidated financial statements.

Risks

See risk section detailed in the Company's filing statement as filed on SEDAR on June 1st, 2015