HIGHMARK MARKETING INC.

(FORMERLY HIGHMARK ACQUISITIONS LTD.)

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR

THE NINE MONTHS ENDED DECEMBER 31, 2014

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of Highmark Marketing Inc. (formerly Highmark Acquisitions Ltd.) (the "Company") has been prepared by management in accordance with the requirements of National Instrument 51-102 as of March 2, 2015. This MD&A should be read in conjunction with the condensed consolidated interim 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 herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document 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 exploration and development of our exploration properties. 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

Background

The Company was incorporated under the Business Corporations Act (British Columbia) on April 2, 2014. The head office of the Company is Suite 800 - 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5. Its registered and records office is located at Suite 1820 – 925 West Georgia, Vancouver, British Columbia V6C 3L2. The Company is a nutraceutical company which is focused on bringing the health benefits of natural and herbal remedies to the market. The Company has also entered into a share exchange agreement with BCBud Producers Inc. and Blue Moon Advertising Inc. to acquire 100% of the issued and outstanding shares of BCBud Producers Inc. from its shareholder, Blue Moon Advertising Inc. BCBud Producers Inc. has submitted an application to Health Canada seeking to become a licensed producer of medical marijuana under Canada's Marijuana for Medical Purposes Regulations. Highmark International Marketing Inc. ("Highmark International"), formerly known as Highmark Marketing Corp., was incorporated on March 19, 2014. On April 04, 2014, the Company entered into an Arrangement Agreement ("the Arrangement Agreement) with Gorilla Minerals Corp. ("Gorilla") and Highmark International, whereby shareholders of Highmark International became the shareholders of Highmark Marketing through a reverse merger, and Highmark International became our wholly owned subsidiary. Gorilla is a reporting issuer in the provinces of Alberta and British Columbia.

The parties agreed to reorganize their business by way of a Plan of Arrangement which was carried out under the provisions of the Business Corporations Act (British Columbia). Pursuant to the Arrangement Agreement, which was completed on May 29, 2014, the following transactions took place:

i. Highmark International acquired all of the 10,000 issued and outstanding common shares of the Company from Gorilla (the “Purchase Shares”) for $10,000;

ii. The Company and Highmark International exchanged securities on a 1:1 basis, such that all issued and outstanding common shares of Highmark International were exchanged by their holders for the same number of shares of the Company;

iii. Gorilla and the Company exchanged securities, as follows: Gorilla issued 4 common shares to the Company and the Company issued 4,000 common shares to Gorilla (collectively, the “Exchange Shares”); and

iv. The Purchase Shares and the Exchange Shares were cancelled.

Following closing of the Arrangement on May 29, 2014, the Company became a reporting issuer in Alberta and British Columbia. The Company then applied to have its common shares listed for trade on the Canadian Securities Exchange (the “CSE”). On May 18, 2014, the Company’s common shares commenced trading on the CSE under the symbol “HMK”. The Company’s common shares commenced trading on September 2, 2014, under the symbol 1HM on the Frankfurt Stock Exchange.

The Company’s wholly owned subsidiary, Highmark International, entered into an asset purchase agreement with RMDC Holdings Corp. (“RMDC”).

Pursuant to the Asset Purchase Agreement with RMDC, Highmark International acquired, for a total price of $10,000, the following:

(1) a license agreement to distribute Vitapect™ products in North America and beyond;
(2) ownership of domain names:www.vitapect.ca, www.vitapect.org and www.vitapect.co.uk;
(3) online traffic from www.vitapect.com;
(4) a corporate website;
(5) prepaid expenses; and
(6) Vitapect™ inventory.

A director of the Company and Highmark International, David Taylor, is a principal shareholder of RMDC, therefore, these payments constitute transactions with a related party.

During the nine month period ended December 31, 2014, the Company entered into a non-binding letter of intent with a corporation to acquire 51 per cent of its authorized share capital.

The Company has entered into a share exchange agreement with BCBud Producers Inc. and Blue Moon Advertising Inc. to acquire 100% of the issued and outstanding shares of BCBud Producers Inc. from its shareholder, Blue Moon Advertising Inc. BCBud Producers Inc. has submitted an application to Health Canada to become a licensed producer of marijuana pursuant to the *Marijuana for Medical Purposes Regulations*. The Company has entered into an addendum to the share exchange agreement with BCBud Producers Inc. and Blue Moon Advertising Inc., dated Nov. 13, 2014. By signing the addendum, Highmark has agreed to issue 250,000 common shares to Blue Moon on Nov. 18, 2014, prior to closing the share exchange.

On October 15, 2014, the Company closed a definitive asset purchase agreement with Intelliserve Software Inc. to acquire MobiWeed (an on-line website) and related assets.

On October 16, 2014, the Company has entered into an arrangement agreement with Highmark Technologies Corp. and MJ Bioscience Corp., and has approved a private placement offering.

The arrangement agreement is dated Oct. 16, 2014, and includes a statutory plan of arrangement with Highmark Marketing's two wholly owned subsidiaries, MJ Bioscience and Highmark Technologies. Highmark Marketing proposes to reorganize its business by completing a spinoff of certain assets by distributing all the shares in MJ Bioscience and Highmark Technologies to its shareholders as a return of paid in capital. It is intended that upon completing the plan of arrangement, both MJ Bioscience and Highmark Technologies will each seek a listing upon the Canadian Securities Exchange, subject to meeting listing requirements.

Significant Events

Incorporation – April 2, 2014

On July 18, 2014, the Company has entered into a non-binding letter of intent with a corporation in the final stages of becoming a licensed producer of marijuana to acquire 51 per cent of its authorized share capital.

On July 21, 2014, the Company appointed Dr. Dmytro P. Yevtushenko as their Scientific Advisor.

On August 5, 2014, the Company has entered into a share exchange agreement with BCBud Producers Inc. (“BCBud”) to acquire 100 per cent of its authorized share capital from the shareholder of BCBud, Blue Moon Advertising Inc. Highmark has also entered into a consulting agreement with the president of BCBud, Bill Marshall. BCBud has prepared an application to become a licensed producer of marijuana and has informed the Company that it has received a letter from Health Canada confirming receipt of BCBud's application to become a licensed producer of marijuana under the Marijuana for Medical Purposes Regulations (MMPR).

On August 25, 2014, the Company has formed a new business division dedicated to the research and development of proprietary cannabis-based products and solutions. Highmark has appointed Dmytro P. Yevtushenko, PhD, as head of the division.

On September 22, 2014, the Company’s cannabis research and development division, now named MJ Bioscience, has received a research plan from Dr. Yevtushenko, PhD. Dr. Yevtushenko's research plan will focus on the development of technology platforms for large-scale clonal propagation of cannabis plants and innovative breeding techniques. In addition, the research will cover improved extraction/delivery methods for cannabinoids.

On October 15, 2014, the Company closed a definitive asset purchase agreement with Intelliserve Software Inc. to acquire MobiWeed (an on-line website) and related assets.

On October 16, 2014, the Company has entered into an arrangement agreement with Highmark Technologies Corp. and MJ Bioscience Corp., and approved a non-brokered private placement offering.

Plan of arrangement

The arrangement agreement is dated Oct. 16, 2014, and includes a statutory plan of arrangement with Highmark Marketing's two wholly owned subsidiaries, MJ Bioscience and Highmark Technologies. Highmark Marketing proposes to reorganize its business by completing a spinoff of certain assets by distributing all the shares in MJ Bioscience and Highmark Technologies to its shareholders as a return of paid in capital. It is intended that upon completing the plan of arrangement, both MJ Bioscience and Highmark Technologies will each seek a listing upon the Canadian Securities Exchange, subject to meeting listing requirements.

On November 26, 2014, the Company announced a 4:1 forward split of its issued and outstanding common shares (the “Forward Split”). Following the Forward Split, each shareholder of the Company as of the record date of December 1, 2014 (the “Record Date”) will hold four common shares for every one common share held on the record date. At the time of announcing the Forward Split, the Company had 13,868,607 issued and outstanding common shares and upon completion of the Forward Split will have 55,474,428 issued and outstanding common shares.

On December 1, 2014, The Company completed a four-for-one forward split utilizing the “push out method” with a record date of December 1, 2014 (the “Record Date”). Shareholders of record as of the close of business on the Record Date hold four common shares for every one common share held on the Record Date. The additional common shares were issued to shareholders on December 4, 2014. The Issuer had 13,868,607 issued and outstanding common shares prior to the forward split and upon completion of the forward split had 55,474,428 issued and outstanding common shares.

Financing

(a) On March 19, 2014, the Company issued 2,000,000 common shares at a price of $0.005 per common share for total proceeds of $10,000.

(b) On March 31, 2014, the Company issued 7,425,000 common shares at a price of $0.02 per share for total proceeds of $148,500

(c) On April 2, 2014 the Company issued 1,000,000 common shares at a price of $0.05 per share for total proceeds of $50,000.

(d) On April 16, 2014, the Company issued 1,600,000 common shares at a price of $0.10 per common share for total proceeds of $160,000.

(e) On May 29, 2014, the Company and Highmark International exchanged securities on a 1:1 basis, such that all issued and outstanding common shares of Highmark International were exchanged by their holders for the same number of shares of the Company.

(f) On July 7, 2014, the Company completed the first tranche of a non-brokered private placement by issuing 999,607 units at a price of 35 cents per unit for gross proceeds of $349,862. Each unit consists of one common share and one full share purchase warrant.

(g) On August 5, 2014, the Company issued 30,000 common shares at a price of $0.33 per share as a deposit for a pending acquisition.

(h) On August 9, 2014, the Company issued 300,000 common shares at a price of $0.45 per share for consulting services.

(i) On October 15, 2014, the Issuer closed the acquisition of MobiWeed. Pursuant to the asset purchase agreement, the Issuer paid $35,000 and issued 250,000 common shares Intelliserve for the acquisition of MobiWeed. Intelliserve is also eligible for a performance bonus of 250,000 common shares if the MobiWeed website lists 1,000 dispensaries and has at least 20,000 individually requested pages from the website.

(j) On November 13, 2014, the Company entered into an addendum to the share exchange agreement with BCBud Producers Inc. and Blue Moon Advertising Inc. Pursuant to the addendum, the Company issued 250,000 common shares to Blue Moon Advertising Inc. on November 18, 2014 prior to closing the share exchange agreement. The total consideration for the acquisition remains the same: the Issuer will issue a total of 2,500,000 common shares to Blue Moon.

(k) On December 1, 2014, The Company completed a four-for-one forward split utilizing the "push out method" with a record date of December 1, 2014 (the "Record Date"). Shareholders of record as of the close of business on the Record Date hold four common shares for every one common share held on the Record Date. The additional common shares were issued to shareholders on December 4, 2014. The Issuer had 13,868,607 issued and outstanding common shares prior to the forward split and upon completion of the forward split had 55,474,428 issued and outstanding common shares.

(l) On December 30, 2014 the Company completed the first tranche of a non-brokered private placement by issuing 589,000 units at a price of $0.085 per unit for gross proceeds of $50,065. Each unit consists of one common share and one full share purchase warrant. Each warrant is exercisable into one common share for a period of 36 months from the date of issuance at a price of $0.15 per share. The Issuer paid an aggregate finder's fee of $5,006.50 and issued an aggregate of 58,900 warrants to finders.

Subsequent Events

The Company entered into an investor relations agreement with Richard Penn dated January 10, 2015, for total compensation of $53,500. The Issuer also entered into a debt conversion agreement with Richard Penn dated January 12, 2015. The debt conversion agreement provides that of the total amount owed to Richard Penn, $47,500 be converted to 500,000 common shares of Highmark on January 12, 2015, at a deemed price of $0.095 per share.

On January 20, 2015, the Company announce that the statutory plan of arrangement entered into on October 16, 2014 with Highmark Technologies Corp. ("**Highmark Technologies**") and MJ Bioscience Corp. ("**MJ Bioscience**") (the "**Arrangement**") received approval from Highmark Marketing shareholders on January 15, 2015 and approval from the Supreme Court of British Columbia on January 19, 2015, in accordance with Part 9 of the *Business Corporations Act* (British Columbia). Highmark Marketing closed the Arrangement on January 29, 2015.

Upon the closing of the Arrangement, Highmark Marketing will reorganize its business by completing a spin-off of certain assets by distributing all the shares in MJ Bioscience and Highmark Technologies to its shareholders as a return of paid in capital. MJ Bioscience will receive all of Highmark Marketing's cannabis research assets, while Highmark Technologies will receive Highmark Marketing's Mobiweed platform.

On February 19, 2015, the Company closed the share exchange agreement with BCBud Producers Inc. and Blue Moon Advertising Inc. and completed the acquisition of BCBud. Highmark, BCBud and Blue Moon entered into the share exchange agreement on Aug. 5, 2014, whereby Highmark agreed to acquire 100 per cent of the authorized share capital of BCBud from its shareholder, Blue Moon.

SELECTED FINANCIAL INFORMATION

	December 31, 2014	March 31, 2014
Working capital	$ 179,883	$ 143,890
Current assets	$ 217,674	$ 147,390
Total liabilities	$ 37,791	$ 3,500
Share capital and shares subscribed	$ 1,097,635	$ 158,500
Deficit	$ 952,095	$ 14,610

RESULTS OF OPERATIONS

The Company has not yet generated revenue from its operations.

	Three month period ended December 31, 2014	Nine month period ended December 31, 2014
Investor relations and promotion	$ 20,519	$ 101,045
Office	4,367	13,264
Consulting fees	60,134	388,131
Filing fees	14,664	36,135
Professional fees	69,543	176,777
Share-based compensation	-	214,343
Travel	-	4,279
Foreign exchange loss	77	195
Inventory write off	3,316	3,316
Net loss and comprehensive loss for the period	$ (172,620)	$ (937,485)

For the three month period ended December 31, 2014, the Company incurred losses of $172,620, which resulted from investor relations costs of $20,519, office costs of $4,367, consulting fees of $60,134, filing fees of $14,664, professional fees of $69,543, inventory write off of $3,316 and foreign exchange loss of $77. These costs are mostly related to the Company's search and acquisition of suitable operations, such as BCBud and costs required to become and remain a listed issuer.

For the nine month period ended December 31, 2014, the Company incurred losses of $937,485, which resulted from share-based compensation of $214,343, investor relations costs of $101,045, office costs of $13,264, consulting fees of $388,131, filing fees of $36,135, professional fees of $176,777, travel costs of $4,279, inventory write off of $3,316 and foreign exchange loss of $195. These costs are mostly related to the Company's search and acquisition of suitable operations and costs required to become and remain a listed issuer.

Investor relations and promotional fees include fees paid to design and maintain the website, advertising the listing and company both online and personally, related meals & entertainment and transmitting news releases.

Consulting fees are for fees paid to directors for management services, technical consultants for the acquisition of the MMPR and related services/technical assistance, research and development of cannabis technology, capital markets consulting, and consulting for the OTC and Frankfurt listings.

Professional fees include legal fees for the listing, spin outs and other legal matters. It also includes accounting and audit fees for financial reporting requirements.

Summary of Quarterly Results

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

	Three months ended December 31, 2014	Three months ended September 30, 2014	Three months ended June 30, 2014	Period from March 19, 2014 (date of incorporation) to March 31, 2014
Net Loss	$ 172,620	$ 393,383	$ 371,482	$ 14,610
Loss per Share	$ 0.01	$ 0.03	$ 0.03	$ 0.01
Total Assets	$ 397,674	$ 283,836	$ 202,567	$ 147,390
Working Capital	$ 179,883	$ 244,128	$ 162,232	$ 143,890

Liquidity and Capital Resources

As at December 31, 2014, the assets of the Company were represented by $41,011 in cash, $21,763 in receivables, $35,000 in prepaid expenses, $119,900 in deposits and $180,000 in intellectual property.

The Company has to rely upon the sale of equity securities, primarily through private placements for cash, for general operating activities. All completed private placement arrangements are described in the *Significant Events* section above.

The Company has not pledged any of its assets as security for loans, or otherwise is not subject to any debt covenants. Based on current information, the Company anticipates that its working capital is sufficient to meet its expected ongoing obligations for the coming year.

Transactions with Related Parties

Key management comprises directors and executive officers. The Company did not pay post-employment benefits and long-term benefits to key management. The following compensation was paid to key management:

	Nine months ended December 31, 2014
Consulting fees	$ 114,810
	$ 114,810

During the nine months ended December 31, 2014, the Company entered into an asset purchase agreement with RMDC Holdings Corp., a company with a common Director. As at December 31, 2014, the amount of $10,000 has been paid.

The Company has identified certain directors and certain senior officers as its key management personnel. The compensation costs for key management personal for the nine months ended December 31, 2014 are as follows:

	December 31, 2014
Share-based compensation	$ 34,925

As at December 31, 2014, $Nil (March 31, 2014 - $Nil) is included in accounts payable and accrued liabilities owing to those officers and directors for fees and expense reimbursements.

Outstanding Share Data

On December 31, 2014 the Company had issued and outstanding the following securities:

56,063,428 common shares
5,013,028 warrants outstanding
3,544,000 options outstanding

On March 2, 2015 the Company had issued and outstanding the following securities:

55,863,428 common shares
5,013,028 warrants outstanding
3,544,000 options outstanding

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies adopted by the Company have been described in the notes to the condensed consolidated interim financial statements for the period ended December 31, 2014.

New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published; however, these are not mandatory for the December 31, 2014 reporting period. The management of the Company believes that these standards and interpretations will have no material impact on the financial statements.

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

The Company may become subject to liability for risks against which the Company 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 the Company 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 the Company 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 The Company. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavorable 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 the Company 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. The Company has not paid dividends, and are unlikely to pay dividends in the immediate or near future. The Company 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 it 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

The Company may require additional financing to fund future operations and expansion plans. The Company needs to raise at least $1,000,000 further funds to carry out its business plan, but it does 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 The Company 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, The Company may be required to scale back its business plan or cease operating.

Going-Concern Risk

The Company'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 The Company will be successful in completing an 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 the Company 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. The Company will be dependent upon the capital markets to raise additional financing in the future, while The Company establish a user base for the Products. Access to financing has been negatively impacted by the ongoing global economic downturn. As such, The Company 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 CSE.

Dividend Risk

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

Share Price Volatility Risk

The Company's common shares are listed for trading on the CSE. 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 CSE, 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, the Company will incur significant legal, accounting and filing fees not presently incurred. Securities legislation and the rules and policies of the CSE 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

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of cash is measured based on level 1 inputs of the fair value hierarchy.

The estimated fair value of financial liabilities is equal to their carrying values due to the short-term nature of these instruments.

Capital Management

The Company defines its capital as shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its business and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the development stage, its principal source of funds is from the issuance of common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash.

The Company expects its capital resources, which include a share offering, will be sufficient to carry its research and development plans and operations through its current operating period.

The Company is not subject to externally imposed capital requirements.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

1) Fair value

The carrying value of cash amounts, and accrued liabilities approximated their fair value because of the relatively short-term nature of these instruments.

2) Credit risk

The Company's cash is largely held in large Canadian financial institutions. The Company maintains cash deposits with Schedule A financial institutions, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

3) Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

4) Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

CONTINGENCIES

There are no contingent liabilities.

DIRECTORS AND OFFICERS

As of the date of this report, March 2, 2015, the Company's directors and officers are as follows:

David Taylor – Director
Peter Schriber - Director
Marc Branson – Director, CEO
Simon Tso – CFO