

**Form 51-102F1**

**LEENLIFE PHARMA INTERNATIONAL INC.**

**(formerly SPT SULPHUR POLYMER TECHNOLOGIES INC.)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Nine Months Ended December 31, 2015

**Background**

The following discussion and analysis is for the nine months ended December 31, 2015 prepared as of February 28, 2016. This management discussion and analysis ("MD&A") should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2015 and related notes attached thereto, which are prepared in accordance with International Financial Reporting Standards. All amounts are stated in Canadian dollars unless otherwise indicated.

LeenLife Pharma International Inc. (formerly SPT Sulphur Polymer Technologies Inc.) (the "Company"), was incorporated on January 12, 2014, under the laws of the Province of British Columbia. The Company's head office is located at Suite 203 - 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to the Company is available for view on SEDAR at [www.sedar.com](http://www.sedar.com)

**Overview**

The Company was established by Vinergy Resources Ltd. on January 12, 2014 and was assigned by Vinergy Resources Ltd. the Contract of Purchase and Sale between TBG Capital Inc. of Beaumont, Alberta (the "Seller") and Vinergy Resources Ltd. of Edmonton, AB (the "Buyer") dated November 29, 2013, amended on January 31, 2014 and amended again on September 30, 2014, the Buyer conditionally agreed to acquire a certain property, having the Tax Roll # 203020 located in, Leduc, Alberta, in connection with the Plan of Arrangement, (See "Transactions with Related Parties" below). The Contract of Purchase and Sale provided for the Company to have the right to acquire the Property for \$650,000 subject to making certain payments and completing a successful feasibility study of the Property prior to December 31, 2015.

On June 18, 2014 the Company became a Reporting Issuer in British Columbia, Alberta and Ontario.

On June 30, 2014 the Company issued a promissory note to TBG Capital Inc. for \$2,500 in recognition of the first tranche of the \$50,000 deposit due by September 30, 2014.

On July 17th, 2014 the Company acquired a license from Sulstar Technologies Inc., a British Columbia corporation, for a patented technology for converting waste sulphur into unique granulated thermoplastic asphalt binder and a modified sulphur polymer concrete marketed under the names of Sulstar and Sulconcrete, respectively, for the provinces of British Columbia, Alberta, Saskatchewan and the Yukon Territory, in consideration of \$25,000 cash and a 2% royalty on all sales. The license has a five year term and is renewable based on performance

The license granted the Company the right to manufacture, sell and distribute products under the trade names Sulstar and Sulconcrete in Western Canada. Sulstar is the subject of US Patent # 8,500,899 issued on August 6, 2013. Sulconcrete is the subject of Canadian Patent Application number 2781341 issued on June 3, 2011.

On September 23, 2014 the Company closed a private placement for \$300,000 and on September 29, 2014 announced a second private placement valued at a maximum of \$200,000.

On November 18, 2014 the Company received conditional acceptance of its application for listing on the Canadian Securities Exchange (CSE).

On December 8, 2014 the Contract of Purchase and Sale with TBG Capital Inc. was terminated.

On December 8, 2014 the Company closed a private placement for \$150,000 and on December 17th, 2014 began to trade on the Canadian Securities Exchange (“CSE”) under the symbol (“SEE”).

On December 17, 2014 the Company began trading on the Canadian Securities Exchange (“CSE”) under the symbol (“SEE”).

On January 27, 2015 the Company announced it had entered into a letter of intent with Mr. Włodzimierz Mysłowski of Poland to acquire all rights to the patents, patent applications, know-how, and other intellectual property pertaining to the manufacture and distribution of the Sulstar™ and Sulconcrete technology for waste sulphur conversion into useful sulphur polymers.

Pursuant to the terms of the LOI, the Company could acquire the North American (Canada, USA and Mexico) IP in exchange for a non-refundable deposit of \$25,000 and the issuance of 17,000,000 common shares in the capital stock of the Company. The purchase price was based on arms’ length negotiation. The Company was also granted the option to acquire the IP for each of the Middle East, Africa, Europe, and Asia for an additional 2,000,000 common shares for each region, to a maximum of an additional 8,000,000 common shares. Such IP would have been transferred to the Company as patents are issued in such continents. The Company has decided that this technology would take many years of testing to be a viable product, and on May 11, 2015, the Issuer announced the termination of the letter of intent to acquire any further rights. The Issuer continues to hold rights for the four Western provinces.

In July, 2015, the Company entered into a share purchase agreement to acquire a 90-per-cent interest in a Polish private company, LeenLife Pharma SA, which has developed a process to isolate omega-3 fatty

acids from flax seeds. The purchase price is comprised of 12,232,788 common shares of the Company at a deemed issuance price of \$0.1875 per share for an aggregate value of \$2,293,648 and \$563,044 in cash consideration due by May 31, 2016. The Company received approval from the Canadian Securities Exchange (“CSE”) on December 2, 2015. The company changed its name to LeenLife Pharma International Inc. on December 3, 2015 and began trading under the symbol “LLP”. The Company was able to close the transaction on February 18, 2016. Closing required the attendance of two directors from the Company in person in Poland along with all of the shareholders of the subsidiary in person in Poland under a notarial deed.

### SELECTED FINANCIAL DATA

The following table presents selected audited financial information for the years indicated.

	Year ended		
	March 31, 2015	March 31, 2014	March 31, 2013
Total Revenue	\$ --	\$ --	\$ --
Interest income	--	--	--
Expenses	280,013	2,519	--
Net income (loss)	(306,061)	(2,519)	--
Total assets	179,740	5,081	--
Total long-term liabilities			--
Net earnings (loss) per share <u>(basic and diluted)</u>	<u>--</u>	<u>--</u>	<u>--</u>

The financial information presented in the table above is from the Company's financial statements prepared in accordance with International Financial Reporting Standards. The reporting currency for all periods is Canadian dollars.

### SELECTED QUARTERLY INFORMATION

The following tables present unaudited selected financial information for the eight quarters ended December 31, 2015. Period ended March 31, 2014 is from date of inception of January 12, 2014.

For the quarter ended	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Net and comprehensive loss	(\$126,612)	(\$33,627)	(\$26,821)	(\$113,658)
Loss per share – basic and diluted	(\$0.01)	(\$0.00)	(\$0.00)	(\$0.03)

<b>For the quarter ended</b>	<b>December 31, 2014</b>	<b>September 30, 2014</b>	<b>June 30, 2014</b>	<b>March 31, 2014</b>
Net and comprehensive loss	(\$142,298)	(\$16,468)	(\$1,589)	(\$2,519)
Loss per share – basic and diluted	(\$0.03)	(\$0.02)	(\$0.00)	(\$25.19)

### **Discussion of operating results - nine months ended December 31, 2015**

During the nine months ended December 31, 2015, the Company incurred a net loss of \$187,060 as compared with a net loss of \$164,767 for the nine months ended December 31, 2014. The similar losses for the periods is a function of evaluating potential business opportunities for the Company to pursue. At this point the Company has settled on the acquisition of LeenLife Pharma S.A. With the closing in view the Company's operations will follow the development of the LeenLife products.

### **Liquidity and Capital Resources**

The Company had cash of \$164 at December 31, 2015, compared to \$70,890 at March 31, 2015. The Company had working capital deficiency of \$68,426 at December 31, 2015 compared to working capital of \$120,518 as at March 31, 2015.

The current working capital balance is insufficient to meet the Company's capital requirements for the next six months, so, the Company plans to raise additional funds for operating capital. There can be no assurance that the Company will be successful in securing the necessary working capital in a timely manner, or at all.

On July 8, 2015, the Company entered into a Share Purchase Agreement to acquire a 90% interest in a Polish private company, LeenLife Pharma S. A. Pursuant to the terms of the Agreement, the Company will have to raise \$563,044 by May 31, 2016 as per the terms of the Agreement.

### **Off Balance Sheet Arrangements**

As at December 31, 2015, the Company had no off-balance sheet arrangements

### **Proposed Transactions**

As announced July 8, 2015, the Company entered into a share purchase agreement to acquire a 90-percent interest in a Polish private company, LeenLife Pharma SA, which has developed a process to isolate omega-3 fatty acids from flax seeds. The purchase price is comprised of 12,232,788 common shares of the Company at a deemed issuance price of \$0.1875 per share for an aggregate value of \$2,293,648 and \$563,044 in cash consideration due by May 31, 2016.

The Company closed the transaction on February 18, 2016.

### Transactions with Related Parties

During the nine months ended December 31, 2015, the Company entered into the following transactions with related parties:

- (a) Management fees of \$36,000 were paid or accrued to be paid to Stan Lis, CEO and a director of the Company;
- (b) Consulting fees of \$30,000 were paid or accrued to be paid to Casey Forward, CFO and a director of the Company;
- (c) The Company has amounts payable to related parties at December 31, 2015 as described in Note 6(b)(ii).

During the year ended March 31, 2015 the following transactions were entered into:

- a) \$3,232 in accounting fees were charged by a former director of the Company (resigned on May 20, 2015); and
- b) the Company advanced a loan to a company with common directors as described in Note 6(b)(i)

As at March 31, 2015, the Company owed an advance of \$nil (March 31, 2014 - \$5,000) to Vinergy and also had a subscription receivable of \$nil (March 31, 2014 - \$100) to be received from Vinergy.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

### Particulars of Outstanding Securities of the Issuer

Authorized: unlimited common shares without par value  
unlimited preferred shares without par value

Issued and Outstanding:

	Number of Shares	Amount (\$)
<b>Balance as at March 31, 2015</b>	<b>19,133,334</b>	<b>447,500</b>
<b>Balance as at December 31, 2015</b>	<b>19,133,334</b>	<b>447,500</b>

Stock Options:

During the nine months ended December 31, 2015, 800,000 incentive stock options previously granted by the Company were cancelled unexercised. At December 31, 2015, the Company had no stock options outstanding.

### **Significant Events**

On May 11, 2015 the Company announced it had terminated a letter of intent to acquire any further rights to the sulphur polymer project as management had determined that the acquisition terms were not in the best interests of its' shareholders.

On July 7, 2015, the Company entered into an agreement to purchase 90% of the issued and outstanding shares of LeenLife Pharma S.A. ("LeenLife"). LeenLife is a corporate entity in the Republic of Poland formed on June 11, 2013. The terms of the agreement for a 90% interest in LeenLife require the Company to issue 12,232,788 common shares to the shareholders of LeenLife, at a deemed value of \$0.1875 each for a total value of \$2,293,648. The outstanding share capital of the Company before the acquisition is 19,133,333 shares after which the acquisition of LeenLife would give the shareholders of LeenLife a 39% interest in the Company with the largest LeenLife shareholder owning 19.90%. In addition, the Company is to pay cash consideration of \$563,044 no later than on May 31, 2016. All amounts are in Canadian dollars.

LeenLife is currently selling its products in Poland from an online web site. LeenLife is able to comply with existing regulations in the EU from the European Food Safety Authority and the Chief Sanitary Inspector in Poland. LeenLife has authority to use the following name: Neutraceutical™ LEENLIFE®.

The Company believes the value of LeenLife is based on patents held by LeenLife, the advanced nature of the products i.e. ready for commercialization and the technical ability of LeenLife' management.

### **Subsequent Events**

The Company closed the acquisition of LeenLife Pharma S.A. on February 18, 2016. Two directors of the Company and the four shareholders of LeenLife Pharma S.A. met in Poland and closed the transaction by notarial deed.

### **Financial Disclosure and Control Procedures**

During the nine months ended December 31, 2015, there has been no significant change in the Company's internal control over financial reporting since last year.

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's condensed interim financial statements for the nine months ended December 31, 2015 (together the "Interim Filings").

The Chief Executive Officer and Chief Financial Officer of the Company have filed the Venture Issuer Basic Certificate with the Annual Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

### **Complex and Non-Routine Transactions**

The Company may be required to record complex and non-routine transactions. These sometimes will be extremely technical in nature and require an in-depth understanding of with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"). Finance staff will consult with their third party expert advisors as needed in connection with the recording and reporting of complex and non-routine transactions. In addition, an annual audit will be completed and presented to the Audit Committee for its review and approval.

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES**

The significant accounting policies and estimates are summarized in Note 3 of the March 31, 2015 audited financial statements.

#### **Significant accounting judgments and estimates**

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Accounts which require management to make material estimates and significant assumptions in determining amounts recorded include valuation of share-based transactions and provision for deferred income tax.

#### **Financial instruments**

Financial instruments are defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

Financial instruments at fair value through profit or loss (FVTPL).

Financial instruments are classified as FVTPL when they are held for trading. A financial instrument is held for trading if it was acquired for the purpose of selling in the near term. Financial instruments classified as FVTPL are stated at fair value with any changes in fair value recognized in earnings for the period.

### **Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, these financial assets are recorded at amortized cost using the effective interest method less any impairment.

### **Available-for-sale financial assets**

Available-for-sale are non-derivative financial assets that are designated as available-for-sale or that are not classified in any other financial asset categories. Subsequent to initial recognition, changes in fair value, other than impairment losses, are recognized in other comprehensive income (loss) and presented in the fair value reserve in shareholders' equity. When the financial assets are sold or an impairment write-down is required, losses accumulated in the fair value reserve recognized in shareholders' equity are included in profit or loss.

### **Financial liabilities**

Financial liabilities are initially recorded at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The Company's accounts payable, accrued liabilities, property option payable and advance on subscription are classified as financial liabilities.

Transaction costs incurred on initial recognition of financial instruments classified as loans and receivables and other financial liabilities are included in the initial fair value amount.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire. Financial liabilities are derecognized only when the Company's obligations are discharged, cancelled or they expire.

The Company has classified its financial instruments as follows:

<u>Financial Instrument</u>	<u>Classification</u>
Cash and cash equivalents	FVTPL
GST receivable and prepaid expenses	Loans and receivables
Due from a related party	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Promissory note payable	Other liabilities
Loan payable	Other liabilities

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### **Accounting standards, not yet effective**

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

The IASB has issued IFRS 9 - Financial Instruments (“IFRS 9”) which intends to replace IAS 39 – Financial Instruments: Recognition and Measurement (“IAS 39”) in its entirety with three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments. The IASB tentatively decided to defer the mandatory effective date until January 1, 2018 with earlier adoption still permitted.

The Company will evaluate the impact the final standard will have on its financial statements based on the characteristics of its financial instruments at the time of adoption.

### **Segment reporting**

A reportable segment, as defined by 'IFRS 8 Operating Segments', is a distinguishable business or geographical component of the Company, which are subject to risks and rewards that are different from those of other segments. The Company considers its primary reporting format to be business segments. The Company considers that it has only one reportable segment, being the development of the Share Purchase Agreement for LeenLife Pharma S.A.

## **RISK FACTORS**

### **Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company’s primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company’s cash is held by one bank there is a concentration of credit risk. However, this risk is managed by using a major bank that is a high credit quality financial institutions as determined by rating agencies.

### **Liquidity Risk**

The Company believes that at the present time it will not face significant liquidity risk as it will be able to secure sufficient funding from a private placement.

## **RISKS AND UNCERTAINTIES**

### **Acquisition and Expansion**

The key to the Company's ongoing success will be its ability to create and enhance value through the skill, creativity and energy of its management team and the opportunities which the market presents. SPT will continue to seek out acquisition and expansion opportunities that offer acceptable risk-adjusted rates of return.

### **Regulatory Risk**

The Company and its proposed business are subject to various government legislation and regulations. Any change in such legislation or regulations adverse to the Company or its investments could affect the operating and financial performance of the Company. In addition, laws and policies relating to the protection of the environment have become increasingly important in recent years. Environmental laws and regulations can change rapidly and the Company may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have a material adverse effect on the Company's business, financial condition or results of operations.

## **FORWARD LOOKING STATEMENTS**

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. SPT Sulphur Polymer Technologies Inc. has no intention and undertakes no obligation to update or revise any forward-looking statements, whether written or oral that may be made by or on the Company's behalf.

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## **OFFICERS AND DIRECTORS**

Stan Lis	President, CEO & Director
Casey Forward	Director & CFO
Marcin Lukaszewicz	Director
Glen Macdonald	Director

### **Contact Address:**

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