QUADRON CAPITAL CORPORATION
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE NINE MONTHS ENDED JANUARY 31, 2016

Dated: March 31, 2016

MANAGEMENT'S RESPONSIBILTY FOR FINANCIAL REPORTING

This interim management's discussion and analysis ("MD&A") reports on the operating results and financial condition of Quadron Capital Corporation (the "Company" or "Quadron") for the nine months ended January 31, 2016 and is prepared as at March 31, 2016. This interim MD&A should be read in conjunction with the Company's audited annual financial statements for the years ended April 30, 2015 and 2014 and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"), together with the unaudited condensed interim consolidated financial statements as at and for the nine months ended January 31, 2016, which were prepared in accordance with IFRS and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting (collectively referred to as the "Financial Statements"). Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Financial Statements.

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

APPROVAL

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that this interim MD&A does not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the periods reported. The Financial Statements together with the other financial information included in this interim MD&A fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented in this interim MD&A. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing. The Board of Directors has approved the Financial Statements and MD&A, as well as ensured that management has discharged its financial responsibilities as at March 31, 2016.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These forward looking statements include but are not limited to statements concerning:

- The Company's success at completing future financings
- The Company's strategies and objectives
- The Company's cost reductions and other financial operating objectives
- The availability of qualified employees for business operations
- General business and economic conditions
- The Company's ability to meet its financial obligations as they become due
- The Company's ability to identify, successfully negotiate and/or finance an acquisition of a new business opportunity
- The positive cash flows and financial viability of new business opportunities
- The Company's ability to manage growth with respect to a new business opportunity
- The Company's tax position, anticipated tax refunds and the tax rates applicable to the Company

Readers are cautioned that the preceding list of risks, uncertainties, assumptions and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by these forward looking statements. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, investors in securities of the Company should not place undue reliance on these forward-looking statements.

OVERVIEW AND OUTLOOK

Quadron was incorporated under the British Columbia Business Corporations Act on November 7, 2011 and became a reporting issuer in British Columbia and Alberta on July 25, 2012. On December 4, 2014 the Company, formerly known as DePaul Capital Corporation, changed its name to Quadron Capital Corporation. The Company's head office is located at Suite 1600, 609 Granville Street, Vancouver, British Columbia, V7Y 1C3, and it's registered and records office is located at Suite 885 W Georgia St #2200, Vancouver, BC V6C 3E8. The Company's shares are not publicly traded.

On November 5, 2015 the Company acquired 100% of the outstanding shares of 1054608 B.C. Ltd., a privately held company, for a nominal amount. 1054608 B.C. Ltd. had no assets or liabilities, nor an active business at the date of acquisition. The purpose of the acquisition relates to the Amalgamation Agreement discussed below.

On January 11, 2016 the Company announced that, pursuant to the definitive Amalgamation Agreement ("Amalgamation Agreement") executed November 6, 2015, a wholly-owned subsidiary of Quadron completed the amalgamation (the "Acquisition") with Soma Labs Scientific Inc. ("Soma") as of January 8, 2016. Soma is an arms' length private company incorporated under the laws of British Columbia. Security holders of Soma received 17,422,500 common shares and 2,000,000 preferred shares of Quadron in exchange for all of their common and preferred shares of Soma. Subject to the amalgamated entity achieving $1,000,000 in earnings before interest, taxes, depreciation and amortization for the fiscal year ending April 30, 2017, each preferred share will automatically convert into one common share of Quadron. The holders of Soma's convertible securities also received convertible securities of Quadron on a one-for-one basis. In contemplation of the Acquisition, the Company completed two private placements during the period.

On November 6, 2015, the Company closed a non-brokered private placement of 6,640,000 units at $0.10 per unit for gross proceeds of $664,000. Each unit is comprised of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.20 per share for 24 months from the date of issuance. If at any time during the 24 months, Quadron completes a going public transaction, the expiry date will be amended to 18 months following the closing of the going public transaction. The residual value of the warrants attached to the units was determined to be $nil.

On December 31, 2015, the Company closed a non-brokered private placement of 4,637,500 units at $0.10 per unit for gross proceeds of $463,750. Each unit is comprised of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.20 per share for 24 months from the date of issuance. If at any time during the 24 months, Quadron completes a going public transaction, the expiry date will be amended to 18 months following the closing of the going public transaction. All the securities issued in the financing have a 4 month hold period expiring May 1, 2016. The residual value of the warrants attached to the units was determined to be $nil.

On January 15, 2016, Greenmantle Products Limited ("Greenmantle") was incorporated pursuant to the provisions of the BCBCA and is a wholly owned subsidiary of Quadron.

Quadron is now focused on growing its two primary business segments. The first being its cannabis division which focusses on two components; a) as a distribution channel which sources and sells ancillary devices (i.e. vaporizer pens) and other products and equipment to cannabis industry participants, and b) Quadron has acquired extraction and processing equipment and plans to lease and/or sell this equipment to licensed 3rd parties operating in the cannabis industry.

The second division is focussed on the provision of research and laboratory services to the biotech and bioceutical industries, which include analytical and laboratory services, organic compound extractions, purification, formulation and process development. Through Soma, Quadron has entered into a three year services agreement with Odorchem Manufacturing Corp ("Odorchem") which is expected to provide total revenue $1,500,000 to Quadron. Odorchem produces high quality non-toxic odor control products for industrial, commercial and residential applications. Pursuant to the services agreement, Quadron is providing research for the scientific development of new odor control processes and formulations for Odorchem.

AMALGAMATION

Effective January 8, 2016, Quadron acquired all the issued and outstanding share capital of Soma. As consideration, Quadron issued 17,422,500 common shares and 2,000,000 preferred shares in exchange for all common and preferred shares of Soma issued and outstanding immediately prior to the completion of the amalgamation. The Company also issued one warrant for each Soma warrant held immediately prior to the date of the completion of the amalgamation. The warrants had an original value, and value on reissuance, of $nil.

The Acquisition has been accounted for as a business combination under the acquisition method whereby the assets acquired were recorded at fair value. The Acquisition is not considered a reverse takeover. Soma's results of operations are included in the Company's consolidated results from January 9, 2016, onwards.

The net assets of Soma had a fair value of $586,320, on January 8, 2016, as follows:

Cash	**$ 300,658**
Receivables	**28,228**
GST recoverable	**22,785**
Prepaid expenses	**137,500**
Promissory note- Odorchem	**450,000**
Equipment	**270,346**
Loan payable to Quadron	**(250,000)**
Amounts payable to related parties	**(63,409)**
Accounts payable and accrued liabilities	**(309,788)**
	$ 586,320

The fair value of the common and preferred shares issued in connection with this amalgamation was $1,742,250. The excess of $1,155,930 over the fair value of Soma's net assets has been allocated to goodwill.

SELECTED ANNUAL FINANCIAL INFORMATION[1]

	For the year ended April 30, 2015	For the year ended April 30, 2014	For the year ended April 30, 2013
Loss and comprehensive loss:			
(i) total for the year	($34,800)	($19,651)	($52,746)
(ii) per share[2]	($0.00)	($0.00)	($0.01)
Total assets	$2,822	$9,160	$24,770
Working capital (deficiency)	($10,481)	$4,319	$23,970
Total revenues	$ Nil	$ Nil	$ Nil
Total long-term financial liabilities	$ Nil	$ Nil	$ Nil

[1] *Financial information prepared in accordance with International Financial Reporting Standards ("IFRS")*

[2] *Per share information has been retroactively adjusted to reflect the August 1, 2014 3.4 new common shares for 1 old common share split*

The annual financial results reflect the Company's minimal levels of activity over the past three years.

SUMMARY OF QUARTERLY RESULTS[1]

	3rd Quarter Ended January 31, 2016	2nd Quarter Ended October 31, 2015	1st Quarter Ended July 31, 2015	4th Quarter Ended April 30, 2015
Total revenues	$7,300	$nil	$nil	$nil
Loss and comprehensive loss	($64,621)	($28,282)	($1,554)	$2,289
Loss per share[2] (basic and fully diluted)	($0.00)	($0.00)	($0.00)	$0.00
Total assets	$2,975,613	$78,850	$2,844	$2,822
	3rd Quarter Ended January 31, 2015	**2nd Quarter Ended October 31, 2014**	**1st Quarter Ended July 31, 2014**	**4th Quarter Ended April 30, 2014**
Total revenues	$nil	$nil	$nil	$nil
Loss and comprehensive loss	($15,168)	($19,440)	($2,483)	($1,525)
Loss per share[2] (basic and fully diluted)	($0.00)	($0.00)	($0.00)	($0.00)
Total assets	$7,978	$15,271	$ 8,336	$ 9,160

[1] *Financial information prepared in accordance with IFRS*

[2] *Per share information has been retroactively adjusted to reflect the August 1, 2014 3.4 new common shares for 1 old common share split*

RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2016

The following is an analysis of the Company's operating results for the three and nine months ended January 31, 2016, and includes a comparison against the three and nine months ended January 31, 2015.

Net loss and comprehensive loss for the three and nine months ended January 31, 2016 amounted to $64,621 and $94,457, respectively, or $0.00 and $0.01 per share (2015 – $15,168 and $37,091, respectively or $0.00 per share) based on a weighted average number of common shares outstanding of 20,058,462 and 11,856,436 respectively (2015- 7,598,235 and 7,254,795, respectively). The loss resulted from expenditures incurred as part of the Acquisition and to maintain the Company as a reporting issuer.

Sales revenue for the three and nine months ended January 31, 2016 was $7,300 (2015 – $nil). This revenue was included as part of the Acquisition, and was generated from a contract between Soma and Odorchem to provide laboratory, research and development services as required.

Cost of sales for the three and nine months ended January 31, 2016 was $2,713 (2015 – $nil). These costs are reflective of the cost of labor involved in providing laboratory, research and development services.

Accounting and legal expenses for the three and nine months ended January 31, 2016 were $32,609 and $57,709, respectively (2015 – $7,500 and $20,059, respectively). The increase in these expenses reflect management's efforts to complete the Acquisition and to close the non-brokered private placements. Certain expenses in both the current and prior periods related to the maintenance of the Company as a reporting issuer.

Bank charges for the three and nine months ended January 31, 2016 were $130 (2015 – $nil). These fees related to the maintenance of the Company's bank account.

Consulting fees for the three and nine months ended January 31, 2016 were $10,375 (2015 – $7,500 and $15,000, respectively). These fees related to management's efforts to complete the Acquisition and to continue to find opportunities to enhance the amalgamated entities' business model.

Filing fees for the three and nine months ended January 31, 2016 were $375 and $2,054 (2015 – $146 and $1,925). These fees related to the maintenance of the Company as a reporting issuer.

General and administrative expenses for the three and nine months ended January 31, 2016 were $6,026 and $6,083, respectively (2015 – $22 and $107, respectively). These expenses are significantly higher in the current periods due to the finalization of the Acquisition where general and administrative expenses incurred by Soma are now included as part of the amalgamated entity's financial activity.

Management fees for the three and nine months ended January 31, 2016 were $8,500 and $11,500, respectively (2015 – $nil). These expenses include fees paid to an outside company for accounting services and administrative maintenance of the Company's books and records.

Remuneration and benefits for the three and nine months ended January 31, 2016 were $5,345 (2015 – $nil). These expenses are for wages paid to two employees of Soma who are responsible for customer service and sales management.

Interest income for the three and nine months ended January 31, 2016 was $1,560 (2015 – $nil). This interest income was generated from the outstanding promissory note from Odorchem valued at $450,000 with an interest rate of 5.5% per year.

RISKS AND UNCERTAINTIES

Lack of Dividend Policy

The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends from the Company will remain subject to the discretion of the Company's Board of Directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

Possible Dilution to Present and Prospective Shareholders

The Company's plan of operation, in part, contemplates the accomplishment of business negotiations by the issuance of cash, securities of the Company, or a combination of the two, and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Dependence of Key Personnel

The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources will be required. These personnel will be central to the Company's ability to locate and develop business opportunities.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The British Columbia Business Corporations Act ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

OFFICERS AND DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of identifying and evaluating new investment and acquisition opportunities. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Current directors and officers of the Company are as follows:

Rosy Mondin, CEO, Director and President
Jeff Durno, Director
Doug McFaul, Director
Scott Ackerman, Director

LIQUIDITY AND CAPITAL RESOURCES

The Company defines capital that it manages as cash and equity (consisting of issued common shares). The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, to fund existing operations and the search for new business opportunities in order to provide returns to its shareholders. The Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the business. The Company manages and adjusts its capital structure as a result of changes in economic conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the period ended January 31, 2016.

As at January 31, 2016, the Company had working capital of $896,194 (April 30, 2015 – working capital deficit of $10,481) including cash and cash equivalents that totaled $964,878 (April 30, 2015 - $1,583). Working capital is held almost entirely in cash and cash equivalents, significantly reducing any liquidity risk of financial instruments held by Quadron. As at January 31, 2016, the Company had one source of revenue. Subsequent to the period end, the Company initiated a second revenue stream through its subsidiary Greenmantle by selling ancillary products to cannabis industry participants, further reducing its liquidity risk. The future success of the Company is dependent on the growth of the existing businesses of Greenmantle and Soma. The Company expects to incur further losses as it grows its existing business and as it pursues other complementary business opportunities. The closing of the financings in November 2015 and December 2015 position the Company to continue the planned expansion of its activities and to continue to pursue other complementary business opportunities. However, the Company may require additional financing to accomplish its long term strategic objectives. There can be no certainty of the Company's ability to raise additional financing if needed. If the Company is unable to finance itself, and its revenue streams remain limited, it is possible that the Company will be unable to continue as a going concern.

The Company's financial statements have been prepared in accordance with IFRS under the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than a process of forced liquidation. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

Unlimited number of preferred shares without par value.

(b) Issued and Outstanding

As at January 31, 2016 and the date of this MD&A the Company had 36,500,000 common shares issued and outstanding.

As at January 31, 2016 and the date of this MD&A the Company had 2,000,000 preferred shares issued and outstanding. Subject to the Company achieving $1,000,000 in earnings before interest, taxes, depreciation and amortization (the "Financial Milestone") for the fiscal period ending April 30, 2017, each preferred share will automatically convert into one common share of the Company. If the Company fails to achieve the Financial Milestone, it may, at any time after the effective date of the financial statements, purchase any or all of the preferred shares held by any one holder at a price per preferred share of CAD $0.0001.

(c) Stock Options

As at January 31, 2016 the Company did not have a Stock Option Plan. On February 15, 2016 the Company adopted a Stock Option Plan under which the Board of Directors may, from time to time, in its discretion, and in accordance with regulatory policies, grant to directors, officers, employees and consultants of the

Company, options to purchase Company shares, provided that the number of Company Shares reserved for issuance, together with those to be issued pursuant to options previously granted, does not exceed 10% of the issued and outstanding Company shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis, or 2% if the optionee is a consultant.

On February 15, 2016 1,400,000 options were granted to officers, directors and a consultant to the Company. The options have an exercise price of $0.10 per share and expire in 5 years. The options vested immediately.

(d) Share issuance

On November 6, 2015, the Company closed a non-brokered private placement of 6,640,000 units at $0.10 per unit for gross proceeds of $664,000. Each unit is comprised of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.20 per share for 24 months from the date of issuance. If at any time during the 24 months, Quadron completes a going public transaction, the expiry date will be amended to 18 months following the closing of the going public transaction. The residual value of the warrants attached to the units was determined to be $nil.

On December 31, 2015, the Company closed a non-brokered private placement of 4,637,500 units at $0.10 per unit for gross proceeds of $463,750. Each unit is comprised of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.20 per share for 24 months from the date of issuance. If at any time during the 24 months, Quadron completes a going public transaction, the expiry date will be amended to 18 months following the closing of the going public transaction. All the securities issued in the financing have a 4 month hold period expiring May 1, 2016. The residual value of the warrants attached to the units was determined to be $nil.

On January 11, 2016, pursuant to acquisition of Soma, the Company issued 17,422,500 common shares and 2,000,000 preferred shares of Quadron in exchange for all of their common and preferred shares of Soma.

(e) Warrants

A summary of the Company's warrant activity is as follows:

	Number of warrants outstanding	Weighted average exercise price
Balance, April 30, 2015	**-**	**$ -**
Issued - November 6, 2015 private placement	3,320,000	0.20
Issued - December 31, 2015 private placement	2,318,750	0.20
Outstanding Soma warrants converted to Quadron warrants upon amalgamation – January 8, 2016	4,361,250	0.20
Balance, January 31, 2016	**10,000,000**	**$ 0.20**

A summary of warrants outstanding are as follows:

Issue Date	Number of Warrants outstanding	Weighted Avg. Exercise Prices	Expiry date	Weighted Avg. Remaining contractual life (years)
January 31, 2015	500,000	$ 0.20	January 31, 2017	0.84
October 8, 2015	1,150,000	$ 0.20	October 8, 2017	1.52
November 6, 2015	3,320,000	$ 0.20	November 6, 2017	1.60
November 9, 2015	2,711,250	$ 0.20	November 9, 2017	1.61
December 31, 2015	2,318,750	$ 0.20	December 31, 2017	1.75
	10,000,000	$ 0.20		1.59

RELATED PARTY TRANSACTIONS

Key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Summary of expenses incurred:

Type of Service	Nature of Relationship	For the three months ended January 31,		For the nine months ended January 31,	
		2016	2015	**2016**	2015
Consulting fees	To an officer, and to a company with a director in common with the Company	**$ 10,000**	$ 7,500	**$ 10,000**	$ 15,000
Management fees	To a company with officers and directors in common with the Company	**8,500**	7,500	**11,500**	12,500
Legal Fees	To a law firm that a director of the Company is a partner in.	**32,609**	-	**52,609**	2,500
Total		**$ 51,109**	$ 15,000	**$ 74,109**	$ 30,625

Summary of amounts due to related parties:

Type of Service	Nature of Relationship	January 31, 2016	April 30, 2015
Consulting fees	To an officer, director and to a company that has a director in common with the Company	**$ 15,435**	$ 2,625
Loans payable	To a company that has a director in common with the Company	**1,650**	-
Management fees	To a company with officers and directors in common with the Company	**525**	
Legal Fees	To law firms that a director of the Company was and is a partner in.	**107,027**	7,003
Administrative expenses	To a company with an officer and director in common with the Company	**10,037**	
Due to related party		**$134,674**	$ 9,628

Unless otherwise specified, amounts due to related parties referred to above are non-interest bearing, unsecured, receivable or payable on demand, and have arisen from the provision of services as described above.

FINANCIAL INSTRUMENTS

(a) Fair Value

The fair values of accounts receivable, prepaid expenses, GST recoverable, promissory note, accounts payable and accrued liabilities, and amounts accrued to related parties approximate their carrying values due to their short term maturity. The Company's other financial instrument, cash, under the fair value hierarchy is based on level one quoted prices in active markets for identical assets or liabilities.

(b) Financial Risk Factors

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

I. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At January 31, 2016, the Company has a cash balance of $964,878 to settle current liabilities of $210,551. The Company manages its liquidity risk by attempting to maintain sufficient cash and cash equivalents balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities are all current. As the Company has limited sources of revenue, it may require additional financing to accomplish its long term strategic objectives. On November 6, 2015 the Company closed on a non-brokered private placement of 6,640,000 units at $0.10 per unit for gross proceeds of $664,000 and on December 31, 2015 the Company closed on a non-brokered private placement of 4,637,500 units at $0.10 per unit for gross proceeds of $463,750. The Company will use the proceeds from these private placements to fund operating activities for the next 12 months and pursue other complementary business opportunities. These factors alleviate some of the doubt as to the ability of the Company to continue as a going concern and mitigate some of the liquidity risk.

II. Currency risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility in these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company has no assets or liabilities denominated in foreign currencies; therefore, it is not exposed to foreign exchange risk.

III. Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

All of the Company's cash is held through a Canadian chartered bank and accordingly, the Company's exposure to credit risk is considered to be limited. The Company's GST recoverable are refunds due from the Government of Canada and the exposure to credit risk on these amounts are considered to be limited. The Company's current accounts receivable is all from it's contract with Odorchem; amounts are considered fully collectible but it does pose a moderate credit risk. The promissory note is secured by a General Security Agreement and the exposure to credit risk on this note is considered to be limited.

IV. Interest rate risk

The Company is not exposed to interest rate risk because it does not have any assets or liabilities that are affected by changes in interest rates.

V. Fair value risk

The Company has limited exposure to fair value risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and they included:

Deferred income tax

The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

(b) Critical accounting judgements

Information about critical judgments in applying accounting policies that have the most significant affect on the amounts recognized in the statements are, but are not limited to, the following:

Going Concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements as discussed in Note 1 of the financial statements.

CHANGES IN ACCOUNTING POLICIES

There has been no material impact on these financial statements from changes in accounting standards during the year.

NEW ACCOUNTING POLICY

During the period, the Company adopted the following new accounting policy.

i. Amended standard IAS 32 Financial Instruments: Presentation
The amendments to IAS 32 pertained to the application guidance on the offsetting of financial assets and financial liabilities.

There was no material impact on the Company's financial statements on the adoption of this standard.

RECENT ACCOUNTING PRONOUNCEMENTS

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the period ended January 31, 2016, and have not been applied in preparing these financial statements. None of these is expected to have an effect on the Company's financial statements. The Company has not early adopted these revised standards.

Proposed for annual periods beginning on or after January 1, 2018

i. Amended standard IFRS 7 Financial Instruments: Disclosures
Amended to require additional disclosures on transition from IAS 39 and IFRS 9

ii. New standard IFR 9 Financial Instruments
Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement

OFF-BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements.

ADDITIONAL INFORMATION

Additional information relating to the Company is available at www.sedar.com.