QUADRON CAPITAL CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2016

Dated: August 29, 2016

MANAGEMENT'S RESPONSIBILTY FOR FINANCIAL REPORTING

This management's discussion and analysis ("MD&A") reports on the operating results and financial condition of Quadron Capital Corporation for the year ended April 30, 2016 and is prepared as at August 29, 2016. Throughout this MD&A, unless otherwise specified, "Quadron", "Company", "we", "us" and "our" refer to Quadron Capital Corporation. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended April 30, 2016 and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"). 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.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are responsible to ensure that this 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 covered. The Financial Statements together with the other financial information included in this MD&A fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date hereof and for the periods presented herein. The Board of Directors' approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

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 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. The residual value of the warrants attached to the units was determined to be $nil.

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 an 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. See Amalgamation section for details of the Acquisition.

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 of up to $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 (4,361,250 warrants issued). The warrants had an original value, and value on reissuance, of $nil.

The Acquisition has been accounted for as an asset acquisition. The Acquisition is not considered a reverse takeover. Soma's results of operations are included in the Company's consolidated results from January 8, 2016, onwards.

The net assets of Soma had a fair value of $586,347, 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	**270,373**
Loan payable to Quadron	**(250,000)**
Amounts payable to related parties	**(63,409)**
Accounts payable and accrued liabilities	**(309,788)**
	$ 586,347

The fair value of the common and preferred shares issued in connection with this amalgamation was $1,742,250. The excess of $1,155,903 over the fair value of Soma's net assets has been allocated as a share-based payment.

SELECTED ANNUAL FINANCIAL INFORMATION[1]

	For the year ended April 30, 2016	For the year ended April 30, 2015	For the year ended April 30, 2014
Loss and comprehensive loss:			
(i) total for the year	($1,544,618)	($34,800)	($19,651)
(ii) per share[2]	($0.09)	($0.00)	($0.00)
Total assets	$2,193,381	$2,822	$9,160
Working capital (deficiency)	$583,716	$(10,481)	$4,319
Total revenues	$ 166,823	$ 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 during the 2014 and 2015 fiscal years as management conducted due diligence on potential new business ventures. During the 2016 fiscal year, Quadron amalgamated with Soma; through Soma, Quadron entered into a three year services agreement with Odorchem which is expected to provide total revenue of up to $1,500,000 to Quadron. A large portion of the comprehensive loss for the 2016 fiscal year can be attributed to a one time share-based payment of $1,155,903 which was the excess of the fair value of the Quadron shares issued upon amalgamating with Soma over the fair value of Soma's net assets. In addition to the amalgamation, Quadron incorporated Greenmantle through which it created a cannabis-related product division that acts as a distribution channel which sources and sells ancillary devices (i.e. vaporizer pens) and other products and equipment to cannabis industry participants. Through Soma, Quadron acquired extraction and processing equipment that it plans to lease and/or sell to licensed 3rd parties operating in the cannabis industry. During the 2016 fiscal year Soma and Greenmantle generated $166,823 in gross revenue.

SUMMARY OF QUARTERLY RESULTS[1]

	4th Quarter Ended April 30, 2016	3rd Quarter Ended January 31, 2016	2nd Quarter Ended October 31, 2015	1st Quarter Ended July 31, 2015
Total revenues	$159,523	$7,300	$nil	$nil
Loss and comprehensive loss	($1,450,161)	($64,621)	($28,282)	($1,554)
Loss per share[2] (basic and fully diluted)	($0.04)	($0.00)	($0.00)	($0.00)
Total assets	$2,193,381	$2,975,613	$78,850	$2,844
	4th Quarter Ended April 30, 2015	**3rd Quarter Ended January 31, 2015**	**2nd Quarter Ended October 31, 2014**	**1st Quarter Ended July 31, 2014[2]**
Total revenues	$nil	$nil	$nil	$nil
Income (loss) and comprehensive income (loss)	$2,289	($15,168)	($19,440)	($2,481)
Income (loss) per share[2] (basic and fully diluted)	$0.00	($0.00)	($0.00)	($0.00)
Total assets	$2,822	$7,978	$15,271	$8,336

[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 TWELVE MONTHS ENDED APRIL 30, 2016

The following is an analysis of the Company's operating results for the three and twelve months ended April 30, 2016, and includes a comparison against the three and twelve months ended April 30, 2015.

Net income (loss) and comprehensive income (loss) for the three and twelve months ended April 30, 2016 amounted to ($1,450,161) and ($1,544,618), respectively, or ($0.04) and ($0.09) per share (2015 – $2,289 and ($34,800), respectively or $0.00 per share) based on a weighted average number of common shares outstanding of 36,500,000 and 17,932,932 respectively (2015- 7,501,322 and 7,498,630, respectively). The loss during the current period was mostly due from the share-based payment and other expenditures incurred as part of the amalgamation with Soma.

Sales revenue for the three and twelve months ended April 30, 2016 was $159,523 and $166,823, respectively (2015 – $nil). This revenue was generated from two divisions of the Company; a contract between Soma and Odorchem to provide laboratory, research and development services and through Greenmantle from sales of ancillary devices (i.e. vaporizer pens) and other products and equipment to cannabis industry participants.

Cost of sales for the three and twelve months ended April 30, 2016 was $117,011 and $119,724 (2015 – $nil). These costs are reflective of the cost of labor involved in providing laboratory, research and development services and the cost of inventory involved in the sale of ancillary devices to cannabis industry participants.

Accounting and legal expenses for the three and twelve months ended April 30, 2016 were $15,000 and $72,709, respectively (2015 – ($7,312) and $12,747, respectively). The increase in these expenses during the current period was mainly the due to 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 twelve months ended April 30, 2016 were $1,628 and $1,758, respectively (2015 – $nil). These fees related to the maintenance of the Company's bank account and charges for wire payments made to vendors.

Consulting fees for the three and twelve months ended April 30, 2016 were $15,000 and $25,375 (2015 – $5,000 and $20,000, respectively). The fees over the past two fiscal years related to management's efforts to complete the Acquisition and to continue to find additional business opportunities to enhance and supplement the amalgamated entities' current business model.

Depreciation expense for the three and twelve months ended April 30, 2016 was $66,074 and $73,482 (2015 – $nil). Depreciation is the amortization of the cost of the CO_2 extractor and its related components and computer equipment purchased during the current period.

Filing fees for the three and twelve months ended April 30, 2016 were $2,500 and $4,554, respectively (2015 – $nil and $1,925, respectively). These fees related to the maintenance of the Company as a reporting issuer; costs were higher in the current period as there were additional filings related to the Acquisition and non-brokered private placements.

General and administrative expenses for the three and twelve months ended April 30, 2016 were $28,488 and $34,571, respectively (2015 – $21 and $128, respectively). These expenses are significantly higher in the current periods due to the finalization of the Acquisition and the incorporation of Greenmantle where general and administrative expenses incurred by Soma and Greenmantle are now included as part of the amalgamated entity's financial activity.

Management fees for the three and twelve months ended April 30, 2016 were $22,500 and $34,000, 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.

Marketing and research expenses for the three and twelve months ended April 30, 2016 were $47,608 (2015 – $nil). These expenses include costs involved in the marketing of the Company's products to potential customers and researching new ancillary products that could be used by licensed cannabis industry participants.

Remuneration and benefits expenses for the three and twelve months ended April 30, 2016 were $40,276 and $45,621, respectively (2015 – $nil). These expenses are for wages paid to employees of Soma who are responsible for customer service, inventory control, laboratory maintenance and sales management.

Interest income for the three and twelve months ended April 30, 2016 was $6,103 and $7,663, respectively (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.

Share-based payments expense for the three and twelve months ended April 30, 2016 was $1,259,702 (2015 – $nil). This amount was comprised of the excess of the fair value of the common and preferred shares of Quadron issued in connection with the amalgamation with Soma over the fair value of Soma's net assets and the fair value of the 1,400,000 options issued on January 22, 2016.

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 year ended April 30, 2016.

As at April 30, 2016, the Company had working capital of $583,716 (April 30, 2015 – working capital deficit of $10,481) including cash and cash equivalents that totaled $662,960 (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 April 30, 2016, the Company had two sources of revenue; the first being the provision of research and laboratory services to the biotech and bioceutical industries, and the second source being the sale of ancillary products and equipment to cannabis industry participants; both of these revenue streams will further reduce the Company's 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.

A summary of the Company's cash flows during the twelve months ended April 30, 2016 and 2015 is as follows:

		2016		2015
Cash flows used in operating activities	**$**	**(405,834)**	$	(27,185)
Cash flows used in investing activities		**(60,539)**		-
Cash flows provided by financing activities		**1,127,750**		20,000
Change in cash for the year		**661,377**		(7,185)
Cash, beginning of the year		**1,583**		8,768
Cash, end of the year	**$**	**662,960**	$	1,583

Cash flows used in operating activities were $405,834 for the twelve months ended April 30, 2016 compared to $27,185 during the twelve months ended April 30, 2015. The increased use of cash was primarily due to the Company's amalgamation with Soma and the incorporation of its wholly-owned subsidiary Greenmantle in Q3 2016. Cash was expended to pay for inventory, new employees and the management required to run the new divisions of the Company. Cash was also expended for marketing to attract new customers to its product lines and for research of potentially new product lines.

Cash flows used in investing activities were $60,539 for the twelve months ended April 30, 2016 compared to $nil for the twelve months ended April 30, 2015. Cash flows used were the result of loans to a subsidiary prior to the amalgamation with Soma, the purchase of the new CO^2 extractor and computer equipment, offset by cash received upon amalgamating with Soma.

Cash flows provided by financing activities were $1,127,750 for the twelve months ended April 30, 2016 compared to $20,000 for the twelve months ended April 30, 2015. The funds for the current period were provided by the sale of 11,277,500 common shares at $0.10 in November 2015 and December 2015 in two private placements.

SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE

a) Authorized

Unlimited common shares without par value – 36,500,000 issued and outstanding as at April 30, 2016 and the date of this report.

Unlimited preferred shares without par value – 2,000,000 issued and outstanding as at April 30, 2016 and the date of this report. 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 date that the Company files 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.

b) Stock options

During the year ended April 30, 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. All Options granted to a Participant under the Plan will become vested on the Grant Date, or at such other time as may be established by the Board at the time of the grant in compliance with requirements of the Exchange. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten years after the Grant Date.

On January 22, 2016, the Company granted 1,400,000 options, which vested immediately, having an exercise price of $0.10 each, exercisable at any time up until and including January 22, 2021. The fair value of the options so granted was determined to be $103,799 using the Black-Scholes option pricing model under the following assumptions: risk-free interest rate – 0.76%; expected life - 5 years; expected volatility - 100% and expected dividends - nil. The weighted average per option granted was $0.07.

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

	Number of Options	Weighted Average Exercise Price
Balance, April 30, 2015	**-**	**$ -**
Granted	1,400,000	0.10
Balance, April 30, 2016 and as at the date of this report	**1,400,000**	**0.10**

A summary of the Company's stock options as at April 30, 2016 are as follows:

Grant Date	Number of Options outstanding	Number of Options exercisable	Weighted Average Exercise Price	Expiry date	Weighted Average Remaining contractual life (years)
January 22, 2016	1,400,000	1,400,000	$ 0.10	January 22, 2021	4.73
Total	**1,400,000**	**1,400,000**	**$ 0.10**		**4.73**

c) 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. The residual value of the warrants attached to the units was determined to be $nil.

On January 8, 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.

d) 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, April 30, 2016 and as at the date of this report	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 8, 2016	500,000	$ 0.20	January 31, 2017[1]	0.76
January 8, 2016	1,150,000	$ 0.20	October 8, 2017[1]	1.44
November 6, 2015	3,320,000	$ 0.20	November 6, 2017[1]	1.52
January 8, 2016	2,711,250	$ 0.20	November 9, 2017[1]	1.53
December 31, 2015	2,318,750	$ 0.20	December 31, 2017[1]	1.67
	10,000,000	$ 0.20		1.51

[1]If at any time prior to the Expiry Date the Company completes a Going Public Transaction, each warrant shall entitle the holder thereof to purchase one warrant share at a price of $0.20 for a period expiring 18 months from the date of the Going Public Transaction.

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 year ended April 30, 2016	2015
Consulting fees[1]	To an officer, and to a company with a director in common with the Company	**$ 25,000**	$ 20,000
Management fees	To a company with officers and directors in common with the Company	**34,000**	-
Legal Fees[1]	To a law firm that a director of the Company is a partner in	**52,609**	4,146
Remuneration and benefits[1]	To an officer of the Company	**15,000**	-
Share-based payment[1]	To an officer of the Company	**103,799**	-
Total		**$ 230,408**	$ 24,146

[1]Key management personnel

Summary of amounts due to related parties:

Type of Service	Nature of Relationship	April 30, 2016	April 30, 2015
Consulting fees[1]	To an officer, director and to a company that has a director in common with the Company	**$ 18,310**	$ 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	**8,400**	
Legal Fees[1]	To law firms that a director of the Company was and/or is a partner in	**15,130**	7,003
Administrative expenses	To a company with an officer and director in common with the Company	**9,200**	
Due to related parties		**$ 52,690**	$ 9,628

[1]Key management personnel

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 risk

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, promissory note, GST recoverable, accounts payable and accrued liabilities and amounts payable to related parties.

The Company's financial instruments with the exception of cash and cash equivalents approximate their fair value due to their short-term maturities and with respect to the promissory note due to its market value and interest rate. The Company's other financial instrument, cash, is classified as fair value through profit or loss under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

b) Market risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and price risk and are disclosed as follows:

i) Currency risk

Currency risk is the risk of change in profit or loss that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company has only a nominal amount of assets or liabilities denominated in foreign currencies and engaged in very few transactions denominated in a foreign currency; therefore, its exposure to foreign exchange risk is limited.

ii) 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 except for cash and cash equivalents which poses an insignificant risk exposure to changes in interest rates.

iii) Price risk

The Company has limited exposure to price risk with respect to 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.

c) 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 and cash equivalents are 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 consists of amounts due from its contract with Odorchem (considered fully collectible) and various other customers (amounts considered fully collectible); however, these receivables do 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. Subsequent to April 30, 2016 approximately $120,000 of accounts receivable was collected.

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At April 30, 2016, the Company has a cash and cash equivalents balance of $662,960 to settle current liabilities of $774,681. 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.

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 include:

(i) Income taxes

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

(ii) Stock options and warrants

Determining the fair value of warrants and stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity (deficiency).

(iii) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventory includes cost of purchase (purchase price, import duties, transport, handling, and other costs directly attributable to the acquisition of inventories), and other costs incurred in bringing the inventories to their present location and condition. Net realizable value for inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provisions are made in profit or loss in the period for any difference between book value and net realizable value.

(iv) Equipment

The estimated useful lives of assets are reviewed by management and adjusted if necessary. To estimate equipment's useful life, management must use its past experience with the same or similar assets, review engineering estimates and industry practices for similar pieces of equipment and apply statistical methods to assist in its determination of useful life.

(v) Determination of market value of Quadron common shares

As the Company is only a reporting issuer and not currently publicly traded, management must estimate the fair market value of the Company's shares when using its shares to procure assets or financing. Management can estimate the market value by comparing other public companies of a similar size and nature as Quadron and applying some of their metrics to Quadron's current situation.

The information about significant areas of judgment considered by management in preparing the financial statements is as follows:

(i) Going concern

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

CHANGES IN ACCOUNTING POLICIES

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

NEW ACCOUNTING PRONOUNCEMENT ADOPTED

The following amendment to existing standards has been adopted by the Company effective January 1, 2015:

- IAS 7 – Amended to require additional disclosure on transition from IAS 39 and IFRS 9

The adoption of this standard did not have an impact on the financial statements.

RECENT ACCOUNTING PRONOUNCEMENTS

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the year ended April 30, 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:

- IFRS 9 - New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.

- IFRS 15 - New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers, effective for annual periods beginning on or after January 1, 2018.

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.