FCF Capital Inc.

Management's Discussion and Analysis

for the three and six months ended March 31, 2016

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Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the unaudited condensed interim consolidated financial statements of FCF Capital Inc. ("FCF Capital" or the "Company") and the notes thereto for the three and six months ended March 31, 2016 and 2015 (the "Financial Statements"). Consequently, the following discussion and analysis of the results of operations and financial condition for the Company should be read in conjunction with the Company's annual audited financial statements and the accompanying notes for the year ended September 30, 2015, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated. The reader should be aware that historical results are not necessarily indicative of future performance. This MD&A has been prepared based on information known to management and the Board of Directors as of May 18, 2016.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

The Company's public communications may include written or oral forward looking statements. Statements of this type are included in this MD&A, and may be included in other filings with the Canadian regulators, stock exchanges or in other communications. All such statements constitute forward looking information within the meaning of securities law and are made pursuant to the "safe harbour" provisions of applicable securities laws. Forward looking statements may include, but are not limited to, statements about anticipated future events or results including comments with respect to the Company's objectives and priorities for 2016 and beyond, and strategies or further actions with respect to the Company, its products and services, business operations, financial performance and condition. Forward looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions concerning matters that are not historical facts. Such statements are based on current expectations of the Company's management and inherently involve numerous risks and uncertainties, known and unknown, including economic factors and those affecting the financial services, energy, resources, agriculture and real estate industries generally. The forward looking information contained in this MD&A is presented for the purpose of assisting shareholders in understanding business and strategic priorities and objectives as at the periods indicated and may not be appropriate for other purposes.

A number of risks, uncertainties and other factors may cause actual results to differ materially from the forward looking statements contained in this MD&A, including, but not limited to, general economic and market conditions; the Company's ability to execute strategic plans including the ability to complete acquisitions and dispositions effectively; the Company's ability to meet financial obligations; the Company's ability to raise additional capital; the availability of equity and debt financing and/or refinancing on acceptable terms; risks relating to trading activities and investments; competition faced by the Company; regulation of the Company's business; risks associated with the Company's investment holdings in general, potential liability of the Company under securities laws and for violations of investor suitability requirements; and the ability of the Company and its subsidiaries to attract and retain key personnel. The preceding list is not exhaustive of all possible risk factors that may influence actual results, and is compiled based upon information available as at May 18, 2016.

Forward looking statements contained in this MD&A are not guarantees of future performance and, while forward looking statements are based on certain assumptions that the Company considers reasonable, actual events and results could differ materially from those expressed or implied by forward looking statements made by the Company. Prospective investors are cautioned to consider these and other factors carefully when making decisions with respect to the Company and not place undue reliance on forward looking statements. Circumstances affecting the Company may change rapidly. Except as may be required by applicable law, the Company does not undertake any obligation to update publicly or revise any such forward looking statements, whether as a result of new information, future events or otherwise.

BUSINESS AND HISTORY OF THE COMPANY

FCF Capital is listed on the TSX Venture Exchange (the "Exchange") as a Tier 1 investment issuer company and is a reporting issuer in the provinces of Alberta, British Columbia and Ontario.

The Company's business plan is to pursue the acquisition of majority equity interests in cash flow positive middle-market private companies that have proven, successful management teams that continue to be driven to grow their underlying business. The Company was previously a junior resource company in the business of acquiring mineral rights and previously had operations in the Republic of Equatorial Guinea and in Newfoundland and Labrador.

The following is a brief history of events culminating in the business plan referenced above:

- In October 2013, the Board was reconstituted and as a result, Dean Besserer, Sean Mager and Peter Kleespies resigned as directors and Allan Bezanson, John Hawkrigg and Courtenay Wolfe were appointed as directors. During the ensuing fiscal year ended September 30, 2014, Courtenay Wolfe was appointed Chair and the reconstituted Board of Directors reviewed all options to enhance shareholder value and lower costs.

- On June 12, 2014, the Company, through its wholly-owned subsidiary, Ivory Resources Inc. ("Ivory"), submitted a Request for Arbitration against the Government of Equatorial Guinea (the "Government") pursuant to the rules of arbitration of the International Chamber of Commerce and an exploration services agreement entered into between Ivory and the Government (the "Exploration Services Agreement"). Pursuant to the arbitration, Ivory sought damages, in the amount of US$80,000,000, for breach of the terms of the Exploration Services Agreement by the Government.

- On January 22, 2015, the Company announced that it had reached an agreement with the Government to relinquish all its rights and interests under the terms of the Exploration Services Agreement. Under the terms of the agreement reached between Ivory and the Government (the "Settlement Agreement"), the Government agreed to pay Ivory US$31.5 million in cash, payable in three installments. As all payments have been received, Ivory has withdrawn its Request for Arbitration against the Government and the Company now has no operations in the Republic of Equatorial Guinea and Ivory has been dissolved effective March 30, 2016.

- On April 10, 2015, the Company announced that, after a thorough review of the Company's resources and strategic options, and given the expertise and skill sets of the Company's directors, the Board had determined that the optimal allocation of the Company's working capital would be within the framework of an investment company. However, in light of the significant cash position of the Company, and after consulting its stakeholders, the Board believed that it was appropriate to also return $0.145 per common share of capital to the shareholders. The Company's change of business to an investment company would constitute a "Change of Business" under Policy 5.2 of the Exchange and was conditional upon, among other things, the Company obtaining Exchange and shareholder approval. As an investment company, the Company's primary focus would be to seek superior returns by making investments in equity, debt or other securities of publicly traded companies or private businesses.

- In light of the new strategic direction of the Company, Ms. Wolfe and Mr. Allan Bezanson were appointed as the Executive Chair and Interim Chief Executive Officer of the Company, respectively. Consistent with these duties, Ms. Wolfe and Mr. Allan Bezanson were appointed to the newly created Investment Committee of the Board. In addition, Mr. Williamson agreed to resign his CEO title and to continue to serve the Company as a member of the Board.

- On April 20, 2015, the Company announced that, consistent with the proposed change of business of the Company under the rules of the Exchange, it had conditionally agreed to invest $10 million as part of the $74 million subscription receipt financing (the “Ram Power Financing”) announced on April 20, 2015 by Polaris Infrastructure Inc. (TSX:PIF), formerly Ram Power, Corp. (“Polaris”).

- On April 30, 2015, the Ram Power Financing closed and the Company acquired 2.5 billion subscription receipts of Polaris at a purchase price of $0.004 per subscription receipt, which entitled the Company to receive, upon exchange, 1,250,000 post-consolidation common shares of Polaris (at a deemed price of $8 per share). Proceeds from the Ram Power Financing were held in escrow pending satisfaction of certain release conditions. On May 13, 2015, Polaris announced that such escrow release conditions were satisfied and therefore the Company held 1,250,000 common shares of Polaris. On February 3, 2016, the Company sold its original investment of 1,250,000 common shares in Polaris for net proceeds of $8,675,345.

- On June 25, 2015, the Company received Exchange and shareholder approval of its previously announced change of business. At the shareholders' meeting where the change of business was approved, shareholders also approved (i) a return of capital to shareholders of the Company of $0.145 per share, (ii) a change of name of the Company to “FCF Capital Inc.”, (iii) an amended and restated stock option plan and (iv) an amended and restated deferred share unit plan.

- On July 7, 2015, as approved at the June 25, 2015 special shareholders' meeting, the Company paid a return of capital to its shareholders of $0.145 per share outstanding totalling $21,648,654.

- In conjunction with the change of business approved by shareholders on June 25, 2015, the Company made an application to the Ontario Securities Commission (the “OSC”) to become a reporting issuer in Ontario. On July 17, 2015, the Company was deemed to be a reporting issuer of Ontario for the purposes of Ontario securities law.

- As at September 30, 2014, the Company owned 2,479,600 common shares of North Country Gold Corp. (“NCG”). On August 13, 2015, NCG announced that it had entered into a definitive arrangement agreement pursuant to which Auryn Resources Inc. (“Auryn”) would acquire 100% of NCG under a plan of arrangement on the terms disclosed in their joint news release issued on June 30, 2015. Under the arrangement, the Company received one Auryn common share for each ten NCG common shares held at the time of completion of the arrangement. In February 2016, the Company sold all of its shares of Auryn for net proceeds of $309,034.

- On December 18, 2015, the Company announced that it had agreed to make an equity investment (the "Vital Investment") of $2,673,000 in Vital Alert Communication Inc. ("Vital"), a private Canadian company. The Investment closed on December 21, 2015 and resulted in the Company acquiring 25,999,568 voting preferred shares in the capital of Vital (representing 16.67% of the voting shares of Vital on a fully-diluted basis). The Investment was a non-arm's length party transaction.

- In December 2015, the Company commenced the process of dissolving Ivory and Ivory's subsidiaries, Equatorial Resources Inc., Bissau Phosphate Inc. and Bissau Resources Inc. By certificates of dissolution dated December 30, 2015, all of such subsidiaries of the Company, which are governed by the laws of the Cayman Islands, were dissolved as of March 30, 2016. Through the use of its capital losses and non-capital losses carried forward, the Company expects that there will not be any future income taxes related to the wind-up.

Q2 SIGNIFCANT EVENTS

- On February 3, 2016, the Company sold its original investment of 1,250,000 common shares in Polaris for net proceeds of $8,675,345.

- On February 3, 2016, the Company announced that it had entered into a letter agreement (the "Letter Agreement") with Stephen Reid (director, President and Chief Executive Officer of the Company effective February 23, 2016) and Advantage Investments (Alberta) Ltd. ("Advantage"), a Company controlled by Stephen Reid that the Company believed would enhance shareholder value. The key terms of the Letter Agreement provide for the acquisition of certain related proprietary investment opportunities, in consideration for 14,285,714 common shares of the Company (which shares are held in escrow subject to the satisfaction of certain conditions described below) and the assumption of $350,000 of debt (collectively, the "Advantage Transaction"). The Advantage Transaction closed on February 23, 2016 (the "Closing Date") and was done at arm's length.

- On the closing of the Advantage Transaction, the Company acquired all the shares of Advantage and the right to Advantage's current and future investment opportunities, in consideration for $2,000,000, which consideration was paid by the issuance of 14,285,714 common shares of the Company (the "Reid Shares"). The issue price of the Reid Shares was $0.14 per share. The Company also assumed $350,000 of debts incurred by Advantage. On the closing of the Advantage Transaction, the Reid Shares represented approximately 8.62% of the issued and outstanding common shares of the Company. The Reid Shares are held in escrow and will be released if and when investment opportunities and any other investments made by the Company following the Closing Date deliver cumulative earnings before interest, tax, depreciation and amortization ("EBITDA") to the Company of not less than $15 million following the Closing Date. In order to progress the acquired investment opportunities and execute its business plan, the Company agreed to complete a subscription receipt financing on a "best efforts" private placement basis (the "Financing") which is more fully described in the Subsequent Events section of this MD&A.

- Pursuant to the Advantage Transaction, the Company granted, on the Closing Date, 6,675,282 stock options to Stephen Reid, 3,000,000 stock options to Allan Bezanson, 2,000,000 stock options to Courtenay Wolfe and 1,483,396 stock options and 649,451 deferred share units (having a value of $100,000) to James Bell. Subject to the rules of the Exchange and the terms of the agreements between the Company and the respective participants, all options granted have a five-year term and an exercise price of $0.20 per share and vest as to one-third of the grant amount on each of the first, second and third anniversaries of the date the Reid Shares are released from escrow.

- On February 23, 2016, John Williamson stepped down from the board of directors following the closing of the Transaction.

- On February 12 and 19, 2016, the Company sold all of its shares of Auryn for net proceeds of $309,034.

- In light of the significant results achieved by the Company since the reconstitution of the board of directors in October 2013, on February 23, 2016, the Company's Compensation and Governance and Nomination Committee and the board agreed to pay a special bonus to the members of the Company's investment committee, Allan Bezanson and Courtenay Wolfe. It was also agreed that an additional amount would be paid to Courtenay Wolfe for her stepping down as the Executive Chair of the Company. The aggregate total payments made to Courtenay Wolfe and Allan Bezanson were $350,000 and $125,000, respectively.

- On March 8, 2016, the Company announced that it has retained Mr. Michael Matishak to lead the Company's finance team as Chief Financial Officer, effective upon the approval of the TSX Venture

Exchange. Mr. Vincenzo Chiofalo, the Company's former Chief Financial Officer, agreed to resign effective upon Mr. Matishak's appointment. Mr. Matishak is a Chartered Professional Accountant and has provided financial management and advisory services to companies operating in the manufacturing, resources, insurance, technology and financial services industries.

SUBSEQUENT EVENTS

- On April 14, 2016, the Company announced that it completed its previously announced private placement offering of subscription receipts ("Subscription Receipts") at a price of $0.14 per subscription receipt by way of a brokered and non-brokered offering. Both offerings resulted in the Company issuing 205,639,725 Subscription Receipts for total gross proceeds of $28.8 million. The Company issued an aggregate of 113,709,972 Subscription Receipts for gross proceeds of $15,919,396 pursuant to the brokered offering (the "Brokered Offering") with Clarus Securities Inc. (the "Agent"), and 91,929,753 Subscription Receipts for gross proceeds of $12,870,165 pursuant to the Company's concurrent non-brokered offering (the "Non-Brokered Offering" and together with the Brokered Offering, the "Offering").

- Each subscription receipt was issued at a price of $0.14 per subscription receipt and entitles the holder therein to acquire one common share of the Company once all conditions precedent to the completion of an acquisition by the Company having a purchase price of not less than $50 million (other than the payment of the purchase price) have been satisfied. Following conversion of the Subscription Receipts, the number of common shares issued pursuant to the Financing would represent approximately 55.7% of the issued and outstanding common shares of the Company.

- The Financing was completed on an arm's length basis, except that participating officers and directors contributed $5.9 million.

- In connection with the Brokered Offering, the Company paid to the Agent a cash commission equal to 3% of the aggregate gross proceeds of the Brokered Offering, plus reasonable expenses and disbursements. On any issuance of common shares upon the deemed exercise of the Subscription Receipts, the Company will pay to the Agent a further commission equal to: (i) 3% of the gross proceeds received by the Company from the subscribers of the Brokered Offering, and (ii) a number of broker warrants ("Broker Warrants") equal to 6% of the number of Subscription Receipts sold to subscribers pursuant to the Brokered Offering. Each Broker Warrant shall be exercisable, for no additional consideration, into broker warrants which shall be exercisable for one Common Share at a price of $0.14 per share at any time up to 24 months after the date of issuance.

- In connection with the Non-Brokered Offering, the Company paid cash commissions to various dealers ("Finders"), in each case equal to 3% of the aggregate gross proceeds raised by such Finder pursuant to the Non-Brokered Offering. On any issuance of common shares upon the deemed exercise of the Subscription Receipts, the Company will pay to each Finder a further commission equal to: (i) 3% of the aggregate gross proceeds raised by such Finder pursuant to the Non-Brokered Offering, and (ii) a number of Broker Warrants equal to 6% of the number of Subscription Receipts sold to subscribers by such Finder in connection with the Non-Brokered Offering.

- The Subscription Receipts are subject to a hold period until August 15, 2016. Any Broker Warrants issued to the Agent or to the Finders will be subject to a four-month hold period following issuance.

- In furtherance of the Company's new investment focus, on April 16, 2016 each of Messrs. J.R. Kingsley Ward, Anthony Lacavera and Ron Gratton were appointed to the Board to fill vacancies created by the resignation of each of Ms. Courtenay Wolfe and Messrs. Allan Bezanson and John Hawkrigg effective that date.

- On April 25, 2016, the Company announced that Mr. James Bell has been appointed General Counsel and Corporate Secretary of the Company.

- Effective April 27, 2016, the assets and liabilities of Advantage were wound up into the Company.

- On May 13, 2016, the Company announced that it entered into a purchase agreement (the "DLC Purchase Agreement") pursuant to which it will acquire a 60% majority interest in the Dominion Lending Centres ("DLC") group of companies (the "DLC Transaction"). After completion of the DLC Transaction, the current owners of DLC, comprised of Gary Mauris, Christopher Kayat and certain other minority shareholders (the "Founders") will retain a 40% interest in DLC and will continue to manage the day-to-day business and operations of DLC. The Founders will benefit from the Company's innovative ownership structure that incentivizes long-term earnings growth.

- In connection with the DLC Purchase Agreement, the Company also announced that it has secured a loan in the amount of up to $20 million from an arm's length third party (the "Loan Facility"). The Loan Facility has a term of one year, however, the Loan Facility may be repaid by the Company at any time on 105 days' notice to the lender. The Loan Facility bears an interest rate equal to Bank of Montreal prime rate plus 9.3% per year and is secured by a pledge of the Company's interest in DLC as well as a general security agreement over the Company's assets.

- The aggregate consideration payable by the Company under the DLC Purchase Agreement is $73,987,788 and will be satisfied by the issuance of 71,428,572 common shares of the Company (the "DLC Share Consideration") at an ascribed price of $0.175 per FCF Share and a cash payment of $61,487,788. In the event that the Company's share consolidation (the "Consolidation") of fifteen (15) common shares on a pre-consolidation basis for every one share on a post-consolidation basis approved at the Company's annual and special meeting of shareholders held on May 16, 2016 is implemented prior to the closing of the DLC Transaction, then an aggregate of 4,761,905 common shares will be issued at closing. The cash portion of the purchase price will be funded by the Company's cash on hand, the net proceeds from the Company's recently completed offering of Subscription Receipts, and a $20 million loan facility ("Loan Facility").

- Immediately prior to the completion of the DLC Transaction, each Subscription Receipt will be automatically exercised into one common share, subject to adjustment, without any further action required on the part of the holder. In the event the approved Consolidation is implemented prior to closing of the DLC Transaction, then holders of Subscription Receipts will receive one common share for every fifteen (15) Subscription Receipts held. The common shares issuable on conversion of the Subscription Receipts will be subject to a hold period until August 15, 2016.

FINANCIAL MD&A AND OTHER DISCLOSURE

Selected Annual Financial Information

Year ended	Sept. 30, 2015 $	Sept. 30, 2014 $	Sept. 30, 2013 $
Total assets ($)	27,679,286	8,309,978	27,600,522
Mineral properties ($)	-	-	17,186,178
Current liabilities ($)	237,900	444,891	163,640
Total revenues and proceeds received from Arbitration Settlement ($)	39,773,486	99,173	32,063
Net income (loss) ($)	35,709,351	(19,584,193)	(2,874,098)
Weighted average shares	148,182,630	149,453,130	149,453,130
Basic net income (loss) per common share Diluted net income per common share	0.24 0.22	(0.13) -	(0.02) -

Financial Condition, Liquidity, and Capital Resources

At May 18, 2016, the Company has working capital of approximately $14.7 million and holds marketable securities with a market value of approximately $1.1 million and private company securities with an estimated fair value of $2.7 million. Working capital and marketable securities combine for net liquid assets of approximately $15.8 million. The Company also has the following held in trust on its behalf:

- $27.8 million (net of commissions) of Offering proceeds held in trust and releasable upon execution of receipt of the release notice in connection with execution of an Eligible Transaction. Note that the Eligible Transaction is as further described in the subsequent events section of the management, discussion and analysis document.

- Proceeds held in trust of $20 million from the Loan Facility, having such terms as disclosed in subsequent events section of this management, discussion, and analysis document.

Based on working capital on hand, funds held in trust as above, expected cash flows from execution of the Eligible Transaction, the Company currently has sufficient financial resources to sustain its operations over the coming year.

Summary of Quarterly Results

Selected unaudited financial data published for operations of the Company during the last eight quarters are as follows:

3 months ended (in Dollars)	Mar 2016 (Q2)	Dec 2015 (Q1)	Sept 2015 (Q4)	Jun 2015 (Q3)	Mar 2015 (Q2)	Dec 2014 (Q1)	Sep 2014 (Q4)	Jun 2014 (Q3)
Revenue	25,891	28,178	32,546	87,714	46,391	21,233	28,685	15,902
(Loss) income before tax	(4,024,555)	(627,520)	(638,330)	(903,938)	37,377,658	(614,483)	(622,273)	(17,905,990)
Basic and Diluted net (loss) income per share	(0.02)	(0.01)	(0.00)	(0.01)	0.25	(0.00)	(0.00)	(0.12)

Generally, the Company's quarterly gains and losses have fluctuated primarily as a result of non-cash losses on financial assets and investments, non-cash share-based compensation and non-cash future tax expenses. For example, during the quarter ended June 30, 2014, in accordance with IFRS 6, the Company recorded an impairment of mineral properties in the amount of $17,196,302. However, during the quarter ended March 31, 2015, in connection with the Settlement Agreement, the Company received proceeds totalling $39,585,602 and consequently reversed the prior year impairment of $17,215,413 and recorded a gain of $22,380,189, and a related expense of $1.3 million of management fees paid to key officers of the Company. In the quarter ended March 31, 2016, realized losses of $1,105,328 on disposition of available for sale investments, payments of $475,000 for recognition of efforts expended to restructure the Company as an Investment Company and spending of $817,607 on project development related to the Company's new mandate of pursuing the acquisition of majority equity interests in cash flow positive middle-market private companies, has contributed to the quarterly loss of $4,024,555.

Results for the Three Months Ended March 31, 2016

The Company had a net loss for the three months ended March 31, 2016 of $4,024,555 (2015 – net income of $37,377,658) which included:

General and administrative costs included in the result above were as follows:

Three months ended March 31,	**2016**	**2015**	**Increase (decrease)**	**%age increase (decrease)**
Past service bonus	$475,000	$ -	475,000	-
Professional fees	334,178	161,346	172,832	107%
Management and consulting fees	197,832	40,519	157,313	388%
Payroll and benefits	178,272	-	178,272	-
Advertising promotion and travel	73,051	10,529	62,522	594%
Office and administration	80,973	132,386	(51,413)	(39)%
Regulatory and filing fees	39,731	9,416	30,315	322%
Depreciation	32	1	31	-
	$1,379,069	$354,197		

General and administrative expenses of $1,379,069 (2015– $354,197) increased from the comparative period's expenses due to:

- Incurred $230,874 to change location from Toronto to Calgary and staff new location to execute the Company's new mandate of acquiring majority equity interests in cash flow positive middle-market private companies,
- paid $475,000 as a one-time past service bonus for recognition of efforts related to restructuring the Company as an Investment Company,
- incurred legal and professional fees of $245,906 in connection with the Reid Transaction and other general matters related to the new classification as a Tier 1 Investment Company.

Project evaluation costs of $817,607 (2015 - nil) were incurred related to generating, prospecting, conducting due diligence and evaluating majority equity interests in cash flow positive middle-market private companies. Included in this amount is amortization of intangibles costs in the amount of $219,178 related to the Advantage Transaction. Arbitration and enforcement costs of $4,675 (2015 - $104,233) were nominal in the quarter due to the successful conclusion in the prior year relating to its arbitration case in the Republic of Equatorial Guinea.

These expenses were offset by interest earned on cash deposits of $25,891 (2015 **–** $46,391), a decrease from the comparative period due to decreased cash balances on deposit in interest bearing accounts with the Company's financial institutions as a result of the special distribution paid to shareholders in 2015.

The period's net loss was also affected by deferred share unit compensation expense of $100,000 (2015 – $620,000), a loss on foreign exchange of ($5,292) (2015 - $131,832 gain), and increases in stock option compensation expense of $638,475 (2015 – nil).

The Company also recognizes other comprehensive (loss) income related to the changes in the fair value of available-for-sale financial assets, consisting of marketable securities. For the three months ended March 31, 2016, the Company recorded an unrealized loss of ($251,384) (2015 – $37,194 unrealized gain) as a component of other comprehensive income, such loss resulting from a decrease in value of the Company's holding of 136,500 Polaris shares.

Results for the six months ended March 31, 2016

The Company had a net loss before taxes for the six months ended March 31, 2016 of $4,652,075 (2015 – net income before taxes of $36,763,165). The following were the principal expenses for the six months:

General and administrative costs included in the result above were as follows:

Six months ended March 31,	**2016**	**2015**	**Increase (decrease)**	**%age increase (decrease)**
Professional fees	**$711,544**	$224,542	487,002	217%
Past service bonus	**475,000**	-	475,000	-
Management and consulting fees	**317,100**	78,415	238,685	304%
Payroll and benefits	**214,272**	-	214,272	-
Advertising promotion and travel	**113,676**	13,654	100,022	-
Office and administration	**111,223**	173,612	(62,389)	(36)%
Regulatory and filing fees	**42,238**	11,430	30,808	270%
Depreciation	**32**	4,429	(4,397)	(99)%
	$1,985,085	$506,082		

General and administrative expenses of $1,985,085 (2015– $506,082), increased from the comparative period's expenses due to:

- Incurred $230,874 to change location from Toronto to Calgary and staff new location to execute the Company's new mandate of acquiring majority equity interests in cash flow positive middle-market private companies,
- paid $475,000 as a one-time past service bonus for recognition of efforts related to restructuring the Company as an Investment Company,
- incurred legal and professional fees of $245,906 in connection with the Reid Transaction and other general matters related to the new classification as a Tier 1 Investment Company,
- incurred $441,698 in professional fees regarding investment in the Vital Investment, the wind-up of the Cayman subsidiaries and the defence of a legal claim.

Incurred project evaluation costs of $817,607 (2015 - $54,196) related to generating, prospecting, conducting due diligence and evaluating majority equity interests in cash flow positive middle-market private companies. Included in this amount is amortization of intangibles costs in the amount of $219,178 related to the Advantage Transaction.

These expenses were offset by interest earned on cash deposits of $54,069 (2015 **–** $67,624), a decrease from the comparative period due to decreased cash balances on deposit in interest bearing accounts with the Company's financial institutions as a result of the special distribution paid to shareholders in 2015.

The period's net loss was also affected by deferred share unit compensation expense of $100,000 (2015 – $600,000), a loss on foreign exchange of ($2,519) (2015 - $131,832 gain), and increases in stock option compensation expense of $690,930 (2015 – nil).

The Company also recognizes other comprehensive (loss) income related to the changes in the fair value of available-for-sale financial assets, consisting of marketable securities. For the six months ended March 31, 2016, the Company recorded an unrealized loss of ($3,618,048) (2015 – $24,796 gain) as a component of other comprehensive income, such loss resulting from a decrease in value of the 1,250,000 Polaris shares that were held at the start of the period. As a result of the other comprehensive loss, the Company reversed the income tax recovery recognized in the year ended September 30, 2015.

Financial Instruments

The Company is exposed to the following financial risks:

i) Market risk
ii) Credit risk
iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This section describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the Financial Statements.

General objectives, policies and processes

The board of directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk and other price risk.

Currency risk:
Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's share capital as well as the Company's reporting currency is denominated in Canadian Dollars. Management has assessed that the Company's current exposure to currency risk is low and continuously monitors foreign exchange rates on an ongoing basis. Financial instruments denominated in United States dollars as at March 31, 2016 is cash of US$60,940.

Interest rate risk:
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk is limited to potential decreases on the variable rate interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be minimal.

Other price risk:
The Company is exposed to price risk with respect to marketable securities prices. The carrying amounts of the Company's investments are directly related to the current market prices of its marketable securities. The Company monitors its marketable securities prices to determine appropriate actions to be undertaken.

Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and accounts receivable.

The Company has assessed its exposure to credit risk on its cash and cash equivalents and has determined that such risk is minimal. The majority of the Company's cash and cash equivalents are held with financial institutions in Canada.

The Company trades only with recognized, creditworthy third parties and its receivables from such third parties are monitored on an ongoing basis, and all accounts receivable balances are current as of March 31, 2016. The Company has determined its credit risk associated with accounts receivable is minimal and no impairment is necessary. The Company's maximum exposure to credit risk is $16,509,860 (2015 - $12,660,775), representing its aggregate cash deposits, cash equivalents and accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board. As at March 31, 2016 and 2015, all of the Company's financial liabilities are due within one year.

Determination of fair value

The consolidated statement of financial position carrying amounts for cash and cash equivalents, restricted cash, receivables and accounts payable approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Investments are presented on the consolidated statement of financial position at their fair value.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The available-for-sale investments of the Company are considered to be Level 1 (Polaris) and Level 3 (Vital).

Capital management

The Company monitors its equity as capital. The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve inventor's confidence and retain the ability to seek out and acquire new projects of merit. No changes to the Company's capital management have occurred since the prior year end. The Company is not exposed to any externally imposed capital requirements.

OTHER REQUIRED DISCLOSURE

Risk Factors

The following is a brief discussion of those factors which may have a material impact on, or constitute risk factors in respect of, the Company's future business or financial performance.

- The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that the Company will not achieve its financial objectives as estimated by management or at all.
- The Company's depends upon, among other things: (a) the availability of appropriate investment opportunities; (b) the Company's ability to identify, select and acquire successful investments; and (c) the Company's ability to generate or obtain funds for future investments.
- The Company may participate in a limited number of investments and, as a consequence, its financial results may be substantially adversely affected by the unfavourable performance of a single investment.
- The Company will have ongoing requirements for funds to support its growth and may seek to obtain additional funds for these purposes through public or private equity, or through the incurrence of indebtedness. There are no assurances that the Company will be able to secure additional funding at all, on acceptable terms or at an acceptable level.
- The Company will be dependent upon the efforts, skill and business contacts of key members of management and the Board for, among other things, the information and investment opportunities they are able to generate.
- The due diligence process undertaken by the Company in connection with investments may not reveal all facts that may be relevant in connection with an investment.
- The Company may be exposed to transaction and legal risks, including potential liability under securities laws or other laws and disputes over the terms and conditions of investment arrangements.
- The common shares are relatively illiquid due to low trading volumes and, as such, the market price of the common shares has been and may continue to be subject to wide fluctuations in response to factors such as actual or anticipated variations in its results of operations, changes in financial estimates by securities analysts, general market conditions and other factors.
- The Company is neither a mutual fund nor an investment fund and, due to the nature of its business and investment strategy and the composition of its investment portfolio, the market price of the common shares, at any time, may vary significantly from the net asset value (NAV) of the common shares.
- Certain of the directors and officers of the Company are or may, from time to time, be involved in other financial investments and professional activities that may on occasion cause a conflict of interest with their duties to the Company.
- Changes in the value of the applicable foreign currency of investment relative to the Canadian dollar could have a negative impact on the Company's return on investments and overall financial performance.
- The Company may invest in securities of private issuers, illiquid securities of public issuers and publicly-traded securities that have low trading volumes. The value of these investments may be affected by factors such as investor demand, resale restrictions, general market trends and regulatory restrictions.
- The Company's investments may include debt instruments and equity securities of companies that it does not control. These investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that

management of the investee company may take risks or otherwise act in a manner that does not serve the Company's interests.
- The Company's investments are not currently structured to secure the Company a guaranteed return, or any return in the short-term or long-term.

Related Party Transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties.

As of March 31, 2016, $350,000 (2015 - $nil) payable in connection with the Advantage Transaction is outstanding to a company controlled by one of the officers.

Outstanding Share Data

The Company's authorized share capital is unlimited Class "A" common and unlimited Class "B" preferred shares. As at May 18, 2016, the following common shares, stock options and DSUs were outstanding:

Class A common shares issued	163,586,779	(14,285,714 Commons Shares held in escrow in connection with Reid Transaction)
Subscription receipts	205,639,725	Each subscription receipt is convertible into one Common Share
Warrants-Brokered Offering	6,822,598	Each common share issued in connection with the Brokered Offering grants a warrant equal to 6% of the Subscription receipts issued with an exercise price of $0.14 per warrant and expiration 24 months after the warrant is issued
Warrants-Finders Fee	1,107,801	Each common share issued where a Finder brought a participant to the Non-Brokered Offering grants a warrant equal to 6% of the Subscription receipts issued with an exercise price of $0.14 per warrant and expiration 24 months after the warrant is issued
Total Warrants outstanding	**7,930,399**	**Exercise price of $0.14 per warrant and expiration 24 months after the warrant is issued**
Options outstanding	2,900,000 13,158,678	Exercise price of $0.16 expiring July 15, 2025 Exercise price of $0.20 expiring later of February 23, 2021 or 5 years after the date the common shares held in escrow in connection with Reid transaction are released from escrow.
Total Options Outstanding	**16,058,678**	**at $0.19277 weighted-average**
Total DSUs Outstanding	**9,354,931**	**Each DSU entitles the holder to one Common Share or equivalent cash value at election of the Company**
Fully diluted	**402,570,512**	**including subscription receipts, warrants, options and DSUs outstanding**

Once the Company's share Consolidation is implemented, holders of Class A common shares, Subscription receipts, options, and DSU's will receive one new security for every fifteen (15) securities held.

Approval

The Financial Statements and the disclosures contained in this MD&A were reviewed and approved for issuance by the Audit Committee and the Board of Directors of the Company on May 18, 2016.