

**Management Discussion and Analysis**  
**For the three and nine months ended November 30, 2015**  
**Neoteck Solutions Inc.**  
**Report Dated January 26, 2016**

**INTRODUCTION**

This Management Discussion and Analysis of the Financial Position and Results of Operations for Neoteck Solutions Inc. (the “Company” or “Neoteck”), prepared as of January 26, 2016 (“MD&A”), should be read in conjunction with the unaudited condensed interim financial statements for the three and nine months ended November 30, 2015. This MD&A is the responsibility of management and has been reviewed and approved by the Board of Directors of Neoteck.

These statements have been prepared in conformity with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company’s audited financial statements for the year ended February 28, 2015.

These condensed interim statements do not include all the information required for complete annual financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and therefore should be read together with the audited annual financial statements for the year ended February 28, 2015 and the related MD&A for the year then ended.

**CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

The following discussion and analysis may contain forward-looking statements which are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth in the following discussion.

**GENERAL**

The Company was incorporated under the Company Act of British Columbia, and is currently determining the direction of its future operations. The Company is listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol “NEO.H”.

**THE TRANSACTION**

On October 29, 2015, the Company terminated the non-binding letter of intent (“LOI”) previously entered into on October 1, 2015 with Segra Biogenesis Corp. (“Segra”) due to the current market conditions. The LOI with Segra was to negotiate and settle a definitive agreement between the Company and Segra, whereby the Company anticipated to acquire all of the issued and outstanding shares of Segra (“the Segra Shares”) in exchange for common shares of the Company (“the Neoteck Shares”) on the proposed terms and conditions of the LOI (the “Transaction”).

**RESULTS OF OPERATIONS**

*Nine months ended November 30, 2015*

The Company recorded a net loss of \$86,429 (\$0.00 per share) for the nine months ended November 30, 2015 as compared to a net loss of \$107,055 (\$0.00 per share) for the nine months ended November 30, 2014.

Variances of note in administrative expenses are: Rent of \$6,000 (2014 – \$27,000) and accounting and audit fees of \$12,086 (2014 - \$16,628) decreased during 2015 due to a reduction of corporate business activities. Legal fees of \$11,178 (2014 - \$6,603) increased during 2015 due to legal services required for the Transaction between the Company and Segra.

*Three months ended November 30, 2015*

The Company recorded a net loss of \$31,322 (\$0.00 per share) for the three months ended November 30, 2015 as compared to a net loss of \$42,259 (\$0.00 per share) for the three months ended November 30, 2014. The decrease in the general and administrative expenses incurred is due to the same reasons as described for the nine month period ended November 30, 2015 above.

**QUARTERLY FINANCIAL REVIEW**

The following table sets forth selected financial information from the Company’s unaudited quarterly financial statements for each of the eight most recently completed quarters. No cash dividends were declared in any of the reported periods.

	<b>THREE MONTHS ENDED</b>			
	<b>Nov 30, 2015</b>	<b>Aug 31, 2015</b>	<b>May 31, 2015</b>	<b>Feb 28, 2015</b>
Total assets	4,290	599	872	917
Working capital (deficiency)	(159,379)	(128,057)	(101,750)	(72,950)
Net loss	(31,322)	(26,307)	(28,800)	(35,384)
Net loss per share <sup>(1)</sup>	(0.00)	(0.00)	(0.00)	(0.00)

	<b>THREE MONTHS ENDED</b>			
	<b>Nov 30, 2014 \$</b>	<b>Aug 31, 2014 \$</b>	<b>May 31, 2014 \$</b>	<b>Feb 28, 2014 \$</b>
Total assets	5,818	12,371	57,813	85,137
Working capital (deficiency)	(37,566)	4,693	36,497	69,489
Net loss	(42,259)	(31,804)	(32,992)	(35,487)
Net loss per share <sup>(1)</sup>	(0.00)	(0.00)	(0.00)	(0.00)

<sup>(1)</sup>The basic and fully diluted calculations result in the same value due to the anti-dilutive effect of outstanding stock options and warrants if any.

The net losses reflected for the quarters are comparable. The working capital has trended downward in recent quarters as funds were expended on administrative expenses.

**FINANCING ACTIVITIES**

The Company received non-interest bearing loans of \$25,600 during the nine months ended November 30, 2015 from Gunther Roehlig, President and CEO and a shareholder to finance ongoing business activities.

**LIQUIDITY**

The Company’s objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital

structure that optimizes the costs of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its primary source of operating working capital and the Company's capital resources are largely determined by its ability to compete for investor support of its projects.

The Company is not subject to any capital requirements imposed by a regulator, other than continued listing requirements of the TSX-V.

As at November 30, 2015, the Company held cash of \$352 and had a working capital deficiency of \$159,379. During the nine months ended November 30, 2015 net cash used in operating activities was \$22,227 (2014 – \$94,324), and net cash provided by financing activities consisted of loans from related parties of \$25,600, offset by deferred financing costs of \$3,500. The Company has to complete additional financings in order to maintain its current activity levels and in particular, once the direction of future operations is determined, to fund ongoing operations. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the future.

#### **CAPITAL EXPENDITURES**

The Company did not incur any capital expenditures during the nine months ended November 30, 2015 and does not currently have any capital expenditure commitments.

#### **RELATED PARTY TRANSACTIONS**

The Company's related parties consist of the Company's directors, officers and companies associated with them, including Malaspina Consultants Inc., a company owned by Robert McMorran, a director and in which Natasha Tsai, CFO, is an associate. The Company incurred charges to directors and officers, or to companies associated with these individuals during the three and nine months ended November 30, 2015 and 2014 as follows:

	<b>Three months ended November 30</b>		<b>Nine months ended November 30</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accounting and corporate secretarial fees <sup>(1)</sup>	3,207	3,800	8,469	9,679
Management fees <sup>(2)</sup>	7,875	7,875	23,625	23,625
	<b>11,082</b>	<b>11,675</b>	<b>32,094</b>	<b>33,304</b>

<sup>(1)</sup> The charges include accounting and corporate secretarial fees paid to Malaspina Consultants Inc.

<sup>(2)</sup> The charges include management fees paid to Gunther Roehlig, President and CEO.

Accounts payable and accrued liabilities at November 30, 2015 included \$35,046 due to Gunther Roehlig, President and CEO and \$16,601 due to Malaspina Consultants Inc. Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

Key management of the Company includes the President, CFO and the Directors. During the three and nine months ended November 30, 2015, compensation paid to key management consisted of management fees of \$7,875 and \$23,625 (2014 – \$7,875 and \$23,625) paid to

Gunther Roehlig, and accounting and corporate secretarial fees of \$3,207 and \$8,469 (2014 – \$3,800 and \$9,679) paid to Malaspina Consultants Inc.

During the nine months ended November 30, 2015, the Company received a total of \$25,600 from Gunther Roehlig and a shareholder, which were non-interest bearing loans made to the Company to finance its activities in order to continue its operations. The loans are due on demand, unsecured and have no maturity date.

Other than as reflected above, there were no other transactions with key management, or compensation paid or payable for their services.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any off-balance sheet arrangements.

#### **CAPITALIZATION**

The authorized share capital consists of an unlimited number of common shares. As of January 26, 2016, an aggregate of 38,060,966 common shares were issued and outstanding. The Company did not have any share purchase warrants or options outstanding as of January 26, 2016.

#### **DISCLOSURE CONTROLS AND PROCEDURES**

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim financial statements for the nine months ended November 30, 2015 and this accompanying MD&A.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **RISKS AND UNCERTAINTIES**

The Company is currently subject to financial and regulatory risks. The financial risk is derived from the uncertainty pertaining to the Company's ability to raise capital to continue operations. Regulatory risks include the possible delays in getting regulatory approval for the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings and the introduction of ever more complex reporting requirements, the cost of which the Company must meet in order to maintain its exchange listing.

#### **OTHER INFORMATION**

Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com).