

**Management Discussion and Analysis**  
**For the three and six months ended August 31, 2014**  
**Neoteck Solutions Inc.**  
**Report Dated October 29, 2014**

**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 October 29, 2014 (“MD&A”), should be read in conjunction with the unaudited condensed interim financial statements for the three and six months ended August 31, 2014. 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, 2014.

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, 2014 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 changed its name to Neoteck Solutions Inc. on September 10, 2012. Since divesting its gas detection operations in 2012, Management has been investigating other possible acquisitions of assets or companies which make good economic sense for the Company to pursue. The Company is listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol “NEO.H”.

**MANAGEMENT AND DIRECTORS**

On September 1, 2014, Natasha Tsai was appointed as CFO of the Company, in place of Sharon Muzzin who has resigned.

**RESULTS OF OPERATIONS**

*Six months ended August 31, 2014*

The Company recorded a net loss of \$64,796 (\$0.00 per share) for the six months ended August 31, 2014 as compared to a net loss of \$103,971 (\$0.00 per share) for the six months ended August 31, 2013.

Variances of note in administrative expenses are detailed below:

- Accounting and audit of \$9,260 (2013 – \$24,424), management and consulting fees of \$31,500 (2013 – \$47,000), and legal fees of \$nil (2013 – \$8,925) were lower in the 2014

fiscal year due to lower corporate business activities. The management and consulting fees were incurred due to the Company's efforts to find a viable project or acquisition target for the Company.

- Rent of \$18,000 (2013 – \$14,470) increased because effective December 1, 2012, the Company moved its office to a new location.

Three months ended August 31, 2014

The Company recorded a net loss of \$31,804 (\$0.00 per share) for the three months ended August 31, 2014 as compared to a net loss of \$60,304 (\$0.00 per share) for the three months ended August 31, 2013.

Variances of note in administrative expenses are detailed below:

- Accounting and audit of \$3,033 (2013 – \$13,136), management and consulting fees of \$15,750 (2013 – \$30,000), and legal fees of \$nil (2013 – \$3,947) were lower in the 2014 fiscal year due to lower corporate business activities. The management and consulting fees were incurred due to the Company's efforts to find a viable project or acquisition target for the Company.
- Rent of \$9,000 (2013 – \$7,200) increased because effective December 1, 2012, the Company moved its office to a new location.

**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>Aug 31, 2014</b>	<b>May 31, 2014</b>	<b>Feb 28, 2014</b>	<b>Nov 30, 2013</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total assets	12,371	57,813	85,137	121,591
Working capital	4,693	36,497	69,489	104,976
Net loss	(31,804)	(32,992)	(35,487)	(54,566)
Net loss per share <sup>(1)</sup>	(0.00)	(0.00)	(0.00)	(0.00)

	<b>THREE MONTHS ENDED</b>			
	<b>Aug 31, 2013</b>	<b>May 31, 2013</b>	<b>Feb 28, 2013</b>	<b>Nov 30, 2012</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total assets	167,977	253,352	278,784	340,101
Working capital	159,542	219,846	263,513	305,825
Net loss	(60,304)	(43,667)	(42,312)	(37,886)
Net loss per share <sup>(1)</sup>	(0.01)	(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

There were no financing activities during the six month period ended August 31, 2014.

## 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. 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 capital structure, the Company may attempt to 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 August 31, 2014, the Company held cash of \$12,346 (February 28, 2014 – \$85,137) and working capital of \$4,693 (February 28, 2014 – \$69,489). During the six months ended August 31, 2014 net cash used in operating activities was \$72,791 (2013 – \$122,689), but there were no investing or financing activities. 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 six month period ended August 31, 2014 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 Sharon Muzzin, the former CFO, and Natasha Tsai, the CFO, are associates.

The Company incurred charges to directors and officers, or to companies associated with these individuals during the three and six months ended August 31, 2014 and 2013 as follows:

	Three months ended		Six months ended	
	August 31,		August 31,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Accounting and paralegal fees <sup>(1)</sup>	3,162	8,428	5,879	15,966
Management fees <sup>(2)</sup>	7,875	7,500	15,750	15,000
	11,037	15,928	21,629	30,966

<sup>(1)</sup> The charges include accounting and paralegal 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 due to related parties at August 31, 2014 were \$nil. Accounts payable and accrued liabilities at February 28, 2014 included \$441 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 six months ended August 31, 2014, compensation paid to key management consisted of management fees of \$15,750 (2013 – \$15,000) paid to Gunther Roehlig, President and CEO, and accounting and paralegal fees of \$5,879 (2013 – \$15,966) paid to Malaspina Consultants Inc..

#### **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 October 29, 2014, 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 October 29, 2014.

#### **FUTURE OUTLOOK**

In the short term Management will continue its efforts to identify the Company's future business focus.

#### **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 six months ended August 31, 2014 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 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).