Wi2Wi
Management Discussion and Analysis

Forward-Looking Statements:

This MD&A includes information that is forward-looking in nature. Such statements concern the future earnings of the Company, its operations, its financial results and its financial condition. These forward-looking statements can be identified through use of expressions such as "believe", "foresee", "anticipate", "estimate", "expect" and other similar types of terms and are based on the information available at the time that they were made and on the good faith of management according to information available at this time. We wish to advise the reader that by their very nature, forward-looking statements include an element of uncertainty and the actual results may be significantly different from the assumptions and estimations described in the forward-looking statements. The actual results will be affected by numerous factors over which the Company has no influence. Such factors are not limited to those are more fully described in the JMIC referred to above. Consequently, we recommend against placing undue trust in such forward-looking statements since future events and actual results may differ significantly from any forecasts. Unless otherwise stipulated under current law, the Company does not intend to update these statements to take into account new facts or future events and it makes no undertaking to do so.

Management Discussion

The following management discussion and analysis ("MD&A") is a review of operations, current financial position and outlook for Wi2Wi Corporation ("Wi2Wi" or the "Company"). It is dated November 28, 2014 and should be read in conjunction with the unaudited condensed consolidated interim financial statements as at and for the three and nine month periods ended September 30, 2014, and 2013 and audited consolidated financial statements for years ended December 31, 2013 and 2012 all of which are available on SEDAR at www.sedar.com.

It should also be read in conjunction with the Joint Management Information Circular ("JMIC") of Wi2Wi and International Sovereign Energy Corp ("ISE"), describing the plan of arrangement under the *Canada Business Corporations Act* (the "Arrangement or RTO") pursuant to which Wi2Wi completed the reverse takeover of ISE and received final court approval on January 28, 2013.

The Arrangement resulted in the amalgamation of ISE and Wi2Wi to form a new public issuer under the name "Wi2Wi Corporation that is carrying on Wi2Wi's current business and operations. The Company received final regulatory approval of the Arrangement from the TSX Venture Exchange (the "TSXV") on February 4, 2013 and commenced trading under the symbol "YTY" on February 5, 2013.

Corporate Strategy and overview

Wi2Wi is a leader in industrial-class WiFi, WiFi-Bluetooth and GPS system-in-a-package (SiPs). Wi2Wi focuses on industrial, automotive, medical, infrastructure (including smart-home/smart building) and government markets worldwide. Wi2Wi's products and value-added services provide highly integrated, multifunctional wireless sub systems and related solutions as complete wireless connectivity solutions for Machine-to-Machine (M2M), IOT and portable device applications globally. Wi2Wi distinguishes itself from commodity grade products, having developed connectivity solutions based on SiP's with broader temperature ranges, longer useful lives and greater robustness.

Wi2Wi's strategic objective is to build on its core product lines, incorporating software enhancements to the existing range, so as to provide comprehensive solutions to manufacturers of products incorporating the Wi2Wi modules, creating plug and play interfaces, thereby speeding up the design, development and manufacturing cycle.

Acquisition of assets of Precision Devices, Inc.

The Company on October 2, 2014 entered into an asset purchase agreement (the "Agreement") with Precision pursuant to which the Company agreed to acquire certain assets and trade liabilities of Precision used in connection with the design, manufacture, distribution, and sale of Precision's radio frequency products that include crystals, oscillators, filters and a whole range of frequency controllers ("Purchased Assets").

The Company will purchase the Purchased Assets at a price equal to

(i) 4,461,353 common shares in the capital of the Company,

(ii) $2.5 million payable in the form of a secured subordinated convertible debenture (the "**Debenture**"). The Debenture will mature twelve (12) months following the completion of the transaction and will bear interest at the rate of 10.25% per annum payable on the maturity date of the Debenture. Precision may convert all or any part of the principal amount outstanding under the Debenture into common shares of the Company at a conversion price of CDN$0.25 per Share, which could result in the Company issuing up to additional 11,289,000 shares.

The Company received Toronto Stock Venture Exchange approval on November 4, 2014.

The Company acquired assets consisting of accounts receivable, inventory, plant and equipment amounting to approximately $9 million and assumed trade liabilities and capital leases of approximately $3 million.

Technology transfer

On August 1, 2014 the Company reached an agreement with one of its customers ("Customer") to transfer technology and know-how for USD$2.25million. The technology and know-how transfer relates to manufacturing of a specific wireless connectivity module, which is exclusively used by the Customer. Wi2Wi has agreed to transfer certain know-how, manufacturing documentation, and provide certain services, to enable the Customer to transfer production of the specific module. The agreement is predicated on three milestones, of which the first and second milestones have been completed and the Company has received the first payment of USD$1.687 million. The Company is in process of completing the last milestone, which are expected to be completed by December 31, 2014.

Conversion of certain obligations to common shares

The Company on October 23, 2014 entered into agreements to issue shares to settle an amount of $460 owed to holders of promissory notes, $150 Senior Bridge loan, and an amount of CDN$80 owed to a service provider. The Company issued 7,197,344 common shares at a deemed price of CDN$0.10/share in settlement of the above-noted amount owed to debt securities holders and 444,171 common shares at a deemed price of CDN$0.18/share in settlement of the above-noted amount owed to a service provider.

Conversion of preferred shares to common shares

The preferred shareholders on October 31, 2014 at the Company's Annual and special meeting of the shareholders, passed a special resolution authorizing an amendment to the Articles of the Company to amend the date of the conversion of the preferred shares to November 28, 2014.

Overview

1) These financial statements have been prepared by management;

2) The Joint Management Information Circular detailing the transactions.

All of the above are available on Sedar at www.sedar.com

These statements have been prepared based on the accounting policies and practices consistent with those used in the preparation of Wi2Wi's unaudited condensed consolidated interim financial statements. It is management's opinion that these unaudited condensed consolidated interim financial statements include all adjustments necessary for the fair presentation, in all material respects, of the Transaction in accordance with IFRS.

Certain significant estimates have been made by management in the preparation of these financial statements.

All amounts herein are in US dollars, unless otherwise stated.

The RTO:

Wi2Wi is considered to be the accounting acquirer for accounting purposes in connection with the Transaction as the former shareholders of Wi2Wi control the consolidated group subsequent to the Transaction. For accounting purposes, the acquisition does not meet the definition of a business and is thus considered to be outside the scope of IFRS 3 as ISE had discontinued all of its past business operations and its activities which, prior to the RTO, were limited to the management of cash resources, investment and the maintenance of its listing.

The fair value of the consideration, calculated as $5,875, was determined based on the percentage of ownership of the merged entity after the transaction. This value represents the fair value of the shares that Wi2Wi would have had to issue for the ratio of ownership interest in the combined entity to be the same as if the transaction had taken the legal form of Wi2Wi acquiring 100% of the shares of ISE. The percentage of ownership ISE shareholders has in the combined entity is 20% after the consolidation of its existing 16,096,084 issued and outstanding common shares with the 64,384,296 newly issued shares of Wi2Wi held by those shareholders as of January 28, 2013.

The fair value of the consideration in the Transaction represents 20% of the estimated fair value of Wi2Wi shares of $29.4 million based on the transaction price of the most recent private placement sales of Wi2Wi common stock of $0.10 per share before the amalgamation and conversion.

All securities convertible into common shares of Wi2Wi were exchanged or converted into an equivalent number of ISE securities in accordance with the conversion ratio.

Of the 2,700,000 preferred shares of Wi2Wi indicated below, the conversion of 1,000,000 (Series A) shares is under dispute between members of the Wi2Wi Board of Directors and the holder of these shares, who was a former officer of Wi2Wi. The financial statements have been prepared assuming that the preferred shares are not convertible. The 1,500,000 (Series B) shares have also been cancelled. The 200,000 (Series C) shares were converted into 139,600 common shares of Wi2Wi prior to completion of the Transaction and are included "Common Shares".

The conversion ratio is 4.56 Wi2Wi common shares for each ISE common share (the Conversion Ratio). The Conversion Ratio results in the following securities as at January 28, 2013:

As at January 28, 2013	**Wi2Wi Before Conversion**	**New ISE After Conversion**	**Existing ISE**	**Total After Conversion**
Common Shares	293,756,229	64,384,296	16,096,084	80,480,380
Preferred shares (Series A & B)	2,500,000			
Total Shares	296,256,229	64,384,296	16,096,084	80,480,380
Warrants	11,225,000	2,460,249	-	2,460,249
Stock Options	47,891,666	10,496,698	1,535,000	12,031,698

In addition, 16,096,084 Preferred Shares were issued to holders of common shares of ISE upon the closing of the transaction. Each Preferred share will automatically convert into common shares on the date that is five years and one day after the date such preferred shares were issued, based on an exchange ratio of one-millionth (0.000001) of a common share for each Preferred Share converted, being a total of 16 common shares.

Upon the closing of the Transaction the Company issued 876,704 warrants (4,000,000 warrants pre-conversion) to its investment banker. The warrants have an exercise price of $0.57 per the agreement ($0.125 per share pre-conversion). The warrants vested immediately upon grant and expire three years after the grant date.

The Arrangement is expected to allow the Company to increase sales of its product in 2013 and beyond; improve the gross margins on its product through larger manufacturing runs and lower the logistics costs through larger order deliveries.

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that have an impact on the assets and liabilities reported in the financial statements; on the disclosure of future assets and liabilities at the date of the financial statements, as well as on reported earnings and expenses during the period in question. These estimates and assumptions are based on management experience and on other assumptions and judgments that management deems to be reasonable under the circumstances. Readers are invited to refer to Note 5 of the audited consolidated financial statements for a summary of critical accounting estimates and judgments made by the Company.

The financial statements of the Company have been reviewed and approved by the Audit Committee and approved by the Board of Directors. The information that follows has taken into account all significant events that have occurred up to November 26, 2014.

Highlights of 2013:

- Completed the Plan of Arrangement and amalgamated Wi2Wi and ISE to form Wi2Wi Corporation on January 28, 2013;
- Listed with the TSXV under the symbol YTY, commencing trading on February 5, 2013;
- Discharged $630 of the Bridge loans that were outstanding at December 31, 2012;
- Continued re-building the America's sales team and network of manufacturer's representative, including five new sales partners;
- Launched W2CBW0019, Dual-Band SiP, with advanced technology and a target production release scheduled for mid-2014
- Launched the development of Serial WiFi
- Completed regulatory certification and production-readiness of W2CBW0016;
- Launched development of Low -Energy Bluetooth module ;
- As of December 2013, the Company had 20 design wins or design in's for the 3rd Generation WiFi & WiFi-Bluetooth product (0015 & 0016);
- As of December 2013, the Company had 41 design wins or design in's for the 3rd Generation GPS products (0008 & 0084);
- Launched development of New GPS Product supporting the European Satellite System With advanced technology with target production release scheduled for the second half of 2014;
- Continuation of Major New Design Wins with Tier-1 & Key Customers, with customers' production orders expected in late 2013 & 2014;

- Issue of 1,000,000 common shares at $0.25 for gross proceeds of $250,000. Coupled with the share issue is the granting of 1,000,000 warrants with an issue price of $0.45 24 months after the share issue date, being September 6, 2013.
- Issue of 260,000 common shares at $0.25 for gross proceeds of $65,000. Coupled with the share issue is the granting of 260,000 warrants with an issue price of $0.45 36 months after the share issue date, being September 26, 2013;
- Exercise 63,926 options for gross proceeds of $15;
- The total Common Shares in issue as at December 31, 2013 is 81,804,306;
- The total Warrants in issue as at December 31, 2013 are 3,720,249;
- In September 2013, a total of 6,843,930 options at an average issue price of $0.195 were issued to Directors, Staff and Consultants. The total number of options outstanding as at December 31, 2013, were 18,011,702, with an average issue price of $0.275. Of these options, 13,438,870 are fully vested, and
- The Stock compensation expense reported in the year ended December 31, 2013 was $84 compared with $89 for the same period in 2012.

Highlights of 2014:

- The Company announced on February 27, 2014 closing of first tranche of its non-brokered private placement Offering, issuing 2,175,000 units at a price of CDN$0.20 per Unit. On April 30, 2014, the Company received acceptance for filing documentation, the final number of shares issued amounted to 2,961,452, along with 1,480,726 warrants attached to those shares, for gross proceeds of CDN$592.
- Continued re-building the America's sales team and network of manufacturers representative, including five new sales partners;
- Launched the development of high performing but low cost WiFi solutions targettign the emerging IoT sapce
- Launched development of Low -Energy Bluetooth module
- Most of the design win's for the 3rd Generation GPS products are entered into volume production;
- Evaluating the prototype of GNSS Product supporting the GPS and GLONASS with advanced technology with target production release scheduled for the second half of 2014;
- Launched the development of GNSS products supporting China
- Continuing focus on new generation wireless solution development
- August 2014, reached an agreement with one of its customers to license technology and know-how for $2.25million.
- Entered into an agreement with the company's key distribution partner to finance procuring raw materials to facilitate the product build. The agreement is predicated on three milestones, of which the first and second milestones have been completed and the Company has received the first payment of USD$1.687 million. The Company is in process of completing the last milestone, which is expected to be completed by December 31, 2014
- Conversion of preferred shares to common shares on November 28, 2014, eliminating the obligation to preferred shareholders on amounts realised on sale of Legend shares.
- Acquired certain assets and liabilities of Precision Devices, Inc., expanding the customer base and industry sectors services by the Company

Description of the Business:

Wi2Wi designs, manufactures and markets miniaturized embedded wireless connectivity solutions (incorporating both hardware and software) for premium industrial/medical, smart-home/smart building and government markets worldwide. These products and value added services provide highly integrated, multifunctional wireless sub systems for mobile applications of all forms for Machine-to Machine (M2M) portable device applications.

The company products include single and multifunctional products with 802.11, Bluetooth and GPS sub systems. The Company does not have any manufacturing capabilities, with the manufacture and assembly outsourced to sub-contractors. Incorporated in 2004, the Company was largely inactive until it acquired the original equipment manufacturing (OEM) products division of Actiontec Electronics in 2005.

Precision Devices ("PD") description

Based in Middleton, Wisconsin, Precision Devices, is a global supplier in crystal frequency control devices. Their core business consist of extremely high-end crystals, crystal filters and oscillators for complex Radio, RF/Microwave, GPS, Instrumentation and MIL-AERO applications. PD also manufactures low-cost, commercial grade crystals and oscillators for competitive consumer applications.

PD facility in Middleton, WI serves as the primary manufacturing and distribution center of quartz crystals, crystal filters, and TCXO & VCXO crystal applications for customers across North and South America. PD will also service Europe and Asia through this facility.

PD has the following certifications:

- Restrictions on Hazardous Substances (RoHS): design and manufacturing control program for the output of "Lead-Free" (Pb-Free) products
- Department of Defense
  - MIL-STD-790 Product Assurance Certified
  - Qualified Products List: MIL-PRF-55310 Oscillator, Crystal Controlled MIL-PRF-3098 Crystal Units, Quartz
  - DSCC Laboratory Suitability Certified
  - MIL-PRF-38534 Hybrid Microcircuit Certified
  - Qualified Manufacturer's List
- ISO 9001:2008 FM 75597 ISO Certified Quality Management System
- REACH Compliant Registration, Evaluation, Authorisation and Restriction of Chemicals
- EMS 80740- ISO 14001:2004 - Environmental management system
- ESD Program, employee training certification
- IPC 610 Electronics Acceptance Criteria, employee training and certification
- IPC/EIA-J Class 2 solder joint industry standard training and certification
- ISO 14644 1&2, Class 7 (FED-STD 209E Class 10,000 Clean Room)

PD generated revenues of $16 million and the operations had been unprofitable for the past 3 years. The Company however is in the process of restructuring the operations. The foreign subsidiaries will not be form of the Company's portfolio, however working through agents and representatives, the Company will be able to service and grow the international business without the overheads.

Results of Operations:

The unaudited condensed consolidated interim financial statements for the three and nine month periods ended September 30, 2014 and 2013 form integral part of this MD&A. All amounts are expressed in thousands of U.S. dollars.

Selected Quarterly Information:

The following table presents selected quarterly financial data for the last ten quarters.

In thousands of Dollars	**2014 Q3 $**	**2014 Q2 $**	**2014 Q1 $**	**2013 Q4 $**	**2013 Q3 $**
Statement of results					
Revenue	**2,061**	**1,463**	**1,175**	**310**	**860**
Gross profit	**1,063**	**746**	**586**	**109**	**316**
Operating expenses					
Research and development	**202**	**219**	**253**	**260**	**225**
Selling, general and administrative	**661**	**479**	**732**	**760**	**713**
Share listing expense	-	-	-	-	-
Net income/(loss) before interest, income taxes	**200**	**49**	**(399)**	**(911)**	**(622)**

In thousands of Dollars	**2013 Q2 $**	**2013 Q1 $**	**2012 Q4 $**	**2012 Q3 $**	**2012 Q2 $**
Statement of results					
Revenue	**1,324**	**1,253**	**665**	**858**	**938**
Gross profit	**551**	**494**	**246**	**281**	**295**
Operating expenses					
Research and development	**262**	**253**	**310**	**286**	**297**
Selling, general and administrative	**958**	**1,537**	**847**	**895**	**1,460**
Share listing expense	-	**2,987**	-	-	-
Net loss before interest, income taxes	**(669)**	**(4,283)**	**(911)**	**(900)**	**(1,462)**

Three and nine month periods ended September 30, 2014 as compared with September 30, 2013:

Revenue

Revenues for the quarters ended September 30, 2014 and 2013 were $2,061 and $860, respectively. Revenues increased by 139% for the quarter ended September 30, 2014, compared to the same period in 2013. The Company was able to work with its suppliers and customers to fulfill backorders built up over the past six months.

Revenue for the nine month ended September 30, 2014 and 2013 were $4,699 and $3,438, respectively. Revenues increased by 36% for the nine month period ended September 30, 2014, compared to the same period in 2013.

The company has successfully resumed product builds and shipments in the third quarter of 2014. The Company had shippable backlog of approximately $2.1 million for the third quarter of 2014 a significant demand for its product. The Company relies on its distribution network to sell its products, supported by the Wi2Wi Sales Managers and the sales representative network that has been established in North America, European Union and in Asia.

The Company has not entered the low revenue, low margin market which is well supported by the large SiP manufacturers. Instead it has built its reputation on creating effective solutions geared towards the lower volume, higher revenue and higher margin markets. The Company intends to continue with this program, while exploring opportunities with potential customers that can utilize the Company's products. The Company products are designed to withstand larger temperature variances than the commodity market, and are built to a higher degree of robustness and for longer life cycles.

The Company is implementing programs to increase its software solution content and services to increasingly become more of a complete and differentiating solution provider than it has in the past. It will aggressively review opportunities that add value to its product range, increasing its involvement in addressing customer needs by providing products, software applications and services beyond the range of the products currently being provided. The Company feels that being a full service solution provider will increase its involvement with current and future customers. By doing so, this will decrease the development cycle with the Company providing the interfaces required to connect its products more effectively with customer applications. Shrinking the design cycle allows customers to complete their development, testing and manufacturing processes and thereby introducing their products sooner into the market place. Not only will this increase the Company's involvement with customers to a greater degree than historically, but it will enhance its reputation as a proactive solution provider with an advanced product line. These programs are being designed based on customer expectations and on the technical knowledge to be able to satisfy these expectations. Although the Company is confident that it will have the necessary resources to satisfactorily address these needs, the timing and success is dependent on various factors that could delay implementation or affect the success of any program.

The Company is experiencing strong demand for its products across multiple business segments and as of the date of this release has record backlogs. Revenue is booked and collected in the functional currency of its self-sustaining foreign subsidiary, Wi2Wi Inc., in its local currency being US dollars.

Gross Profit

Cost of revenues consists of the costs of parts; costs incurred with contract manufacturers to assemble and test the Company's products, as well as the direct and indirect costs incurred to control and test the outsourced manufacturing and supply chain.

Gross profits for the second quarter ended September 30, 2014 and 2013 were $1,063 (gross margin 51.5%) and $316 (gross margin-36.7%), respectively, an increase in gross profit of 236%. Company's control over costs continue to improve the gross margin yield.

Gross profits for the nine month period ended September 30, 2014 and 2013 were $2,372 (gross margin 50.4%) and $1,361 (gross margin-39.6%), respectively, an increase in gross profit of 74%.

The increase in margin is due to the continued efforts on manufacturing yield improvements, optimising manufacturing batch sizes, successful efforts in manufacturing cost reductions and retaining the ASP of the products

Gross margins are stabilised for the legacy products. As production runs increases for the new generation of products, it is possible to negotiate lower pricing for products and assembly costs, which constitutes the major portion of cost of product sold. Lower volumes than expected will have an adverse effect on the ability to achieve meaningful cost reductions. Despite the small size of the Company's products, logistics costs are high as much of that cost relates to air shipments into and out of the Far East. Larger shipment size will reduce the per-unit cost.

Research and Development Expenses

Research and development expenses consist primarily of expenses related to the design of the Company's products and development of prototypes. Research and development expenses for the third quarters ended September 30, 2014 and 2013 were $202 and $225 respectively. For the nine month periods ended September 30, 2014 and 2013 the research and development costs were $664 and $740 respectively, a decrease of 14%.

Investment in R&D—Due to cash constraints, the Company has been experiencing delayed new products introduction to fourth quarter of 2014. The company is expediting the product development and the current investment in R&D is anticipated to pay off in late 2015 to early 2016.

The lack of increase in research and development expenses is due to limits placed on external costs, with the majority of spending being internally related. The company has a forward looking program not only for upgrading its current product range, but in utilizing these, where possible, in developing further applications for key market segments, shortening the cycle from inception to delivery. In addition, R&D efforts are directed to the ever changing world of SiP applications, including a new product embedding a micro-controller as a fully integrated system supported by appropriate software for each application to create a plug and play solution. With the acquisition of Precision the Company anticipates utilising the expertise available in Madison WI. This is another key element that will move the company ahead with its efforts and for it to build on its reputation as a solution provider to the market place.

Selling, General and Administrative Expenses (SG&A)

Selling expenses consist of sales and marketing expenses associated with efforts to market and sell the Company's products. General and administrative expenses consist of expenses for administrative personnel, professional fees, insurance and other corporate expenses. SG&A expenses for the third quarters ended September 30, 2014 and 2013 were $661 and $713, respectively. For the nine month periods ended September 30, 2014 and 2013 the SG&A costs were $1,858 and $3,208 respectively, a decrease of 42%.

The decrease in SG&A costs as compared to 2013 is due principally to the reduction is staff, legal, accounting fees and other overhead costs. The Company has undertaken a restructuring of its operations benefits of which will continue to show in the future. In the second quarter, the Company laid off 4 staff, (including sales staff), and 2 in the third quarter. The Company however still managed to increase revenues for the third quarter.

Stock compensation expense was $10 for the quarter ended September 30, 2014 compared to $84 in the comparable period of 2013, in which the Company had issued stock options to staff and directors. The reduction in stock expense was due a large number of options forfeited due number of directors leaving the board, and employee layoffs.

As mentioned, the majority of revenue is generated through the Distributor network. These Partners will hold inventory and ship to customers when orders are received through the Wi2Wi sales network or through their own infrastructure. The Wi2Wi sales network is managed through the sales staff and inside sales staff, who are supported by a global network of specialized representatives who are compensated based on the level of revenue they generate each quarter.

Interest Expenses

Interest expenses for the second quarters ended September 30, 2014 and 2013 were $28 and $29, respectively, and for nine months ended September 30, 2014 and 2013 $82 and $86 respectively.

Interest in 2014 relates to escrow loans, Senior Bridge Loans, promissory notes and on the Norton Rose loan described in Note 12 to the unaudited interim condensed consolidated financial statements at September 30, 2014.

RTO accounting:

Wi2Wi is considered to be the accounting acquirer for accounting purposes in connection with the Transaction as the former shareholders of Wi2Wi control the consolidated group subsequent to the Transaction. For accounting purposes, the acquisition does not meet the definition of a business and is thus considered to be outside the scope of IFRS 3 as ISE had discontinued all of its prior business operations and its activities which, prior to the RTO, were limited to the management of cash resources, investment and the maintenance of its listing.

The fair value of the consideration, calculated as $5,875, is determined based on the percentage of ownership of the merged entity after the transaction. This value represents the fair value of the shares that Wi2Wi would have had to issue for the ratio of ownership interest in the combined entity to be the same as if the transaction had taken the legal form of Wi2Wi acquiring 100% of the shares of ISE. The percentage of ownership ISE shareholders has in the combined entity is 20% after the consolidation of its existing 16,096,084 issued and outstanding common shares with the 64,384,296 newly issued shares of Wi2Wi held by shareholders as of January 28, 2013.

The fair value of the consideration in the Transaction represents 20% of the estimated fair value of Wi2Wi shares of $29.4 million based on the transaction price of the most current private placement sales of Wi2Wi common stock of $0.10 per share, before the amalgamation and conversion.

Share Listing Expense for the year ended December 31, 2013 is a cost of $2,987. There is no comparable amount 2012. This amount is the difference between the net assets introduced by ISE and the value of the 20% of Wi2Wi attributable to ISE, being $5,875.

Liquidity and Capital Resources:

As of September 30, 2014, the Company had cash of $387 compared to $15 as of December 31, 2013. The Company had a net working capital deficit of $1,085 as of September 30, 2014 and $3,246, as of December 31, 2013 respectively and shareholders' deficit of $1,018 and $3,164 at September 30, 2014 and December 31, 2013 respectively. The Company generated positive cash flow from operations during the quarter. The Company has managed capital by budgeting for its working capital needs, and securing debt and equity financing in order to fund its operations. However sources for capital are difficult to come by.

In August 2014, the Company reached an agreement with one of its customers to transfer technology and know-how for $2.25million which will greatly assist the cash flow situation. In addition acquisition of Precision will assist in finding new sources of capital.

As a condition of approval of the Plan of Arrangement, an amount of $500 was placed in Escrow, which will be released on the Company obtaining a Line of Credit exceeding $2 million with a Commercial Bank. This amount was placed in Escrow by two Directors as loans bearing interest at the rate of 10% per annum. The escrow amounts and interest were released on February 25, and March 27, 2014.

The closing of the Arrangement increased the capital of the Company by $5,875, before transaction fees and other expenses, and reduced the company's working capital and shareholders' equity deficits at the time of closing. In order to satisfy certain working capital requirements prescribed by the TSXV, two directors of the Company provided secured interest bearing loans of $500 (Canadian dollars) by way of promissory notes.

The application of the going concern basis is dependent on the continued support of the shareholders and ultimately on the Company's ability to generate future profitable operations. The Company will continue to be dependent on additional financing in the future until such time as the Company becomes profitable. See Risk Factors that the Company could face in the Joint Management Information Circular available on SEDAR at www.sedar.com.

Private Placement Programs:

The Company had initiated a program to raise additional equity funds through a Private Placement offering in the second quarter 2013. Of the four units offered under the program, comprised of 1,000,000 common shares at an issue price of $0.25 plus 1,000,000 warrants with an exercise price of $0.45 and a term of two years following issue. The company was able to issue one unit for $250,000.

Subsequent to the above, the Company initiated a replacement Private Placement offering for nine units comprised of 1,000,000 common shares at an issue price of $0.25 plus 1,000,000 warrants with an exercise price of $0.45 and a term of three years following issue. During the current quarter a .26 proportion of one unit, or 260,000 common shares at an issue price of $0.25 plus 260,000 common share warrants at an exercise price of $0.45 per warrant and a term of three years was issued. Gross proceeds from this issue were $65,000.

On November 4, 2013, as a result of the Company determining that a larger equity raise was desirable. A brokered private placement of units ("Units") for up to CDN$4,000,000 (the "Offering") was offered. The Offering was unsuccessful, and the Company reduced the program to CDN$2 million in the first quarter of 2014. The net cash proceeds from the offering amounted to $483.

There are 84,511,140 Common shares issued at September 30, 2014 and 81,804,306 Common Shares in issue at December 31, 2013.

Operating Activities, Nine and three months ended September 30, 2014 and 2013

In the three months ended September 30, 2014, operating activities generated cash of $351 compared to cash used of $202 in the same period in 2013. For the nine month period to September 30, 2014 and 2013, operating activities used cash of $111 compared $2,376 respectively.

Investment Activities

Cash flow related to investment activities consisted of expenditures for property and equipment. In the three months ended September 30, 2014 and 2013, there were no capital expenditures. The Company is not capital intensive as the capital expenditures were minimal for 2013 ($44) and there were no expenditures in nine month period ended September 30, 2014.

Financing Activities

Cash proceeds from a share, and debt issue were $nil and $65 in third quarter 2014 and 2013 respectively. For the nine month period ended September 30, 2014 and 2013, the Company had raised $483 and $315 for respective periods.

Off Balance Sheet Arrangements

There were no off balance sheet transactions entered into during the period, nor are there any outstanding as of the date of this MD&A.

Related Party Transactions

At March 31, 2013 one of the Company's directors was a senior partner of Norton Rose Canada LLP (formerly Ogilvy Renault LLP). The Company has used Norton Rose Canada for legal services and advice in the past and continues to use Norton Rose Canada LLP for such services. Subsequent to March 31, 2013, the director resigned from the Board of the Company. Accordingly, the "Related Party" Relationship was severed and the amounts owing are now shown in accounts payable and a loan payable of $500. The Company owed Norton Rose Canada LLP $857 at December 31, 2013 (which includes the $500 note payable described in Note 12 to the unaudited interim condensed consolidated financial statements at September 30, 2014 and $1,036 as at December 31, 2013. As a condition of closing of the Arrangement, $500 payable to Norton Rose was deferred until January 24, 2014, and subsequently an extension to January 31, 2015 was granted.

As a condition of approval of the Plan of Arrangement, an amount of $500 was placed in Escrow, which will be released on the Company obtaining a Line of Credit exceeding $2 million with a Commercial Bank. This amount was placed in Escrow by two Directors as loans bearing interest at the rate of 10% per annum. Funds raised by the Company as a result of an equity issue will replace the Escrow funds and the amounts owing to the Directors will then be repaid. The escrow amounts were released on February 25, and March 27, 2014.

Application of Critical Accounting Estimates

The Company's financial statements for the period ending December 31, 2011 were the first financial statements prepared in accordance with IFRS. Prior to transition to IFRS, the Company prepared its financial statements in accordance with GAAP. Details of how the transition from GAAP to IFRS affected the financial position, financial performance, and cash flows for the period ending December 31, 2011 are available on Sedar at www.sedar.com.

The significant accounting policies used by the Company and critical accounting estimates and judgments made by the Company are disclosed in Notes 4 and 6 to the unaudited interim condensed consolidated financial statements for the periods ended September 30, 2014 and 2013, which are available on Sedar at www.sedar.com.

Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The emergence of new information and changed circumstance may result in actual results or changes to estimate amounts that differ materially from current estimates. The following discussion identifies the critical accounting policies and practices of the Company and helps assess the likelihood of materially different results being reported.

Inventories

Inventories are recorded at the lower of average cost or net realizable value. As a supplier of system in package and modular products, inventory cost consists of amounts paid to the Company's contract manufacturers for product that is drop shipped to customers or shipped to the Company's location in San Jose. Charges for excess and obsolete inventory are recorded based on inventory age, shipment history and forecasted demand. The markets that the Company serves can be volatile and actual results may vary from the Company's forecast or other assumptions, potentially impacting the Company's inventory valuation and resulting in material effects on its gross margin.

The Company sells product directly to end customers as well as through distributors. Inventory at distributor locations is reported as deferred inventory costs and is recognized as cost of goods sold once the distributors have sold the product to a third party.

Product Warranty

The Company offers a standard one-year product replacement warranty. The Company assesses the level and materiality of return material authorizations and determines whether it is appropriate to accrue for estimated returns of defective products at the time revenue is recognized. On occasions, management may determine to accept product returns beyond the standard one-year warranty period. In those instances, the Company accrues for the estimated cost at the time the decision to accept the return is made. As a consequence of the Company's standardized manufacturing processes and product testing procedures, returns of defective product are infrequent and the quantities have not been significant. Accordingly, historical warranty costs have not been material. Actual claim costs may differ from management's estimates.

Property and Equipment

Property, plant and equipment are stated at cost. Depreciation and amortization are computed using the straight line method over the estimated useful lives of three years for computer equipment and software and leased furniture and fixtures, and five years for machinery and equipment and non-leased office furniture and fixtures. Fixed assets under a capital lease are being amortized straight line over the estimated lower of the lease term or useful life of the asset. Useful lives and amortization methods are reviewed annually.

Impairment of Non-Financial Assets

In accordance with IAS 36, *Impairment of Assets*, non-financial assets to be held and used by the Company are reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, the Company must estimate the difference between the carrying amount of the asset and the fair value. If the discounted value of the future cash flows is less than the carrying amount of the asset, impairment is recognized. Impairment charges can be subsequently reversed if the value changes. No impairment charges have been recorded for any of the periods presented.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity. All financial instruments are initially measured at fair value. Subsequent measurement is then based on the financial instruments being classified into one of five categories: fair value through profit and loss (FVTPL), held to maturity, loans and receivables, available for sale and other liabilities. The Company has designated its financial instruments into the following categories applying the indicated measurement methods:

Financial Instrument	Category	Measurement Method
Cash	Loans and receivables	Fair value
Accounts receivable	Loans and receivables	Fair value
Investment in Legend Shares	Available for sale	Fair Value
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Bank borrowings	Other liabilities	Amortized cost
Senior bridge loans	Other liabilities	Amortized cost
Convertible notes obligation	Other liabilities	Amortized cost
Warrant liability	FVTPL	Fair value

Loans and receivables are initially recognized at the fair value and subsequently carried at amortized cost using the effective interest rate method, less provision for impairment. The Company will assess at each reporting period whether a financial asset is impaired. An impairment loss, if any, is included in Statement of Loss. Impairment provisions are recognized when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable. The amount of such a provision is calculated as the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported on a net basis, such provisions are recorded in a separate allowance account with the loss being recognized within selling, general and administrative expenses in the Condensed Interim Consolidated Statements of Loss and Comprehensive Loss. On confirmation that the trade receivable will not be collectible, the gross carrying value of the asset is written off against the associated allowance.

Other liabilities are measured at fair value on initial recognition, net of transaction costs and subsequently at amortized cost using the effective interest rate method.

Financial instruments classified as FVTPL are measured at fair value on initial recognition and are subject to re-measurement at each balance sheet date with any changes in fair value being recognized in the Consolidated Statements of Loss and Comprehensive Loss.

The investment in Legend shares is measured at fair value and is subject to re-measurement at each balance sheet date with any changes in fair value being recognised as a reduction in the value of the amount owing to the Preferred Shareholders.
Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Income Taxes

The Company accounts for income taxes under IAS 12, *Income Taxes*, which requires an asset and liability approach to recording deferred taxes. Deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is recorded to reduce deferred tax assets when it is probable that a tax benefit will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the substantive enactment date.

Management periodically reviews the Company's provision for income taxes and valuation allowance to determine whether the overall tax estimates are reasonable. When management performs its assessments, it may be determined that an adjustment is required. These adjustments, if required, may have a material impact on the Company's financial position and results of operations.

Foreign Currency Translation

The Company's presentation currency is the US dollar. The functional currency of the Company's self-sustaining foreign subsidiary, Wi2Wi Inc., is its local currency of U.S. dollars. The functional currency of the Company's parent company, Wi2Wi Corporation, is U.S. dollars.

There were no gains or losses arising from transactions denominated in currencies other than the functional currency for the three and nine month periods ended September 30, 2014 and 2013.

Revenue Recognition

The Company generates revenue through direct sales to its customers, as well as through distributors. In accordance with IAS 18, *Revenue*, the Company recognizes revenue when the following fundamental criteria are met: (i) the significant risks and rewards of ownership of the goods have transferred to the buyer; (ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (iii) the amount of revenue can be measured reliably; (iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Company also sells product to distributors. The Company does not recognize revenue until its distributors have sold the product to a third party and the right of return or for price protection has lapsed.

Research and Development

Pursuant to IAS 38, *Intangible Assets*, research costs are expensed and development costs are capitalized as an asset if certain criteria are satisfied. The development costs incurred in the three and nine month periods ended September 30, 2014 and 2013, respectively, did not satisfy the criteria and therefore were expensed.

Share-Based Payments

The Company has a stock option plan and issues stock options to directors, employees and other service providers. This fair value of options granted is measured at the grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. All share-based remuneration is ultimately recognized as an expense in the Consolidated Statement of Loss and Comprehensive Loss with a corresponding credit to contributed surplus. Upon exercise of share options, the proceeds received net of any directly attributable transaction costs and the amount originally credit to contributed surplus are allocated to share capital. Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive loss is charged with the fair value of goods and services received.

Compensation costs attributable to stock options granted are measured at fair value at the date of grant and are expensed over the vesting period, using a graded vesting schedule, with a corresponding increase in contributed surplus.

IFRS

Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company is currently assessing the impact of the following standards on the consolidated financial statements and intends to adopt these standards when they become effective.

IFRS 9 – Financial Instruments: Classification and Measurement

IFRS 9 - Financial Instruments replaces the current IAS 39 Financial Instruments Recognition and Measurement. The standard introduces new requirements for classifying and measuring financial assets and liabilities. The Company will start the application of IFRS 9 in the financial statements effective from January 1, 2015. The Company has not yet evaluated the impact on the financial statements.

IAS 32 - Financial Instruments: Offsetting Financial Assets and Financial Liabilities

IAS 32 - Financial Instruments: Offsetting Financial Assets and Financial Liabilities provides further clarification on the application of the offsetting requirements. The Company will start the application of IAS 32 in the financial statements effective from January 1, 2014. There is no impact on the Company’s consolidated financial statements.

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) No 2014-9 “Revenue from Contracts with Customers.” The new accounting standards update require an entity to apply a five step model to recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which tithe entity expects to be entitle end in exchange for those goods or services, as well as, a cohesive set of disclosure requirements that would result in an entity providing comprehensive information about the nature, timing, and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. The standard becomes effective for reporting periods beginning after December 15, 2016, with no early adoption permitted. The Company is currently assessing the impact of this new standard.

The Company has prepared the financial information contained in this discussion and analysis in accordance with IFRS. Reference is also made to net loss, operating margin, earnings before interest and income taxes. The calculations of these measures can be found embedded in the MD&A.

The Company uses these non-IFRS measures as a benchmark measurement of its own operating results. We consider these non-IFRS measures to be a meaningful supplement to net earnings. We also believe these non-IFRS measures are commonly used by securities analysts, investors and other interested parties to evaluate our financial performance. While these non- IFRS measures have been disclosed herein to permit a more complete comparative analysis of the Company’s operating performance, readers are cautioned that these non-IFRS measures as reported by the Company may not be comparable in all instances to non-IFRS measures as reported by other companies.

Net loss before interest and income taxes does not represent cash generated from operations as defined by IFRS and it is not necessarily indicative of cash available to fund cash needs. Furthermore, loss before interest and income taxes does not reflect the impact of a number of items that affect the net loss. Earnings before interest and income taxes are not a measure of financial performance under IFRS, and should not be considered as an alternative to measures of performance under IFRS.

The glossary of financial terms is as follows:

- Net Loss: Revenue - cost of sales - operating expenses
- Margin: Gross Profit/ revenue
- Net cash used in Operating Activities: Net Loss +/- items not affecting cash (please see consolidated statement of cash flows)

Disclosure Controls and Procedures

The Company's Chief Executive Officer ("CEO") and its Chief Financial Officer ("CFO") are responsible for establishing and maintaining the Company's disclosure controls and procedures. Our disclosure controls are designed to provide reasonable assurance that information required to be disclosed by the Company is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws, and include controls and procedures that are designed to ensure that information is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure. The CEO and CFO, after evaluating the effectiveness of the Company's disclosure controls and procedures as at December 31, 2013, have concluded that the Company's disclosure controls are adequate and effective to ensure that material information relating to the Company and its subsidiaries would have been known to them.

Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets; (ii) provide reasonable assurance that transactions are recorded appropriately to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorization of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition or use or disposition of our assets that could have a material effect on the financial statements. Based on their evaluation, the CEO and CFO have concluded that, as at December 31, 2013, the Company's internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes is in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.
There were no changes in internal control over financial reporting that occurred during the Company's most recent year that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting

Management's Responsibility for Financial Reporting

The consolidated financial statements and management's discussion and analysis of operations contained in this MD&A are the responsibility of the Company's management. To fulfill this responsibility, the Company maintains a system of internal controls to ensure that it's reporting practices and accounting and administrative procedures are appropriate and provide assurance that relevant and reliable financial information is produced. The consolidated financial statements have been prepared in conformity with International Financial Reporting Standards and, where appropriate, reflect estimates based on management's best judgment in the circumstances. The financial information presented throughout this MD&A is consistent with the information contained in the consolidated financial statements.

The unaudited interim condensed consolidated financial statements have been examined by the Board of Directors and by its Audit Committee, which meets regularly with the auditors and management to review the activities of each. The Audit Committee, which is comprised of two independent directors, who are not officers of the Company, reports to the Board of Directors.

Risk Factors

The following are some of the Risk factors that the Company could face. An investment in the securities of the Company will be speculative and involve a high degree of risk.

Decreased Product Demand

Demand for the Company's products will depend largely on the development and expansion of the relevant markets for embedded wireless technology. The size and rate of growth of this market may in the future fluctuate significantly based on numerous factors. These factors include the adoption of alternative technologies, the market for OEM products, capital spending levels and general economic conditions. Although the Company's products will be integrated into a variety of end user markets, demand for these end products may fluctuate or decline and hence use of the Company's products may not grow. The Company must anticipate market trends and the price, performance and functionality requirements of current and potential future customers and end-users and must successfully develop and manufacture products that meet these requirements. In addition, the Company must meet the timing requirements of these customers and must make products available to them in sufficient quantities. Additionally, end users could develop products or technologies that provide the same or similar functionality as one or more of the Company's products and render its products obsolete in their applications. The Company will rely upon relationships with customers and end-users for insights into product development strategies for emerging system requirements. The Company will generally incorporate new products into a customer's or end-user's product or system at the design stage. However, these design efforts, which can often require significant expenditures by the Company, may precede product sales, if any, by a year or more. Moreover, the value to the Company of any design win will depend in large part on the ultimate success of the customer or end-user's product and on the extent to which the system's design accommodates components manufactured by third parties. If the Company fails to achieve design wins or if the design wins fail to result in significant future revenues, its operating results would be harmed. If the Company has problems developing or maintaining relationships with customers and end-users, its ability to develop well-accepted new products may be impaired.

Lengthy Sales Cycle

The Company's customers will typically perform numerous tests and extensively evaluate its products before incorporating them into their systems. The time required for the testing, evaluation and design of the Company's products into a customer's equipment can take 18 months or more. Because of this lengthy sales cycle, the Company may experience a delay between the time when it increases expenses for research and development and sales and marketing efforts and the time when it generates higher revenues, if any, from these expenditures. In addition, the delays inherent in its lengthy sales cycle raise additional risks of customer decisions to cancel or change product plans. When it achieves a design win, there can be no assurance that the customer will ultimately ship products incorporating its products. The Company's business could be materially adversely affected if a significant customer curtails, reduces or delays orders during the sales cycle or chooses not to release products incorporating the Company's products. The Company's customers are not obligated to purchase products that the Company has designed for them and may cancel their orders at any time.

Defects in the Company Products

The Company's products are complex. While it will test its products, these products may still have errors, defects or bugs that are found only after commercial production has begun. The Company's customers or end-users may not purchase its products if the products have reliability, quality or compatibility problems. This delay in acceptance could make it more difficult to retain existing customers and to attract new customers. Moreover, product errors, defects or bugs could result in additional development costs, diversion of technical and other resources from The Company's other development efforts, claims by its customers or others against it, or the loss of credibility with current and prospective customers. The Company may have to spend significant amounts of capital and resources to address and fix problems in new products. The Company must continuously develop its products using new technologies to remain competitive on a cost and performance basis. Migrating to new technologies is a challenging task requiring new design skills, methods and tools and is difficult to achieve.

Concentrated Customer Base

The Company will depend on a small number of customers for substantially all of its net revenue and the loss of, or a significant reduction in orders from, any of them could significantly reduce its net revenue and adversely affect its operating results. It will sell its products primarily to OEMs either directly through its internal sales force or indirectly through distributors. Certain of these customers in turn sell more broadly to multiple companies that directly address consumer demand. The markets in which it sells products are prone to significant and unpredictable changes in demand, and its product sales are directly affected by the ability of its concentrated customer base to sell their products that incorporate its products. If these products are not commercially successful or if the development or commercial introduction of such products is delayed or fails to occur as planned or forecasted, or if its customers do not consistently manage their inventory of products it sells to them, its operating results will be adversely affected. The Company expects demand from a small number of customers to continue to account for a substantial portion of its net revenue for the current fiscal year. In addition, The Company's accounts receivable tend to be concentrated with a small group of customers and it expects this to continue. Consolidation among its customers may increase its customer concentration. The loss of any of the Company's major customers could materially adversely impact its operating results and financial position.

Competition

The Company will face significant competition and many of its competitors have greater resources than it will have, and thus it may be unsuccessful in competing against current and future competitors. It may also face competition from new and emerging companies that may enter its existing or future markets. Many of the Company's competitors and potential competitors have longer operating histories, greater name recognition, complementary product offerings, a larger customer base, and longer relationships with customers and distributors, and significantly greater financial, sales, marketing, manufacturing, distribution, technical, and other resources than the Company has. As a result, they may be able to respond more quickly to customer requirements, to devote greater resources to the development, promotion, and sales of its products and to influence industry acceptance of their products better than the Company can. These competitors may also be able to adapt more quickly to new or emerging technologies or standards and may be able to deliver products with performance comparable or superior to that of the Company's products at a lower cost.

Reliance on Third Party Distributors and Sales Representatives

The Company has entered into relationships with distributors and sales representatives to sell its products, and the Company will be unable to predict the extent to which these partners will be successful in marketing and selling its products. Moreover, its distributors and sales representatives may also market and sell competing products. The Company's future performance will also depend, in part, on its ability to attract additional distributors or sales representatives that will be able to market and support its products effectively, especially in markets in which it has not previously distributed its products. If it cannot retain or attract quality distributors or sales representatives, its sales and results of operations will be harmed. The inability of the Company to enter into contracts with qualified individuals could have an effect on the growth of the Company's business within the aforementioned regions.

Loss of Key Personnel Due To Competitive Market Conditions and Attrition

The Company's success will depend to a significant extent upon its senior management and key technical and sales personnel. The loss of one or more of these employees could have a material adverse effect on our business. The Company success will depend on its ability to attract and retain qualified technical, sales and marketing, customer support, financial and accounting, and managerial personnel.

Competition for such personnel in Silicon Valley is intense, and it may not be able to retain its key personnel or to attract, assimilate or retain other highly qualified personnel in the future. In addition, it may lose key personnel due to attrition, including health, family and other reasons. The Company may experience difficulty in hiring and retaining candidates with appropriate qualifications. If the Company does not succeed in hiring and retaining candidates with appropriate qualifications, its business could be materially adversely affected.

Reliance on Industry Partners
The Company will rely on industry partners including suppliers, contractors and joint venture parties in executing its business strategy and operations. As a result, the Company may be exposed to third party credit risk through its contractual arrangements with its current or future suppliers, contractors and joint venture parties. In the event that such entities fail to meet their contractual obligations to the Company, such failures could have a material adverse effect on the Company and its ability to implement its business strategy and operations.

Liquidity Concerns and Future Financings
The Company will have limited financial resources and will require significant capital and operating expenditures in connection with its operations. The Company's future capital commitments will likely exceed its cash resources, which would require the Company to raise additional financing. The development, design and promotion of the Company's products will be very expensive, with a substantial period of time occurring before production can commence. In addition, the Company may incur major unanticipated liabilities or expenses. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There is a risk that interest rates will increase given the current historical low level of interest rates. An increase in interest rates could result in a significant increase in the amount that the Company pays to service future debt incurred by the Company and affect the Company's ability to fund ongoing operations. There can be no assurance that the Company will be successful in obtaining required financing as and when needed. It may be difficult or impossible for the Company to obtain debt financing or equity financing on commercially acceptable terms. This may be further complicated by the limited market liquidity for shares of smaller companies such as the Company, restricting access to some institutional investors. Failure to obtain additional financing on a timely basis could result in delay or indefinite postponement of further development of its products. Such delay would have a material and adverse effect on the Company's business, financial condition and results of operations.

Protection of Intellectual Property and Proprietary Rights
The Company's future success and competitive position depends in certain part upon its ability to obtain and maintain proprietary technology used in its principal products. Currently, it has limited protection of its intellectual property in the form of patents. Its existing or future patents may be invalidated, circumvented, challenged or licensed to others. The rights granted thereunder may not provide competitive advantages to the Company. In addition, the Company's current and future patent applications may not be issued with the scope of the claims sought by it, if at all. Furthermore, others may develop technologies that are similar or superior to the Company's technology, duplicate the Company's technology or design around the patents owned or licensed by it. In addition, effective patent, trademark, copyright and trade secret protection may be unavailable or limited in foreign countries where the Company may require protection. The Company cannot be sure that steps taken by it to protect its technology will prevent misappropriation of the technology. The Company may from time to time receive notifications of claims that it may be infringing patents or other intellectual property rights owned by third parties.

Intellectual Property Litigation
The Company may become involved with costly and lengthy litigation involving its patents and other intellectual property, which could subject it to liability, require it to indemnify customers or end-users, require it to obtain or renew licenses, stop selling its products or force it to redesign its products. Litigation involving patents and other intellectual property is widespread in the high-technology industry where a number of companies and other entities aggressively bring numerous infringement claims to assert their patent portfolios. These claims could result in litigation and/or claims for indemnification, which, in turn, could subject the Company to significant liability for damages, legal fees and costs. Any potential intellectual property litigation also could force the Company to do one or more of the following:

- stop selling, offering for sale, making or having made products or technology that contains the allegedly infringing intellectual property;
- limit or restrict the type of work that employees involved in such litigation may perform for the Company;
- pay substantial damages and/or license fees and/or royalties to the party claiming infringement that could adversely impact the Company's liquidity or operating results;
- attempt to obtain or renew licenses to the relevant intellectual property, which licenses may not be available on reasonable terms or at all; and
- attempt to redesign those products that contain the allegedly infringing intellectual property.

Reliance of Information Technology Systems
The Company will rely upon the performance of its information technology systems to process, transmit, store and protect electronic information, and the failure of any critical information technology system may result in serious harm to its reputation, business, and results of operations and/or financial condition. It will be dependent on technology infrastructure and maintains and relies upon certain critical information systems for the effective operation of its business. These information technology systems include telecommunications, the Internet, various computer hardware and software applications, network communications and e-mail. These information technology systems are subject to damage or interruption from a number of potential sources including natural disasters, viruses, destructive or

inadequate code, malware, power failures, cyber-attacks, and other events. To the extent that these information systems are under the Company's control, it has implemented security procedures, such as virus protection software and emergency recovery processes, to address the outlined risks. It may incur significant costs in order to implement, maintain and/or update security systems that it feels are necessary to protect its information systems. A material breach in the security of its information systems could include the theft of its intellectual property or trade secrets, negatively impact its operations, or result in the compromise of personal and confidential information of its employees, customers or suppliers. While the Company will take necessary action to ensure that its information technology systems are appropriately controlled and that it has processes in place to adequately mitigate these risks, security procedures for information systems cannot be guaranteed to be failsafe. To the extent that any system failure, accident or security breach results in disruptions or interruptions to its operations or the theft, loss or disclosure of, or damage to its data or confidential information, its reputation, business, results of operations and/or financial condition could be materially adversely affected. In addition, a miscalculation of the level of investment needed to ensure its technology solutions are current and up-to-date as technology advances and evolves could result in disruptions in its business should the software, hardware, or maintenance of such items become out-of-date or obsolete. Furthermore, when the Company implements new systems and/or upgrade existing systems, there is a risk that its business may be temporarily disrupted during the period of implementation.

Foreign Operations
A substantial portion of the Company's business will be conducted outside of the United States and Canada and, as a result, it is subject to foreign business, political and economic risks. All of its products will be manufactured outside of North America. The Company's products will be assembled and tested in Taiwan. In addition, many of its customers are located outside of North America, which further exposes it to foreign risks. The Company's operations outside of North America are directly influenced by the political and economic conditions of the region in which they are located. The Company anticipates that its manufacturing, assembly, testing and sales outside of North America will continue to account for a substantial portion of its operations and revenue in future periods. Accordingly, it is subject to risks associated with international operations, including:

- political, social and economic instability, including wars, terrorism, political unrest, boycotts, curtailment of trade and other business restrictions;
- compliance with domestic and foreign export and import regulations, and difficulties in obtaining and complying with domestic and foreign export, import and other governmental approvals, permits and licenses;
- compliance with foreign laws, and laws and practices that favour local companies;
- difficulties in staffing and managing foreign operations;
- natural disasters;
- trade restrictions or higher tariffs;
- transportation delays;
- difficulties of managing distributors;
- less effective protection of intellectual property than is afforded to us in North America or other developed countries;
- inadequate local infrastructure; and
- exposure to local banking, currency control and other financial-related risks.

The sudden disruption of the supply chain and/or the manufacture of its customer's products caused by any of the foregoing risks could impact the Company's results of operations by impairing its ability to timely and efficiently deliver its products. Moreover, the international nature of its business subjects it to risks associated with the fluctuation of the U.S. dollar versus foreign currencies. Decreases in the value of the U.S. dollar versus currencies in jurisdictions where its third party manufacturers are located have significant costs and will increase the cost of such operations, which could harm its results of operations. If a major earthquake, flood, typhoon, tsunami or other natural disaster were to affect the Company's operations or those of its suppliers, the Company's product supply or testing schedule could be interrupted, which would seriously harm its business. Natural disasters could also affect the operations of the distributors and contract manufacturers it sells to, as well as the operations of its end use customers, which would adversely affect its operations and financial results. Natural disasters anywhere in the world may potentially adversely affect the Company by harming or causing interruptions to its supply chain or the supply chains of its suppliers, direct customers or end use customers.

Managing Growth
In order to manage growth and change in strategy effectively, The Company must continue to:

a) maintain adequate systems to meet customer demand;
b) expand research and development, sales and marketing, technical support, distribution capabilities and administrative functions;
c) expand the skills and capabilities of its current management team; and
d) attract and retain qualified employees.

While it intends to focus on managing its costs and expenses over the long term, the Company expects to invest to support its growth and may have additional unexpected costs. It may not be able to expand quickly enough to exploit potential market opportunities.

Claims, Insurance and Litigation
The Company has been named as a party to several lawsuits and it may be named in additional litigation in the future, as disclosed in the Company's Condensed Consolidated Financial Statements for the Three and Nine Months ended September 30, 2014. The ultimate

outcome of any litigation could have a material adverse effect on the Company's business and the trading price of the Company's Common Shares. Litigation may be time-consuming, expensive, and disruptive to normal business operations, and the outcome of litigation is difficult to predict. The defence of these lawsuits may result in significant expenditures and the continued diversion of management's time and attention from the operation of the business, which, in turn, could impede the business. In the event the Company was to receive an unfavourable outcome in any lawsuit, its business, financial condition, results of operations, cash flows and the trading price of the Company's Common Shares may be materially and adversely affected.

Tax Risks
The Company will operate and will be subject to income tax and other forms of taxation (which are not based upon income) in numerous tax jurisdictions. Taxation laws and rates which determine taxation expenses may vary significantly in different jurisdictions, and legislation governing taxation laws and rates is also subject to change. Therefore, the Company earnings may be impacted by changes in the proportion of earnings taxed in different jurisdictions, changes in taxation rates, changes in estimates of liabilities and changes in the amount of other forms of taxation. The Company may have exposure to greater than anticipated tax liabilities or expenses. The Company will be subject to income taxes and non-income taxes in a variety of jurisdictions and its tax structure is subject to review by both domestic and foreign taxation authorities.

The determination of the Company's worldwide provision for income taxes and other tax liabilities will require significant judgment. The Company believes that it will adequately provide for income taxes based on all of the information that is currently available.

The Global Economy
The global economy has not fully recovered from the recent financial downturn and unforeseen events may negatively impact the Company's financial condition. Market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, caused significant volatility over the last few years. These conditions have worsened in parts of Asia and Europe, causing a loss of confidence in the global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. These factors have negatively affected company and trust valuations and continue to impact the performance of the global economy.

Price and Volatility of Public Stock
The trading price of the Company's Common Shares will be subject to change and could in the future fluctuate significantly, which might not necessarily be related to the financial condition, operating performance, underlying asset values or prospects of the Company. The fluctuations could be in response to numerous factors beyond the Company's control, including: quarterly variations in results of operations; changes in securities analysts' recommendations; announcements of acquisitions; changes in earnings estimates made by independent analysts; general fluctuations in the stock market; or revenue and results of operations below the expectations of public market securities analysts or investors. Any of these could result in a sharp decline in the market price of the Company's Common Shares. It may be anticipated that any market for the Company's Common Shares will be subject to market trends generally and the value of the Company's Common Shares on the TSXV may be affected by such volatility. In addition, stock markets have occasionally experienced extreme price and volume fluctuations. In the past, the securities markets in Canada and the United States have experienced a high level of price and volume volatility, and the market price of securities of many companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It is likely that the market price for the Company's Common Shares will be subject to market trends generally, notwithstanding the financial and operational performance of the Company. These broad market fluctuations may cause a decline in the market price of the Company's Common Shares.

With the advent of the Internet, new avenues have been created for the dissemination of information. The Company has no control over the information that is distributed and discussed on electronic bulletin boards and investment chat rooms. The intention of the people or organizations that distribute such information may not be in the Company's best interest and the best interests of its shareholders. This, in addition to other forms of investment information including newsletters and research publications, could result in a sharp decline in the market price of the Company's Common Shares.

Acquisition of Assets of Precision
The Company on October 2, 2014 entered into an asset purchase agreement with Precision pursuant to which the Company agreed to acquire certain assets and trade liabilities of Precision used in connection with the design, manufacture, distribution, and sale of Precision's radio frequency products that include crystals, oscillators, filters and a whole range of frequency controllers. The Company is in in the process of integrating the operations of Precision with Wi2WI. There is no certainty the integration will be successful, and may result in the Company losing employees and customers.

Various risk factors are also described in comments made in this MD&A.

Further Information
Additional information on the Corporation, including the Annual Information Form, may be obtained on SEDAR atwww.sedar.com