MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2015

Wi2Wi
Management's 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. 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 27, 2015 and should be read in conjunction with the unaudited condensed consolidated interim financial statements as at and for the periods ended September 30, 2015, and 2014 and audited consolidated financial statements for years ended December 31, 2014 and 2013 all of which are available on SEDAR at www.sedar.com. This MD&A has been authorized for issue by the Board of Directors on November 27, 2015.

Corporate Strategy

Wi2Wi is a vertically-integrated global designer, integrator and manufacturer of wireless technology solutions for a diverse range of premium global markets for Internet of things (IoT) and Machine-to-Machine (M2M). The Company's product suite includes Wireless Connectivity solutions, Frequency Control devices, as well as RF and Microwave Filters for avionics; space; military; defense; government; infrastructure; industrial; automotive; medical; communications; mobile-radio; Internet of Things (IoT); personal navigation devices and premium consumer applications.

Strategically located in the USA, the Company's headquarters, as well as its design and engineering for wireless connectivity and global navigation satellite system (GNSS) solutions, are based in San Jose, CA, in the heart of Silicon Valley. Wi2Wi's state-of-the-art manufacturing and operations, along with design and engineering for timing devices, frequency control products and RF & microwave filters, are based in Middleton, WI, in North America's industrial belt. Wi2Wi provides an extensive product range of both "out-of-the-box" and customized solutions, leveraging its technology along with tier-1 global partnerships with industry leading silicon and supply chain companies to serve many of the world's largest and most innovative companies, including more than 300 "blue chip" customers.

Wi2Wi focuses on IoT and M2M, industrial and automotive, medical, avionics and space, infrastructure and government markets worldwide. Wi2Wi's products and value-added services provide highly integrated, rugged, robust and reliable, multifunctional wireless integration solutions, customised frequency control devices and microwave filters for customer applications globally. Wi2Wi distinguishes itself from commodity grade products, having developed products with broader temperature ranges, built in software, longer useful lives and greater robustness. Wi2Wi's strategic objective is to service the unique needs of each customer by providing integration solutions, thereby speeding up the customer's design, development and manufacturing cycle.

Overview

These financial statements have been prepared by management, 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, in accordance with IFRS.

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

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

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 27, 2015.

Highlights of 2015:

- On October 28, 2015, the Company issued 30,570,082 Common Shares to LaSalle Capital Group II-A L.P. ("**LaSalle**") and an aggregate of 5,843,639 Common Shares to a former executive of the Company for settlement of his claim, as well as to a note holder and other trade creditors. These Common Shares were issued at a deemed price of CAD 0.1275 per share. The Common Shares issued by the Company pursuant to these shares for debt transactions are subject to resale restrictions, in accordance with applicable securities legislation and TSX Venture Exchange requirements, until February 29, 2016. The Company's outstanding Common Shares increased to a total of 133,027,744.
- On October 27, 2015 the company announced the receipt of Silver Status Award from Rockwell Collins for the company's superior supplier performance among the Rockwell's preferred suppliers.
- On September 30, 2015, the Company reached an agreement with its note holder of CDN$500 to exchange the debt for shares.
- At the Special Meeting of Shareholders held on September 25, 2015, the Company's shareholders approved a resolution authorizing the creation of LaSalle as a Control Person and approving the shares for debt transaction creating the Control Person.
- On August 25, 2015, the Company settled a claim by a former executive of the Company for payment of $325 and issuance of 1 million Common Shares on the Company
- The Company announced on June 19, 2015 that it has agreed to a shares for debt transaction with LaSalle to pay an aggregate amount of $3,192 (the Debt) consisting of: a) the principal amount of the Secured Subordinated Convertible Debenture of $2.5 million; b) the unpaid but accrued interest related to the Debenture in the amount of $168; and c) interim funding provided by LaSalle to Wi2Wi in the amount of $524. Based on the Bank of Canada noon exchange rate on September 18, 2015 the Canadian dollar equivalent of the Debt was CDN$3,898 (CDN exchange rate of 1.2209). Therefore, 30,570,082 Common Shares of Wi2Wi were issued on October 28, 2015, to LaSalle as consideration for the Debt.
- On March 30, 2015, the Company announced a new line of CLC Series of Filters. The CLC Filter Series are Lumped Element (LC) Filters and are offered in standard and custom packaging, including surface mount, through-hole mounting, and connectorized packaging. The CLC Filter Series is configurable to meet the customer's requirements and available in frequency ranges from DC to 3.5 GHz. The CLC filter series addresses the unique demand in premium market verticals: Military, Avionics, Space, and GPS.
- The Company announced on March 2, 2015 the creation of the Microwave Business Unit. This business unit has been created to address and service the growing demand for Radio frequency (RF) and Microwave filters over many different applications in premium markets such as Avionics, Space, Medical and Defense
- The Company announced on February 17, 2015 that the integration of the acquired assets of Precision Devises Inc., announced on November 14, 2014, had been completed. The administrative, manufacturing and operations functions for Wi2WI have been relocated and integrated with the Middleton location.

Highlights of 2014:

- Announced release of W2SG0021i, a State-of-the-Art Industrial-Temperature Miniature Global Navigation Satellite System (GNSS) Module, based on the leading-edge, newly introduced, and market proven CSR-SiRF Star V chip. The W2SG0021i is a high sensitivity, low power GNSS receiver designed for portable applications. It can concurrently track multiple satellite constellations (GPS, GLONASS, BDS, SBAS, and Galileo ready). Its ultra-fast time-to-first-fix, small form factor, and high receive sensitivity make it an ideal GNSS solution for a broad spectrum of OEM products. This module provides precision commercial-grade GNSS location identification over temperatures ranging from -40C to +85C. Measuring only 7mm x 7mm, the W2SG0021i addresses the need for a cost-effective and high-performance GNSS module for major markets worldwide.
- Provided End of Life notices to customers for two legacy products.
- Acquired certain assets and liabilities of Precision Devices, Inc., expanding the customer base and industry sectors serviced by the Company.
- 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.
- Entered into an agreement with the Company's key distribution partner to finance the procurement of raw materials to facilitate the product build.
- August 2014, reached an agreement with one of its customers for the transfer of technology and know-how for $2.25million. The agreement was predicated on three milestones, which were completed, by December 31, 2014, and received the final payment in January 2015.
- Continuing focus on new generation wireless solution development.
- Launched the development of GNSS products supporting China.
- Most of the design wins for the 3rd Generation GPS products have been entered into volume production.
- Launched development of a Low-Energy Bluetooth module
- Launched the development of high performing but low cost Wi-Fi solutions targeting the emerging Internet of Things (IoT) space
- Continued rebuilding the America's sales team and network of manufacturers' representatives, including the addition of five new sales partners.
- The Company announced on February 27, 2014 the closing of the first tranche of its non-brokered private placement Offering, issuing 2,706,834 units at a price of CDN$0.20 per Unit for net proceeds of $428.

Summary of Quarterly Results:

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

In thousands of Dollars	2015 Q3 $	2015 Q2 $	2015 Q1 $	2014 Q4 $
Statement of results				
Revenue	**3,123**	**4,002**	**4,632**	**3,348**
Gross profit	**1,324**	**1,361**	**1,337**	**988**
Operating expenses				
Research and development	**512**	**321**	**221**	**183**
Selling, general and administrative	**778**	**710**	**762**	**1,065**
Changes in fair value of Legend shares	**57**	**55**	**(181)**	**-**
Reversal of liability	**(175)**	**-**	**-**	**-**
Transfer of technology	**-**	**-**	**-**	**(562)**
Gain on bargain purchase	**-**	**-**	**-**	**(678)**
Net income before interest, income taxes	**152**	**275**	**535**	**980**

In thousands of Dollars	2014 Q3 $	2014 Q2 $	2014 Q1 $	2013 Q4 $
Statement of results				
Revenue	**2,061**	**1,463**	**1,175**	**310**
Gross profit	**1,063**	**723**	**586**	**109**
Operating expenses				
Research and development	**202**	**208**	**253**	**260**
Selling, general and administrative	**661**	**466**	**732**	**760**
Transfer of technology	**(1,688)**	**-**	**-**	**-**
Net income (loss) before interest, income taxes	**1,888**	**49**	**(399)**	**(911)**

Results of Operations:

The unaudited condensed consolidated interim financial statements for the periods ended September 30, 2015 and 2014 form integral part of this MD&A. All amounts are expressed in thousands of U.S. dollars.

Three and nine month periods ended September 30, 2015 as compared with September 30, 2014:

Revenue

Revenues for the three month periods ended September 30, 2015 and 2014 were $3,123 and $2,061 respectively. Revenue for the nine months ended September 30, 2015 and 2014 were $11,757 and $4,699, respectively. The significant increase in revenues over the corresponding period was due to a combination of wireless connectivity solutions revenues, and revenues from acquisition of a frequency control devices and timing devices business. The Company typically receives multiyear purchasing agreements from its avionics and space industries customers. The Company is currently in the process of renewing these purchase agreements for products and services with its customers in the avionics and space industries. Such agreements are typically reviewed and revised in the third and fourth quarters of the calendar year, and can cause some seasonality in the business.

Revenues from the previous quarter decreased primarily due to the end of life connectivity products. The Company has developed new products in 2015 and has been pro-actively marketing these lines. Revenue from these products will be generated in 2016. The Company has hired a Vice President of Engineering who will be responsible for building a design and engineering team for connectivity solutions, and technical sales. Subsequent to the quarter, on November 16, 2015, the Company announced establishment of a new Design and Engineering ("D&E") center in Hyderabad, India. The Company's team at this D&E center will focus on developing wireless connectivity solutions addressing the exploding demand in Internet of Things (IoT) and Machine-to-Machine (M2M) markets. The location of the D&E Center will allow the Company to tap into the rich talent pool around Hyderabad and the region to develop a wide range of hardware and software-related solutions, as well as enabling real time technical support for customers in Asia-Pacific.

The Company announced the following product releases:

- DL4 series Ceramic Crystal Clock Oscillators, addressing the growing demand for high performing products in avionics, space, industrial, military and other markets. The Company's unique design and manufacturing technology enables the rugged and reliable DL4 series to withstand the extreme environmental conditions encountered in "real world" applications such as the down-hole drilling demands of oil and gas exploration, geothermal and hydrothermal drilling, as well as specialized applications for avionics, military and space. Its double hermetically sealed internal construction has undergone rigorous environmental testing in the Company's DLA certified laboratory, ensuring that the DL4 series will perform well and withstand shock and vibration at temperatures exceeding 200ºC. The DL4 series is highly customizable based on a customer's unique requirements and is available in various packaging
- W2SW0025 (addressing the M2M and IoT markets), is a state-of-the-art, commercial, extended and industrial-operating temperature range, single band 2.4 GHz, 802.11 b/g/n, 1 x 1 SISO, high throughput module, based on the leading edge, newly introduced and proven Marvell's wireless LAN chip. The W2SW0025 offers an SDIO 2.0 and USB 2.0 host interface for easy connection to all leading 32 bit processors running Linux and Android operating systems. The highly integrated W2SW0025 provides all necessary circuitry for a complete 2.4 GHz, 802.11 b/g/n solution requiring no other components other than the user's choice of antenna and power supply. Along with the optimised BOM, theW2SW0025 is fully certified to FCC/IC/CE reducing application implementation costs even further for the user. With a small form factor, the W2SW0025 also supports deep sleep and standby modes for low power operation.
- Company further expanded offering of its GNSS modules, W2SG0021 Family, for concurrent tracking of multi constellations
- Custom Cavity Filters ("CCF"). The CCF Filter Series are Custom Cavity Combline (CF) Filters, which can be customized, and are available in frequency ranges from 0.5 to 18 GHz.
- CLC Series of Filters, are Lumped Element (LC) Filters, which are available in standard and customized offerings, including surface mount, through-hole mounting, and available in frequency ranges from DC to 3.5 GHz.

The Company has confidentiality agreements with its blue chip customers, and thus, the Company cannot disclose any details of the purchasing agreements or the name of the customers. However, the Company announced on October 27, 2015, that it had received Silver Status Award from Rockwell Collins among their preferred suppliers. Rockwell Collins uses Wi2Wi's "PDI" brand frequency control devices and microwave filters for many of their systems and subsystems. The Company continues to be selected by many of its blue chip customers as their preferred supplier for their product and service requirements and continue to enter into purchasing agreements with the blue-chip customers.

The Company continues to receive requests for customized product samples from its customers, with the expectation that, once the customers' systems are qualified, these are likely to result in purchase orders. Depending on the applications of such products and the markets the customers' service, product qualification can take up to 2-3 years before revenue is generated.

The Company relies on direct sales as well as its global distribution network to sell its products, supported by the sales team in San Jose, Middleton, European Union and the sales representative network that has been established in North America, European Union and in Asia Pacific. The Company's global distributor has in excess of 500 sales staff.

The Company has not entered the low revenue, low margin market, which is well supported by the large 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 new potential customers that can benefit from the Company's ability to deliver products specifically 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 has a premium customer base in avionics, medical, space, infrastructure, IoT M2M and defence. The acquisition of Precision helped the Company to cross sell connectivity solutions and GNSS into market segments that had previously not been serviced, specifically the avionics and space markets. Selling into an existing customer base will save the Company both time and money in entering new markets for connectivity solutions and GNSS.

In order to optimize its market position, the Company is implementing new programs to increase its software solution content and services along with highly customizable hardware and other components focused on premium markets. Establishing the D&E center in Hyderabad, India represents just the latest step in extending the Company's ability to provide highly cost effective solutions.

Revenue is booked and collected in the functional currency of its self-sustaining foreign subsidiary, while Wi2Wi Inc. functions in 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 three month periods ended September 30, 2015 and September 30, 2014 were $1,324 and $1,063, respectively. Gross profits increased by 24% for the three month period ended September 30, 2015, compared to the same period in 2014. Gross margins for the three month periods ended September 30, 2015 and 2014 were 42% and 51.5%, respectively. The decrease in gross margin is due to lower margins on the frequency controllers, timing devices business.

Gross profits for the nine month period ended September 30, 2015 and 2014 were $4,022 (gross margin 34%) and $2,372 (gross margin-50.4%), respectively.

The gross margin as a percentage of revenue has decreased, because the frequency control and precision devices business historically yielded a lower margin. However, successful efforts in manufacturing cost reductions – including improving manufacturing yield, increasing efficiencies, and optimising manufacturing batch sizes, should help increase the margins in the future. While this process will take some time to implement initial results are very favourable. In addition, the Company is reviewing its pricing and has been successful in obtaining price increases for some its legacy products.

As production runs increase for the new generation of products, it is expected that lower pricing for products and assembly costs will be negotiated, which constitutes the major portion of cost of product sold. At the same time, 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 sizes 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 three month period ended September 30, 2015 and 2014 were $512 and $202 respectively. For the nine month periods ended September 30, 2015 and 2014, research and development costs were $1,054 and $664 respectively, an increase of 59%. In 2014, the Company was in the process of restructuring its operations. This resulted in a lower R&D expenditure, and in 2015, R&D expenses increased primarily due to acquisition of Precision.

Investment in R&D—Due to cash constraints in 2014, the Company had been experiencing delays in the introduction of new products. The Company is looking to develop new products in timing devices, frequency control products, RF and microwave filters, and wireless connectivity solutions. The hiring of Vice President of Engineering and newly established D&E center will assist in this area, and the Company's R&D expenditure will increase in the future as its starts to develop new products, especially in the wireless connectivity business servicing the IoT and M2M markets. These current investments in R&D are anticipated to see benefits in late 2016 to early 2017.

Selling, General and Administrative Expenses (SG&A)
Revenue is generated through distributors, a global network of representatives and direct sales. Distributor 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, and is supplemented by a global network of specialized representatives who are compensated based on the level of revenue they generate.

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 three month periods ended September 30, 2015 and 2014 were $660 and $661, respectively. For the nine month periods ended September 30, 2015 and 2014 the SG&A costs were $2,006 and $1,858 respectively.

Included in SG&A for the three month period ended September 30, 2015 is reversal of a liability from prior years no longer payable amounting to $175, related to professional and consulting services. Without this item, the SG&A would have been $835, increase of 26%. This would be in line with expectation as the amount includes the SG&A of the business acquired. In 2014, the Company had undertaken a restructuring of its operations in San Jose. With addition of business acquired operations, reliability testing, sales support and all administrative function have been relocated to the Middleton office. The functions have been transferred and integrated without increasing any overheads in the Middleton location.

Stock compensation expense was $30 and $90 for the three and nine month periods ended September 30, 2015 compared to $10 and $149 in the comparable periods of 2014.

The Wi2Wi sales network is managed through two Sales Directors in North America, who are supported by a network of specialized representatives who are compensated based on the level of revenue they generate. Europe and Asia are managed by a well-qualified Vice President of Sales. As Asia is a specialized market area, a team of sales representative stationed in Hong Kong functions as a manufacturer's representative to support the programs established by the entire sales team, regardless of the originating source country of each program.

Changes in fair value of Legend shares

At the annual shareholders meeting of October 30, 2014, the preferred shareholders voted for accelerated conversion to Common Shares of the Company, resulting in the Company becoming the holder of the investment in Legend. Changes in fair value of Legend shares reflect the market value of the shares at the end of the period.

Interest Expense

Interest expense for the quarters ended September 30, 2015 and 2014 were $nil and $28, respectively and for nine month period ended September 30, 2015 and 2014 $145 and $82 respectively.

Interest in 2015 relates to the secured subordinated convertible debenture, and note payable (see Note 12 to the unaudited interim condensed consolidated financial statements at September 30, 2015 and 2014). These loans were exchanged for common shares (issued October 28, 2015) in the Company. The settlements of these debts were effective as of June 30, 2015 and, as such, there was no interest accrued in the third quarter. Interest in 2014 relates to escrow loans, promissory notes, and the secured subordinated convertible debenture.

Liquidity and Capital Resources:

As of September 30, 2015, the Company had cash of $1,185 compared to $387 as of September 30, 2014, and $645 as at December 31, 2014. The Company had a net working capital of $350 as of September 30, 2015 compared to working a capital deficit of $401, as of December 31, 2014 respectively. Shareholders' equity was $1,985 and $1,128 at September 30, 2015 and December 31, 2014 respectively. In the period ending September 30, 2014, the Company had a working capital deficit of $1,064. 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.

Note Payable – Norton Rose

As a condition of closing of the RTO transaction the Company converted CDN$500 of the amount owing to Norton Rose into an unsecured promissory note. The promissory note was exchanged for shares on October 28, 2015.

Secured subordinated convertible debenture

As part of the purchase price for the acquisition of Precision assets (Note 6), the Company issued a Convertible secured convertible note for $2.5 million (the "Debenture").

On June 19, 2015 the Company announced a shares for debt transaction with LaSalle Capital Group II-A L.P (LaSalle) to pay an aggregate amount of $3,192 (the Debt) consisting of:

a) Principal amount of the Secured Subordinated Convertible Debenture of $2.5 million;
b) Unpaid but accrued interest related to the Debenture in the amount of $168; and,
c) Funding provided by LaSalle to Wi2Wi in the amount of $524.

Based on the Bank of Canada noon exchange rate on June 18, 2015, the Canadian dollar equivalent of the Debt was CDN$3,898 (CAD exchange rate of 1.2209). Therefore, 30,570,082 Common Shares of Wi2Wi will be issued to LaSalle as consideration for the Debt. The Common Shares were issued on October 28, 2015 at a deemed price of CDN$0.1275 per common share representing the "Discounted Market Price", as defined under TSXV policies, based on the closing price of the Wi2Wi Common Shares on the TSXV on June 18, 2015.

At the conclusion of the above transactions, the Company's liabilities were reduced by $3.7 million, substantially increasing the ability of the Company to continue in existence as a going concern.

The application of the going concern basis is dependent on a number of factors, but ultimately on the Company's ability to generate future positive cash flows from operations, profitable operations, bank borrowings and future equity raises to meet the Company's liabilities and commitments.

Private Placement Programs:

The Company announced on February 27, 2014 the closing of the first tranche of its non-brokered private placement Offering, issuing 2,175,000 units at a price of CDN$0.20 (approximately $0.18) per Unit. A Unit consisted of one common share of the Company and one half of one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of CDN$0.25 per share. The warrants will expire on April 30, 2016.

On April 30, 2014, the Company received acceptance for filing documentation from the TSX-V, the final number of shares issued totalled 2,706,834, along with 1,480,726 warrants attached to those shares, for gross proceeds of $474. The value of the warrants was $46 and the remaining $428 was allocated to the common stock.

There were 96,614,024 common shares issued at September 30, 2015, and December 31, 2014, compared with 84,511,140 common shares issued at September 30, 2014. On October 28, 2015 shares were issues in exchange for debt as discussed above increasing the number of shares outstanding to 133,027,744.

Operating Activities, three and nine month periods ended September 30, 2015 and 2014

In the three months ended September 30, 2015, operating activities used cash of $617 compared to cash generated of $351 in the same period in 2014. Use of cash in the period was due to primarily payments of trade liabilities, including payment to former CEO of the Company in settlement of his claim. For the nine month period ending September 30, 2015 operating activities generated $817 compared to use of cash of $111 for the same period in 2014.

Investment Activities

Cash flow related to investment activities consisted of expenditures for equipment in the three and nine month periods ended September 30, 2015 and 2014. The Company is not capital intensive.

Financing Activities

There were no financing activities in the three and nine month periods of 2015. Cash proceeds from a share, and debt issue were $483 in the nine months ending September 30, 2014.

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

As a condition of approval of the Plan of Arrangement, an amount of $500 was placed in Escrow, which will be released upon the Company's 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 were released on February 25, and March 27, 2014.

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. The significant accounting policies used by the Company and critical accounting estimates and judgments made by the Company are disclosed in Notes 2 and 4 to the unaudited condensed consolidated interim financial statements for the three and nine month periods ended September 30, 2015 and 2014, 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.

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, and demand for its Frequency Control devices, as well as RF and Microwave Filters. The size and rate of growth of these markets 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 as well as general economic conditions.

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 2-3 years to generate revenues. 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.

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.

Customer Base

In the past, the Company has depended on a small number of customers for substantially all of its net revenue. However, with addition of Precision Devices cliental, the customer base has increased significantly. This is substantially reducing the impact on net revenues should the Company lose a customer or experience a reduction in orders from any of them. The Company 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.

Competition

The Company faces significant competition including from many competitors that have greater resources than it will have, and thus, the Company 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.

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.

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 materially adverse effect on our business. The Company's success will depend on its ability to attract and retain qualified technical, sales and marketing, customer support, financial and accounting, and managerial personnel. In addition, it may lose key personnel due to attrition, including health, family and other reasons.

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

Liquidity Concerns and Future Financings

The Company will have limited financial resources and will require capital and operating expenditures in connection with its operations. The Company's future capital commitments may exceed its cash resources, which would require the Company to raise additional financing, and resolve any related litigation. 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 the required financing as and when needed. It may be difficult 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 a 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 depend 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.

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; and/or stop selling its products or force it to redesign its products.

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.

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. Some 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

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 resolved one law suit it was party to. The other matter the Company has made a reserve if it has a legal obligation to indemnify the two directors who have the judgement against them.

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.

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. 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.

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

Further Information

Additional information on the Corporation may be obtained on SEDAR at www.sedar.com