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Overview of the Structure of the MD&A

The following management's discussion and analysis ("MD&A") for Redishred Capital Corp. (the "Company" or "Redishred") has been prepared by management and focuses on key statistics from the consolidated interim financial report and pertains to known risks and uncertainties. To ensure that the reader is obtaining the best overall perspective, this MD&A should be read in conjunction with material contained in the Company's unaudited consolidated interim financial statements for the three months ended March 31, 2015 and 2014. Additional information on Redishred, including these documents and the Company's 2014 Annual Report are available on SEDAR at www.sedar.com. The discussions in this MD&A are based on information available as at May 29, 2015.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Often, but not always, forward-looking reports can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking reports involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In particular, certain reports in this document discuss Redishred's anticipated outlook of future events. These reports include, but are not limited to:

(i) the Company's ability to achieve certain levels of cash flow and earnings before interest, taxes, depreciation and amortization ("EBITDA") as well as meet its financial obligations as they come due over the next twelve months, which may be impacted by:

   a. the number of new franchises awarded,
   b. the size of the franchise territories awarded,
   c. the growth of the system sales achieved by existing and new locations,
   d. the economic circumstances in certain regions of the United States,
   e. the number and size of acquisitions,
   f. the growth of sales achieved in corporate locations,
   g. the level of corporate overhead,
   h. the outcome of potential litigation,

(ii) the awarding of franchises and licences, which is subject to the identification and recruitment of candidates with the financial capacity and managerial capability to own and operate a Proshred franchise or licence;

(iii) acquisition activity may be impacted by the level of financing that can be obtained, the identification of appropriate assets and agreement of suitable terms;

(iv) anticipated system sales, royalty revenue and corporate store revenue, which may be impacted by industry growth levels which to date have been driven by favourable legislation and favourable media coverage on the impacts of identity theft and corporate security issues;

(v) recycling revenues may be impacted by commodity paper prices which will vary with market conditions both in the United States and Internationally;

(vi) the commencement of new franchise and/or licenced operations which may be delayed by the inability of the franchisee to comply with the franchise agreement terms and conditions post execution;

(vii) the anticipated corporate results which may be impacted by the ability of the Company to attain the anticipated sales and efficiencies; and by the performance of the local economies; and

(viii) the Company's ability to achieve positive incremental cash flow and lead to positive cash flows for the Company as a result of its acquisitions, which may be impacted by growth of sales and level of costs incurred by such acquisitions.

These forward-looking reports should not be relied upon as representing the Company's views as of any date subsequent to the date of this document. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking reports will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Company.

Non-IFRS Measures

There are measures included in this MD&A that do not have a standardized meaning under International Financial Reporting Standards ("IFRS") and therefore may not be comparable to similarly titled measures presented by other publicly traded companies. The Company includes these measures as a means of measuring financial performance.

- System sales are revenues generated by franchisees, licensees and corporately operated locations. The system sales generated by franchisees and licensees drive the Company's royalties. The system sales generated by corporate locations are included in the Company's revenues.

- Same store system sales results, royalty fees and corporate operational results are indicators of performance of franchisees, licensees and corporately operated locations that have been in the system for equivalent periods in 2015 and 2014.

- EBITDA is defined as earnings before interest, taxes, depreciation and amortization, or reversal of impairment and gains or losses on sale of assets. EBITDA is a performance measure used to assess the corporate locations' performance.

- Operating income is defined as revenues less operating costs, depreciation and amortization related to the tangible assets. Depreciation and amortization for intangible assets has not been included in this calculation.

- Corporate operating income is the income generated by corporately operated locations. The operating income generated is inclusive of depreciation on tangible equipment, primarily trucks and containers. It does not include amortization related to intangibles assets or allocations for corporate overhead.

Basis of Presentation

All financial information reported in this MD&A is presented under IFRS as Generally Accepted Accounting Principles ("GAAP"). The Company's presentation currency is the Canadian dollar. The functional currency of the Company's foreign subsidiaries is the U.S. dollar, as it is the currency of the primary economic environment in which it operates.

Overview of Redishred Capital Corp.

Redishred Capital Corp., based in Mississauga, Ontario, Canada operates the Proshred business (defined as the business of granting and managing franchises in the United States and by way of a master license arrangement in the Middle East) as well as operates corporate shredding businesses directly. The Company's plan is to grow its business by way of both franchising and the acquisition and operation of document destruction businesses that generate stable and recurring cash flow through a scheduled client base, continuous paper recycling, and concurrent unscheduled shredding service.

As of March 31, 2015, there were 27 operating Proshred locations in the United States comprised of 117.4 territories. A territory in the United States is defined as a geographic area with 7,000 businesses having 10 or more employees. A franchise is defined as the right, granted by the Company, to operate a Proshred business in a certain geographic area(s). The Company operates 6 Proshred locations directly, including Syracuse, Albany, Milwaukee, New York City, Charlotte and Miami.

As of March 31, 2015, the Company also has one international master license to operate in the Middle East[1]. There are seven Proshred locations in operation in the Middle East, including Doha, Qatar, Dubai, UAE, Abu Dhabi, UAE, Riyadh and Jeddah, Saudi Arabia, Beirut, Lebanon and Muscat, Oman.

[1] *Middle East license includes Gulf Cooperation Council countries of Saudi Arabia, Kuwait, Bahrain, Qatar, The United Arab Emirates, the Sultanate of Oman and the Republic of Yemen, in addition to, the Eastern Mediterranean Levant Countries of Turkey, Syria, Lebanon, Palestine, Jordan, Iraq, and Egypt including the islands of Crete, Cyprus, Rhodes, Chios and Lesbos.*

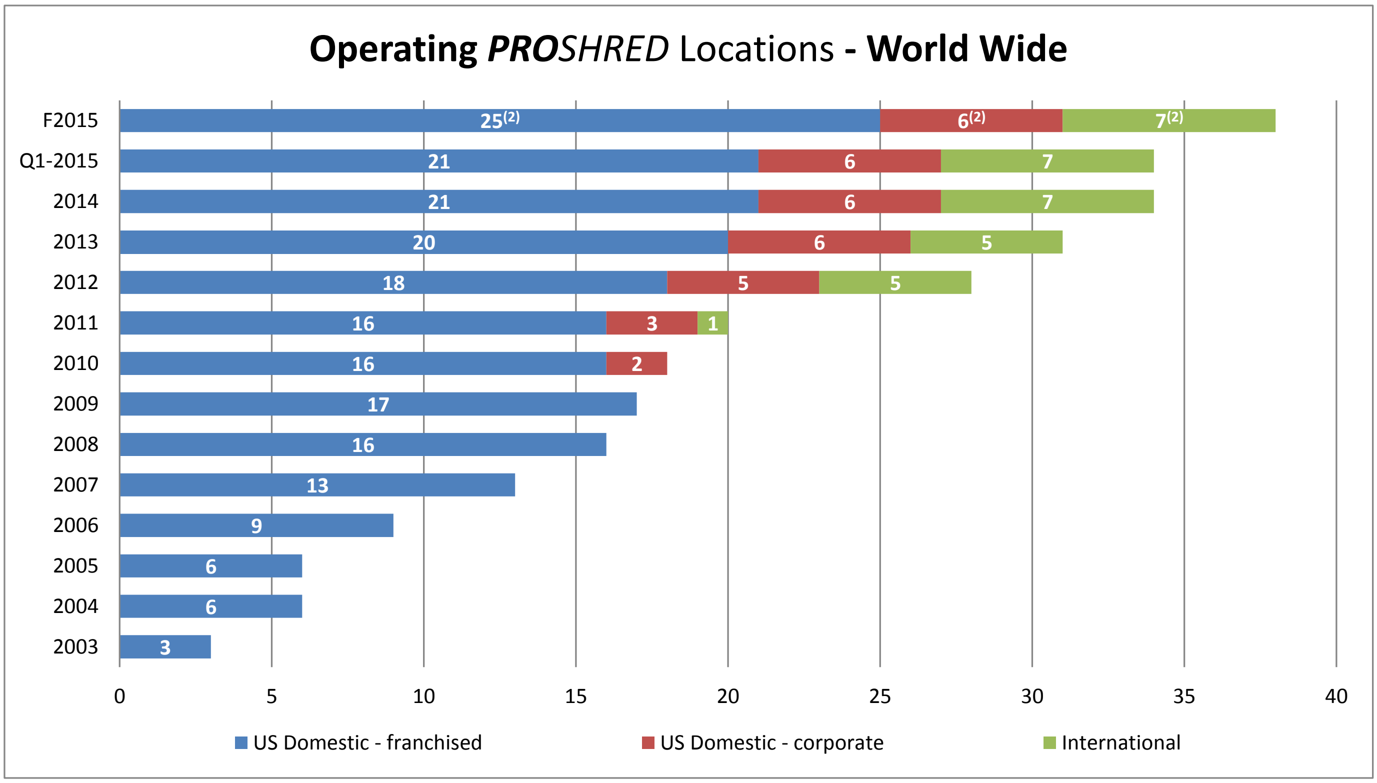
The Company's location list is as follows:

No.	**Franchise locations**	**Operating since**	**Territories**
1.	SPRINGFIELD, MA	June 2003	2.3
2.	TAMPA BAY, FL	March 2004	2.1
3.	DENVER, CO	August 2004	3.8
4.	PHILADELPHIA, PA	September 2006	5.0
5.	KANSAS CITY, MO	December 2006	4.0
6.	NEW HAVEN, CT	April 2007	3.6
7.	CHICAGO, IL (includes North and South Territories)	April 2007	7.2
8.	RALEIGH, NC	June 2007	4.7
9.	BALTIMORE, MD (includes Washington, DC)	November 2007	6.7
10.	N. VIRGINIA, VA	July 2008	3.8
11.	ORANGE COUNTY, CA	September 2009	3.0
12.	SAN DIEGO, CA	October 2010	2.9
13.	INDIANAPOLIS, IN	June 2011	2.6
14.	ATLANTA, GA	January 2012	6.3
15.	PHOENIX, AZ	January 2012	4.2
16.	DALLAS, TX	March 2012	6.3
17.	HOUSTON, TX	November 2012	5.7
18.	RICHMOND, VA	March 2013	3.2
19.	SAN FRANCISCO/SAN JOSE, CA	October 2013	6.3
20.	SEATTLE, WA	October 2013	3.4
21.	SOUTHERN NEW JERSEY	May 2014	3.6
		Franchised territories in operation	*90.70*
No.	**Corporate locations**	**Operating since**	**Territories**
22.	SYRACUSE, NY	March 2004(1)	2.5
23.	ALBANY, NY	April 2003(1)	1.2
24.	MILWAUKEE, WI	August 2003(1)	2.7
25.	NEW YORK CITY, NY (includes Long Island, NY)	January 2008(1)	11.3
26.	MIAMI, FL	June 2008(1)	5.7
27.	CHARLOTTE, NC	April 2006(1)	3.3
		Corporate territories in operation	*26.70*
		Grand Total	***117.4***

(1) Syracuse has been corporately operated since May 1, 2010; Albany has been corporately operated since July 1, 2010; Milwaukee has been corporately operated since January 1, 2011 and New York City has been corporately operated since January 1, 2012. The Charlotte, NC location has been corporately operated since July 31, 2013. The Miami, FL business has been corporately operated since January 1, 2014.

No.	International locations	Operating since
1.	DOHA, QATAR	September 2011
2.	DUBAI, UAE	January 2012
3.	ABU DHABI, UAE	June 2012
4.	RIYADH, SAUDI ARABIA	December 2012
5.	JEDDAH, SAUDI ARABIA	December 2012
6.	BEIRUT, LEBANON	July 2014
7.	MUSCAT, OMAN	September 2014

Worldwide locations



(1) The information prior to the March 17th, 2008 qualifying transaction was obtained from the predecessor Company.
(2) Management's forecast for the year ended December 31, 2015.

Performance Compared to 2015 Goals and Objectives

In the Company's 2014 Annual Report, management stated its 2015 goals and objectives. A review of the Company's performance in meeting these goals and objectives is included below:

2015 Goals and Objectives	Performance during the three months ended March 31, 2015	Comments
Grow system sales from all locations by 10% to $22.6M USD compared to 2014.	Total system sales were $5.75M during the first quarter of 2015 growing by 25% over the comparative 2014 period. Redishred's: • scheduled system sales grew by 19% (same store sales grew by 18%); • unscheduled system sales grew by 28% (same store sales grew by 27%); • recycling system sales grew by 37% (same store sales decreased by 36%).	**Redishred is on target for achieving its annual goal.**
Award at least four franchise locations.	During the three months ended March 31, 2015, the Company did not award any new franchise locations.	**Redishred continues to actively target business brokers with the view to find qualified franchisee candidates.**
Achieve a minimum of $2.35M in EBITDA from existing Corporate locations (Syracuse, Albany, Milwaukee, New York City, Charlotte and Miami).	Redishred earned $575,535 in EBITDA from its Corporate locations during the three months ended March 31, 2015.	**Redishred is on target for achieving its annual goal.**

Overall Performance

Selected Financial Data and Results of Operations

The following table shows selected financial data for the 3 months ended March 31, 2015 and 2014.

	2015	2014	Percentage change
	$	$	%
Corporate location data:			
Corporate location revenue	**1,374,062**	1,157,734	19%
Corporate location operating costs	**(798,527)**	(640,594)	(25)%
Corporate location EBITDA	**575,535**	517,140	11%
Depreciation – equipment	**(120,778)**	(94,746)	(27)%
Operating income from corporate locations	**454,757**	422,394	8%
Franchise and license data:			
Franchise and license fees	**26,896**	69,788	(61)%
Royalties and service fees	**371,992**	258,058	44%
Franchise and license revenue	**398,888**	327,846	22%
On-going operating costs	**(405,279)**	(375,456)	(8)%
Broker fees	**-**	(34,710)	100%
Total operating costs	**(405,279)**	(410,166)	1%
Operating income	**448,366**	340,074	32%
Net income	**605,838**	140,653	331%
Income per share	**0.02**	0.00	331%
System sales (USD)	**5,749,246**	4,591,163	25%
Total Revenue	**1,772,950**	1,485,580	19%

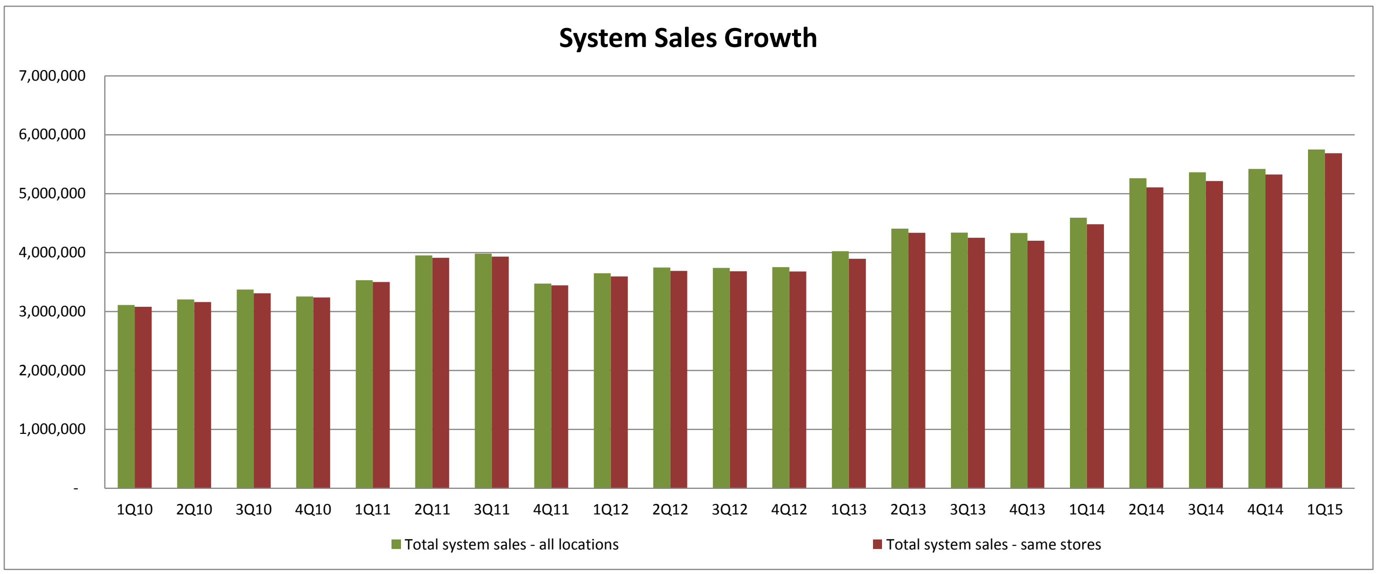
The Company operates the Proshred system, and derives revenues from franchise and other fees as well as royalty and service related fees. In addition to operating the Proshred franchise system, the Company operates six corporate locations in Syracuse, Albany, Milwaukee, New York City, Charlotte and Miami. These corporate locations generate shredding service revenue and recycling revenue as well as incur costs related to marketing and servicing of customers. The Company also incurs costs related to managing the Proshred system, including salaries and administration.

System Sales

Franchisees, corporate and international locations derive revenue by providing shredding services to their customers, and by selling recycled paper and other recyclable by-products. These sales are commonly referred to as "system sales," and are the key driver of royalty and service fee revenue. System sales are denominated and reported in US dollars during the reported periods as follows:

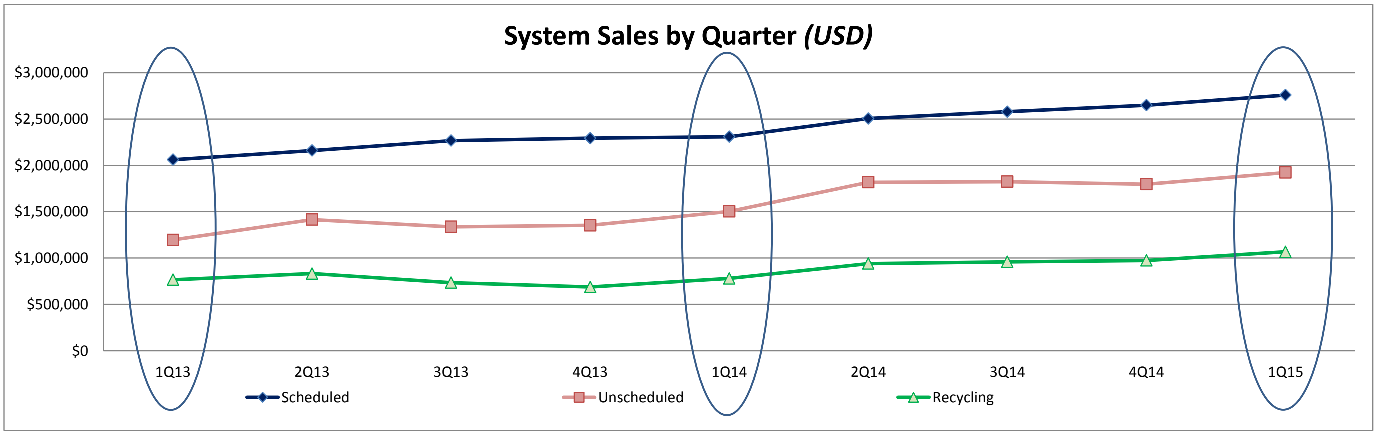
	3 months ended March 31		
	2015	2014	%Ch
Total operating locations at period end; US and International	**34**	31	10%
Operating territories (US only)	**117.4**	113.8	3%
Total system sales (USD)	**$ 5,749,246**	$ 4,591,163	25%
Total system sales (CDN)	**$ 7,119,291**	$ 5,059,003	41%

The following chart illustrates system sales growth in USD by quarter since the 1ST quarter of 2010.



System Sales Quarter Over Quarter:

System sales are broken into three categories, scheduled service sales, unscheduled service sales and recycling.



Service related system sales, scheduled and unscheduled, were US$4,681,482 for the first quarter of 2015, growing by US$870,408 or 23% over the first quarter of 2014.

Scheduled sales:

Scheduled sales are defined as the revenue generated from customers with regular service that may occur on a weekly, bi-weekly, or monthly basis. Proshred sales and marketing strategies have been and continue to be focused on this particular sales category, as this provides our franchisees and corporate locations with stable and recurring cash flows. This focus resulted in continued growth in this category in the first quarter of 2015 versus the same quarter in 2014. For the three months ended March 31, 2015, scheduled sales reached a record high of US$2,758,399.

	3 months ended March 31		
	2015	2014	%Ch
	$	$	
Scheduled service sales (USD)	**2,758,399**	2,308,594	19%
Same store scheduled service sales (USD)	**2,721,586**	2,308,594	18%

Unscheduled sales:

Unscheduled sales are defined as the revenue generated from customers who have one-time or seasonal requirements for document destruction. An example of unscheduled sales is when an accounting firm is required to destroy an abundance of confidential working papers and documents after their tax season. For the three months ended March 31, 2015, unscheduled sales reached a record high of $1,923,083, growing 28% over the same period in 2014.

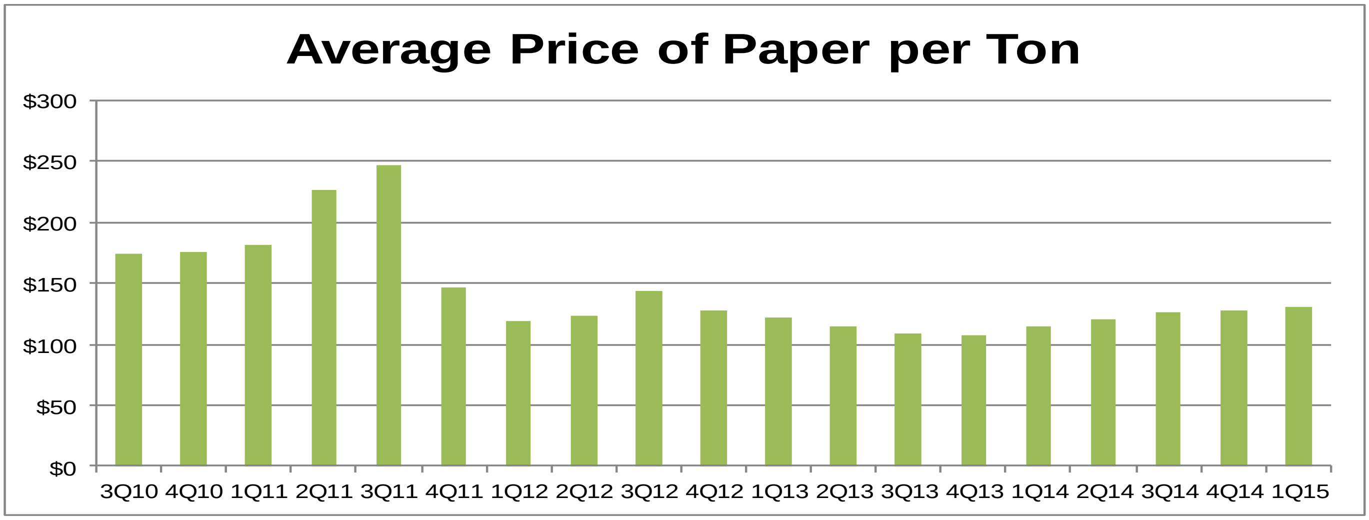
	3 months ended March 31		
	2015	2014	%Ch
	$	$	
Unscheduled service sales (USD)	**1,923,083**	1,502,480	28%
Same store unscheduled service sales (USD)	**1,902,002**	1,502,480	27%

Recycling sales:

Recycling sales are defined as the revenue generated from the shredded paper and other material that is sold to various recycling companies. This sales category is driven by the price of paper, which is impacted by global supply and demand for shredded paper and the volume of paper recycled which is measured in tons.

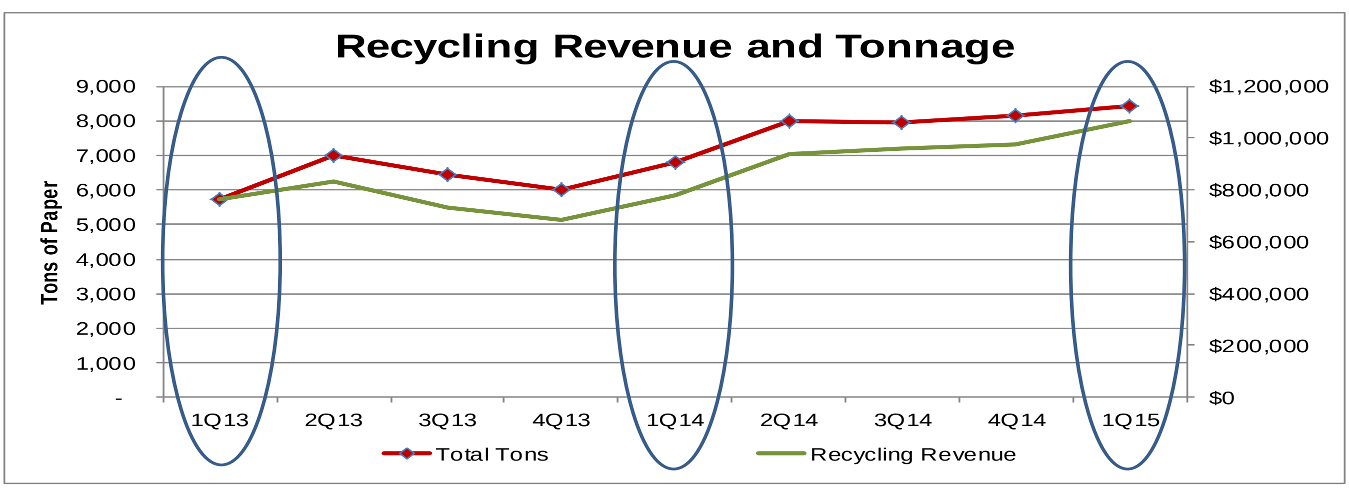
Historical Pricing Trends:

During the first quarter of 2015, the average price of paper in the Proshred system was US$130 per ton, versus US$114 per ton in the first quarter of 2014, an increase of 14%.

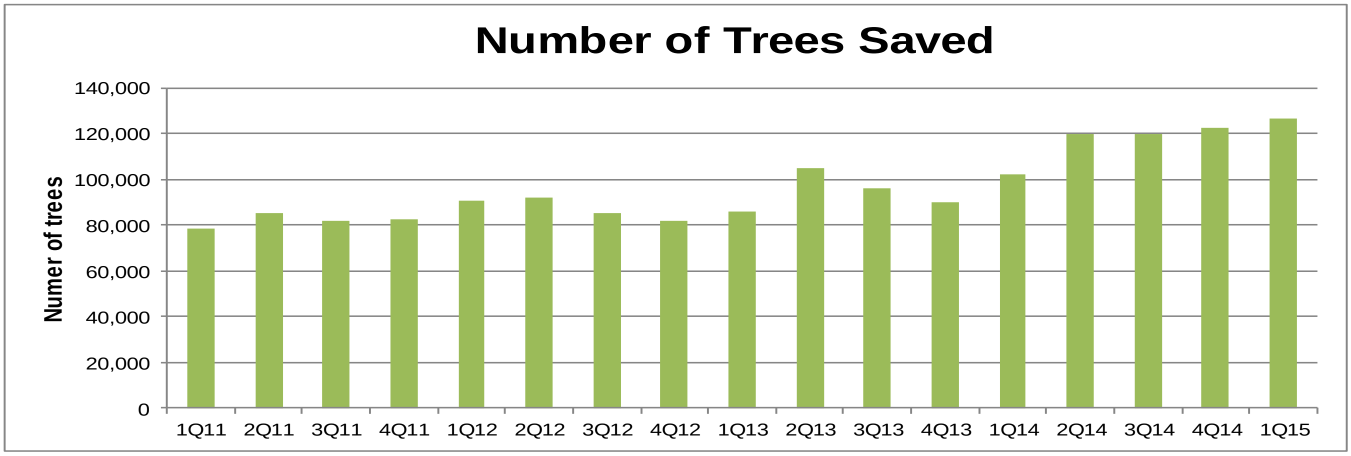


During the first quarter of 2015, the system shred and recycled 24% more paper than the 2014 comparative period. The Proshred system shred and recycled 8,400 tons of paper during the first quarter of 2015 (first quarter of 2014 – 6,800), which equates to 126,000 trees being saved (first quarter of 2014 – 102,000).(1)

	3 months ended March 31		
	2015	2014	%Ch
	$	$	
Recycling sales (USD)	**1,067,764**	780,089	37%
Same store recycling sales (USD)	**1,063,547**	780,089	36%



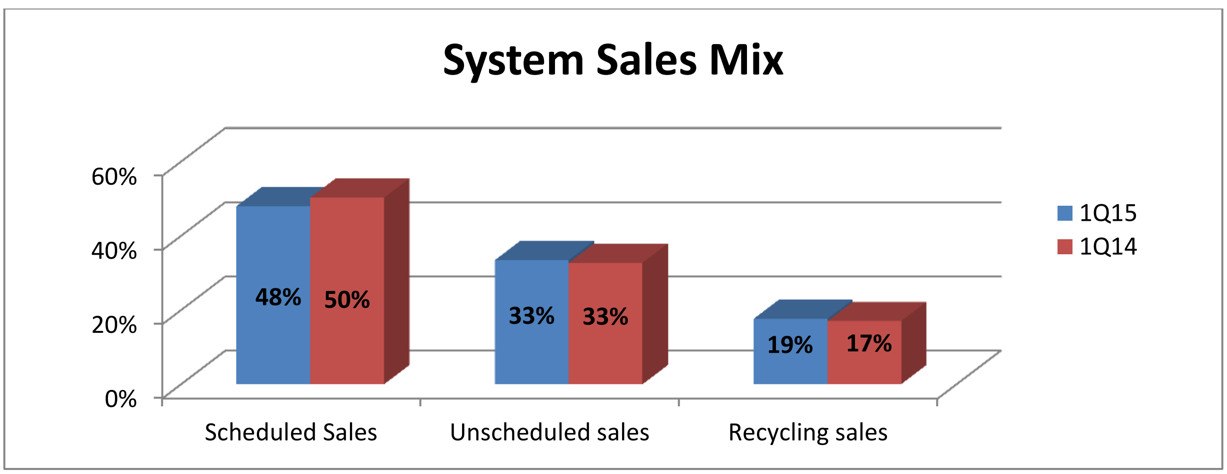
(1) The estimated amount of paper that can be produced from a tree has been conservatively estimated by management based on information taken from Conservatree.org.



(1) The estimated amount of paper that can be produced from a tree has been conservatively estimated by management based on information taken from Conservatree.org.

Mix of business:

Scheduled sales account for 48% of total sales for the quarter ended March 31, 2015 (March 31, 2014 – 50%). Unscheduled sales account for 33% of total sales for the three months ended March 31, 2015 (March 31, 2014 – 33%). Recycling sales account for 19% of total sales for the quarter ended March 31, 2015 (March 31, 2014 – 17%).



Franchising & Licensing

Total Revenue

	3 months ended March 31		
	2015	2014	% Ch
	$	$	
Franchise and license fees	**26,896**	69,788	(61)%
Royalty and service fees	**371,992**	258,058	44%
Total revenue	**398,888**	327,846	22%

Royalties and service fees are charged for use of the trademarks and system, franchise and license fee revenue is generated when a franchise or license is awarded and training is completed. Royalty and service fees earned in 2015 were higher than in 2014 by 44% due to increased system sales, including scheduled, unscheduled and recycling system sales and due to the strengthening of the US dollar versus the Canadian dollar. Franchise and license fees include the franchise fee recognized in January 2015 for the re sale of the Orange County, California franchise and license fees earned from the Middle East licensee.

The Company earns all franchising and licensing related revenues in US dollars, which are translated at the average exchange rate for the period. For the three months ended March 31, 2015, total revenue denominated in US dollars was US$322,125 (three months ended March 31, 2014 – US$321,733).

Operating Expenses

	3 months ended March 31		
	2015	2014	%Ch
	$	$	
Salaries	**182,645**	205,916	11%
General, administrative and marketing – on-going	**222,634**	169,540	(31)%
Broker fees	**-**	34,710	100%
Total operating expenses	**405,279**	410,166	1%

Operating expenses for the three months ended March 31, 2015 include expenses to support 34 Proshred locations in operations, training and initial support for pending locations, and the costs to develop new markets by way of franchising, licensing and acquisition. Also included in operating expenses are ongoing stock exchange listing and regulatory costs, professional services, occupancy costs and management salaries and benefits. During the first quarter of 2015, on-going general, administrative and marketing costs increased as a result of enhancements in the technology software used and the depreciation of the Canadian dollar. The Company continues to closely monitor and control all operating expenses.

Amortization – Franchising

Amortization relates to the purchase of Professional Shredding Corporation ("PSC") and the Proshred franchise business in 2008. For the three months ended March 31, 2015, amortization increased over the prior period due to the reversal of previous impairment of intangible assets of $27,452 at December 31, 2014. Amortization is as follows:

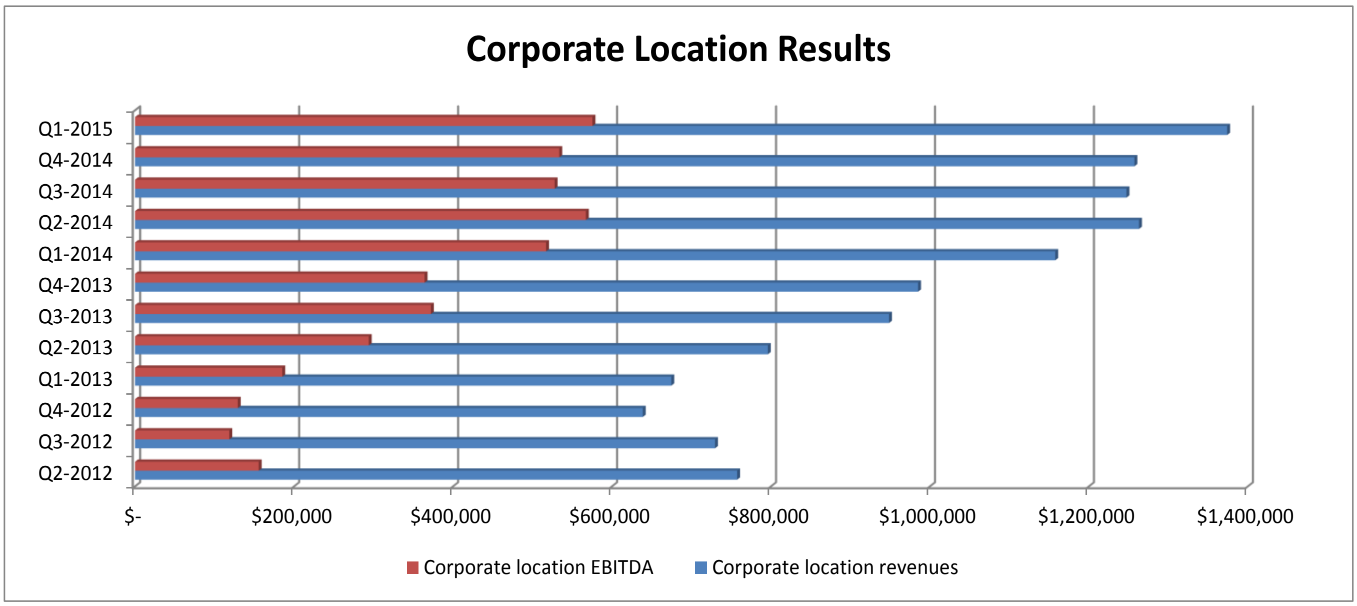
	3 months ended March 31		
	2015	2014	%Ch
	$	$	
Amortization – intangible assets	**147,257**	135,965	8%

Corporate Operations

The Company operates six shredding locations in Syracuse, Albany, Milwaukee, New York City, Charlotte and Miami. These locations represent the Company's corporately owned locations. During the quarter ended March 31, 2015, the corporate location revenues grew by 19% over the same comparative prior year period. The Company has also increased EBITDA by 11% and operating income by 8% over the three months ended March 31, 2014.

	3 months ended March 31			
	2015	% of revenue	2014	% of revenue
	$		$	
Revenue:				
Shredding service	**1,136,674**	83%	952,301	82%
Recycling	**237,388**	17%	205,433	18%
Total revenue	**1,374,062**	100%	1,157,734	100%
Operating costs	**798,527**	58%	640,594	55%
EBITDA	**575,535**	42%	517,140	45%
Depreciation - equipment	**120,778**	9%	94,746	8%
Operating income	**454,757**	33%	422,394	36%

Corporate location revenues and operating costs are generated in US dollars, which are translated at the average exchange rate for the period. For the three months ended March 31, 2015, corporate location revenues, denominated in US dollars were US$1,109,636 (three months ended March 31, 2014 - US$1,050,670).



Depreciation and Amortization

Depreciation and amortization relates to the assets purchased in relation to the Syracuse, Albany, Milwaukee, New York City, Charlotte and Miami corporate locations. During the first quarter of 2015, the depreciation and amortization – equipment increased due to the purchase of two new shredding vehicles, shredding containers and computers during the year ended December 31, 2014.

Depreciation and amortization are as follows:

	3 months ended March 31		
	2015	2014	%Ch
	$	$	
Depreciation and amortization – equipment	**120,778**	94,746	27%
Depreciation and amortization – intangibles	**78,555**	74,095	6%
Depreciation and amortization	**199,333**	168,841	18%

Operating income

For the three months ended March 31, 2015, the Company posted an operating income of $448,366. During the first quarter of 2015, the Company increased its operating income from the corporate locations as well as increased its royalty and service fees, while maintaining its operating expenses consistent with the prior year.

	3 months ended March 31		
	2015	2014	%Ch
	$	$	
Operating income	**448,366**	340,074	32%

Foreign exchange

All of Redishred's revenues are denominated in US dollars; this dependency on US dollar revenues causes foreign exchange gains when the Canadian dollar depreciates versus the US dollar or when the Company incurs significant US dollar costs. The Company has significant dollar value assets denominated in US dollars which are revalued at the exchange rate at the date of the statement of financial position, which results in unrealized foreign exchange gains or losses.

Foreign exchange gain was as follows:

	3 months ended March 31		
	2015	2014	%Ch
	$	$	
Realized foreign exchange gain	**(98,807)**	(39,209)	152%
Unrealized foreign exchange gain	**(462,857)**	(166,070)	179%
Foreign exchange gain	**(561,664)**	(205,279)	174%

Interest income and expense

Interest income is derived from cash savings accounts held by the Company and by way of finance income related to the financing of franchise fees. Interest expense relates to the use of the Company's line of credit facility, which bears interest at 10% per annum, interest on the truck loan agreements, which bear interest at 6.502% to 8.14% per annum and interest on the convertible debentures at 7.5%.

Interest expense also relates to the loan agreements for the purchase of the Proshred Charlotte franchise. The loans bear interest at 9% and 10% per annum. Interest expense decreased in the first quarter of 2015 in comparison to the prior comparative period as a result of the principal repayment made in November of 2014 and prepayment made in February of 2015.

	3 months ended March 31		
	2015	2014	%Ch
	$	$	
Interest income	**2,282**	2,149	6%
Interest expense	**(188,869)**	(210,314)	10%

Income Tax

On March 17, 2008 the Company booked a future tax liability relating to the purchase of PSC and Proshred Franchising Corp. ("PFC"). During the three months ended March 31, 2015, the Company booked a tax recovery of $5,111. The recovery is primarily due to the reversal of timing differences related to the future tax liability that was recorded upon the acquisition of PSC.

Reconciliation of operating income to net income

	3 months ended March 31		
	2015	2014	%Ch
	$	$	
Operating income	**448,366**	340,074	32%
Less: amortization - intangible assets	**(225,812)**	(210,060)	(7)%
Less: interest expense	**(188,869)**	(210,314)	10%
Add: foreign exchange gain	**561,664**	205,279	174%
Add: interest income	**2,282**	2,149	6%
Add: gain on sale of assets	**3,096**	-	100%
Add: income tax recovery	**5,111**	13,525	62%
Net income	**605,838**	140,653	331%

Net income

The Company posted a net income of $605,838 during the three months ended March 31, 2015, which was an improvement of 331% over the comparative prior period. The improvement was a result of (1) the operating income produced by the corporate locations, which has been accretive to the cash flows of the business, (2) the increased royalties generated from the franchise system, and (3) the strengthening of the US dollar versus the Canadian dollar.

	3 months ended March 31		
	2014	2013	%Ch
	$	$	
Net income	**605,838**	140,653	331%

Selected Quarterly Results

	2015	2014(1)				2013(1)		
(in CDN except where noted)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	$	$	$	$	$	$	$	$
System sales (USD)	**5,749,246**	**5,420,366**	**5,362,658**	**5,262,823**	**4,591,163**	**4,332,480**	**4,337,484**	**4,406,210**
Total Company revenue	**1,772,950**	**1,570,967**	**1,568,892**	**1,549,344**	**1,485,580**	**1,224,926**	**1,463,870**	**1,060,860**
Franchise and license fees	26,896	1,484	32,569	1,038	69,788	4,047	264,205	1,394
Royalty and service fees	371,992	312,171	288,974	285,192	258,058	235,721	251,040	258,469
Total revenue from franchising and licensing	**398,888**	**313,655**	**321,543**	**286,230**	**327,846**	**239,768**	**515,245**	**259,863**
On-going operating costs	(405,279)	(453,871)	(396,512)	(381,043)	(375,456)	(424,933)	(397,110)	(400,424)
One-time costs	-	-	-	-	-	(84,213)	-	-
Broker fees	-	(334)	-	177	(34,710)	(570)	(84,551)	-
Impairment of note receivable	-	(432)	(44,577)	-	-	(14,453)	-	-
Total operating expenses	(405,279)	(454,637)	(441,089)	(380,866)	(410,166)	(524,169)	(481,661)	(400,424)
Total operating (loss) income – franchising and licensing	**(6,391)**	**(140,982)**	**(119,546)**	**(94,636)**	**(82,320)**	**(284,401)**	**33,584**	**(140,561)**
Corporate locations revenue(2)	1,374,062	1,257,312	1,247,349	1,263,114	1,157,734	973,436	937,033	789,584
Corporate locations operating costs(2)	(798,527)	(723,584)	(719,481)	(695,883)	(640,594)	(620,851)	(576,519)	(496,776)
Corporate locations adjusted EBITDA(2)	**575,535**	**533,728**	**527,868**	**567,231**	**517,140**	**352,585**	**360,514**	**292,808**
Depreciation – equipment(2)	(120,778)	(109,688)	(119,093)	(72,844)	(94,746)	(89,647)	(76,184)	(50,468)
Total operating income – corporate(2)	**454,757**	**424,040**	**408,775**	**494,387**	**422,394**	**262,938**	**284,330**	**242,340**
Total operating income – excluding one-time costs – Company	**448,366**	**283,058**	**289,229**	**399,751**	**340,074**	**62,750**	**317,914**	**101,779**
Income (loss) before taxes from continuing operations	600,727	102,305	49,438	(83,471)	127,128	465,653	(214,397)	(80,840)
Income (loss) attributable to owners of the parent	605,838	109,433	62,791	(70,084)	140,653	462,717	(214,588)	(68,280)
Income (loss) excluding one-time items	605,838	109,433	62,791	(70,084)	140,653	(129,097)	(117,968)	(68,280)
Basic and diluted net income (loss) per share	.02	.00	.00	(.00)	.00	.02	(.01)	(.00)

(1) Certain amounts have been reclassified to conform to the current period's presentation.

(2) During the year ended December 31, 2013, the Miami business was jointly operated by Redishred and one of the Company's franchise locations. The Miami results for the year ended December 31, 2013 are excluded in the above.

Selected Quarterly Results (continued)

Scheduled and unscheduled system sales continue to grow each quarter, driven by the Company's sales and marketing programs that are aimed at educating clients on the legislative requirements to destroy confidential information using a secure on-site solution. As shredding customers are serviced during business days, the quarterly system sales are impacted by the number of business days in any given quarter. Therefore, the Company experiences higher system sales and related royalty fees and corporate revenues in the 2nd and 3rd quarters of every year and lower system sales and related royalty fees and corporate revenues in the 1st and 4th quarters of every year.

Balance Sheet

	March 31, 2015	December 31, 2014
	$	$
Working capital	**(400,384)**	(395,907)
Total assets	**9,455,807**	9,049,505
Total liabilities	**9,322,667**	9,415,792

The total assets of the Company have increased slightly over the year ended December 31, 2014 as a result of the depreciation of the Canadian dollar, as a significant portion of the assets are denominated in USD. The total liabilities of the Company have decreased over the prior year as a result of a repayment of principal on the line of credit during the first quarter of 2015. The Company has $488,327 available for use on its line of credit as of March 31, 2015.

The Company did not declare any dividends during the year.

Financial Condition, Capital Resources and Liquidity

The Company closely monitors its cash balances and cash flows generated from operations to meet its requirements.

Line of Credit

The Company has drawn from its line of credit in order to finance the purchase of its' corporate locations including Syracuse, Albany, Milwaukee in 2010 and New York City and Miami in 2012 as well as for general business purposes. During September of 2013, the Company signed an amendment to its existing line of credit facility, extending the facility's term for an additional three years to November 27, 2017.

The interest remains at 10% per annum, paid semi-annually and the facility remains at $6.03 million. The Company has $488,327 available for use on its line of credit as of March 31, 2015.

Financial Strategy

The Company continues to maintain a cost reduction strategy, which includes the reduction of costs throughout its corporate locations. The Company has concurrently implemented a strong sales focused approach and has dedicated sales leads in each corporate location with an aim to grow revenues and cash flows. As a result, the Company's corporate locations have been accretive to the cash flow of the business. The Company also continues its' efforts to award new franchise locations, which generate between $35,000 and $100,000 in franchise fees per new franchise as well as adds recurring royalty revenues.

At March 31, 2015, current liabilities of $1,727,753 (December 31, 2014 - $1,595,309) are due to be settled within one year from the balance sheet date. It is management's plan to continue its core business strategy of (1) growing its corporate locations, (2) continuing to franchise in the United States and (3) conducting accretive acquisitions.

The Company has the following lease commitments:

	$
Less than 1 year	**197,208**
Between 1 and 5 years	**284,504**
Total	**481,712**

Based on overall cash generation capacity and financial position, while there can be no assurance, management believes the Company will be able to meet financial obligations as they come due over the next twelve months.

Capital Assets

As at,	**March 31, 2015**	December 31, 2014	% Ch
	$	$	
Net book value	**2,734,944**	2,594,476	5%

During the first quarter of 2015, capital assets (not including intangible assets) increased as a result of the depreciation of the Canadian dollar, as a significant portion of the assets are denominated in USD. In addition, the Company purchased bins and shredding containers as well as a hard-drive crusher for its corporate locations.

Off-Balance Sheet Financing Arrangements

The Company has no off-balance sheet financing arrangements.

Transactions with Related Parties

A Director of the Company is the owner of the Tampa Bay, Florida Proshred franchise. Included in accounts receivable at March 31, 2015, is $163 (March 31, 2014 - $nil) due from this franchise. During the three months ended March 31, 2015, the Company earned royalty and service fees amounting to $36,248 (2014 - $25,078) from this franchise.

The Company has a line of credit facility with a related party entity, the Company's largest shareholder, for a maximum of $6.03 million, repayable on November 27, 2017, bearing interest at a fixed rate of 10% per annum (refer to note 7). The Company has drawn from its line of credit in order to finance the purchase of its corporate locations including Syracuse, Albany, Milwaukee in 2010 and New York City and Miami in 2012 as well as for general business purposes.

Included in selling, general and administrative expenses for the three months ended March 31, 2015 are insurance premium amounts of $4,575 (three months ended March 31, 2014 - $4,592) paid to an insurance brokerage firm, managed by a Director of the Company.

On December 31, 2012, the Company obtained equity and debt funding, directly or indirectly, from certain members of the Company's Board of Director's. The Company issued $375,000 convertible, unsecured subordinated, debentures. The debentures have a five-year term and a coupon of 7.5% interest per annum payable annually. The debenture holders may defer interest otherwise due and payable until the next interest payment date, in which case the deferred interest payment will accrue additional interest at 7.5% per annum. Each $1,000 principal amount of debenture entitles the holder to convert to approximately 3,333 common shares at a conversion price of $0.30 per share.

In order to finance the purchase of the Proshred Charlotte franchise on July 31, 2013, the Company entered into the following loan agreements with related parties:

(a) A 5 year loan and security agreement in the amount of CAD$525,750 maturing July 31, 2018. The loan bears interest at 9% per annum with interest payable semi-annually. The loan is secured by a general security agreement over the assets of the Proshred Charlotte entity. The estimated fair value of the loan on March 31, 2015 is CAD$575,750;

(b) A 5 year loan and security agreement in the amount of US$75,000 maturing July 31, 2018. The loan bears interest at 9% per annum with interest payable semi-annually. The loan is secured by a general security agreement over the assets of the Proshred Charlotte entity. The estimated fair value of the loan on March 31, 2015 is CAD$94,995 (US$75,000);

(c) A 4 year loan and security agreement in the amount of CAD$100,000 with monthly blended payments of principal and interest of CAD$2,488 maturing July 31, 2017. The loan is secured by a general security agreement over the assets of the Proshred Charlotte entity The loan bears interest at 9% per annum and the estimated fair value of the loan on March 31, 2015 is CAD$64,640;

(d) A 4 year loan and security agreement in the amount of US$50,000 with monthly blended payments of principal and interest of US$1,244 maturing July 31, 2017. The loan is secured by a general security agreement over the assets of the Proshred Charlotte entity. The loan bears interest at 9% per annum and the estimated fair value of the loan on March 31, 2015 is CAD$40,937 (US$32,320); and

(e) A 4 year loan and security agreement in the amount of US$500,000, repayable with monthly blended payments of principal and interest of US$12,681 maturing August 5, 2017. The loan bears interest at 10% per annum and is secured by four shredding vehicles and two non-shredding vehicles with a carrying value of CAD$469,001 at March 31, 2015. The value of the loan on March 31, 2015 is CAD$412,273 (US$325,496).

Risks and Uncertainties

Please refer to the Redishred 2014 Annual Report for a listing of all risks and uncertainties. There have been no material changes relating to the Company's risks and uncertainties since December 31, 2014, the Company's fiscal year-end.

Use of estimates and judgements

The preparation of the financial report in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from those estimates and assumptions. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The significant areas of judgements, estimates and assumptions are set out in Note 4 of the consolidated financial statements found in Redishred's 2014 Annual Report. The most significant estimates relate to the impairment and reversals of impairment of tangible and intangible assets. During the most recent interim period, there have been no changes in the Company's accounting policies or procedures and other processes that have materially affected, or are reasonably likely to materially affect, the Company's accounting judgements, estimates and assumptions.

Investor Relations Activities

The Company does not have any investor relations arrangements.

Share Data

The Company's authorized share capital is unlimited common shares without par value. As at March 31, 2015, there were 28,884,658 issued and outstanding common shares. As at March 31, 2015 there were 1,257,500 options to acquire common shares. There were 5,000 stock options granted during the three months ended March 31, 2015 (for the three months ended March 31, 2014 – 5,000). As of May 29, 2015 there are 28,884,658 issued and outstanding common shares, 1,257,500 options to acquire common shares. There are 1,250,000 common shares issuable on conversion of the debentures.

Dated: May 29, 2015