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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 and nine months ended September 30, 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 November 26, 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 exchange fluctuations between the US and Canadian dollars
   h. the level of corporate overhead,
   i. 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, reversal of impairment and gains or losses on sale of assets and corporate overhead. 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 September 30, 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.

On October 1, 2015, the Company awarded a new franchise location in Minneapolis, MN. The new franchisee should complete training in the fourth quarter of 2015 and commence operations in the first quarter of 2016.

As of September 30, 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.

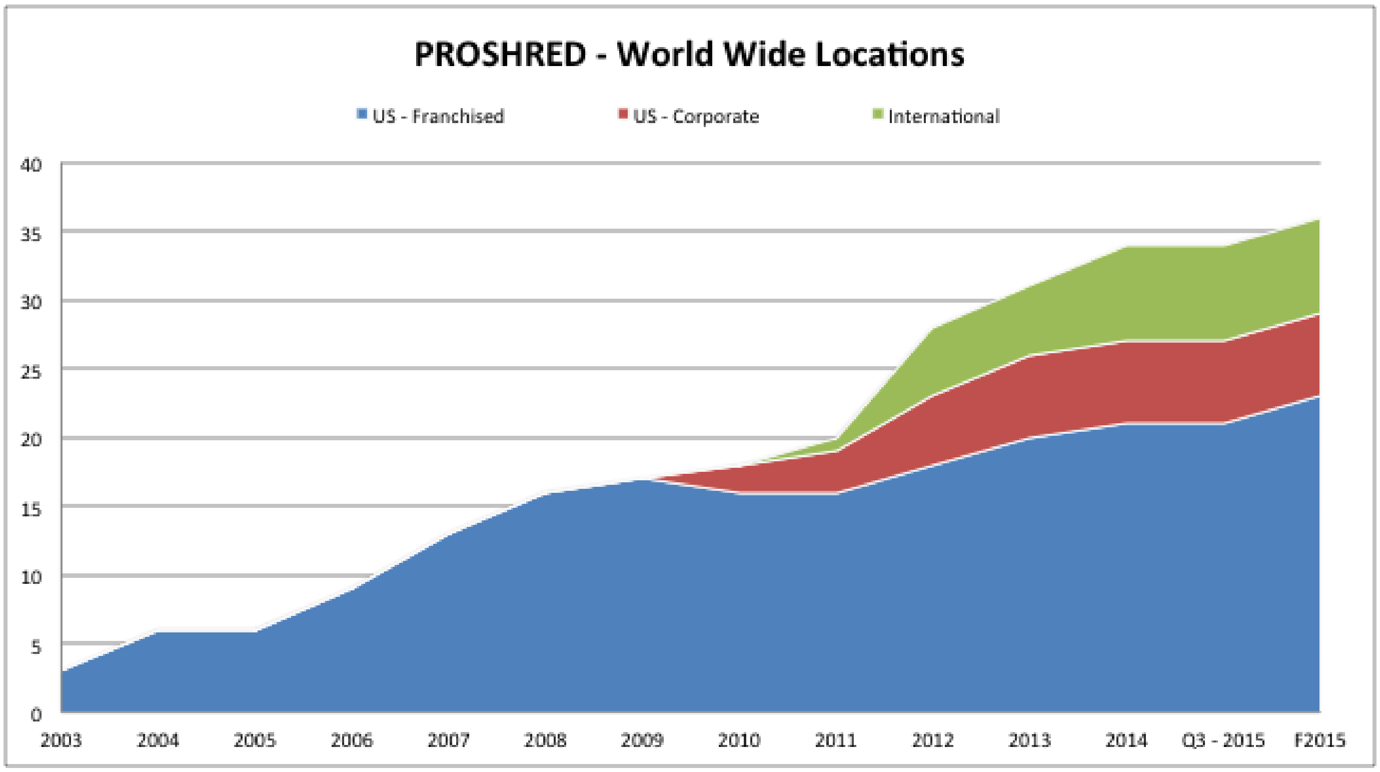
The Company's location list is as follows:

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	26.7
No.	**Pending locations**	**Planned opening**	**Territories**
28.	MINNEAPOLIS, MN	January 2016	2.7
		Grand Total (including pending)	***120.1***

(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 and nine months ended September 30, 2015**	**Comments**
Grow system sales from all locations by 10% to $22.6M USD compared to 2014.	Total system sales were $6.5M USD during the third quarter of 2015 growing by 21% over the comparative 2014 period. Redishred's: • scheduled system sales grew by 23% (same store sales grew by 23%); • unscheduled system sales grew by 22% (same store sales grew by 28%); • recycling system sales grew by 15% (same store sales increased by 19%). During the nine months ended September 30, 2015, system sales grew by 23%, in comparison to 2014, to a total of $18.6M USD. Redishred's: • scheduled (recurring) system sales grew by 21% (same store sales grew by 21%); • unscheduled system sales grew by 23% (same store sales grew by 29%); • recycling system sales grew by 26% (same store sales increased by 29%).	**Redishred is ahead of target for achieving its annual goal.**
Award at least four franchise locations. *Revised to award two franchise locations.*	During the nine months ended September 30, 2015, the Company awarded one new franchise locations.	**Redishred continues to actively target business brokers with the view to find qualified franchisee candidates.**
Achieve a minimum of $2.35M CAD in EBITDA from existing Corporate locations (Syracuse, Albany, Milwaukee, New York City, Charlotte and Miami).	Redishred earned $1.9M CAD in EBITDA from its Corporate locations during the nine months ended September 30, 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 and 9 months ended September 30, 2015 and 2014.

	3 months ended September 30			*9 months ended September 30*		
	2015	2014	% change	**2015**	2014	% change
	$	$		**$**	$	
Corporate location data:						
Corporate location revenue	**1,554,557**	1,247,349	25%	**4,372,002**	3,668,197	19%
Corporate location operating costs	**(908,449)**	(719,481)	(26)%	**(2,471,505)**	(2,055,957)	(20)%
Corporate location EBITDA	**646,108**	527,868	22%	**1,900,497**	1,612,240	18%
Depreciation – equipment	**(120,789)**	(119,093)	(1)%	**(360,985)**	(286,683)	(26)%
Operating income from corporate locations	**525,319**	408,775	29%	**1,539,512**	1,325,557	16%
Franchise and license data:						
Franchise and license fees	**4,120**	32,569	(87)%	**33,229**	103,396	(68)%
Royalties and service fees	**415,832**	288,974	44%	**1,166,812**	832,223	40%
Franchise and license revenue	**419,952**	321,543	31%	**1,200,041**	935,619	28%
On-going operating costs	**(417,321)**	(441,089)	(6)%	**(1,276,347)**	(1,232,121)	(4)%
Total operating costs	**(417,321)**	(441,089)	(6)%	**(1,276,347)**	(1,232,121)	(4)%
Operating income	**527,950**	289,229	83%	**1,463,206**	1,029,055	42%
Net income	**363,260**	62,791	479%	**1,004,810**	133,360	653%
Income per share	**0.01**	(0.00)	479%	**0.03**	0.00	653%
System sales (USD)	**6,497,246**	5,362,658	21%	**18,637,513**	15,216,644	22%
Total Revenue	**1,974,509**	1,568,892	26%	**5,572,043**	4,603,816	21%

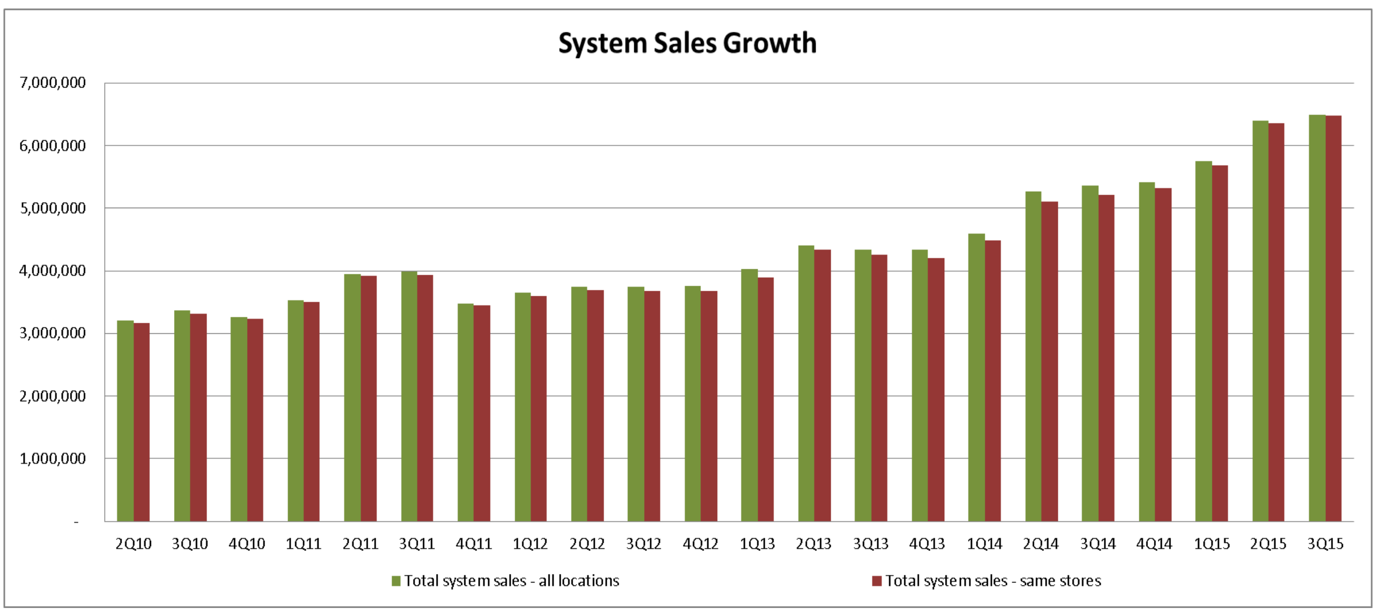
The Company operates the Proshred system, and derives revenues from franchise and other fees as well as royalty and service related fees. In addition to operating the Proshred franchise system, the Company operates six corporate locations in Syracuse, Albany, Milwaukee, New York City, Charlotte and Miami. 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:

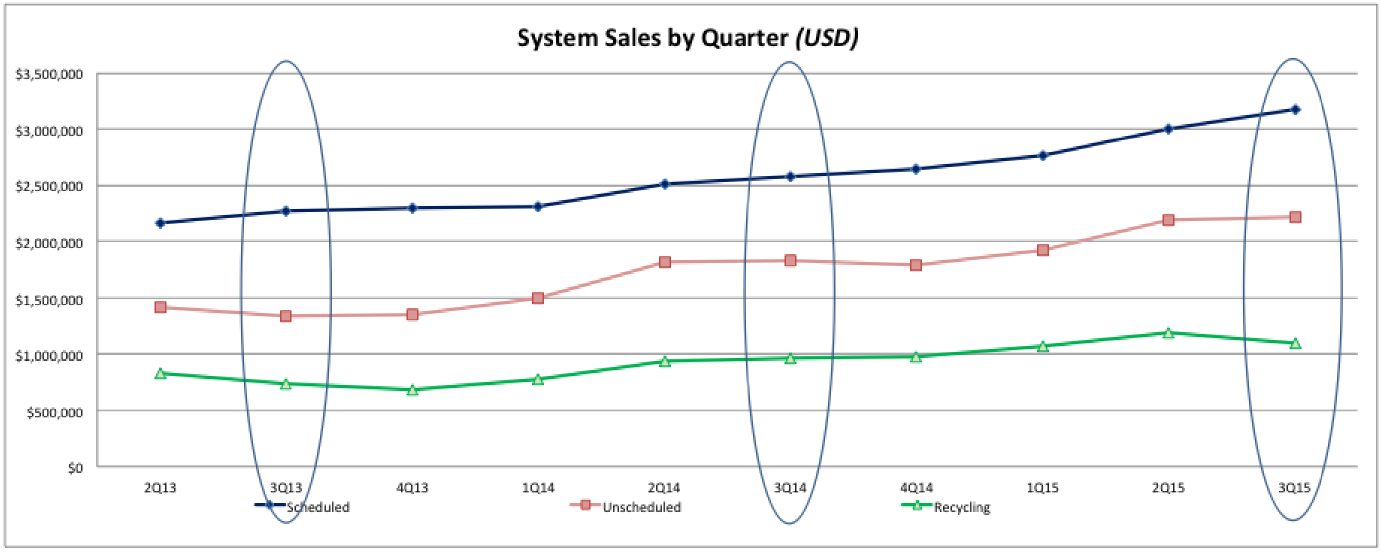
	3 months ended September 30			*9 months ended September 30*		
	2015	2014	%Ch	**2015**	2014	%Ch
Total operating locations at period end; US and International	**34**	32	6%	**34**	32	6%
Operating territories – (US only)	**117.4**	117.4	0%	**117.4**	117.4	0%
Total system sales (USD)	**$6,497,246**	$ 5,362,658	21%	**$ 18,637,512**	$ 15,216,644	23%
Total system sales (CDN)	**$ 8,121,558**	$ 5,864,067	36%	**$ 23,483,265**	$ 16,692,702	38%

The following chart illustrates system sales growth in USD by quarter since the 2nd 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$5,391,909 for the third quarter of 2015, growing by US$988,489 or 22% over the third quarter of 2014. For the nine months ended September 30, 2015, service related system sales grew from US$12,537,170 to US$15,266,161, a 22% increase over the comparative 2014 period.

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 nine months of 2015 versus the same period in 2014. For the three months ended September 30, 2015, scheduled sales reached a record high of US$3,172,188.

	3 months ended September30			*9 months ended September 30*		
	2015	2014	%Ch	**2015**	2014	%Ch
	$	$		**$**	$	
Scheduled service sales (USD)	**3,172,188**	2,578,929	23%	**8,932,245**	7,392,410	21%
Same store scheduled service sales (USD)	**3,147,057**	2,559,128	23%	**8,839,136**	7,313,522	21%

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 September 30, 2015, unscheduled sales reached a record high of US$2,219,721, growing 22% over the same period in 2014.

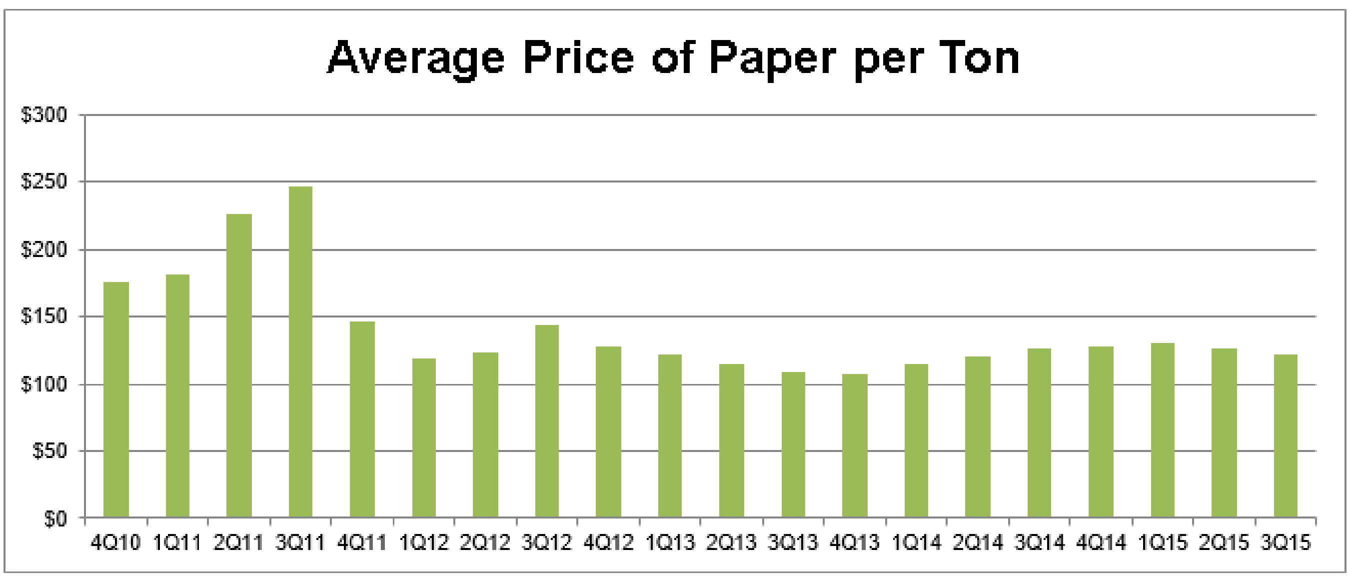
	3 months ended September 30			*9 months ended September 30*		
	2015	2014	%Ch	**2015**	2014	% Ch
	$	$		**$**	$	
Unscheduled service sales (USD)	**2,219,721**	1,824,491	22%	**6,333,916**	5,144,761	23%
Same store unscheduled service sales (USD)	**2,206,803**	1,724,628	28%	**6,300,990**	4,875,191	29%

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.

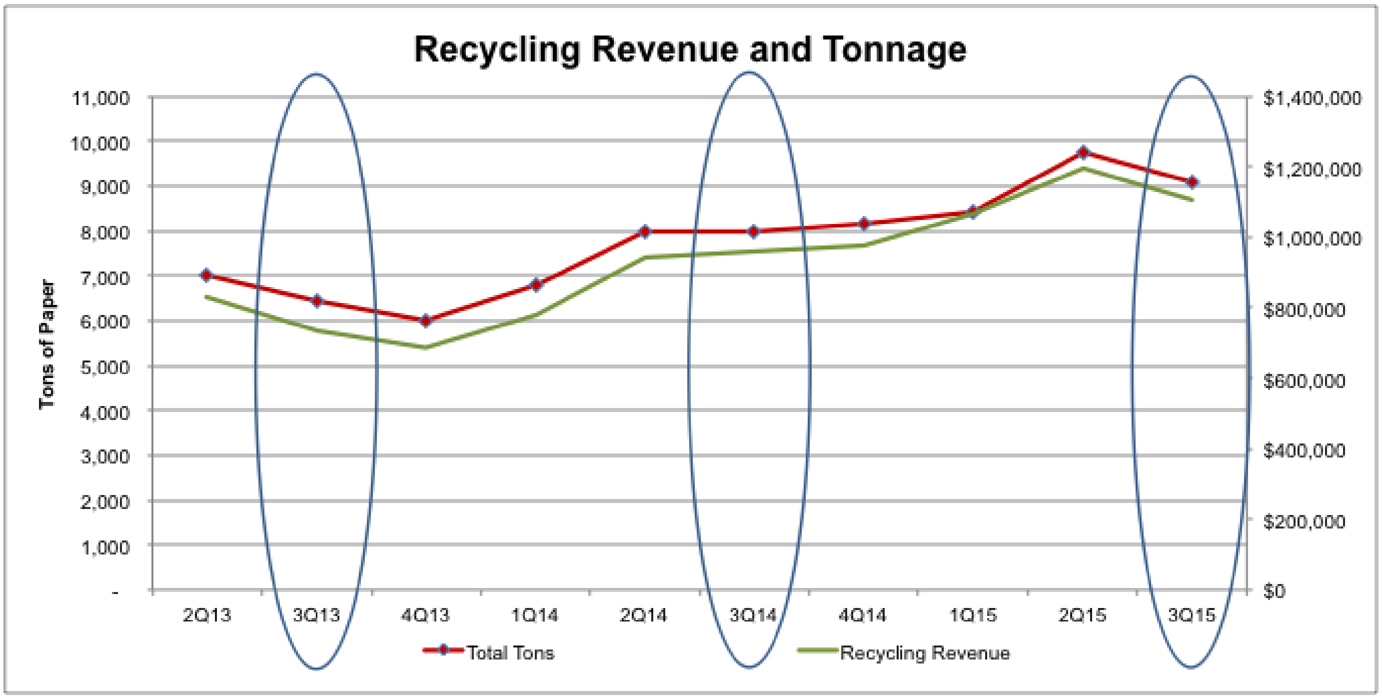
Historical Pricing Trends:

During the third quarter of 2015, the average price of paper in the Proshred system was US$122 per ton, versus US$126 per ton in the third quarter of 2014, a decrease of 3%. Paper pricing has remained in a band between $100 per ton and $130 per ton over the last 10 quarters as commodity prices have remained low. Given continued softness in commodity prices and currently reduced consumer demand in China which is a key export market for our recycled materials, the Company continues to expect downward pressure on the price of recycled paper.

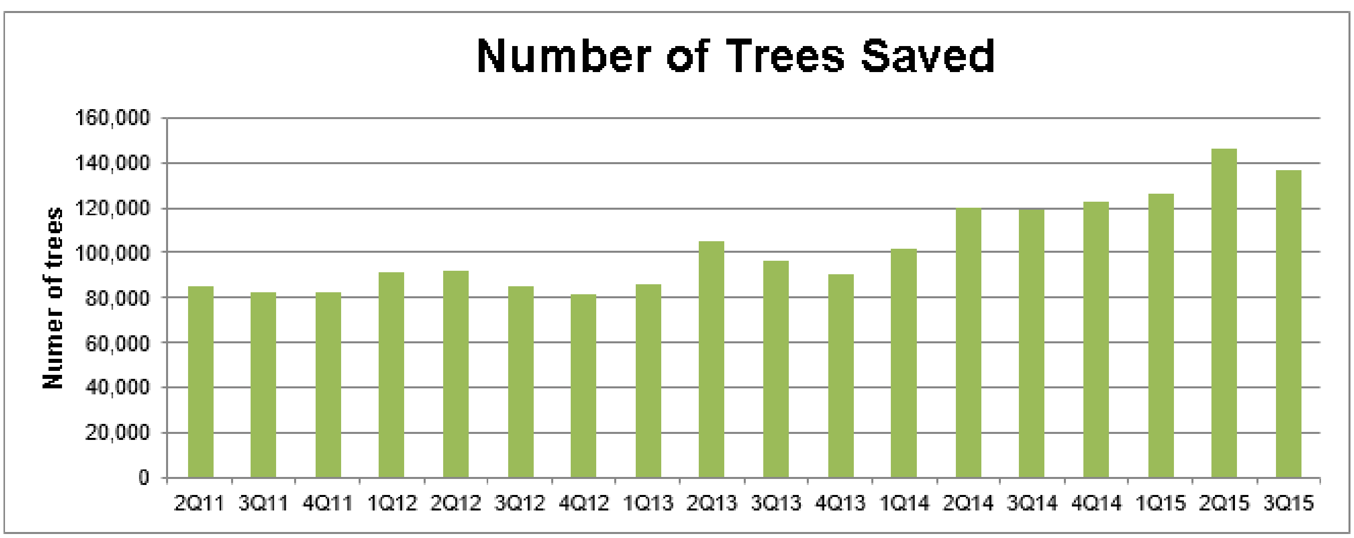


During the first nine months of 2015, the system shred and recycled 26% more paper than the 2014 comparative period, driving recycling revenues upwards. The Proshred system shred and recycled 9,000 tons of paper during the third quarter of 2015 (third quarter of 2014 – 8,000), which equates to 136,000 trees being saved (third quarter of 2014 – 119,000).(1)

	3 months ended September 30			*9 months ended September 30*		
	2015	2014	%Ch	**2015**	2014	%Ch
	$	$		**$**	$	
Recycling sales (USD)	**1,105,337**	959,238	15%	**3,371,351**	2,679,473	26%
Same store recycling sales (USD)	**1,104,351**	930,989	19%	**3,370,366**	2,611,925	29%



(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.

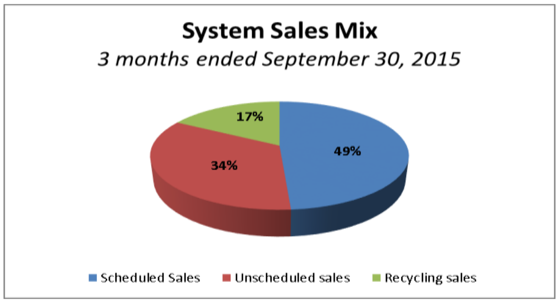


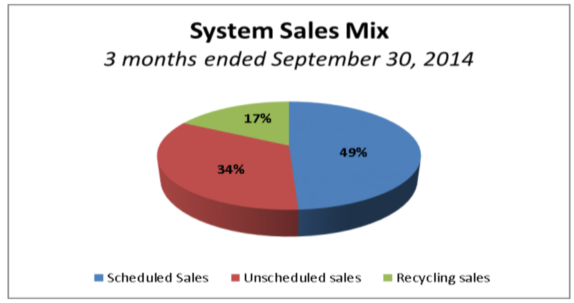
(2) The estimated amount of paper that can be produced from a tree has been conservatively estimated by management based on information taken from Conservatree.org.

<u>Mix of business:</u>

Quarter ended September 30, 2015 (Comparative period for 2014 in parenthesis):

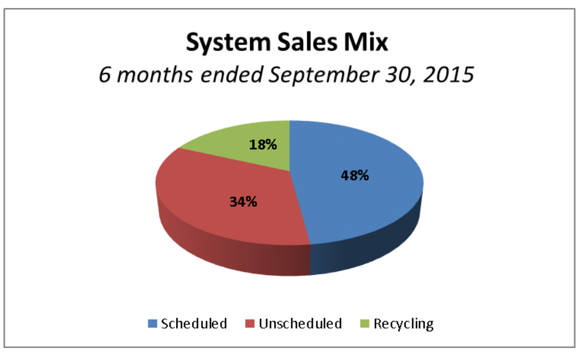
Scheduled sales account for 49% of total sales (September 30, 2014 – 49%). Unscheduled sales account for 34% of total sales (September 30, 2014 – 34%). Recycling sales account for 17% of total sales (September 30, 2014 – 17%).

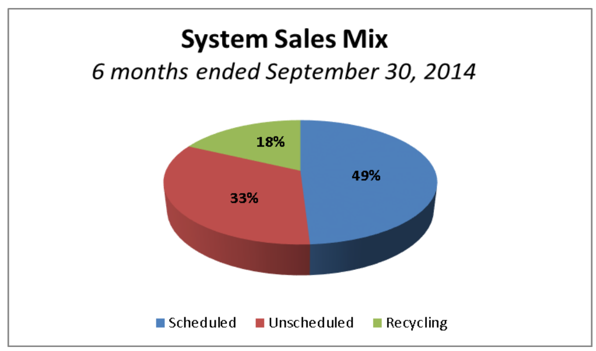




Nine months ended September 30, 2015 (Comparative period for 2014 in parenthesis):

Scheduled sales accounted for 48% of total sales (September 30, 2014 – 49%). Unscheduled sales accounted for 34% of total sales (September 30, 2014 – 33%). Recycling sales accounted for 18% of total sales (September 30, 2014 – 18%).





Franchising & Licensing

Total Revenue

	3 months ended September 30			*9 months ended September 30*		
	2015	2014	% Ch	**2015**	2014	%Ch
	$	$		**$**	$	
Franchise and license fees	**4,120**	32,569	(87)%	**33,229**	103,396	(67)%
Royalty and service fees	**415,832**	288,974	44%	**1,166,812**	832,223	40%
Total revenue	**419,952**	321,543	31%	**1,200,041**	935,619	28%

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 31% 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.

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 September 30, 2015, total revenue denominated in US dollars was US$333,295 (three months ended September 30, 2014 – US$294,050). For the nine months ended September 30, 2015, total revenue denominated in US dollars was US$952,413 (nine months ended September 30, 2014 – US$855,620).

Operating Expenses

	3 months ended September 30			*6 months ended September 30*		
	2015	2014	%Ch	**2015**	2014	%Ch
	$	$		**$**	$	
Salaries	**197,077**	182,879	(8)%	**610,060**	563,025	(8)%
General, administrative and marketing	**220,244**	258,210	16%	**666,287**	669,096	1%
Total operating expenses	**417,321**	441,089	6%	**1,276,347**	1,232,121	(4)%

Operating expenses for the three and nine months ended September 30, 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. 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. Amortization is as follows:

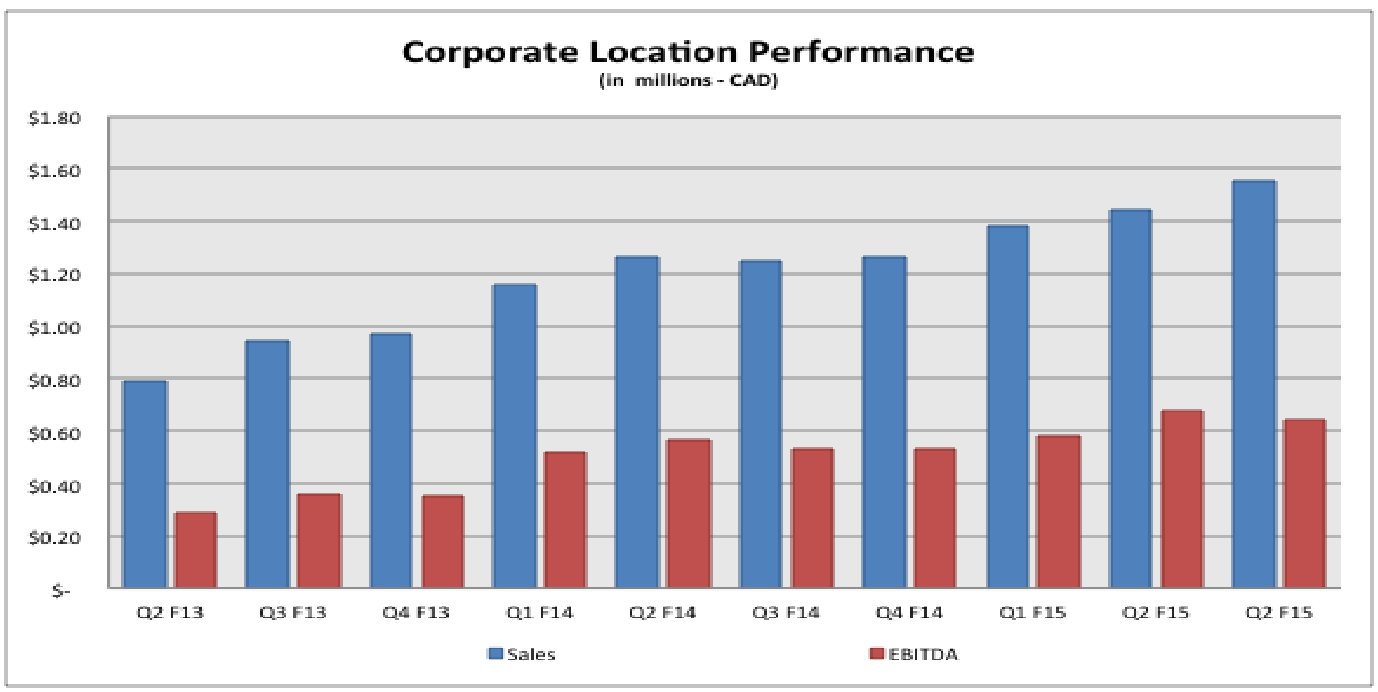
	3 months ended September 30			*9 months ended September 30*		
	2015	2014	%Ch	**2015**	2014	%Ch
	$	$		**$**	$	
Amortization – intangible assets	**149,722**	136,925	3%	**441,453**	411,832	7%

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 September 30, 2015, the corporate location revenues grew by 25% over the same comparative prior year period. The Company has also increased EBITDA by 22% and operating income by 20% over the three months ended September 30, 2014. During the nine months ended September 30, 2015, the corporate location revenues grew by 19% over the same comparative prior year period. The Company also increased EBITDA by 19% and operating income by 16% over the nine months ended September 30, 2014.

	3 months ended September 30				*9 months ended September 30*			
	2015	% of revenue	2014	% of revenue	**2015**	% of revenue	2014	% of revenue
	$		$		$		$	
Revenue:								
Shredding service	**1,309,120**	84%	1,032,669	83%	**3,644,651**	83%	3,020,144	82%
Recycling	**245,437**	16%	214,680	17%	**727,351**	17%	648,053	18%
Total revenue	**1,554,557**	100%	1,247,349	100%	**4,372,002**	100%	3,668,197	100%
Operating costs	**908,449**	58%	719,481	58%	**2,471,505**	57%	2,055,957	56%
EBITDA	**646,108**	42%	527,868	42%	**1,900,497**	43%	1,612,240	44%
Depreciation - equipment	**120,789**	8%	119,093	10%	**360,985**	8%	286,683	8%
Corporate operating income	**525,319**	34%	408,775	33%	**1,539,512**	35%	1,325,557	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 September 30, 2015, corporate location revenues, denominated in US dollars were US$1,233,775 (three months ended September 30, 2014 - US$1,140,693). For the nine months ended September 30, 2015, corporate location revenues, denominated in US dollars were US$3,469,843 (nine months ended September 30, 2014 – US$3,354,546).



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 second quarter of 2015, the Company purchased a new shredding vehicle. During the first half 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 September 30			*9 months ended September 30*		
	2015	2014	%Ch	**2015**	2014	%Ch
	$	$		**$**	$	
Depreciation and amortization – equipment	**120,789**	119,093	(1%)	**360,985**	286,683	(26%)
Depreciation and amortization – intangibles	**238,281**	180,001	(32%)	**686,591**	612,682	(12%)
Depreciation and amortization	**359,070**	299.094	(20%)	**1,047,576**	899,365	(16%)

Operating income

For the three months ended September 30, 2015, the Company posted an operating income of $527,950. During the first nine months 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.

	3 months ended September 30			*9 months ended September 30*		
	2015	2014	%Ch	**2015**	2014	%Ch
	$	$		**$**	$	
Operating income	**527,950**	289,229	82%	**1,463,206**	1,029,055	42%

Foreign exchange

Redishred has revenues and costs that are denominated in US dollars; this dependency on the US dollar causes foreign exchange gains when the Canadian dollar depreciates versus the US dollar. 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 may result in unrealized foreign exchange gains or losses.

Foreign exchange gain (loss) was as follows:

	3 months ended September 30			*9 months ended September 30*		
	2015	2014	%Ch	**2015**	**2014**	%Ch
	$	$				
Realized foreign exchange gain	**158,916**	(152,362)	97%	**371,727**	26,942	19%
Unrealized foreign exchange gain	**42,524**	265,951	44%	**323,246**	223,615	763%
Foreign exchange gain	**201,440**	113,589	0%	**694,973**	250,557	260%

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% per annum. Interest expense decreased in the first nine months of 2015 in comparison to the prior comparative period as a result of line of credit principal repayments.

	3 months ended September 30			*9 months ended September 30*		
	2015	2014	%Ch	**2015**	2014	%Ch
	$	$		**$**	$	
Interest income	**4,312**	2,627	64%	**8,562**	7,346	17%
Interest expense	**(193,578)**	(216,662)	12%	**(562,307)**	(621,837)	11%

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 nine months ended September 30, 2015, the Company booked a tax recovery of $15,861. 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 September 30			*9 months ended September 30*		
	2015	2014	%Ch	**2015**	2014	%Ch
	$	$				
Operating income	**527,950**	289,229	82%	**1,463,206**	1,029,055	42%
Less: amortization - intangible assets	**(238,281)**	(180,001)	(32)%%	**(686,591)**	(612,682)	(12)%
Less: interest expense	**(193,578)**	(216,662)	11%	**(562,307)**	(621,837)	10%
Add: foreign exchange gain	**201,440**	113,589	77%	**694,973**	250,557	277%
Add: interest income	**4,312**	2,627	64)%	**8,562**	7,346	17%
Add: gain on sale of assets	**45,556**	40,656	12%	**48,641**	40,656	20%
Add: income tax recovery	**15,861**	13,353	19%	**38,326**	40,265	(5)%
Net income	**363,260**	62,791	578%	**1,004,810**	133,360	753%

Net income

The Company posted a net income of $363,260 during the three months ended September 30, 2015, which was an improvement of 578% over the comparative prior period. During the nine months ended September 30, 2015, the Company posted a net income of $1,004,810, which was an improvement of 753% over the comparative prior period. The improvement was a result of (1) the operating income produced by the corporate locations, (2) the increased royalties generated from the franchise system, and (3) the strengthening of the US dollar versus the Canadian dollar.

Selected Quarterly Results

	2015			2014(1)			
(in CDN except where noted)	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	$	$	$	$	$	$	$
System sales (USD)	**6,497,246**	**6,391,021**	**5,749,246**	**5,420,366**	**5,362,658**	**5,262,823**	**4,591,163**
Total Company revenue	**1,974,509**	**1,824,583**	**1,772,951**	**1,570,967**	**1,568,892**	**1,549,344**	**1,485,580**
Franchise and license fees	4,120	2,210	26,899	1,484	32,569	1,038	69,789
Royalty and service fees	415,832	378,989	371,991	312,171	288,974	285,192	258,057
Total revenue from franchising and licensing	**419,952**	**381,199**	**398,890**	**313,655**	**321,543**	**286,230**	**327,846**
On-going operating costs	(417,321)	(453,747)	(405,279)	(453,871)	(396,512)	(381,043)	(375,456)
Broker fees	-	-	-	(334)	-	177	(34,710)
Impairment of note receivable	-	-	-	(432)	(44,577)	-	-
Total operating expenses	(417,321)	(453,747)	(405,279)	(454,637)	(441,089)	(380,866)	(410,166)
Total operating (loss) income – franchising and licensing	**2,631**	**(72,548)**	**(6,389)**	**(140,982)**	**(119,546)**	**(94,636)**	**(82,320)**
Corporate locations revenue	1,554,557	1,443,384	1,374,061	1,257,312	1,247,349	1,263,114	1,157,734
Corporate locations operating costs	(908,449)	(764,529)	(798,527)	(723,584)	(719,481)	(695,882)	(640,596)
Corporate locations EBITDA	**646,108**	**678,855**	**575,534**	**533,728**	**527,868**	**567,232**	**517,138**
Depreciation – equipment	(120,789)	(119,418)	(120,778)	(109,688)	(119,093)	(72,844)	(94,746)
Total operating income – corporate	**525,319**	**559,437**	**454,756**	**424,040**	**408,775**	**494,388**	**422,392**
Total operating income – Company	**527,950**	**486,889**	**448,367**	**283,058**	**289,229**	**399,752**	**340,072**
Income (loss) before taxes from continuing operations	347,399	18,358	600,727	102,305	49,438	(83,471)	127,128
Income (loss) attributable to owners of the parent	363,260	35,710	605,840	109,433	62,791	(70,084)	140,653
Income (loss)	363,260	35,710	605,840	109,433	62,791	(70,084)	140,653
Basic and diluted net income (loss) per share	.01	.00	.02	.00	.00	(.00)	.00

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

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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

	September 30, 2015	December 31, 2014
	$	$
Working capital	**513,069**	(395,907)
Total assets	**9,988,944**	9,094,505
Total liabilities	**9,364,846**	9,415,792

The total assets of the Company have increased over the year ended December 31, 2014 primarily as a result of the depreciation of the Canadian dollar, as a significant portion of the assets are denominated in USD. The cash position has increased due to the results from operations. The total liabilities of the Company have decreased over the prior year as a result of principal repayments of the Company's debt which was offset by the depreciation of the Canadian dollar. The Company has $511,675 available for use on its line as of September 30, 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 $511,675 available for use on its line as of September 30, 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 September 30, 2015, current liabilities of $1,415,612 (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	**228,972**
Between 1 and 5 years	**342,173**
Total	**571,145**

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,	**September 30, 2015**	December 31, 2014	% Ch
	$	$	
Net book value	**2,929,105**	2,594,476	13%

During the first half 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 a new shredding vehicle, bins and shredding containers as well as a hard-drive destruction unit 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 September 30, 2015, is $nil (December 31, 2014 - $nil) due from this franchise. During the six months ended September 30, 2015, the Company earned royalty and service fees amounting to $87,650 (2014 - $72,036) 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. 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 six months ended September 30, 2015 are insurance premium amounts of $13,200 (2014 - $14,753) 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 June 30, 2015 is CAD$525,750;

(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 June 30, 2015 is CAD$100,088(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 June 30, 2015 is CAD$52,391;

(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 June 30, 2015 is CAD$34,959 (US$26,195); and

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 September 30, 2015, there were 28,884,658 issued and outstanding common shares. As at September 30, 2015 there were 1,840,000 options to acquire common shares. During the nine months ended September 30, 2015, 142,500 stock options that expired (for the nine months ended September 30, 2014 – 280,000). There were 730,000 stock options granted during the nine months ended September 30, 2015 (for the nine months ended September 30, 2014 – 10,000). The net stock compensation charge, after adjusting for stock option forfeitures, amounted to $51,547 (for the nine months ended September 30, 2014 – $126). As of November 26, 2015 there are 28,884,658 issued and outstanding common shares, 1,840,000 options to acquire common shares. There are 1,250,000 common shares issuable on conversion of the debentures.

Dated: November 26, 2015