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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 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 audited consolidated financial statements for the years ended December 31, 2014 and 2013. 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 April 21, 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 current 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 2014 and 2013.

- 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.

- Corporate operating income (loss) is the income (loss) generated by corporately operated locations. The operating income (loss) 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. The corporate operating income (loss) also includes the interest related to the Company's line of credit utilized to purchase the corporately operated locations.

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

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 December 31, 2014, 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 December 31, 2014, 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.*

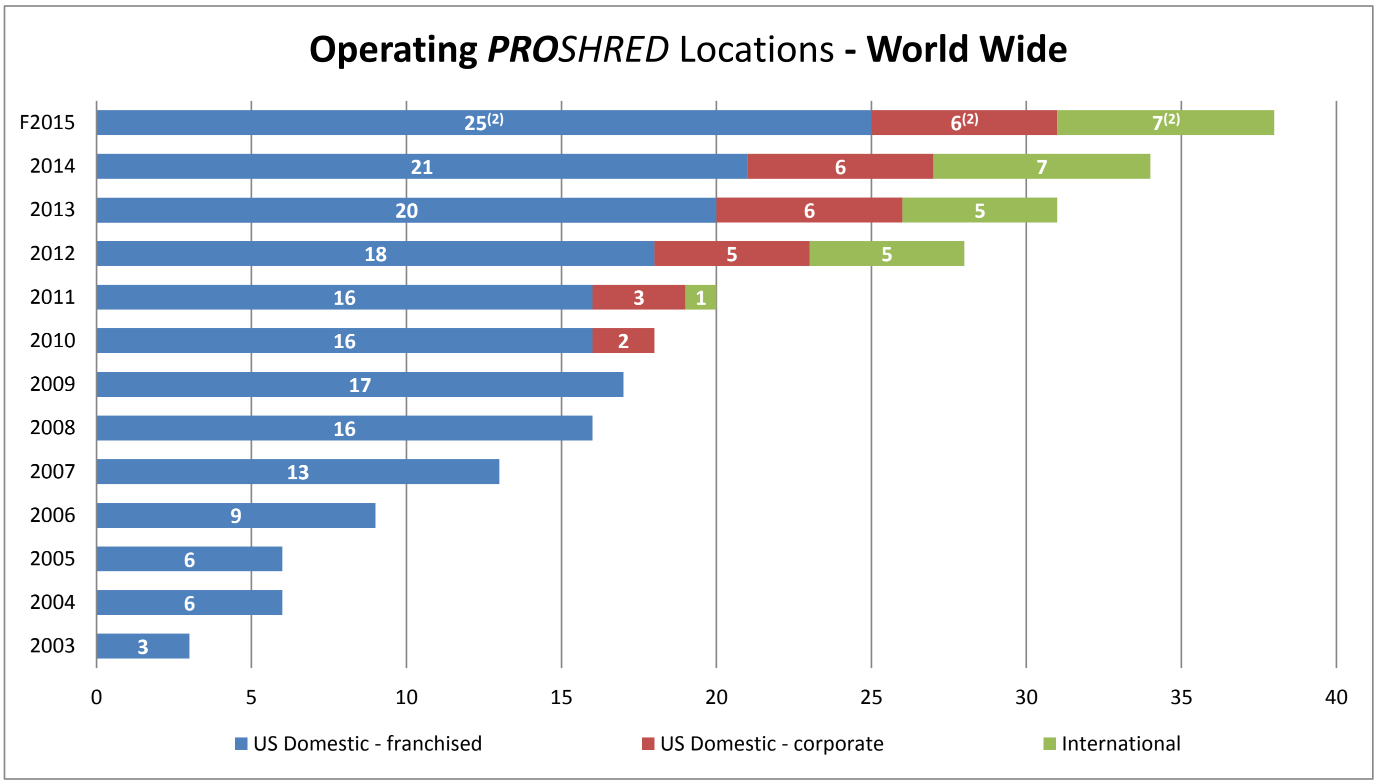
The Company's location list is as follows:

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 2014 Goals and Objectives

In the Company's 2013 Annual Report, management stated its 2014 goals and objectives. A review of the Company's performance in meeting these goals and objectives is included below:

2014 Goals and Objectives	Performance during the three and twelve months ended December 31, 2014	Comments
Grow system sales from all locations by 8% to $18.5M USD compared to 2013.	During the fourth quarter of 2014, system sales grew by 25% versus the comparative 2013 period. Redishred's: • Scheduled (recurring) system sales grew by 16% (same store sales grew by 15%); • unscheduled system sales grew by 33% (same store sales grew by 27%); • recycling system sales increased by 42% (same store sales increased by 41%). During the year ended December 31, 2014, system sales grew by 21%, versus the comparative 2013 period, to a total of $20.6M. Redishred's: • scheduled (recurring) system sales grew by 14% (same store sales grew by 14%); • unscheduled system sales grew by 31% (same store sales grew by 24%); • recycling system sales grew by 21% (same store sales increased by 19%).	**Redishred exceeded its annual goal by attaining a growth rate of 21% over 2013's results.**
Achieve a minimum of $1.5M in EBITDA from existing Corporate locations (Syracuse, Albany, Milwaukee, New York City, Charlotte and Miami).	For the three months ended December 31, 2014, Redishred earned $533,728 in EBITDA from its corporate locations. For the year ended December 31, 2014, Redishred earned $2.15M in EBITDA from its corporate locations.	**Redishred exceeded its annual goal by 43%.**
Award at least four franchise locations. ***The Company revised its target to two franchise locations in the 2nd quarter of 2014.***	During the year ended December 31, 2014, the Company did not award any new franchise locations.	**Redishred did not achieve its annual goal.**

Goals and Objectives for 2015

Management has set new objectives for 2015 as follows:

1. Grow system sales from all locations by 10% over fiscal 2014 to a total of $22.5 million USD.
2. Award at least four franchise locations.
3. Generate $2.35M in earnings before interest, taxes, depreciation and amortization ("EBITDA") from current corporate locations, which includes Syracuse, Albany, Milwaukee, NYC, Charlotte and Miami.

2015 Goals and Objectives	**Strategy for Achieving Goals**
Grow system sales from all locations by 10% to $22.6M USD compared to 2014.	Provide sales support to all franchisees and corporate locations in their sales growth efforts. Sales support will include on-site field visits, lead generation programs and enhanced marketing tools. The Company has implemented a mobile web site and will continue to increase its investment in web based marketing programs.
Award at least four franchise locations.	Continue to invest in franchise development marketing activities and develop stronger relationships with business brokers. Management has also hired a new franchise development resource with strong franchise experience.
Achieve a minimum of $2.35M in EBITDA from existing Corporate locations (Syracuse, Albany, Milwaukee, New York City, Charlotte and Miami).	Management will focus on three key areas to drive profitability, (1) increased sales and web based marketing activities in the local markets; (2) continued focus on route optimization using GPS, routing technologies and handheld technologies, and (3) the addition of new incremental services such as hard drive destruction.

Overall Performance

Selected Financial Data and Results of Operations

The following table shows selected financial data for the 12 months ended December 31, 2014, 2013 and 2012.

(in CDN except where noted)	**2014**	2013	2012
	$	$	$
System sales and revenue data:			
System sales (USD)	**20,637,010**	17,099,691	14,890,134
Franchise and license fees	**104,880**	270,811	304,478
Royalties and service fees	**1,144,394**	970,989	823,577
Franchise and license related revenue	**1,249,274**	1,241,800	1,128,055
Corporate location revenue	**4,925,509**	3,427,283	2,952,505
Total Revenue	**6,174,783**	4,669,083	4,078,560
Corporate location data:			
Corporate location revenue	**4,925,509**	3,427,283	2,950,505
Corporate location operating costs	**(2,779,541)**	(2,194,157)	(2,330,170)
Corporate location EBITDA	**2,145,968**	1,233,126	620,335
Depreciation – tangible assets	**(396,371)**	(318,410)	(247,006)
Interest expense	**(809,369)**	(679,208)	(595,146)
Operating income (loss) from corporate locations	**940,228**	235,508	(221,817)
On-going operating costs	**(1,599,601)**	(1,585,673)	(1,587,389)
One-time operating costs(1)	**-**	(84,213)	(231,498)
Broker fees	**(34,779)**	(85,121)	(68,089)
Bad debt expense	**(45,009)**	(14,453)	-
Interest expense	**(32,880)**	(32,890)	-
Total operating costs	**(1,712,269)**	(1,802,350)	(1,886,976)
Operating income (loss)	**477,233**	(325,042)	(980,738)
Operating income (loss) – excluding one-time operating costs	**477,233**	(240,829)	(749,240)
Net income (loss)	**242,795**	(40,467)	(2,802,536)
Net income (loss) – excluding one-time items(2)	**242,795**	(535,661)	(1,459,444)
Earnings (loss) per share	**0.01**	(0.00)	(0.10)

(1) One-time operating costs incurred during 2012 relate primarily to legal fees related to the defence of the past franchisee litigation against the Company. As of April 29, 2014, all claims against the Company were dismissed. One-time operating costs incurred during 2013 related to legal fees related to the defence of the past franchisee litigation, legal fees related to the Charlotte acquisition and additional audit fees.

(2) *For the year ended December 31, 2013, "Net loss – excluding one-time costs" excludes a reversal of impairment of $431,180, a gain related to the Charlotte acquisition of $148,228 and one-time operating costs noted in footnote 1 above.*

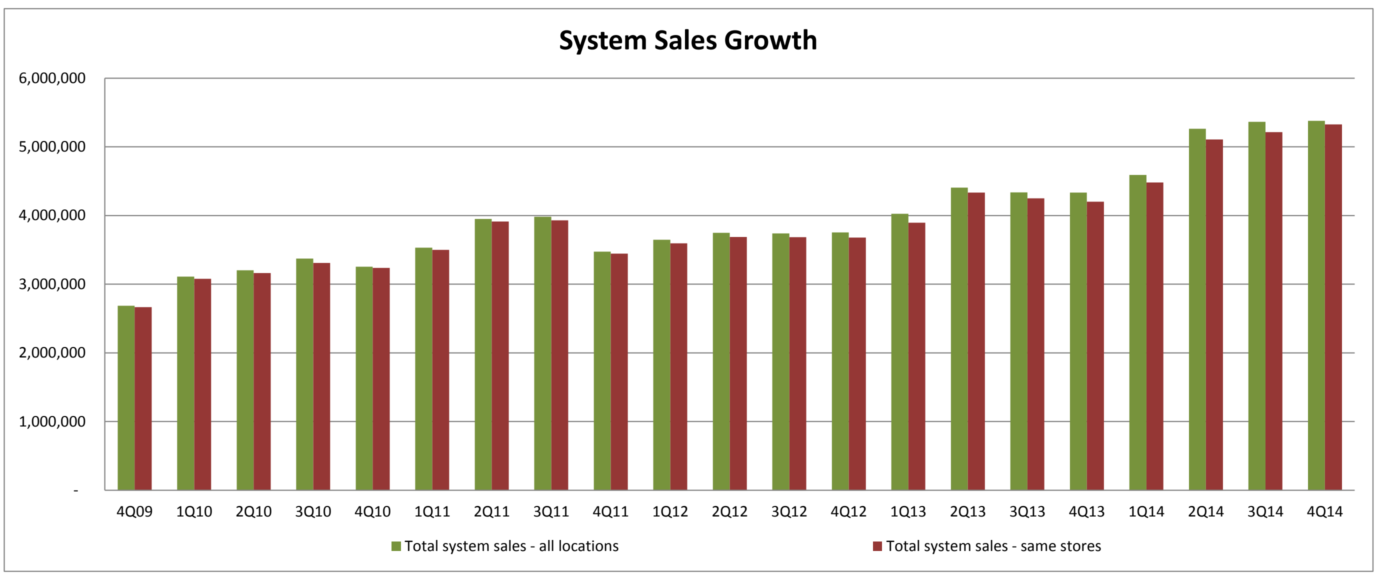
The Company operates the Proshred system, and derives revenues from franchise and other fees as well as royalty and service related fees. In addition to operating the Proshred franchise system, the Company operates six corporate locations in Syracuse, Albany, Milwaukee, New York City, Charlotte and Miami.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

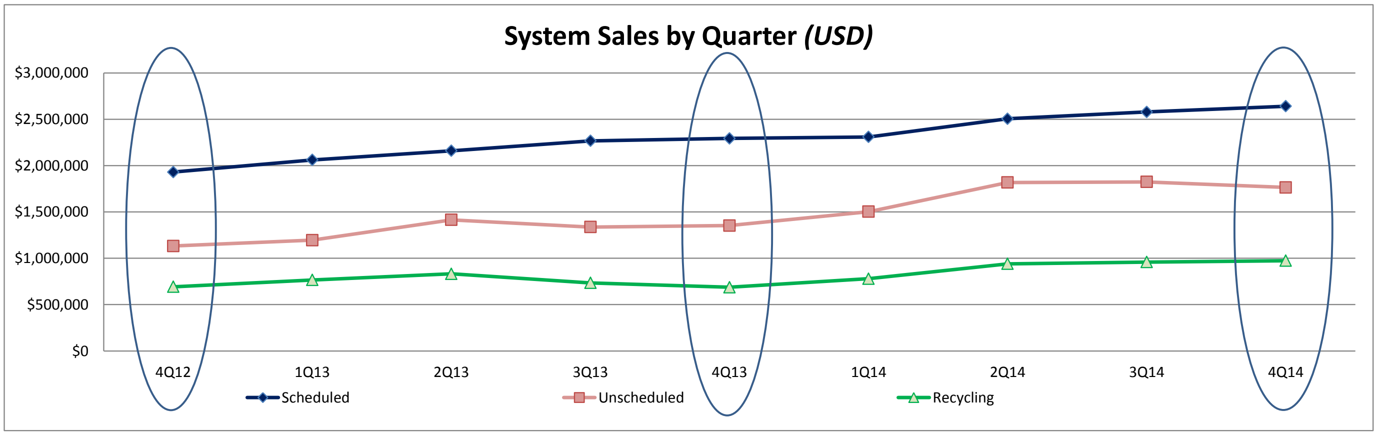
	3 months ended December 31			*12 months ended December 31*		
	2014	2013	%Ch	**2014**	2013	%Ch
Total world-wide operating locations at period end	**34**	31	10%	**34**	31	10%
Territories – United States	**117.4**	113.8	3%	**117.4**	113.8	3%
Total system sales (USD)	**$ 5,420,366**	$ 4,332,480	25%	**$ 20,637,010**	$ 17,099,691	21%
Total system sales (CDN)	**$ 5,984,626**	$ 4,463,754	34%	**$ 22,677,328**	$ 17,617,812	29%

The following chart illustrates system sales growth by quarter since the fourth quarter of 2009.



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$16,983,651 for the year ended December 31, 2014, growing by US$2,903,245 or 21% over 2013.

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. As a result, the Company had continued growth in this category in 2014 versus 2013. During the three months ended December 31, 2014, scheduled sales reached a record quarterly high of US$2,641,177.

	3 months ended December 31			*12 months ended December 31*		
	2014	2013	%Ch	**2014**	2013	%Ch
	$	$		**$**	$	
Scheduled service sales (USD)	**2,649,185**	2,293,052	16%	**10,041,595**	8,781,569	14%
Same store scheduled service sales (USD)	**2,639,291**	2,293,052	15%	**9,984,991**	8,781,569	14%

Unscheduled sales:

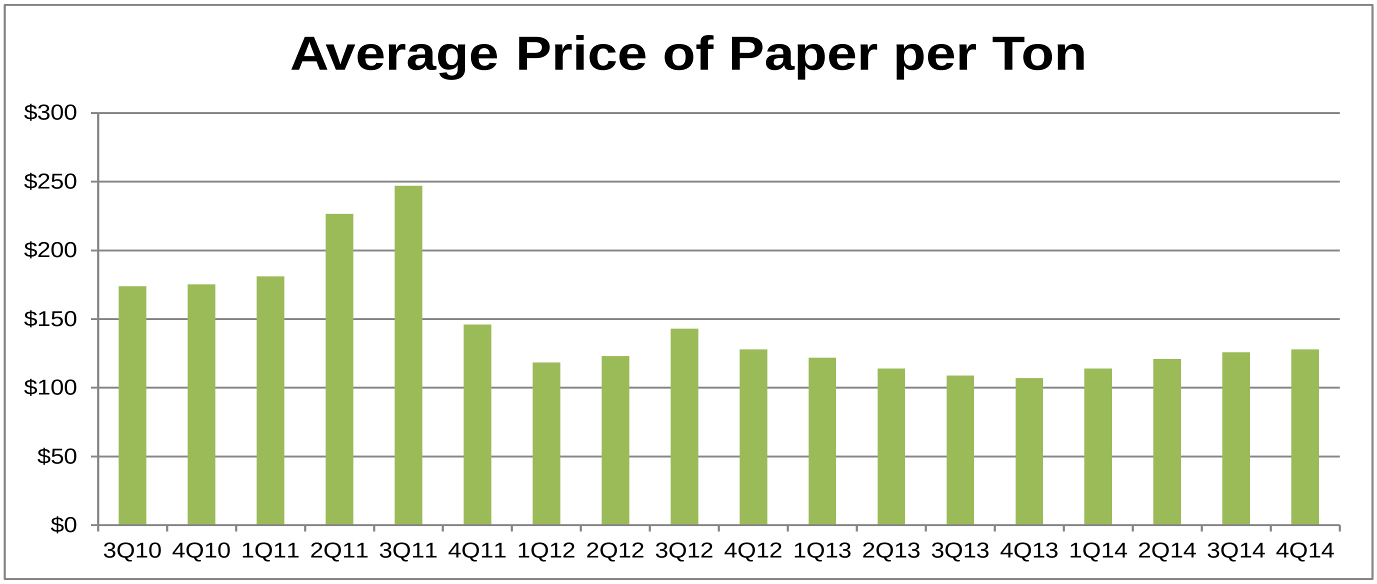
Unscheduled sales are defined as the revenue generated from customers who have one-time or seasonal requirements for document destruction. An example of unscheduled sales is when an accounting firm is required to destroy an abundance of confidential working papers and documents after their tax season. During the three months ended December 31, 2014, unscheduled sales were US$1,764,697, growing 30% over the same period in 2013.

	3 months ended December 31			*12 months ended December 31*		
	2014	2013	%Ch	**2014**	2013	% Ch
	$	$		**$**	$	
Unscheduled service sales (USD)	**1,797,295**	1,352,362	33%	**6,942,056**	5,298,837	31%
Same store unscheduled service sales (USD)	**1,717,967**	1,352,362	27%	**6,593,158**	5,298,837	24%

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.

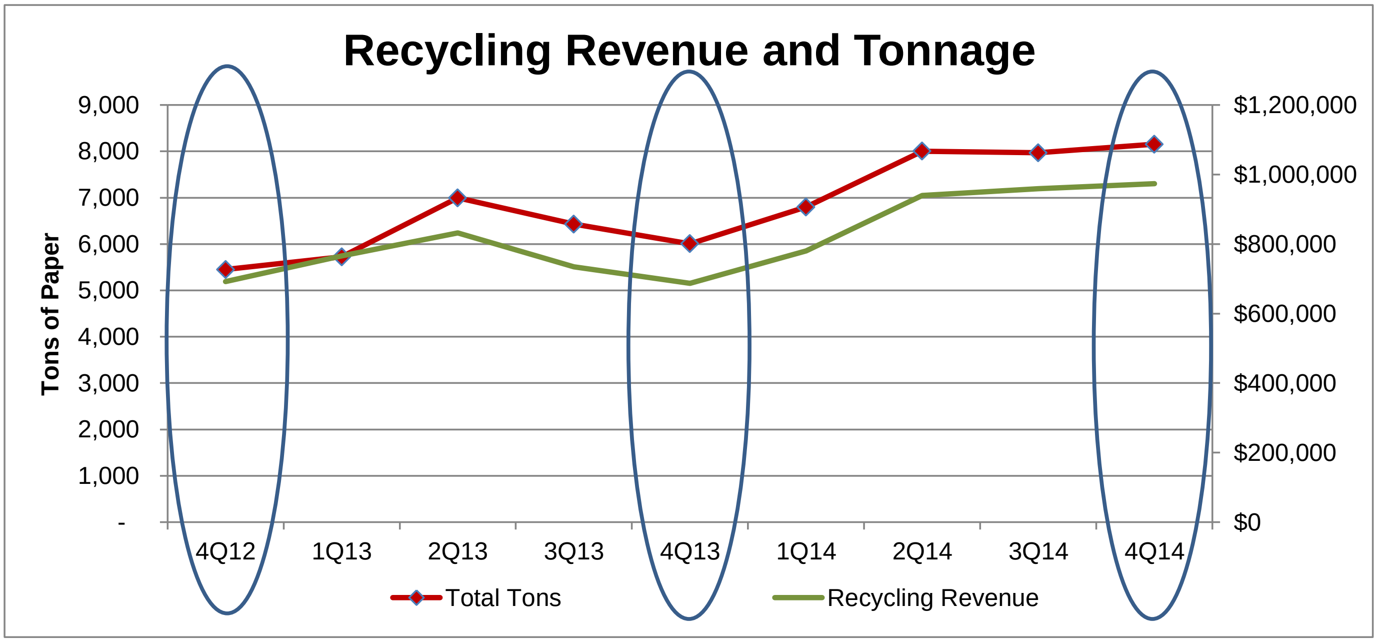
Historical Pricing Trends:

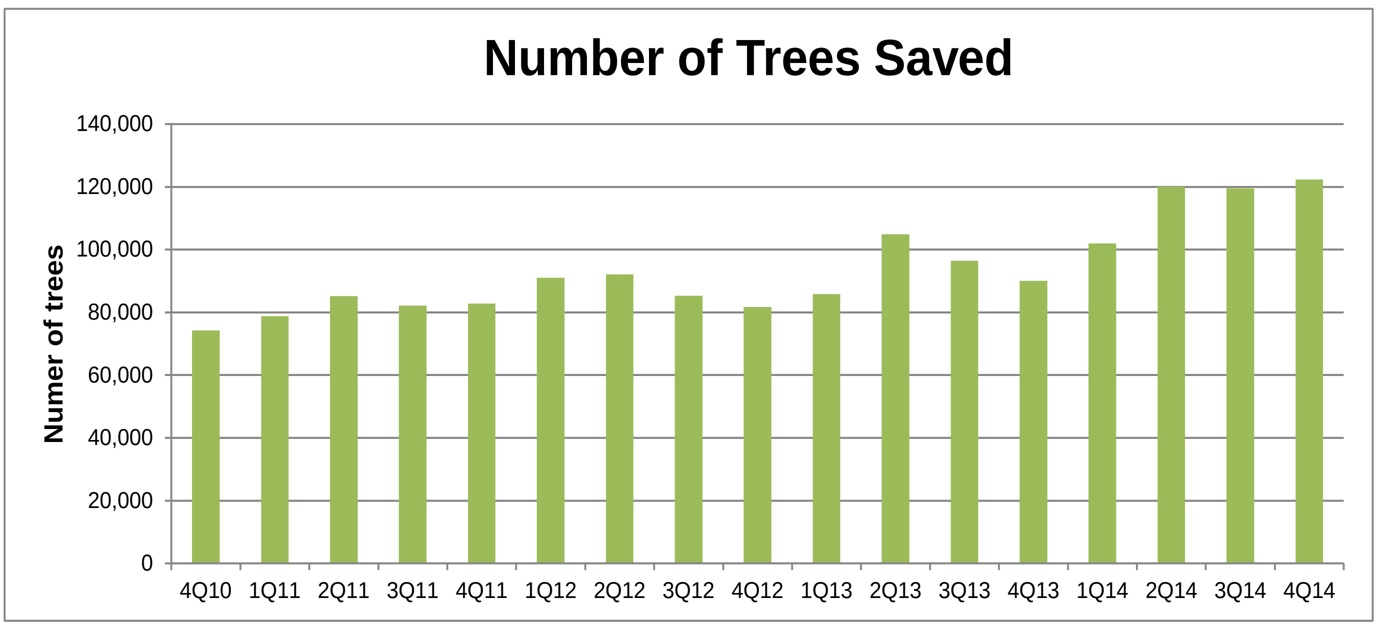


During the fourth quarter of 2014, the system shred and recycled 36% more paper than during the fourth quarter of 2013. The Proshred system shred and recycled 8,000 tons of paper during the fourth quarter of 2014, and 31,000 tons for the year ended 2014. During the year ended December 31, 2014, the Proshred system saved 464,000 trees(1) (for the year ended December 31, 2013 – 377,000 trees were saved). During the fourth quarter of 2014, the average price of paper in the Proshred system was US$128 per ton, versus US$107 per ton in the fourth quarter of 2013.

	3 months ended December 31			*12 months ended December 31*		
	2014	2013	%Ch	**2014**	2013	%Ch
	$	$		**$**	$	
Recycling sales (USD)	**973,886**	687,066	42%	**3,653,359**	3,019,285	21%
Same store recycling sales (USD)	**968,522**	687,066	41%	**3,580,447**	3,019,285	19%

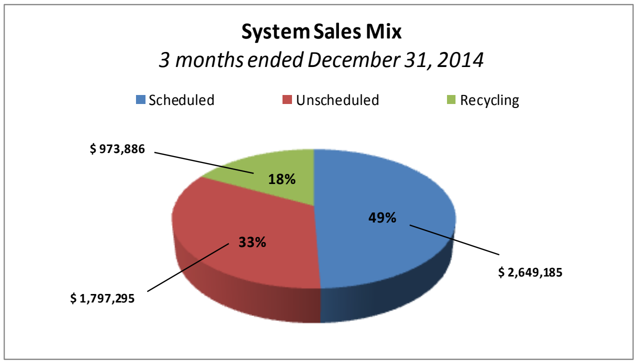
(1) The estimated amount of paper that can be produced from a tree has been conservatively estimated by management based on information taken from Conservatree.org.

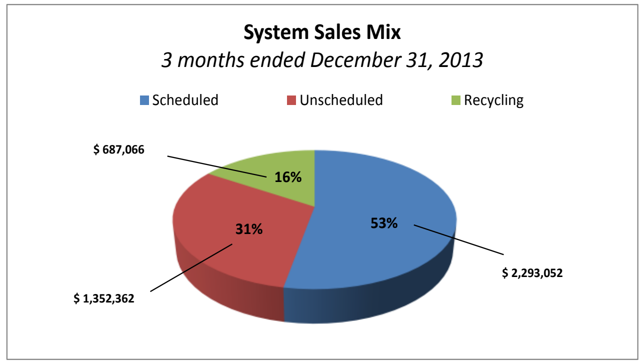

Recycling Revenue and Tonnage
Tons of Paper
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
-
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
4Q12
1Q13
2Q13
3Q13
4Q13
1Q14
2Q14
3Q14
4Q14
Total Tons
Recycling Revenue


Number of Trees Saved
Numer of trees
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
4Q10
1Q11
2Q11
3Q11
4Q11
1Q12
2Q12
3Q12
4Q12
1Q13
2Q13
3Q13
4Q13
1Q14
2Q14
3Q14
4Q14

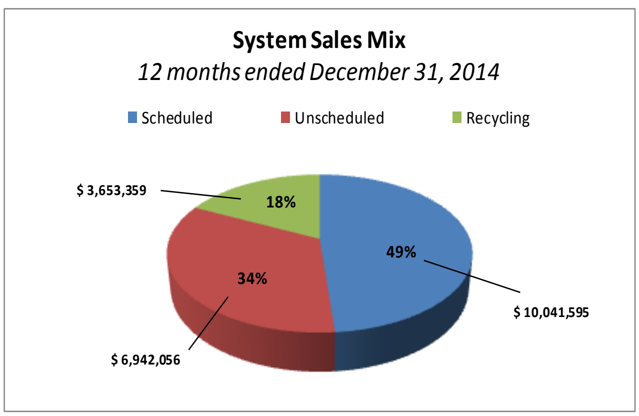
Mix of business:

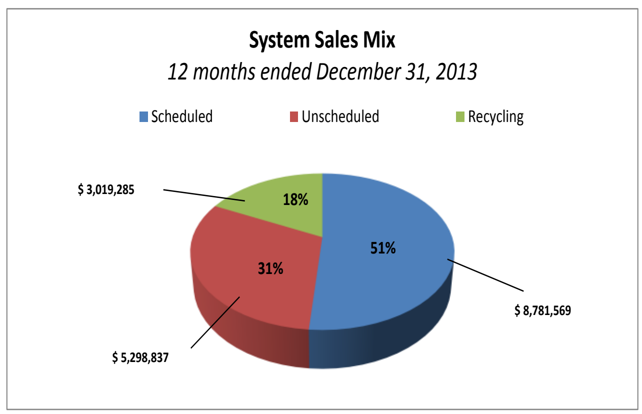
Scheduled sales accounted for 49% of total sales for the quarter ended December 31, 2014 (December 31, 2013 – 53%). Unscheduled sales accounted for 33% of total sales for the three months ended December 31, 2014 (December 31, 2013 – 31%). Recycling sales accounted for 18% of total sales for the quarter ended December 31, 2014 (December 31, 2013 – 16%).





Scheduled sales accounted for 49% of total sales for the year ended December 31, 2014 (December 31, 2013 – 51%). Unscheduled sales accounted for 34% of total sales for the year ended December 31, 2014 (December 31, 2013 – 31%). Recycling sales accounted for 18% of total sales for the year ended December 31, 2014 (December 31, 2013 – 18%).





Franchising & Licensing

Total Franchising Revenue

	3 months ended December 31			*12 months ended December 31*		
	2014	2013	% Ch	**2014**	2013	%Ch
	$	$		**$**	$	
Franchise and license fees	**1,484**	4,047	(63)%	**104,880**	270,811	(61)%
Royalty and service fees	**312,171**	235,721	32%	**1,144,394**	970,989	18%
Total franchising revenue	**313,655**	239,768	31%	**1,249,274**	1,241,800	1%

Royalties and service fees are charged for the use of the Proshred brand, trademarks and systems. Franchise and license fee revenue is generated when a franchise or license is awarded and training is completed. Royalty and service fees earned during the year ended December 31, 2014 were higher by 18% than in 2013 due to increased system sales (refer to 'System Sales'). Franchise and license fees include the franchise fee recognized in January 2014 for the Southern New Jersey franchisee and license fees earned from the Middle East licensee.

The Company derives all franchise and license related revenues in US dollars which are translated at the average exchange rate for the period. For the three months ended December 31, 2014, total franchising revenue was US$284,082 (2013 – US$256,200). For the year ended December 31, 2014, total franchising revenue was US$1,131,487 (2013 – US$1,196,562).

Consolidated Operating Expenses

	3 months ended December 31			*12 months ended December 31*		
	2014	2013	%Ch	**2014**	2013	%Ch
	$	$		**$**	$	
Salaries	**206,834**	210,586	(2)%	**769,859**	802,950	(4)%
General, administrative and marketing – on-going	**245,194**	208,827	17%	**829,742**	782,723	6%
General, administrative and marketing – one-time costs	**-**	84,213	(100)%	**-**	84,213	(100)%
Broker fees	**334**	570	(41)%	**34,779**	85,121	(59)%
Bad debt expense	**432**	14,453	(97)%	**45,009**	14,453	211%
Interest expense	**8,220**	8,950	(8)%	**32,880**	32,890	0%
Total operating expenses	**461,014**	527,599	(13)%	**1,712,269**	1,802,350	(5)%

Operating expenses for the three and twelve months ended December 31, 2014 include expenses to support 34 Proshred locations in operation, 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. Interest expense includes interest on the convertible debentures issued on December 31, 2012. The Company continues to closely monitor and control all operating expenses. The bad debt expense relates to the resale of an existing franchise location. The broker fee relates to the Southern New Jersey franchisee awarded in January of 2014. Interest expense includes interest on the convertible debentures issued on December 31, 2012. During the three and twelve months ended December 31, 2013, one-time costs relate to the defence of the past litigation, legal fees related to the Charlotte acquisition and additional audit fees.

Amortization – Franchising

Amortization relates to the purchase of Professional Shredding Corporation ("PSC") and the Proshred franchise business in 2008. For the three and twelve months ended December 31, 2014, amortization increased over the prior period due to the reversal of previous impairment of intangible assets of $431,180 at December 31, 2013. Amortization is as follows:

	3 months ended December 31			*12 months ended December 31*		
	2014	2013	%Ch	**2014**	2013	%Ch
	$	$		**$**	$	
Amortization – intangible assets	**138,104**	91,501	51%	**544,410**	422,918	29%

Corporate Operations

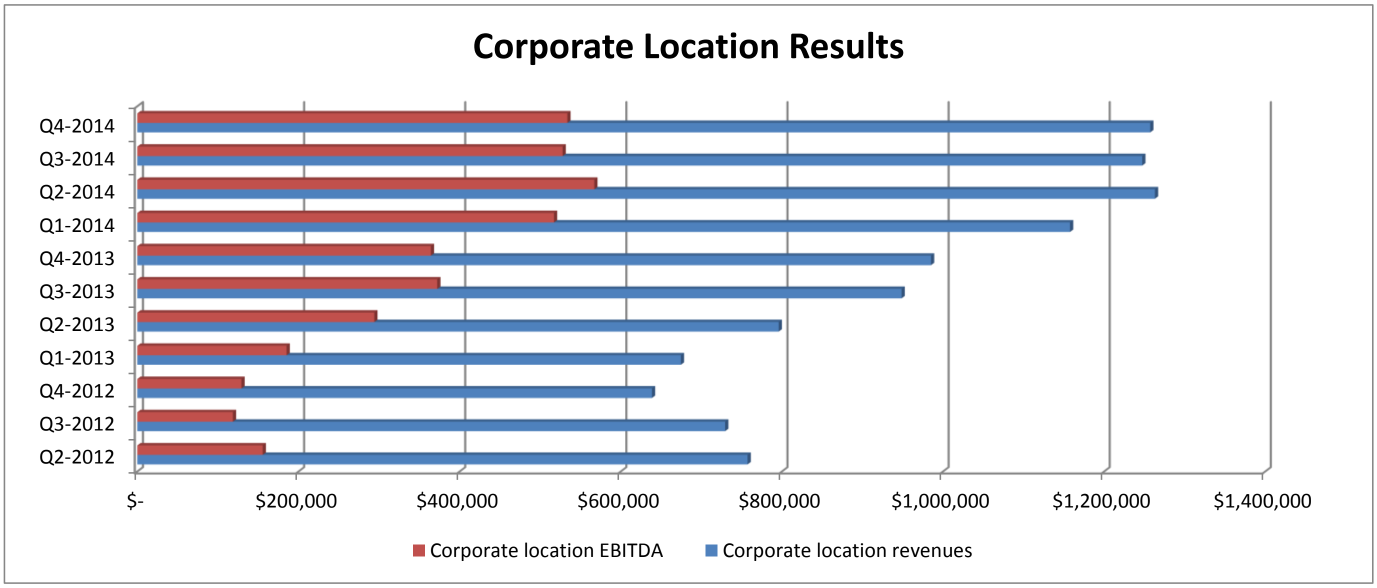
The Company operates six shredding locations in Syracuse, Albany, Milwaukee, New York City, Charlotte and Miami. These locations represent the Company's corporately owned locations. During the year ended December 31, 2014, the corporate location revenues grew by 46% over the same comparative prior year period. The Company has also increased EBITDA by 80% over the year ended December 31, 2013.

Same corporate store results are indicators of performance of corporate stores that have been in the system for equivalent periods in 2014 and 2013. Same corporate store results include the operations of Syracuse, Albany, Milwaukee and New York City. During the three months ended December 31, 2014, the same corporate store revenue grew by 18% which led to an increase in EBITDA of 78%. During the year ended December 31, 2014, the same corporate store revenue grew by 12% and EBITDA increased by 42%. During the year ended December 31, 2013, the Miami business was jointly operated by Redishred and one of the Company's franchise locations therefore the Miami results for the three and twelve months ended December 31, 2013 are excluded from the comparatives below.

	All corporate locations				***Same store corporate locations***			
For the 3 months ended December 31,	**2014**	% of revenue	2013	% of revenue	**2014**	% of revenue	2013	% of revenue
	$		$		**$**		$	
Revenue:								
Shredding service	**1,051,235**	84%	815,614	84%	**710,284**	85%	603,920	85%
Recycling	**206,077**	16%	157,822	16%	**124,877**	15%	103,221	15%
Total revenue	**1,257,312**	100%	973,436	100%	**835,161**	100%	707,141	100%
Operating costs	**723,584**	58%	620,851	64%	**433,447**	52%	481,978	68%
EBITDA	**533,728**	42%	352,585	36%	**401,714**	48%	225,163	32%

	All corporate locations				***Same store corporate locations***			
For the 12 months ended December 31,	**2014**	% of revenue	2013	% of revenue	**2014**	% of revenue	2013	% of revenue
	$		$		**$**		$	
Revenue:								
Shredding service	**4,071,379**	83%	2,788,373	82%	**2,780,528**	84%	2,438,401	83%
Recycling	**854,130**	17%	592,942	18%	**516,177**	16%	504,657	17%
Total revenue	**4,925,509**	100%	3,381,315	100%	**3,296,705**	100%	2,943,058	100%
Operating costs	**2,779,541**	56%	2,188,712	65%	**1,849,366**	56%	1,925,837	65%
EBITDA	**2,145,968**	44%	1,192,603	35%	**1,447,339**	44%	1,017,221	35%

Corporate location revenues are generated in US dollars, which are translated at the average exchange rate for the period. For the three months ended December 31, 2014, corporate location revenues, denominated in US dollars were US$1,138,766. For the year ended December 31, 2014, corporate location revenues, denominated in US dollars, were US$4,461,107.



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. The increase in depreciation and amortization related to the corporate locations is due to the purchase of the Charlotte tangible and intangible assets on July 31, 2013 as well as the purchase of two shredding vehicles during the year ended December 31, 2014.

Depreciation and amortization are as follows:

	3 months ended December 31			*12 months ended December 31*		
	2014	2013	%Ch	**2014**	2013	%Ch
	$	$		**$**	$	
Depreciation and amortization – equipment	**109,688**	97,922	12%	**396,371**	318,410	24%
Depreciation and amortization – intangibles	**94,041**	72,319	30%	**300,416**	233,899	28%
Depreciation and amortization	**203,729**	170,241	20%	**696,787**	552,309	26%

Operating income (loss)

For the three months ended December 31, 2014, the Company posted an operating income of $64,489. During the year ended December 31, 2014, the Company posted an operating income of $477,233. During the 2014 the Company reduced its corporate store costs and grew its corporate store sales. In addition, the Company acquired the Charlotte location on July 31, 2013 and began operating the Miami location directly on January 1, 2014, both of which have resulted in incremental positive operating income.

	3 months ended December 31			*12 months ended December 31*		
	2014	2013	%Ch	**2014**	2013	%Ch
	$	$		**$**	$	
Operating income (loss)	**64,489**	(211,493)	130%	**477,233**	(325,042)	247%
Operating income (loss) – excluding one-time costs	**64,489**	(127,280)	151%	**477,233**	(240,829)	298%

Foreign exchange

Foreign exchange gain was as follows:

	3 months ended December 31			*12 months ended December 31*		
	2014	2013	%Ch	**2014**	2013	%Ch
	$	$		**$**	$	
Foreign exchange gain	**252,371**	170,655	48%	**502,928**	352,971	42%

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.

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 10% 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 increased in 2014 as a result of the interest incurred on the loans used to purchase the Charlotte location on July 31, 2013.

	3 months ended December 31			*12 months ended December 31*		
	2014	2013	%Ch	**2014**	2013	%Ch
	$	$		**$**	$	
Interest income	**2,446**	1,262	94%	**9,793**	7,055	39%
Interest expense	**(220,412)**	(198,943)	(11)%	**(842,249)**	(712,098)	(18)%

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 year ended December 31, 2014, the Company booked a net tax recovery of $47,395. 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 (loss)

	3 months ended December 31			*12 months ended December 31*		
	2014	2013	%Ch	**2014**	2013	%Ch
	$	$		**$**	$	
Operating income (loss)	**64,489**	(211,493)	130%	**477,233**	(325,042)	247%
Less: amortization - intangible assets	**(233,987)**	(169,938)	38%	**(852,193)**	(678,901)	26%
Add: foreign exchange gain	**252,371**	170,655	48%	**502,928**	352,971	42%
Add: interest income	**2,446**	1,262	94%	**9,793**	7,055	39%
Add: reversal of impairment	**27,452**	431,180	(94)%	**27,452**	431,180	(94)%
Add: Gain related to business combination	**-**	245,501	(100)%	**-**	148,228	(100)%
(Loss) gain on sale of assets	**(10,468)**	(1,514)	591%	**30,187**	2,240	1248%
Income tax recovery (expense)	**7,130**	(2,934)	343%	**47,395**	21,802	117%
Net income (loss)	**109,433**	462,719	(76)%	**242,795**	(40,467)	700%

Net income (loss)

	3 months ended December 31			*12 months ended December 31*		
	2014	2013	%Ch	**2014**	2013	%Ch
	$	$		**$**	$	
Net income (loss)	**109,433**	462,719	(76)%	**242,795**	(40,467)	700%
Net income (loss) – excluding one-time items	**109,433**	(129,097)	185%	**242,795**	(535,661)	145%
Net income (loss)	**109,433**	462,719	(76)%	**242,795**	(40,467)	665%
Less: foreign exchange gain	**252,371**	170,655	48%	**502,928**	352,971	42%
Revised net (loss) income	**(142,938)**	292,064	(149)%	**(260,133)**	(393,438)	34%
Revised net (loss) income – excluding one-time items	**(142,938)**	(299,752)	52%	**(260,133)**	(888,632)	71%

The Company posted a net income of $109,433, during the three months ended December 31, 2014. For the year ended and quarter ended December 31, 2013, net loss includes a reversal of impairment of $431,180, a gain related to the Charlotte acquisition of $148,228 and one-time operating costs of $84,213. Removing the one-time items and the foreign exchange gain from net income (loss) for the 3 months ended December 31, 2014 and 2013 resulted in an improvement of 52% in net loss. For the year ended December 31, 2014, the improvement in net loss was 71% after removing the one-time items and foreign exchange gain. The improvement was a result of the net income produced by the corporate locations, which has been accretive to the business overall.

Selected Quarterly Results

(in CDN except where noted)	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4[1]	2013 Q3	2013 Q2	2013 Q1
	$	$	$	$	$	$	$	$
System sales (USD)	**5,420,366**	**5,362,658**	**5,262,823**	**4,591,163**	**4,332,480**	**4,337,484**	**4,406,210**	**4,023,517**
Total Company revenue	**1,570,967**	**1,568,892**	**1,549,344**	**1,485,580**	**1,224,926**	**1,463,870**	**1,060,860**	**919,427**
Franchise and license fees	1,484	32,569	1,038	69,789	4,047	264,205	1,394	1,165
Royalty and service fees	312,171	288,974	285,192	258,057	235,721	251,040	258,469	225,759
Total revenue from franchising and licensing	**313,655**	**321,543**	**286,230**	**327,846**	**239,768**	**515,245**	**259,863**	**226,924**
On-going operating costs	(452,028)	(394,670)	(379,201)	(373,702)	(419,411)	(391,589)	(394,903)	(379,770)
One-time costs	-	-	-	-	(84,213)	-	-	-
Broker fees	(334)	-	177	(34,622)	(570)	(84,551)	-	-
Interest expense	(8,220)	(8,220)	(8,220)	(8,220)	(8,230)	(8,215)	(8,220)	(8,225)
Impairment of note receivable	(432)	(44,577)	-	-	(14,453)	-	-	-
Total operating expenses	(461,014)	(447,467)	(387,244)	(416,544)	(526,877)	(484,355)	(403,123)	(387,995)
Total operating (loss) income – franchising and licensing	**(147,359)**	**(125,924)**	**(101,014)**	**(88,698)**	**(287,109)**	**30,890**	**(143,260)**	**(161,071)**
Corporate locations revenue[2]	1,257,312	1,247,349	1,263,114	1,157,734	973,436	937,033	789,584	681,262
Corporate locations operating costs[2]	(723,584)	(719,481)	(695,883)	(640,593)	(620,851)	(576,519)	(496,776)	(494,566)
Corporate locations adjusted EBITDA[2]	**533,728**	**527,868**	**567,231**	**517,141**	**352,585**	**360,514**	**292,808**	**186,696**
Depreciation – tangible assets[2]	(109,688)	(119,093)	(72,844)	(94,746)	(89,647)	(76,184)	(50,468)	(67,446)
Interest expense[2]	(212,192)	(208,442)	(186,643)	(202,092)	(190,713)	(168,783)	(160,491)	(159,221)
Total operating income (loss) – corporate[2]	**211,848**	**200,333**	**307,744**	**220,303**	**72,225**	**115,547**	**81,849**	**(39,971)**
Total operating income (loss) – excluding one-time costs – Company	**64,489**	**74,409**	**206,730**	**131,605**	**(130,673)**	**146,437**	**(61,411)**	**(201,042)**
Income (loss) before taxes from continuing operations	102,305	49,438	(83,471)	127,128	465,653	(214,397)	(80,840)	(232,685)
Income (loss) attributable to owners of the parent	109,433	62,791	(70,084)	140,653	462,717	(214,588)	(68,280)	(220,316)
Income (loss) excluding one-time items	109,433	62,791	(70,084)	140,653	(129,097)	(117,968)	(68,280)	(220,316)
Basic and diluted net income (loss) per share	.00	.00	(.00)	.00	.02	(.01)	(.00)	(.01)

(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 have continued to grow each quarter. This was 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 2^{nd} and 3^{rd} quarters of every year and lower system sales and related royalty fees and corporate revenues in the 1^{st} and 4^{th} quarters of every year.

Balance Sheet

	December 31, 2014	December 31, 2013	December 31, 2012
		$	$
Working capital	**(395,907)**	(322,594)	403,730
Total assets	**9,049,505**	8,983,915	7,307,860
Total liabilities	**9,415,792**	9,557,695	7,782,856

The total assets of the Company have increased slightly over the year ended December 31, 2013 as a result of the purchase of two new shredding vehicles less depreciation and amortization on tangible and intangible assets. The total liabilities of the Company have decreased over the prior year as a result of the repayment of principal on the line of credit net of the financing of the two shredding vehicles purchased. The Company has $263,234 available for use on its line of credit as of December 31, 2014.

The Company did not declare any dividends during the year.

Reversal of Impairment of Intangible Assets

The Company performs an impairment test and reversal of impairment test of long-lived assets when there is an indication of impairment or reversal of impairment. The indicators include whether actual sales are higher or lower than budgeted, profits are higher or lower than prior years' profits, and when significant events and circumstances indicate that the carrying amount may or may not be recoverable. Goodwill is tested for impairment at least annually.

Based on the impairment review performed at December 31, 2014, the recoverable amount of the Cash Generating Units ("CGU's") was higher than the carrying amounts at the Company-wide level and the Company recorded a reversal of impairment of $27,452 related to the Company's Franchise agreements. The events and circumstances that lead to this reversal include: improved overall cash flow margins and accretion to cash as a result of the Charlotte and Miami acquisitions. The reversal of impairment was limited to restoring the carrying amounts such that they did not exceed the carrying amounts that would have been determined, net of amortization, had no impairment loss been recognized in prior periods. All previously recorded impairment has been reversed as of December 31, 2014.

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 $263,234 available for use on its line of credit as of December 31, 2014.

Truck Loans

On September 16, 2014, the Company entered into a loan and security agreement in the amount of US$204,000, repayable with monthly blended payments of principal and interest of US$4,055 maturing September 16, 2019. The loan bears interest at 7% per annum and is secured by one shredding vehicle with a carrying value of CAD$275,419 at December 31, 2014. The value of the loan on December 31, 2014 is CAD$227,222 (US$195,426).

Finance Lease

On July 17, 2014 the Company entered into a finance lease in the amount of US$226,432, repayable with monthly blended payments of principal and interest of US$3,861 with a final payment of US$50,610, maturing August 20, 2019. The loan bears interest at 7.621% per annum and is secured by one shredding vehicle with a carrying value of CAD$256,227 at December 31, 2014. The value of the loan on December 31, 2014 is CAD$249,171 (US$214,304).

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 of January 1, 2014, the Company began operating the Miami location directly, which has further driven increased sales and cash flows. 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 December 31, 2014, current liabilities of $1,595,308 (December 31, 2013 - $1,430,600) 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	**196,837**
Between 1 and 5 years	**317,714**
Total	**514,551**

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.

Equipment

As at,	**December 31, 2014**	December 31, 2013	% Ch
	$	$	
Net book value	**2,594,476**	2,195,083	18%

During the year ended December 31, 2014, tangible assets increased as a result of the addition of two new shredding vehicles for the New York City and Syracuse 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 December 31, 2014, is $571 (2013 - $727) due from this franchise. During the year ended December 31, 2014, the Company earned royalty and service fees amounting to $94,828 (2013 - $88,981) 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 year ended December 31, 2014 are insurance premium amounts of $19,645 (December 31, 2013 - $18,564) 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 acquisition of the Charlotte location, the Company obtained the following loans from related parties:

(a) a 5 year loan 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;

(b) a 5 year loan 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;

(c) a 4 year loan 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 bears interest at 9% per annum and the value of the loan on December 31, 2014 is CAD$70,563;

(d) a 4 year loan 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 bears interest at 9% per annum and the value of the loan on December 31, 2014 is CAD$41,021 (US$35,281); and

(e) a 5 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$467,428 at December 31, 2014. The value of the loan on December 31, 2014 is CAD$412,655 (US$354,911).

Risks and Uncertainties

The Company's financial performance is likely to be subject to the following risks:

Competition

The Company competes with numerous independent shredding operators in the document destruction business, some of which compete directly with the Company and some of which may have greater resources. Direct competitors to the Company include Iron Mountain Incorporated, Recall, Shred-It America, Inc., Cintas, and small, independent mobile shredding businesses.

Financing

The Company is still in its early stage of development and has not yet reached the size and scale to generate sufficient royalty and licence fee revenues to produce a positive cash flow from its franchise system. Accordingly, the Company may require additional capital to operate and grow so as to reach this necessary critical mass. Additionally, the Company will continue to identify and evaluate other shredding businesses or related assets with a view to acquiring such businesses or assets that are accretive to the cash flows of the Company. In order to complete these acquisitions, the Company will be required to seek additional financing.

Franchising Strategy

The Company's business strategy involves the establishment of new Franchises. The Company may not be successful in establishing new Franchises and the failure to do so will slow the Company's growth. Furthermore, even if the Company were successful in establishing new Franchises, these new Franchises may fail to perform as expected and management of the Company may underestimate the difficulties, costs, management time and financial and other resources associated with terminating these Franchises or ensuring their continued operation. If the new Franchises fail to perform as expected or incur significant increases in projected costs, the Company's revenues could be lower, and its operating expenses higher, than expected.

Acquisition Strategy

The Company's business strategy involves expansion through acquisitions and business development projects. These activities require the Company to identify acquisition or development candidates or investment opportunities that meet its criteria and are compatible with its growth strategy. The Company may not be successful in identifying document destruction businesses that meet its acquisition or development criteria or in completing acquisitions, developments or investments on satisfactory terms. Failure to complete acquisitions or developments will slow the Company's growth. The Company could also face significant competition for acquisitions and development opportunities. The Company may also require additional financing to conduct acquisitions. Some of the Company's competitors have greater financial resources than the Company and, accordingly, have a greater ability to borrow funds to acquire businesses.

These competitors may also be willing and/or able to accept more risk than the Company can prudently manage, including risks with respect to the geographic concentration of investments and the payment of higher prices. This competition for investments may reduce the number of suitable investment opportunities available to the Company, may increase acquisition costs and may reduce demand for document destruction services in certain areas where the Company's business is located and, as a result, may adversely affect the Company's operating results.

Corporate Locations

The Company's acquired businesses may fail to perform as expected and management of the Company may underestimate the difficulties, costs, management time and financial and other resources associated with the businesses. In addition, any business expansions the Company undertakes is subject to a number of risks, including, but not limited to, having sufficient ability to raise capital to fund future expansion, and having sufficient human resources to convert, integrate and operate the acquired businesses. If any of these problems occur, expansion costs for a project will increase, and there may be significant costs incurred for projects that are not completed.

In deciding whether to acquire or expand a particular business, the Company will make certain assumptions regarding the expected future performance of that business. If the Company's acquisition or expansion businesses fail to perform as expected or incur significant increases in projected costs, the Company's revenues could be lower, and its operating expenses higher, than expected.

International Strategy

The Company's business strategy involves expansion into international markets through licensing. These activities require the Company to identify international candidates and meet its criteria and are compatible with its growth strategy. The Company may not be successful in identifying licensees that meet its licensing criteria. Failure to expand internationally will slow the Company's growth.

Additionally, the international licensee under the Companies current license agreement may fail to perform as expected and management of the Company may underestimate the difficulties, costs, management time and financial and other resources associated with ensuring their continued growth. If the international licensee fails to perform as expected, the Company's revenues could be lower.

Currency Fluctuations

The Company's principal executive office is in Canada, all the directors and officers of the Company are Canadian and many significant expenses of the Company are in and will be for the foreseeable future in Canadian dollars, while revenues will be measured in US dollars. Accordingly, the financial results of the Company will be impacted by fluctuations in currencies and rates.

Expansion to New Markets

It is the plan of management to continue expanding the Proshred Franchise Business in the United States and internationally including areas where customers are unfamiliar with the Proshred brand. The Company will need to build brand awareness in those markets through greater investments in advertising and promotional activity than in existing markets, and those activities may not promote the Proshred brand as effectively as intended, if at all. Many of the United States and international markets into which management intends to expand will have competitive conditions, consumer tastes and discretionary spending patterns that differ from existing markets. Franchises in those markets may have lower sales and may have higher operating or other costs than existing Franchises. Sales and profits at Franchises opened in new markets may take longer to reach expected levels or may never do so.

Litigation

The Company may become subject to disputes with employees, franchisees, customers, commercial parties with whom it maintains relationships or other parties with whom it does business. Any such dispute could result in litigation between the Company and the other parties. Whether or not any dispute actually proceeds to litigation, the Company may be required to devote significant resources, including management time and attention, to its successful resolution (through litigation, settlement or otherwise), which would detract from management's ability to focus on the Company's business. Any such resolution could involve the payment of damages or expenses by the Company, which may be significant. In addition, any such resolution could involve the Company's agreement to certain settlement terms that restrict the operation of its business.

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.

Subjects that involve critical assumptions and estimates and that have a significant influence on the amounts recognized in the consolidated financial report are further described as follows:

i) Business combinations

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values, which represents a significant estimate. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. In certain circumstances where estimates have been made, the Company may obtain third-party valuations of certain assets, which could result in an amendment of the fair value allocation.

ii) Impairment and reversal of impairment

The Company reviews goodwill at least annually and other non-financial assets when there is any indication that the assets might be impaired or any indications that impairment of assets other than goodwill should be reversed. The determination of the value in use and fair value of a CGU to which goodwill is allocated to involves the use of estimates by management. The Company uses discounted cash flow based methods to determine these values. These discounted cash flow calculations typically use five-year projections that are based on the operative plans approved by management. Cash flow projections take into account past experience and represent management's best estimate of future developments. Cash flows after the planning period are extrapolated using estimated growth rates. Key assumptions on which management has based its determination of value-in-use include estimated growth rates, discount rates, future cash flows, margins and tax rates. These estimates, including the methodology used, can have a material impact on the respective values and ultimately the amount of any impairment or reversal of impairment.

iii) Useful lives of tangible and intangible assets

Management estimates the useful lives of tangible and definite life intangible assets based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for amortization of these assets for any period are affected by these estimated useful lives. On an annual basis, the Company assesses the useful lives of its tangible and intangible assets with definite lives and the useful lives are updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's tangible and definite life intangible assets in the future.

iv) Deferred income taxes

The Company, including its subsidiaries, operate and earn income in multiple countries and is subject to changing tax laws in multiple jurisdictions within these countries. Significant judgements are necessary in determining income tax assets and liabilities. Although management believes that it has made reasonable estimates about the final outcome of tax uncertainties, no assurance can be given that the final outcome of these tax matters will be consistent with what is reflected in the historical income tax provisions. Such differences could have an effect on the deferred tax assets and liabilities in the period in which such determinations are made. At each date of Statement of Financial Position, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize deferred tax assets and liabilities. This assessment requires the exercise of judgement on the part of management with respect to, among other things, benefits that could be realized from available tax strategies and future taxable income, as well as other positive and negative factors. The recorded amount of total deferred tax assets and liabilities could be materially affected if changes in current tax regulations are enacted.

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 December 31, 2014, there were 28,884,658 issued and outstanding common shares. As at December 31, 2014 there were 1,252,500 options to acquire common shares. During the year ended December 31, 2014, 280,000 stock options expired (2013 – 278,750) and 4,000,000 warrants to acquire common shares expired. There have been 70,000 stock options granted during the year (2013 – 50,000). As of April 21, 2015 there are 28,884,658 issued and outstanding common shares, 1,252,500 options to acquire common shares. There are 1,250,000 common shares issuable on conversion of the debentures.

Dated: April 21, 2015