ACL International Ltd.

(formerly Anthony Clark International

Insurance Brokers Ltd.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED

MARCH 31, 2015

July 9, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

FORWARD LOOKING STATEMENTS

Certain of the statements in this MD&A about the Company's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other similar or comparable words or phrases, are intended to identify forward-looking statements.

Forward-looking statements are based on estimates and assumptions made by management based on management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that management believes are appropriate in the circumstances. Many factors could cause the Company's actual results, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors: the Company's ability to implement its strategy or operate its business as management currently expects; unfavorable capital market developments or other factors which may affect the Company's capital and debt obligations; government regulations; litigation and regulatory actions; periodic negative publicity regarding the insurance industry; intense competition; the Company's reliance on information technology and telecommunications systems; the Company's dependence on key employees; general economic, financial and political conditions; the Company's dependence on the results of operations of its subsidiaries; the volatility of the stock market and other factors affecting the Company's share price.

All of the forward-looking statements included in this MD&A are qualified by these cautionary statements for the year ended March 31, 2015. These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully, and readers should not place undue reliance on forward-looking statements made herein. The Company and management have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2015 which are prepared in accordance with IFRS (International Financial Reporting Standards). These filings are available at www.sedar.com.

All amounts are in Canadian Dollars unless otherwise indicated.

All income and expense amounts exclude the discontinued operations

OVERVIEW

ACL International Ltd. (formerly Anthony Clark International Insurance Brokers Ltd.) (the "Company") primary business activity involved the operation of general insurance brokerages in Canada and the United States. Shares of the Company traded on the TSX Venture Exchange under the symbol "ACL". The Company, founded in 1989, expanded through internal growth and acquisitions. The Company operated in two economic environments and revenues were attributed to geographic areas based on the location of resources producing the revenues.

On May 1, 2014 the Company completed the sale of all of its shares (51%) in the Canadian subsidiary Anthony Clark Insurance Brokers Ltd. held by the Company, to an arm's length third party for cash consideration of approximately $13,000,000, before repayment of certain senior debt and adjustments. As the transaction contemplated the sale of all or substantially all of the Company's assets shareholder approval was obtained on April 14, 2014 and TSX Venture Exchange approval on April 22, 2014. The Company paid certain liabilities in the amount of $7,942,971 from the sale proceeds including debt settlement $6,101,475, legal expenses $277,221 and severance and outstanding compensation of $1,564,275.

Subsequent to obtaining TSX Venture Exchange approval on April 29, 2014, the Company changed its name to ACL International Ltd. effective May 1, 2014 and transferred its common shares listing to the NEX Board of the TSX Venture Exchange effective May 2, 2014.

On May 26, 2014, the Board of Directors of the Company declared a capital distribution to the shareholders and set the record date for the distribution at June 9, 2014. The Company made an initial distribution of $0.28 per common share to its shareholders on June 18, 2014.

On July 2, 2014, the Company received $2,008,240 being the payment for the balance of the purchase price payable for the sale of all of the shares of Anthony Clark Insurance Brokers Ltd.

On April 30, 2015, the Company entered into an Amended and Restated Asset Purchase Agreement with Blue Sky Langsa Ltd. ("**BSL**"), pursuant to which the Company has agreed to acquire from BSL a 50% interest in a Technical Assistance Contract for a block referred to as "**Langsa TAC**" located offshore, North Sumatra, Indonesia.

On June 8, 2015 the Exchange conditionally approved the proposed acquisition.

On June 30, 2015 TSX Venture Exchange accepted for filing the Company's change of business from a general insurance brokerage issuer to an oil and gas issuer. In addition, the Company met the requirements to be listed as a TSX Venture Tier 1 issuer. Therefore, effective Thursday, July 2, 2015, the Company's listing will transfer from NEX to TSX Venture – Tier 1.

DISCONTINUED OPERATIONS

On March 3, 2014 the Company sold the property and equipment and customer accounts of its U.S. operations for net sales proceeds of $ 3,204,664 including transaction costs of $ 178,396. The Company realized a loss from discontinued operations of $ 2,804,844.

On May 1, 2014, the Company completed the sale of all of its shares (51%) in the Canadian subsidiary Anthony Clark Insurance Brokers Ltd. held by the Company, to an arm's length third party for cash consideration of approximately $13,000,000, before repayment of certain senior debt and adjustments. As the transaction contemplated the sale of all or substantially all of the Company's assets shareholder approval was obtained on April 14, 2014 and TSX Venture Exchange approval on April 22, 2014. The Company paid certain liabilities in the amount of $7,942,971 from the sale proceeds including debt settlement $6,101,475, legal expenses $277,221 and severance and outstanding compensation of $1,564,275. The transaction resulted in a gain on sale of discontinued operations of $12,095,558

The gain (loss) from discontinued operations for the year ended March 31, 2015 and 2014 is summarized below:

	Year ended March 31, 2015			Year ended March 31, 2014		
	Canada	US	Total	Canada	US	Total
Revenue from discontinued operations	$ 455,290	$ 157,499	$ 612,789	$ 10,294,650	$ 2,675,270	$ 12,969,920
Expenses of discontinued operations	(425,162)	(128,013)	(553,175)	(7,667,347)	(5,038,184)	(12,705,531)
Earnings (loss) from discontinued operations	30,128	29,486	59,614	2,627,303	(2,362,914)	264,389
Gain (loss) on sale of discontinued operations	12,065,430	-	12,065,430	-	(441,930)	(441,930)
Gain (loss) from discontinued operations	$ 12,095,558	$ 29,486	$ 12,125,044	$ 2,627,303	$ (2,804,844)	$ (177,541)

2015 OPERATIONAL HIGHLIGHTS

- The Company successfully closed the sale of all its assets on May 1, 2014
- The Company made an initial distribution of $0.28 per common share to its shareholders on June 18, 2014
- The Company signed the asset purchase agreement with Blue Sky Langsa and received conditional approval from the exchange

SELECTED ANNUAL INFORMATION

Years ended March 31,	**2015**	**2014**	**2013**
Revenue	$ -	$ -	$ -
Net earnings (loss)	10,035,187	(1,742,091)	1,163,020
Total assets	1,866,829	11,155,724	17,755,481
Total long-term liabilities	818,054	12,695,647	16,649,185
Shareholder's equity	912,591	(6,327,895)	(3,557,564)

Earnings (loss) per share – basic and fully diluted	1.04	(0.29)	(0.01)

The Company's total assets and liabilities decreased as at March 31, 2015 compared to March 31, 2014 mainly due to the sale of its Canadian operations resulting in derecognizing goodwill, customer accounts and liabilities. In addition the Company repaid the Canadian debt with the net proceeds of sale of Canadian operations.

The Company's total assets have decreased as at March 31, 2014 compared to March 31, 2013 primarily due to the sale of the Virginia agency and decrease in customer accounts due to amortization. The Company's long-term liabilities have decreased as at March 31, 2014 compared to March 31, 2013 primarily due to paying down the US notes payable with the net proceeds of the Virginia sale and the current year principal repayments. Revenue increased primarily due to growth in the Canadian operations, partially offset by reduced contingent growth incentive income in Canada.

The net earnings for the year ended March 31, 2014 included a gain on sale of its Canadian operations.

The net earnings (loss) for the year ended March 31, 2014 of $(1,742,091) included $3,512,002 of net non-cash expenses consisting of amortization of deferred financing costs, deferred income taxes recovery, depreciation and amortization and loss from discontinued operations of $177,541.

The net earnings for the year ended March 31, 2013 of $1,163,020 included $578,845 of net non-cash expenses consisting of amortization of deferred financing costs, deferred income taxes recovery, depreciation and amortization and a gain from discontinued operations of $176,019.

RESULTS OF OPERATIONS

The Company sold all its operations effective May 1, 2014. All the numbers relating to discontinued operations have been reclassified to discontinued operations.

For the year ending March 31, 2015

The expenses for the year-ended March 31, 2015 relate to the salaries and wages and severance and other payments outlined in the information circular and as approved by the shareholders at the special meeting on April 14, 2014. The increase in general and administration expenses mainly relate to the legal and other professional fees related to the sale all or substantially all the assets and expenses related to the proposed transaction with Blue Sky Langsa Ltd.

For the year ending March 31, 2014

The expenses for the year-ended March 31, 2014 relate to salaries and wages, and general and administration expenses mainly related to professional fees and expenses..

Reconciliation of EBITDA to Net earnings

Year ending March 31,	2015	2014
Revenue	$ -	$ -
Earnings before the following (EBITDA)	(1,967,381)	(1,135,249)
Interest and financing costs	(134,472)	(432,288)
Depreciation and amortization	(574)	-
Income tax expense	12,570	2,987
Net earnings (loss) from continuing operations	(2,089,857)	(1,564,550)
Gain (loss) from discontinued operations	12,125,044	(177,541)
Net earnings (loss) for the year	$ 10,035,187	$ (1,742,091)

NON-CONTROLLING INTEREST IN CONSOLIDATED SUBSIDIARY

The balance of the non-controlling interest was eliminated upon the sale of the Canadian subsidiary. In prior years, the following were applicable:

On June 10, 2008, April 23, 2009 and July 14, 2010, the Company closed equity financings under which a non-controlling interest, totaling 49% of a consolidated subsidiary of the Company which operates the Canadian operations, was sold. Under IFRS, transactions with non-controlling interests were treated as transactions with equity owners of the Company. Gains or losses on disposals to non-controlling interests were computed and recorded in equity.

Within the unanimous shareholder agreement, there was a contingent put option with the non-controlling shareholder.

Distributions from the Canadian operations to the parent and non-controlling shareholder were paid as and when approved by the Board of Directors of the Canadian subsidiary. The distributions were based on a formula in the unanimous shareholder agreement.

The non-controlling shareholder was the lender on the Senior notes.

INTEREST AND FINANCING COSTS

Year ended March 31,		2015		2014
Interest on long-term debt	$	84,191	$	414,978
Amortization of deferred financing costs and loan discount		50,281		11,948
Interest on obligations under capital lease		-		5,362
	$	134,472	$	432,288

SUMMARY QUARTERLY INFORMATION

The following table summarizes the Company's key consolidated financial information for the last eight quarters.

Quarter ended	Revenue ($)	EBITDA ($)	Net earnings ($)	EPS-Basic and Diluted ($/share)
March 31, 2015		(197,629)	(170,961)	(0.05)
December 31, 2014	-	(147,306)	(200,102)	-
September 30, 2014	-	(40,997)	(41,253)	-
June 30, 2014	-	(1,581,449)	10,447,503	1.09
March 31, 2014	-	(494,783)	(555,913)	(0.07)
December 31, 2013	-	(182,084)	(1,893,282)	(0.22)
September 30, 2013	-	(254,817)	386,357	-
June 30, 2013	-	(203,565)	320,747	-

- EBITDA is defined as Earnings before interest, income taxes, and depreciation and amortization.
- EBITDA is discussed and presented here as a non-IFRS measure because it is management's major performance indicator.
- EBITDA is reconciled to Net earnings above.

- The Revenue and EBITDA exclude the results of the discontinued operations.
- The results reflect the sale of all its operating assets

In the quarter ended June 30, 2014, the Company completed the sale of all of its shares (51%) in the Canadian subsidiary Anthony Clark Insurance Brokers Ltd. held by the Company, to an arm's length third party for cash consideration of approximately $13,000,000, before repayment of certain senior debt and adjustments. As the transaction contemplated the sale of all or substantially all of the Company's assets shareholder approval was obtained on April 14, 2014 and TSX Venture Exchange approval on April 22, 2014. The Company paid certain liabilities in the amount of $7,942,971 from the sale proceeds including debt settlement $6,101,475, legal expenses $277,221 and severance and outstanding compensation of $1,564,275. The transaction resulted in a gain on sale of discontinued operations of $12,095,558.

FINANCIAL CONDITION AND CHANGES IN FINANCIAL CONDITION

Comparing March 31, 2015 and March 31, 2014:

- **Working capital** increased $3,319,285 as a result of the sale of the Company's Canadian subsidiary.
- **Customer accounts** decreased $1,097,379 following the sale of the Company's Canadian operations.
- **Goodwill** decreased $7,317,360 following the sale of the Company's Canadian operations.
- **Long-term debt** decreased $13,048,917 primarily due to the pay down of all the Company's Canadian debt from the sale proceeds received on sale of it's Canadian operations and assumption of debt by the purchaser and the effect of the exchange rate.
- **Equity attributable to owners of the Company** increased by $7,240,486 primarily due to:
    - net earnings of $10,035,187;
    - decrease in share capital of $2,689,452 resulting from the capital distribution.

FINANCIAL RESOURCES AND LIQUIDITY

As at March 31, 2015, the Company had a working capital of $1,726,628.

On May 1, 2014 the Company completed the sale of all of its shares (51%) in the Canadian subsidiary Anthony Clark Insurance Brokers Ltd. held by the Company to an arm's length third party for cash consideration of approximately $13,000,000, before repayment of certain senior debt and adjustments. As the transaction contemplated the sale of all or substantially all of the Company's assets shareholder approval was obtained on April 14, 2014 and TSX Venture Exchange approval on April 22, 2014. The Company paid certain liabilities in the amount of $7,942,971 from the sale proceeds including debt settlement $6,101,475, legal expenses $277,221 and severance and outstanding compensation of $1,564,275.

Subsequent to obtaining TSX Venture Exchange approval on April 29, 2014, the Company changed its name to ACL International Ltd. effective May 1, 2014 and transferred its common shares listing to the NEX Board of the TSX Venture Exchange effective May 2, 2014.

On May 26, 2014, the Board of Directors of the Company declared a capital distribution to the shareholders and set the record date for the distribution at June 9, 2014. The Company made an initial distribution of $0.28 per common share to its shareholders on June 18, 2014.

On July 2, 2014, the Company received $2,008,240 being the payment for the balance of the purchase price payable for the sale of all of the shares of Anthony Clark Insurance Brokers Ltd.

On January 26, 2015, the Corporation entered into a letter of intent with Blue Sky International Holdings, Inc. with regard to an acquisition of additional interests in the Langsa TAC.

Under the terms of the LOI, the Corporation will acquire 100% of the issued and outstanding shares of Blue Sky Langsa Ltd. ("BSL"), effective January 1, 2015, from Blue Sky International Holdings. The BSL shares will be acquired through the issuance of shares of the

Corporation at a price based upon the valuation of the additional Langsa TAC interests as determined in the final independent reserves evaluation report being prepared by McDaniel & Associates Consultants Ltd., as previously announced.

BSL was incorporated in Mauritius in March 2003 and is the operator approved by Pertamina, the Indonesian state-owned oil and natural gas corporation, under the Langsa TAC. BSL's assets include ownership of a 47% interest in oil and gas properties, equipment located in Balawan, Sumatra and historic sunk costs on the Langsa TAC of approximately US $29.61 million. The Blue Sky International Holdings, Inc. LOI recognizes that the Corporation had entered into the LOI with Fulucai and that it might be in the best interests of all parties for the Fulucai Interest to be acquired by BSL (rather than by the Corporation) prior to completion of the transaction. If BSL does acquire the Fulucai Interest, the Corporation and Blue Sky International Holdings, Inc. will sign and deliver such further documents as may be required. The Corporation has agreed to pay a refundable deposit of $100,000 as a good faith gesture to be credited towards the final purchase price. If the Transaction does not close for any reason, the deposit will be fully refunded to the Corporation.

On March 10, 2015 the Company loaned BSLUS$250,000 which is repayable on or before July 31, 2015. The loan bear interest at the annual rate of 12%, calculated and payable monthly. The loans are evidenced by promissory notes and secured by a general security agreement with a general and continuing charge security against equipment located at BSL's warehouse in Indonesia. The loan was approved by the Exchange. On May 20, 2015 the Company signed an agreement with BSL to postpone all interest payments to July 31, 2015.

The Company entered into an Amended and Restated Asset Purchase Agreement dated April 30, 2015 with Blue Sky Langsa Ltd. ("**BSL**"), pursuant to which the Company has agreed to acquire from BSL a 50% interest in a Technical Assistance Contract for a block referred to as "**Langsa TAC**" located offshore, North Sumatra, Indonesia as of an effective date of January 1, 2015 for a purchase price of CA$9,924,600 payable through the payment to BSL of CA$100,000 in cash and the issuance of an aggregate of 81,871,667 Common Shares in the capital of ACL at a deemed price of CA$0.12 per Common Share to certain nominees of BSL (the "**Transaction**").

Subsequent to the year-end the Company loaned an additional US$250,000 to BSL repayable on or before August 31, 2015 and an additional US$300,000 repayable on or before September 21, 2015 for aggregate loans of US$800,000. All of the loans have been approved by the Exchange.

On June 8, 2015 the Exchange granted conditional approval in respect of the Corporation's previously announced proposed acquisition of a 50% working interest in a Technical Assistance Contract for a block referred to as "**Langsa TAC**" located offshore, North Sumatra, Indonesia from Blue Sky Langsa Ltd (**BSL**) (the **Transaction**) at an acquisition cost of $9,924,600 (**Transaction Amount**).

A Filing Statement with respect to the Transaction, prepared in accordance with the requirements of the TSX Venture Exchange (the **Exchange**), has been filed with the Exchange and the applicable Canadian securities regulators and is available under the Corporation's corporate profile at www.sedar.com. Subject to satisfaction of certain conditions and the final acceptance by the Exchange, the Transaction will be deemed a change of business (**COB**) and constitute a reactivation of the Corporation pursuant to Policy 5.2 of the Exchange and enable the Corporation to list for trading on the Exchange.

Subsequent to the year-end the Company formalized in writing its finder's fee agreement relating to the Transaction effective as of May 25, 2015. Under the terms of the Finder's Fee Agreement upon successful completion of the Transaction, the Corporation will pay an amount up to 5.5% of the Transaction Amount or such other amount as may be permitted under the polices of the TSX Venture Exchange (the **Success Fee**). Among other conditions, payment of the Success Fee is subject to the approval of the Exchange. If approved, the Success Fee will be paid by ACL upon closing of the Transaction in shares of ACL at a deemed price of $0.12 per share.

On June 30, 2015 the Company met the requirements to be listed as a TSX Venture Tier 1 issuer. Therefore, effective Thursday, July 2, 2015, the Company's listing will transfer from NEX to TSX Venture – Tier 1.

Canadian Debt
All of the Company's Canadian debt was paid down from the proceeds received from sale of the Company's Canadian assets and assumption of debt by the buyer of the Canadian operations.

U.S. Debt
The US debt is interest only and interest payments at 6.75% per annum continue on the unpaid balance until maturity of the loan.

The U.S. denominated debt is secured with a guarantee provided by the Company.

Contingencies
The Company may, from time to time, be involved in various claims, lawsuits, disputes with third parties, actions involving allegations of discrimination, or breach of contract incidental to the operations of its business. The Company is not currently involved in any such incidental litigation which it believes could have a materially adverse effect on its financial condition or results of operations.

As part of the unanimous shareholder agreement with the non-controlling interest in fiscal 2014, there is a contingent put option which if exercised will require the Company to purchase the non-controlling interest. The contingent put option can only be exercised, within 60 days written notice, if:

- There is an arm's length third party offer to purchase the consolidated subsidiary and the non-controlling shareholder wishes to accept, but the Company does not, then the non-controlling shareholder can exercise the put option for the price set out in the offer, or
- There is a change of control in the consolidated subsidiary or the Company, the non-controlling shareholder can exercise the put option for the higher of fair value formula in the unanimous shareholder agreement or the price set out in the change of control transaction.

There is uncertainty as to the occurrence, timing and amount of the cash outflow since the put option is contingent on a third party offer or purchase.

Commitments

The following table sets forth the Company's future contractual and long-term obligations as at March 31, 2015:

	Total	Less than 1 Year	1 – 3 Years	3 – 5 Years	More than 5 years
Long-Term Debt					
U.S. Note payable	$ 818,054	-	$ 818,054	$ -	$ -

SHARE CAPITAL

Authorized

Unlimited common shares without par value
Unlimited class B voting preferred shares without par value
Unlimited class C non-voting preferred shares without par value

Issued

All common shares issued are fully paid, carry one vote per share and carry a right to dividends

Changes in share capital during the year ended March 31, 2015 and the year ended March 31, 2014 are as follows:

	Shares	Amount
Balance, April 1, 2013	9,694,684	$ 9,561,719
Charge to capital on repurchase of shares through issuer bid	(89,500)	(88,272)
Balance, March 31, 2014	9,605,184	9,473,447
Distribution to shareholders	-	(2,689,452)
Balance, March 31, 2015	9,605,184	$ 6,783,995

Normal Course Issuer Bid

The Company receives regulatory approval from the TSX Venture Exchange (the "Exchange") to make a normal course issuer bid. Pursuant to the bid, the Company could purchase up to 10% of its common shares issued and outstanding at the time of the bid.

2014 - The bid commenced May 20, 2013 and terminated on May 19, 2014 and pursuant to the bid, the Company had approval to purchase up to 969,168 of its common shares. The Company had repurchased 85,500 common shares under the bid.

SHARE-BASED COMPENSATION

The Company has an incentive share option plan, which provides for the award of share options to directors, officers, employees and consultants. A maximum 1,601,395 common shares remain reserved under the plan. The terms and exercise prices of all share option awards are determined by the directors at the time of issue.

Changes in share options during the year ended March 31, 2015 and 2014 are as follows :

	March 31, 2015		March 31, 2014	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of year	-	$ -	450,000	$ 0.36
Expired	-	-	(450,000)	(0.36)
Outstanding, end of year	-	$ -	-	$ -

RELATED PARTY TRANSACTIONS

The Company enters into transactions with related parties from time to time in the normal course of business, as well as key management personnel.

Compensation of key management personnel

Key management personnel are comprised of all members of the Board of Directors and the Named Officers (as defined in Form 51-102F6 Statement of Executive compensation and disclosed in the Company's Management Proxy Circular in connection with its annual meeting of shareholders). The summary of compensation of key management personnel is as follows:

For the years ended March 31,	2015	2014
Salary and bonuses	$ 966,498	$ 426,153
Short-term employee benefits	28,560	15,769
Total compensation of key management personnel	$ 995,058	$ 441,922

On May 1, 2014 the Corporation sold substantially all of its assets to a third party. That sale and other transactions were approved by the shareholders at a special meeting of shareholders held on April 14, 2014. Concurrent with the sale of substantially all of the assets, certain employees, consultants and officers including Messrs. Consalvo and Bhatia terminated their employment with the Corporation.

Effective May 1, 2014 the Board of Directors of the Corporation determined to disband the Compensation Committee and all decisions as to compensation subsequent to May 1, 2014 were made by decision of the Board of Directors.

Effective May 1, 2014, the Board approved a resolution to reappoint Tony Consalvo as the Corporation's President and Chief Executive Officer on a volunteer basis and for no monetary compensation. The Board also approved the employment of Mahesh Bhatia in the capacity of the Corporation's Chief Financial Officer and V.P Finance at a fixed compensation of $14,500 per month for May 2014 and June 2014; thereafter, the compensation will be fixed at $3,000 per month.

The following table sets forth details regarding compensation of directors for the year ended March 31, 2015:

Name	Position	Compensation paid or payable for the year ended March 31, 2015
Douglas Farmer	Director	$ -
Robert Sadleir	Director	$ 5,000
Norm Cournoyer	Director	$ -

Compensation of Directors

Each director that is not a full-time employee or officer of the Corporation receives the amount of $15,000 per year. This amount is paid quarterly in arrears over the Corporation's fiscal year and is pro-rated if an individual resigns or is not re-elected. There are no other arrangements in addition to or in lieu of the above described fees under which directors of the Corporation were compensated by the Corporation during the most recently completed financial year for their services in their capacity as directors. The Corporation's directors who are also senior officers do not receive any cash payments for their services as directors.

Effective July 1, 2014, there will be no compensation payable for an individual's services as a director. The Corporation's directors who are also senior officers did not receive any cash payments for their services as directors.

CAPITAL RISK MANAGEMENT

The Company considers the capital it manages to be the amounts it has in cash, debt (long-term and short-term borrowings) and equity attributable to owners of the Company.

The Company's objectives when managing capital are to:

- safeguard the Company's ability to continue as a going concern
- ensure sufficient liquidity to support its financial obligations and execute its operating and strategic plans
- optimize the cost of its capital at an acceptable level in light of current and future industry, market and economic risks and conditions
- utilize the long-term funding sources to manage its working capital and restructure debt to minimize the cost of its capital
- acquire assets and dispose of non-performing assets

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, repurchase shares, issue debt, acquire or dispose of assets. The Company requires capital to repay existing obligations. There can be no certainty of the Company's ability to refinance its existing obligations. In order to facilitate the management of the Company's capital, the Company prepares annual cash flow forecasts that are updated as necessary depending on various factors and general industry conditions. There were no changes in the Company's approach to capital management.

The declaration and payment of dividends and the amount thereof are at the discretion of the Board. In order to maintain and maximize growth, maintain sufficient liquidity to support its financial obligations and optimize the cost of capital, the Company currently does not pay out dividends.

FINANCIAL INSTRUMENTS

a) **Overview**

The Company's activities expose it to a variety of financial risks that arise as a result of its operating and financing activities such as credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company manages its exposure to these risks by operating in a manner that minimizes this exposure.

b) **Fair value of financial instruments**

The Company's financial instruments as at March 31, 2015 included cash, loan receivable, trade receivables, trade payables and accrued liabilities, and long-term debt. The carrying amounts for short term financial assets and liabilities, which includes trade receivables and trade payables and accrued liabilities approximate fair values due to the immediate or short-term maturities of these financial instruments. Cash is classified as fair value through profit and loss and therefore are recorded at fair value.

Management estimated the fair value of its long-term debt taking into account market rates of interest, the condition of any related collateral and the current conditions in credit markets applicable to the Company based on recent transactions. The estimated fair value of long-term debt approximates its carrying value.

For financial instruments measured at fair value, disclosure about the inputs to fair value measurements are required, including their classification within a fair value hierarchy that prioritizes the significance of inputs used in making fair value measurements.

Level 1 Fair Value Measurements – quoted prices in active markets for identical assets or liabilities;

Level 2 Fair Value Measurements – inputs other than quoted prices included in Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and

Level 3 Fair Value Measurements– inputs for the asset or liability that are not based upon observable market data.

Cash is based on Level 1 inputs of the fair value hierarchy.

c) **Financial risk management**

The Company's financial instruments are exposed to certain financial risks, including credit risk, foreign currency risk, interest rate risk and liquidity risk.

Credit risk

The Company is exposed to credit risk resulting from the possibility that counterparties may default on their financial obligations, or if there is a concentration of transactions carried out with the same counterparty or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions.

The Company's financial instruments that are exposed to concentrations of credit risk relate primarily to cash, loan receivable and trade receivables from clients and insurance carriers. Cash is in place with major financial institutions. In fiscal 2014, concentrations of credit risk with respect to client and insurance carrier trade receivables were limited due to the large number of customers and insurance carriers. The Company had evaluation and monitoring processes in place and writes off accounts when they are determined to be uncollectible.

As at March 31, 2015, the Company's maximum exposure to credit risk is through the following assets:

Receivables	$	Nil
Net credit risk	$	Nil

Foreign currency risk

The Company is exposed to the financial risk related to fluctuations of foreign exchange rates. The Company conducts business operations in the United States and has U.S. dollar denominated indebtedness and is therefore exposed to cash flow risks associated with fluctuations in the relative value of the Canadian and U.S. dollar. A significant change in the currency exchange rate of the Canadian dollar relative to the U.S. dollar could have a material effect on the Company's results of operations, financial position and cash flows. The Company does not engage in hedging activities or use financial instruments to reduce its risk exposure.

At March 31, 2015, the Company is exposed to currency risk through the following assets and liabilities denominated in U.S. dollars:

Cash	$	18,668

Prepaid	4,295
Trade payables and accrued liabilities	(14,826)
Long-term debt	(818,054)
Net exposure	$ (809,917)

Based on the above net exposure at March 31, 2015, and assuming all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the U.S. dollar would result in a decrease or increase of $ 80,991 in the Company's other comprehensive income (loss).

Interest rate risk
All of the Company's indebtedness bears interest at fixed rates and as a result the Company is not exposed to significant interest rate risk arising from long-term debt.

Liquidity risk
Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its short and long-term obligations as they come due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price.

The Company manages its liquidity risk through cash and debt management. The Company's objective in managing liquidity risk is to increase revenues, minimize operational costs and to maintain sufficient liquidity in order to meet these operational requirements at any point in time. The Company's ability to obtain funding from external sources may be restricted if the Company's financial performance and condition deteriorate. In addition, credit and capital markets are subject to inherent global risks that may negatively affect the Company's access and ability to fund its short-term and long-term debt requirements. The Company mitigates these risks by actively monitoring market conditions and diversifying its sources of funding and debt maturity.

The Company's trade payables are generally due within 60 days.

New accounting standards not yet adopted
As at the date of these consolidated financial statements, the following standard has not been applied in these consolidated financial statements:

(i) IFRS 9 *Financial Instruments*; effective for annual periods beginning on or after January 1, 2018. IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortized cost and fair value. IFRS 9 prohibits reclassifications except in rare circumstances when the entity's business model changes. The new standard removes the requirement to separate embedded derivatives from financial asset hosts. It requires a hybrid contract to be classified in its entirety at either amortized cost or fair value.

Management is currently assessing the impact of this new standard on the Company's accounting policies and financial statement presentation.

Use of Estimates and Judgments
The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results could differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In preparing these consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are as follows:

Use of Judgments

Cash Generating Units
The determination of cash generating units ("CGUs") requires judgment in defining the smallest identifiable group of

assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGUs are determined by geographical area, similar exposure to market risk and materiality.

Impairment of Customer Accounts
The assessment of customer accounts for any indications of impairment involves judgment. If an indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss is recognised to the extent that carrying amount exceeds recoverable amount. The assessment requires judgment as to the economic and industry conditions, the estimated future revenues to be generated by the customer accounts, operating costs and the discount rate to be applied to such revenues and costs.

Income tax
Management exercises judgment in estimating the provision for income taxes. The Company is subject to income tax laws in various jurisdictions where it operates. Various tax laws are potentially subject to different interpretations by the taxpayer and the relevant tax authority. To the extent that the Company's interpretations differ from those of tax authorities or the timing of realization is not as expected, the provision for income taxes may increase or decrease in future periods to reflect actual experience.

Use of Estimates

Impairment of Goodwill
Goodwill is assessed for impairment at the CGU level on an annual basis and more frequently if there are potential indicators of impairment. An impairment loss is recognized if the carrying value of a CGU exceeds its recoverable amount. The recoverable amount of a CGU is determined from the greater of fair value less costs to sell or "value in use" calculations based on the net present value of discounted cash flows. Key assumptions used in the calculation of recoverable amounts are normalized EBITDA (Earnings Before Interest, Taxes, and Depreciation and Amortization) based on past performance and management expectations for the Company and industry and WACC (Weighted Average Cost of Capital).

Amortization and Depreciation
Management is required to make certain estimates and assumptions when determining the amortization and depreciation methods and rates and residual values of property and equipment and customer accounts. Useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life. Management reviews amortization and depreciation methods, rates, and residual values annually and adjusts amortization and depreciation accordingly on a prospective basis.

RISK FACTORS

The securities of the Company are highly speculative. A prospective investor or other person reviewing the Company should not consider an investment unless the investor is capable of sustaining an economic loss of the entire investment.