

**NOVA LEAP HEALTH CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE MONTH PERIOD ENDED APRIL 30, 2016 AND**  
**FROM NOVEMBER 16, 2015, DATE OF INCORPORATION,**  
**TO APRIL 30, 2016**

**BACKGROUND**

This Management's Discussion and Analysis ("MD&A") of Nova Leap Health Corp. ("Nova Leap" or "the Corporation") is dated June 29, 2016 and provides an analysis of the Corporation's operations for the period ended April 30, 2016. This MD&A should be read in conjunction with the unaudited condensed financial statements and accompanying notes for the period ended April 30, 2016 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are in Canadian dollars unless otherwise specified. The financial statements are available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com) under the Corporation's profile. The common shares of Nova Leap are traded on the TSX Venture Exchange under the symbol "NLH.P".

**FORWARD-LOOKING INFORMATION**

Certain statements in this MD&A are forward-looking statements or information (collectively – forward-looking statements). Nova Leap is hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors many of which are beyond the control of Nova Leap, that could influence actual results include, but are not limited to: lack of operating history; regulatory risks; substantial capital and liquidity requirements; financing risks and dilution to shareholders; competition; reliance on management and dependence on key personnel; conflicts of interest of management; exposure to potential litigation, and other factors beyond the control of Nova Leap.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, Nova Leap undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statements are made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of Nova Leap or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See "Risk and Uncertainties".

## CORPORATION OVERVIEW

Nova Leap was incorporated pursuant to the Canada Business Corporations Act (“CBCA”) on November 16, 2015. The Corporation’s head office is located at Founder's Corner, 37 Wentworth Street, Unit 104, Dartmouth, NS B2Y 2S9, Canada.

On April 26, 2016 the Corporation completed its initial public offering (the “Offering”) of 3,500,000 common shares at a price of \$0.10 per common share for gross proceeds to the Corporation of \$350,000. The net proceeds of the Offering of \$183,629 will be used to identify and evaluate assets or businesses for acquisition with a view to completing a “Qualifying Transaction” pursuant to Exchange Policy 2.4 – Capital Pool Companies, as disclosed in the Corporation’s prospectus dated February 19, 2016. The Corporation’s common shares have been approved for listing on the TSX Venture Exchange (the “Exchange”) and the common shares commenced trading on the Exchange on April 26, 2016 under the symbol “NLH.P”.

The principal business of the Corporation is the identification and evaluation of a Qualifying Transaction and once identified or evaluated, to negotiate an acquisition or participation in business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. Qualifying Transaction means a transaction where a CPC acquires significant assets, other than cash, by way of purchase, amalgamation merger or arrangement with another company or by other means. Any Qualifying Transaction must be approved by the Exchange, and in the case of a Non-Arm’s Length Qualifying Transaction, must also receive Majority of the Minority Approval, in accordance with the CPC Policy. The Corporation is currently investigating prospective acquisitions and is devoting all of its present efforts to securing and establishing a new business and its planned principal operations have not commenced. Accordingly, no revenue has been derived during the period from November 16, 2015, date of incorporation, to April 30, 2016. The Corporation’s initial fiscal year end is October 31, 2016.

On June 3, 2016 the Company announced that it entered into an arm’s length term sheet to purchase all of the outstanding shares of Northern Family Home Care LLC for US\$265,000. This transaction is expected to constitute its Qualifying Transaction under the policies of the TSX Venture Exchange. Following completion of the transaction, the Corporation will be a Tier 2 Issuer.

## RESULTS OF OPERATIONS

	For the three months ended April 30, 2016	For the period from November 16, 2015, date of incorporation,
	\$	\$
<b>Expenses</b>		
Professional fees (note 5)	577	8,774
Transfer, filing and listing fees	1,606	4,106
Stock based compensation	<u>119,610</u>	<u>119,610</u>
<b>Loss and comprehensive loss for the period</b>	<u>121,793</u>	<u>132,490</u>

## **LIQUIDITY AND CAPITAL RESOURCES**

The financial statements have been prepared on the basis of International Financial Reporting Standards applicable to a going concern, which assumes the realization of assets and settlement of liabilities in the normal course of business. Continuing operations as intended are dependent on management's ability to raise required funding through future issuances of equity or debt, its ability to acquire targets or business interests and develop profitable operations or a combination thereof, which is not assured.

As at April 30, 2016, the Corporation had working capital of \$688,074 which primarily consisted of cash of \$672,916. There were no current liabilities at April 30, 2016. The Corporation intends to fund the acquisition of Northern Family Home Care LLC out of this cash balance. The Corporation's expectations are based on the assumption that the Corporation will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Corporation may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Corporation may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Corporation's shareholders and may result in dilution to the value of such interests.

The Corporation's future revenues, if any, are expected to be from a health based business.

## **TRANSACTIONS WITH RELATED PARTIES**

There was no compensation to key management personnel during the period. Legal fees in the amount of \$50,000 were provided by a firm of which a shareholder of the Corporation is the sole lawyer practitioner.

## **OFF BALANCE SHEET ITEMS**

The Corporation has no off-balance sheet arrangements.

## **OUTSTANDING SHARE DATA**

Authorized capital stock consists of an unlimited number of common shares without nominal or par value.

As at April 30, 2016 there were 13,500,000 common shares of the Corporation issued and outstanding.

## **OUTSTANDING STOCK OPTIONS AS AT MAY 30, 2016**

The Board of Directors of the Corporation has adopted an incentive stock option plan ("Option Plan"). Under the Option Plan, the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements and applicable securities legislation, grant to directors, officers, employees, consultants and management or employees of the Corporation, non-transferable options to purchase Common Shares, exercisable for a period of up to 10 years from the date of grant. The number of Common Shares reserved for issuance under the Stock Option Plan will not exceed 10% of the issued and outstanding Common Shares of the Corporation. The number of Common Shares reserved for

issuance to any one individual Director or Officer may not exceed 5% of the issued and outstanding Common Shares and the aggregate number of Common Shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding Common Shares. Vesting terms are determined by the Board of Directors at the time of grant.

On April 26, 2016 the Corporation granted stock options to its directors and officers to acquire an aggregate of 1,350,000 common shares at a price of \$0.10 per share, exercisable until April 26, 2026.

Richardson GMP Limited (the "Agent") acted as agent for the Offering was granted a non-transferrable option ("Agent's Option") to purchase 350,000 common shares of the Corporation equal to 10% of the number of common shares sold through the Offering. The Agent's Option is exercisable for a period of 24 months at a price of \$0.10 per common share.

## **RISKS AND UNCERTAINTIES**

The following are certain factors relating to the business of the Corporation. These risks and uncertainties are not the only ones facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also impair operations of the Corporation. If any such risks actually occur, the financial condition, liquidity and results of operations of the Corporation could be materially adversely affected and the ability of the Corporation to implement its plans could be adversely affected.

### **Lack of Operating History**

- i. the Corporation has not commenced commercial operations, has no significant assets other than cash, has no history of earnings and shall not generate earnings or pay dividends until at least after completion of a Qualifying Transaction;
- ii. until completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions; and
- iii. the Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify or complete a suitable Qualifying Transaction.

### **Substantial Capital Requirements**

Substantial additional funds for the establishment of the Corporation's planned operations will be required. No assurances can be given that the Corporation will be able to raise the additional funding that may be required for such activities. To meet such funding requirements, the Corporation may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Corporation or at all. If the Corporation is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

## **Competition**

The health care industry is intensely competitive in all its phases. The Corporation competes with other companies that have greater financial resources. Competition could adversely affect the Corporation's ability to acquire suitable prospects in the future.

## **Financing Risks and Dilution to Shareholders**

The Corporation has limited financial resources, no operations and no revenues. If the Corporation's business plan is successful, additional funds will be required. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that such financing will be available on favorable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Corporation's shareholders.

## **Price Volatility of Public Stock**

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Corporation's shares will be subject to market trends generally and the value of the Corporation's shares on a stock exchange may be affected by such volatility.

## **Economic Conditions**

Unfavorable economic conditions may negatively impact the Corporation's financial viability as a result of increased financing costs and limited access to capital markets.

## **Dependence on Management**

The Corporation is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Corporation could result, and other persons would be required to manage and operate the Corporation.

## **Conflicts of Interest**

The Corporation's directors and officers may serve as directors and officers, or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Corporation may participate, the directors and officers of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Corporation will follow the provisions of the Business Corporations Act, Nova Scotia ("Corporations Act") in dealing with conflicts of interest. These provisions state, where a director/officer has such a conflict, that the director/officer must at a meeting of the board, disclose his interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of Nova Scotia, the directors and officers of the Corporation are required to act honestly, in good faith and in the best interest of the Corporation.

## **Litigation**

The Corporation and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

## **ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Additional disclosure concerning Nova Leap's expenses are provided in the Corporation's statement of loss and note disclosures contained in its financial statements for the period ended April 30, 2016. These statements are available on Nova Leap's SEDAR Page Site accessed through [www.sedar.com](http://www.sedar.com).

### **Dividends**

The Corporation has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for corporate development. Any future determination to pay dividends will be at the discretion of the board of directors and will depend on the Corporation's financial condition, results of operations, capital requirements and such other factors as the board of directors deem relevant.

### **Management's Responsibility for Financial Statements**

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

**Nature of the Securities**

The purchase of the Corporation's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Corporation's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

**Proposed Transactions**

There are currently no significant proposed transactions except as otherwise disclosed in this MD&A.

**Approval**

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Corporation. The Board of Directors of the Corporation has approved the financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests its.

Dated: June 29, 2016