

**NOVA LEAP HEALTH CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE THREE MONTH PERIOD ENDED OCTOBER 31, 2016 AND FROM
NOVEMBER 16, 2015, DATE OF INCORPORATION, TO OCTOBER 31, 2016**

BACKGROUND

This Management's Discussion and Analysis ("MD&A") of Nova Leap Health Corp. ("Nova Leap" or "the Corporation") is dated December 20, 2016 and provides an analysis of the Corporation's operations for the period ended October 31, 2016. This MD&A should be read in conjunction with the unaudited interim consolidated financial statements and accompanying notes for the period ended October 31, 2016 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are in United States dollars ("USD") unless otherwise specified. The financial statements are available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at 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".

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 CAD \$0.10 per common share for gross proceeds to the Corporation of CAD \$275,978. From April 26, 2016 until October 13, 2016, the principal business of the Corporation was the identification, evaluation and completion of a Qualifying Transaction (“QT”) pursuant to Exchange Policy 2.4 – Capital Pool Companies, as disclosed in the Corporation’s prospectus dated February 19, 2016. The Corporation spent this period of time investigating prospective acquisitions and devoted all of its efforts to securing and establishing a new business. Accordingly, no operating revenue had been derived during the period from November 16, 2015, date of incorporation, to October 13, 2016.

On October 13, 2016, the Corporation acquired the home care assets (“Significant Assets”) of Northern Family Home Care, Inc. located in New Hampshire, USA. Pursuant to the terms of the Definitive Agreement, Nova Leap’s U.S. subsidiary, Nova Leap Health NH, LLC (the “Nova Leap Subsidiary”), acquired the Significant Assets from Northern Family Home Care Inc. for a total purchase price of US\$240,000. The acquisition fulfilled the requirements for Nova Leap’s Qualifying Transaction and is in line with the objective of management to acquire private home care businesses in the United States.

Northern Family Home Care (“NFHC”)

Northern Family Home Care is in the business of providing non-medical personal home healthcare serving families in New Hampshire and Vermont. It offers personal care services in the areas of personal and oral hygiene, bathing and grooming, incontinence care, assistance with restroom use, assistance with daily eating, and live-in/24 hour care. It also provides companion care services in the areas of medication reminders, light housework, laundry and linens, and errands, meal planning and preparation, and grocery shopping. Northern Family Home Care is headquartered at 41 Cottage Street, Unit 1, Littleton, New Hampshire.

Future Outlook

Nova Leap’s management will continue to organically grow business within New Hampshire and Vermont. It is expected that cash generated from operations will be reinvested in NFHC to facilitate growth and increase market share.

Nova Leap’s management has identified five key areas for growth. They are:

- 1) Expansion of geographical market;
- 2) Increase in hourly billing rates;
- 3) Change to the Corporation’s minimum weekly/hourly service requirements;
- 4) Increased cooperation with long-term care facilities; and
- 5) Increased cooperation with other industry participants.

Management believes that by focusing on these five key areas, NFHC’s revenues will yield an above average return on Nova Leap Health Corp.’s investment.

RESULTS OF OPERATIONS

The unaudited consolidated interim financial statements for the three months ended October 31, 2016 and for the period from November 16, 2015, date of incorporation, to October 31, 2016 are prepared using IAS 34 “Interim Financial Reporting” (“IAS 34”), within International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). The preparation of financial statements in conformity with IAS 34 requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, and the reported amounts of revenues and expenses for the period of unaudited consolidated interim financial statements.

	For the three months ended October 31, 2016	For the period from November 16, 2015, date of incorporation, to October 31, 2016
	\$	\$
Revenues		
Home care	13,388	13,388
Operating expenses		
Salaries and benefits	14,242	14,242
Home care office	<u>2,844</u>	<u>2,844</u>
	17,086	17,086
Corporate and administrative expenses		
Consulting fees	28,395	31,870
Foreign exchange gain	(2,120)	(2,075)
Insurance	816	816
Investor relations and shareholder communications	25,343	27,382
Office and other	5,030	5,345
Professional fees	109,356	177,798
Stock based compensation	-	94,314
Subscriptions and conferences	-	2,673
Transfer, filing and listing fees	11,730	18,849
Travel	<u>5,834</u>	<u>11,501</u>
	184,384	368,473
Interest income	<u>208</u>	<u>794</u>
Net loss for the period	<u>187,874</u>	<u>371,377</u>

Nova Leap generates home care revenues by providing services directly to clients. The Corporation receives payments for providing services from private individuals. Revenue is recognized at an hourly rate specified in client agreements and recognized as revenue at the time services are rendered. \$13,388 represents the revenue earned from the date of acquisition, October 13, 2016, to October 31, 2016.

In the home care industry, employee compensation is generally the single largest expense. The employee compensation is generally made up of a variable component where caregivers are paid on an hourly basis, and a fixed component for salaried office staff. \$14,242 represents the salaries and benefits paid to the home care providers and the full-time office administrator from the date of acquisition, October 13, 2016 to October 31, 2016.

The corporate and administrative costs were primarily professional fees, consulting fees, regulatory and transfer agent fees related to the identification, evaluation and completion of the QT.

SUMMARY OF QUARTERLY RESULTS

A summary of quarterly results is included in the table below. The financial information is extracted from or derived from the Company's unaudited interim financial statements and conform with IFRS.

	Oct 31, 2016	Jul 31, 2016	Apr 30, 2016	Nov 16, 2015 to Jan 31, 2016
	\$	\$	\$	\$
Revenue	13,388	-	-	-
Net loss	187,874	79,792	95,958	7,753
Net loss per share				
- Basic and diluted	0.01	0.01	0.01	0.00

CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

The Company's cash used in operating activities was \$243,835 for the period from November 16, 2015, date of incorporation, to October 31, 2016. The operating activities were primarily costs of identifying, evaluating and completing the QT.

Financing Activities

The Company's cash provided by financing activities for the period from November 16, 2015, date of incorporation, to October 31, 2016 was \$710,991. Financing activities for the period were proceeds from the issuance of shares, net of share issue costs and proceeds raised from the issuance of convertible debentures.

Investing Activities

The Company had a net outflow from investing activities of \$240,000 for the period from November 16, 2015, date of incorporation, to October 31, 2016 related to the acquisition of Northern Family Home Care.

Liquidity

The unaudited interim consolidated 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 October 31, 2016, the Corporation had working capital of \$201,673. 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 are expected to be from a health care based business.

Capital Resources

The Company had 1,350,000 stock options outstanding at October 31, 2016, which could, depending upon the Company's share price, potentially bring in additional financing upon exercise. There is no certainty that the Company will receive these stock option proceeds over time as not all stock options may be exercised.

Subsequent to October 31, 2016, the Corporation announced that it has undertaken a non-brokered private placement financing to raise up to \$2,000,000 CAD by the sale of units of the Company at a price of CAD \$0.20 per unit.

Each unit is comprised of one common share of the Company and a one-half common share purchase warrant. Two half-warrants entitle the holder to acquire one common share of the Company for CAD \$0.35 for a period of 24 months from the closing date of this private placement. The common shares and warrants are subject to a 4 month hold period.

In connection with the offering, a finder's fee may be paid consisting of a cash payment equal to up to 6% of the proceeds raised from this private placement and that number of non-transferable finder's fee warrants as is equal to up to 6% of the number of common shares issued pursuant to this private placement at closing. Each finder's fee warrant will be exercisable into one common share of the Company at CAD \$0.35 per share for a period of 24 months from the closing date.

The proceeds from the private placement will be used for general working capital purposes. The private placement is subject to TSX Venture Exchange and other required regulatory approval.

TRANSACTIONS WITH RELATED PARTIES

Legal services were provided by a firm of which a shareholder of the Corporation is the sole lawyer practitioner. The cost of these services during the period was \$68,380. Of the amounts incurred for legal services, \$35,515 was included in share issuance costs, \$3,948 are included in transfer, filing and listing fees and \$28,917 as professional fees. These transactions were in the normal course of operations and are measured at the exchange amount, which is the amount agreed to by the parties.

There were no other transactions with related parties and no remuneration paid to key management personnel during the period from November 16, 2015, date of incorporation, to October 31, 2016.

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 October 31, 2016 there were 13,500,000 common shares of the Corporation issued and outstanding of which 10,000,000 were held in escrow.

OUTSTANDING STOCK OPTIONS AS AT October 31, 2016

The Board of Directors of the Corporation has adopted an incentive stock option plan ("Option Plan"), subject to shareholder approval. 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 CAD \$0.10 per share, exercisable until April 26, 2026. The options issued vest immediately upon granting and may be exercised until the greater of twelve months after the completion of the QT and ninety days following the date of termination of employment or holding office as a director or officer of the Corporation and, in the case of death, expire within one year thereafter.

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 CAD \$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

The Corporation is a relatively new company with limited operating history. The Corporation was incorporated in November 2015 and completed its first home care business acquisition on October 13, 2016. It has yet to generate a profit from its activities. The Corporation will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Corporation anticipates that it may take several years to achieve positive cash flow from operations.

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.

Financing Risks and Dilution to Shareholders

The Corporation has limited financial resources and is in early stages of operations. 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.

Operations

Renewal of Home Care License

In order to operate a Home Care Service Provider agency in the State of New Hampshire, a company is required to have a license that is in compliance with the New Hampshire Code of Administrative rules. Such a license is subject to periodical renewal, and as a result there is no assurance or guarantee that the Resulting Issuer will pass any future license renewal processes. If the license is not renewed it will impact the ability to generate future profits. The Corporation currently operates under a valid license.

Competition

The health care industry is intensely competitive. The Corporation competes with other companies that have greater financial resources. Competition could adversely affect the Corporation’s ability to expand in the future.

FINANCIAL INSTRUMENTS

The Corporation has classified its financial instruments as follows:

- Cash and cash equivalents / sales tax recoverable – Loans and receivables
- Accounts receivable – Loans and receivables
- Accounts payable and accrued liabilities - other liabilities
- Convertible debentures – other liabilities

Loans and receivables, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting receivables to customers and placing deposits. The Group’s maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at October 31, 2016, as summarized below:

Classes of financial assets – carrying amounts	
Cash and cash equivalents	\$227,156
Accounts receivable	\$13,388
Sales tax recoverable	\$31,536
	<u>\$272,080</u>

In respect of trade account receivables, the Group is exposed to a certain level of credit risk as the amounts are uncollateralized. Credit risk for accounts receivable is the risk of loss associated with a patient’s inability to fulfil its payment obligations. The largest exposure to credit risk is in relation to receivables. The Company mitigates credit risk by actively monitoring the aging of accounts receivable and regularly follows up on overdue accounts. As at October 31, 2016 management believes that counterparty concentrations are in the normal course of business and are not unusual.

The credit risk for cash and cash equivalents is considered low as the Group maintains the majority of its cash with an accredited bank.

Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2016, the Corporation had a cash and cash in trust balance of \$227,156. The Corporations' ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on the growth of the home care business acquired as well as future support of shareholders through public or private equity offerings. Refer to note 1, Going Concern.

Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, which result from both its operating and financing activities.

Foreign currency sensitivity

The Group's operations are carried out in USD. Exposure to currency exchange rates arise from the fact that the Group's equity offerings have been denominated in CAD and will be denominated in CAD for the foreseeable future. Management's intention is for the US operation to be cash flow positive within the first year of operations therefore reducing the reliance on any need to use CAD equity or debt financing for working capital purposes.

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 October 31, 2016. These statements are available on Nova Leap's SEDAR Page Site accessed through 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.

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: December 20, 2016