Legend Power Systems Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS
Six months ended March 2017

(Unaudited - Expressed in Canadian Dollars)

Dated May 24, 2017

ABOUT THIS MD&A

This discussion and analysis of financial position and results of operation is prepared as at May 24, 2017, and should be read in conjunction with the condensed interim consolidated financial statements and the accompanying notes for the six months ended March 31, 2017 and consolidated financial statements and the accompanying notes for the years ended September 30, 2016 and 2015 of Legend Power Systems Inc. ("Legend" or the "Company"). The following disclosure and associated financial statements are presented in accordance with IFRS. Except as otherwise disclosed, all comparative information provided is in accordance with IFRS. Except as otherwise disclosed, all dollar figures included therein and in the following Management's Discussion and Analysis ("MD&A") are quoted in Canadian Dollars.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings. The Board of Directors approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

Additional information relevant to the Company can be found on the SEDAR website at www.sedar.com and the Company's website at www.legendpower.com.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

This MD&A may contain statements which constitute "forward-looking information", including statements regarding the plans, intentions, beliefs and current expectations of the Company, its directors, or its officers with respect to the future business activities and operating performance of the Company. The words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company, or its management, are intended to identify such forward-looking statements. Investors are cautioned that any such forward-looking statements are not guarantees of future business activities or performance and involve risks and uncertainties, and that the Company's future business activities may differ materially from those in the forward-looking statements as a result of various factors. Such risks, uncertainties and factors are described in the periodic filings with the Canadian securities regulatory authorities, including the Company's quarterly and annual Management's Discussion & Analysis, which may be viewed on SEDAR at www.sedar.com. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update these forward-looking statements other than as may be required by applicable law.

OUR BUSINESS

Legend Power Systems Inc. and its wholly owned subsidiaries, 0809882 B.C. Ltd. - (Canada), Legend Power Systems Corp. - (USA) and LPSI (Barbados) Limited - (Barbados), (collectively, the "Company" or "Legend") is an electrical energy conservation company that markets a patented device designed to provide energy savings through Conservation Voltage Reduction (CVR) to owners of commercial and industrial buildings. Most buildings on a power grid receive a higher electrical voltage than required from their power utilities as a counteracting measure to mitigate the challenges of line loss across a feeder length, and the variable nature of power demand. Voltage higher than a building's equipment specifications negatively impacts the lifespan of electrical equipment and unnecessarily increases power consumption. This results in higher monthly utility bills, premature equipment failure, and a larger than necessary environmental footprint for the affected building. Legend utilizes a proprietary and patented technology to apply the principles of CVR to a building in order to regulate its voltage and lower its total power consumption. By ensuring a consistent and optimized voltage level across all loads, the Electrical Harmonizer helps its customers reduce their electricity bills and maintenance costs while increasing the life of their electrical equipment.

Vision and Strategy

The Company's vision statement is - "To be recognized as a leading global supplier of innovative electrical energy conservation solutions". The Company's product, the Harmonizer, delivers 4% to 8% energy savings for buildings in North America, which is a proportionately significant reduction for companies with large format real estate such as property management companies, big box retail, office buildings, schools, hospitals, multi-unit residential, hotels, etc. The typical payback period on an average system is between 3 to 4 years, making it a highly competitive energy saving option, especially with the cost of energy increasing in most jurisdictions.

A core element of Legend's business plan is to leverage both direct and distribution sales channels to aggressively expand key recommender product adoption and market share in multiple geographic locations. Direct sales in the Province of Ontario is a notable revenue stream that additionally serves as a test bed for sales best practices and intelligence gathering. Expansion into the north eastern United States will take place in fiscal 2017. It is management's view that successful expansion into the United States (or any other new market) is dependent on three primary criteria: 1) a high cost of electrical energy in the region; 2) local government incentives for customers to purchase Legend's technology; and 3) technology endorsement by "Key Influencers", such as local utilities and electrical contractors. Key Influencers are defined as individuals or organizations in a target market with whom Legend has proven its solution to be effective, and has developed a relationship that supplies active endorsement of the product's performances, value, and applicability to other potential customers within their sphere of influence.

The Company recently completed research and development projects yielding new and/or enhanced products for: 1) Canada's modern 600 volt standard allowing Legend to better address opportunities in market verticals such as retail, commercial and light industrial; 2) Canada's older 208 volt standard which is aimed at the multi residential and education market verticals; and 3) the 480 volt standard to enable product application in all market verticals in the United States. Legend's current research and development program is focused on the creation of a new architectural platform that will offer greater energy savings in all geographic territories and market verticals along with improved margins for the Company. Additionally, the next generation architecture will visually display energy usage data both in the electrical room environment and the decision maker's office to enable improved energy efficiency decisions.

The Company also intends to expand its offering of financing solutions for potential customers with either third party leasing options or in-house ESPA (Energy Savings Purchase Agreements), which provide revenue sharing plans with zero to minimal down payments.

OVERALL PERFORMANCE

For the three months ended March 31, 2017

Summary:

- Achieved record quarterly revenue of $1,001,382 on sale of 19 units
- Blended gross profit margin of 51%
- 11 unique customer transactions
- Committed Orders* of 13 units as at **March 31, 2017**

* The Company is reporting Committed Orders, a non-IFRS measure, which is a supplementary indicator of sales activity. Committed Orders herein are tabulated as of the last day of the prior fiscal quarter as opposed to the date of the MD&A, which was previously utilized in the Company's last reporting period.

This measure is being presented based on the belief that it provides the reader a more complete and current understanding of the Company's sales activity.

The measure does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The Company defines Committed Orders as the total number of units committed for purchase by customers, evidenced by either a purchase order, purchase agreement, or both on the last day of the most recently ended fiscal quarter, which had not been recognized in revenue during the proceeding financial periods.

Given the magnitude of committed orders, the Company has made the strategic decision to invest in the raw materials and components to satisfy at least 3-months of customer orders.

Corporate Update

The Legend Power sales team continued to increase opportunity flow in core target markets during the quarter. Strategic changes in the sales leadership structure, implemented in the previous quarter, eliminated barriers to success and led to a greater degree of team member empowerment. Several proof-of-concept deals are expected to move to full product rollouts as new opportunities and markets continue to materialize. Organic growth is taking place in key market verticals. Revenue of $1,001,382 was recognized in the second quarter of fiscal 2017 and the company boasts a sizeable number of incremental Committed Orders.

The beginning of Legend's Fiscal year was the beginning of its transition from a startup entity to a growth stage company. The Company has a strengthened balance sheet, the product has proven itself a strong performer, offering appreciable value, and the five pillars required to support a growth stage company are now in place. The five pillars are:

1. Having the right people;
2. Sufficient capital to fuel growth;
3. The operational capacity to support growing sales;
4. A proven product that meets or exceeds customer expectations; and
5. Demonstrable customer success with anticipated sales growth.

RESULTS OF OPERATIONS

The Company both reports its financial results in and has determined its functional currency to be, the Canadian Dollar (Cdn$).

Financial summary for the three and six month periods ended March 31, 2017 and 2016

	Three-months ended March 31,			Six-months ended March 31,		
(Cdn$, unless noted otherwise)	2017	2016	Change	2017	2016	Change
Revenue	1,001,382	914,413	9.5%	1,646,229	1,447,800	13.7%
Cost of sales	489,458	557,686	(12.2)%	859,146	949,847	(9.6)%
Gross margin	511,924	356,727	43.5%	787,083	497,953	58.1%
Gross margin %	51.1%	39.0%	12.1%	47.8%	34.4%	13.4%
Operating expenses[1]	(760,122)	(716,024)	6.2%	(1,509,069)	(1,387,621)	8.8%
Operating expense as % of sales	75.9%	78.3%	(2.4)%	91.7%	95.8%	(4.2)%
Adjusted EBITDA[2]	(119,238)	(214,622)	44.4%	(464,952)	(588,062)	20.9%
Net (loss)[3]	(248,198)	(359,297)	(30.9)%	(721,986)	(889,668)	(18.9)%

[1] Gross margin is based on a blend of both equipment and installation revenue.
[2] Adjusted EBITDA; for the three and six month periods ended March 31, 2017 and 2016, we are disclosing Adjusted EBITDA, which is a non-IFRS financial measure, as a supplementary indicator of operating performance. We define Adjusted EBITDA as net income or loss before interest, income taxes, amortization, foreign exchange amounts and non-cash stock based compensation.
[3] Before other items.

Revenue for the second quarter of 2017 was $1,001,382, up from $914,413 in the same period of fiscal 2016 and year to date was $1,646,229, up from $1,447,800 in the same period of 2016. The increases in revenue in both periods are attributable to increasing demand for the Company's product combined with particularly strong results realized in the education market vertical.

Gross blended margin % in the second quarter 2017 was 51.1%, a significant improvement from 39.0% in the same period of 2016 and year to date was 47.8%, significantly improved from 34.4% in 2016. The increases are due primarily to economies of scale achieved through higher volume of units sold and a stronger profit margin contribution from installation services. Management expects gross blended margin to continue to improve with volume, cost optimization, and a strengthened field operations team focused on profitability in our installation services business.

Operating expense as a percentage of revenue in the second quarter 2017 was 75.9% compared with 78.3% in the same quarter of 2016 and year to date was 91.7%, down from 95.8% in 2016. The decreases in both comparative periods is due primarily to increases in revenue in the current year periods, offset slightly by marginally higher operating expenses as the Company undergoes growth in the current year.

Second quarter 2017 EBITDA was negative $119,238 a significant improvement from negative $214,622 in 2016 and year to date was negative $464,952 significantly improved from negative $588,062 in 2016. The Company was able to realize these improved results in both comparative periods by achieving stronger sales and gross margin, which was offset slightly by higher operating expenses.

Net loss for the second quarter 2017 was $248,198, down from $359,297 in 2016 and year to date was $721,986 down from $889,668 in 2016.

Included in the second quarter 2017 net loss before other items were several significant non-cash items, which totaled $128,960, while in the year to date period non-cash items totaled $257,034.

Operating Expenses and Other Items

	Three-months ended March 31,			Six-months ended March 31,		
(Cdn$, unless noted otherwise)	2017	2016	Change	2016	2015	Change
Amortization and depreciation	50,389	48,773	3.3%	98,318	93,676	5.0%
General and overhead	160,212	123,031	30.2%	323,221	234,523	37.8%
Professional fees	45,640	19,500	134.1%	74,265	42,947	72.9%
Product development	-	14,837	(100.0)%	-	21,691	(100.0)%
Salaries and consulting fees	429,669	415,998	3.3%	862,658	789,112	9.3%
Share-based compensation	51,212	77,885	(34.3)%	114,607	155,672	(26.4)%
Warranty provision	23,000	16,000	43.8%	36,000	50,000	(28.0)%
Total operating expenses[1]	**760,122**	**716,024**	6.2%	**1,509,069**	**1,387,621**	8.8%

[1] Before other items.

Total operating expenses for the second quarter 2017 increased to $760,122 up from $716,024 in same period of 2016 and year to date was $1,509,069 up from $1,387,621 in 2016.

Select expenses include:

- Amortization and depreciation costs for the second quarter of 2017 were $50,389, up slightly from $48,773 in the same period of 2016 and year to date costs were $98,318 up from $93,676 in the same period of 2016. The small increases are due to additional depreciation on recent equipment purchases. Amortization, which relates to patent costs, did not vary from the prior year's comparative periods.

- General and overhead costs for the second quarter 2017 were $160,212, up from $123,031 in the same period of 2016 and year to date costs were $323,221 up from $234,523 in the same period of 2016. The increase in costs was due primarily to higher customer site audit costs, office related costs and growth in costs associated with sales and business development focused travel.

- Professional fees for the second quarter 2017 were $45,640, up significantly from $19,500 in the same period of 2016 and year to date costs were $74,265 up significantly from $42,947 in the same period of 2016. The higher costs in experienced in fiscal 2017 compared with the same period in 2016 are due to an increase in audit costs and legal fees for regulatory related filings.

- Salaries and consulting fees for the second quarter 2017 were $429,669, up from $415,998 in the same period of 2016 and year to date costs were $862,658 up from $789,112 in 2016. The increases are due primarily to the addition of personnel in sales, marketing, field operations, production and engineering.

- Share-based compensation expense for the second quarter 2017 was $51,212, down from $77,885 in the same period of 2016 and year to date costs were $114,607, down from $155,672 in 2016. Share-based compensation expense is attributable to grants of incentive stock options to employees, officers, directors and consultants. Share based compensation is recognized and expensed in relation to the Fair Market Value and vesting periods associated with the options. Variation in the year over year periods is due to comparatively lower numbers of options vesting.

- Warranty provision for the second quarter 2017 was $23,000, up from $16,000 in the same period of 2016 and year to date was $36,000, down from $50,000 in 2016. The increase in Q2 2017 compared with Q2 2016 is due to an increase in unit sales, while the lower warranty provision in the year to date 2017 is due primarily to the fact that no warranty fulfillments costs were incurred in Q2 2017 and a number of historical unit sales reached their 10-year anniversary and warranty expiration.

Quarterly Trends

(Cdn$, unless noted otherwise)

	2015 (Restated)		2016 (Restated)				2017	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Revenue	75,823	30,880	533,387	914,413	588,982	42,344	644,847	1,001,382
Gross margin[1]	10,354	(8,191)	141,226	356,727	304,720	(172,443)	275,159	511,924
Operating expenses	694,827	817,777	671,597	716,024	879,240	801,538	748,947	760,122
Loss before other items	(684,473)	(825,968)	(530,371)	(359,297)	(574,520)	(973,981)	(473,788)	(248,198)
Net loss	(684,988)	(826,484)	(530,130)	(357,280)	(574,370)	(975,583)	(477,755)	(241,979)
Loss per common share[2]	(0.012)	(0.014)	(0.01)	(0.006)	(0.009)	(0.012)	(0.006)	(0.003)

[1] Gross margin is based on a blend of both equipment and installation revenue

[2] Basic and diluted.

Our quarterly revenues, gross margin, loss before other items and net loss results, reflect significant variability, which management deems consistent with a technology company perfecting the execution of its business model. We anticipate future quarterly fiscal results to demonstrate a more consistent trend for revenue, gross margin and eventually overall profitability.

Q2 2017 results were superior in all respects to those of the last eight fiscal quarters, which was due to strong revenue and profit margin combined with the Company's success in controlling operating expenses.

First quarter 2017 results were significantly better than Q4 of 2016 as sales, gross margin, and net loss returned to the trend established in the first three quarters of 2016.

Q4 2016 revenue was significantly lower than the trend that had been established in prior quarters of 2016 which was due in part to sales traditionally being slower in Q4 and the fact that orders were received later during the quarter such that installations could not be completed and revenue recognized in the period.

Gross margin recorded in Q4 2016 was negatively impacted by an inventory write-down totaling $179,081 and an accumulation of installation costs associated with several projects.

Q1, Q2 and Q3 2016 revenues and gross margin were substantially over the 2015 trend, which is due to strong product demand generated by the Company's ability to consistently deliver on energy savings for its customers and the success of our new sales team in penetrating the Ontario market.

Operating expenses have been relatively stable between Q1 2015 and Q1 2017, which is due to management's careful allocation of working capital. Operating expenses are expected to grow in 2017 as the Company undertakes marketing and sales campaigns.

FINANCIAL CONDITION, CAPITAL RESOURCES AND OTHER DISCLOSURES

Summary of Consolidated Statement of Cash Flows

	Six months ended March 31		
(Cdn$, unless noted otherwise)	2017	2016	Change
Cash used in operating activities	(2,005,921)	(1,156,867)	73.4%
Cash used in investing activities	(171,768)	(22,765)	654.5%
Cash provided by financing activities	2,333,549	1,634,346	42.8%
Total change in cash	**155,860**	**454,714**	(65.7)%

Cash used in operating activities
During the six months ended March 31, 2017, cash used in operating activities was $2,005,921, up significantly from $1,156,867 from the same period in 2016. The increase is due to a significant investment in inventory in 2017 which contributed $661,621 of the year over year increase in cash used as well as a net change in accounts payable of $314,978 which increases were offset slightly by a smaller net loss for the period, which was $167,676 lower than in 2016.

Cash used in investing activities
During the six months ended March 31, 2017, cash used for investing activities was $171,768, up significantly from $22,765 in the same period of 2016. The increase is due to product development costs for the Company's next generation Harmonizer and furniture and electronic equipment purchases.

Cash provided by financing activities
During the six months ended March 31, 2017, cash provided from financing activities was $2.33 million, up from $1.63 million in 2016. The increase of $0.70 million relates to proceeds from the exercise of 7,549,054 warrants at $0.30 each and 458,890 at $0.15 each in Q1 2017, compared with an equity private placement for net proceeds of $1.63 million in 2016.

Working Capital Items

(Cdn$, unless noted otherwise)	at March 31, 2017	at September 30, 2016	Change
Cash	1,288,407	1,132,547	13.8%
Accounts receivable	1,452,751	504,624	187.9%
Inventory	898,165	469,666	91.2%
Prepaids	57,419	49,416	16.2%
Total current assets	**3,696,742**	**2,156,253**	71.4%
Trade payables	251,084	401,670	(37.5)%
Accrued Liabilities	221,882	221,779	0.1%
Total current liabilities	**472,966**	**623,449**	(24.1)%
Working capital	**3,223,776**	**1,532,804**	110.3%

Liquidity and capital resources measures

As at March 31, 2017, the Company had cash of $1,288,407 (September 30, 2016 - $1,132,547), total current assets of $3,696,742 (September 30, 2016 - $2,156,253) and current liabilities of $472,966 (September 30, 2016 - $623,449). As at March 31, 2017, the Company had working capital of $3,223,776 (September 30, 2016 - $1,532,804).

Based on working capital as at March 31, 2017, estimated cash requirements for the balance of fiscal 2017 and the Company's ability to timely collect accounts receivable, management believes the Company has sufficient working capital to continue business operations over at least the next twelve months.

The Company has historically relied on equity financing to raise the requisite financial resources. There is no assurance that profitability will be achieved or that management will be successful in obtaining financing when and if required on terms acceptable to the Company.

Accounts Receivable

Accounts receivable at March 31, 2017 was $1,452,751 compared with $504,624 at September 30, 2016, an increase of $948,127. The increase was due primarily to the material increase in sales volume in Q2 2017 compared with that in Q4 2016.

Inventory

At March 31, 2017 inventory was $898,165 compared with $469,666 at September 30, 2016 an increase of $428,499. The increased inventory amount is due to the Company purchasing sufficient raw materials to fulfill 3-months of growing projected orders and additional amounts for certain parts with long lead times for delivery.

The Company's ability to fulfill customer orders on a timely basis is dependent on carrying an inventory of various components. Management has deemed certain of these components as strategically important and will purchase them in advance of specific customer orders requiring their use to address product lead time building of stock systems for rapid delivery or, either because they require several weeks for delivery to us or a specialty item available only from a limited supplier base.

Current Liabilities
Trade payables and accrued liabilities at March 31, 2017 were $251,084 and $221,882 respectively, compared with $401,670 and $221,779 at September 30, 2016. The significant decrease in trade payables was due in most part to payment of sub-contractors for installations.

Contractual Obligations and Commitments
On February 9, 2016 the Company entered into an agreement to lease premises in Vancouver, B.C. which requires the following payments in each of the below fiscal periods:

2017	$121,900
2018	$125,240
2019	$128,580
2020	$131,920

The lease payments are subject to changes or increases in additional operating costs generally described as the Company's portion of the landlord's common area charges and property taxes.

The Company has an employment agreement with the President and CEO of the Company that contains severance provisions whereby termination without cause could result in additional costs to the Company unless re-negotiated or settled otherwise.

Proposed Transactions
None.

Outstanding Share Data

Class of Security	Number outstanding at September 30, 2016	Net issued (grants, cancellations, exercises)	Number outstanding at March 31, 2017	Net issued (grants, cancellations, exercises)	Number outstanding at May 24, 2017
Shares[1]	70,443,946	8,007,944	78,451,890	-	78,451,890
Options	6,064,496	(440,000)	5,624,496	2,151,667	7,776,163
Warrants	16,806,694	(8,007,944)	8,798,750	-	8,798,750

[1] *The Company's authorized share capital is an unlimited number of common shares without par value. All issued common shares are fully paid.*

Incentive stock options
During the six months ended March 31, 2017, 440,000 unvested stock options were forfeited by employees when their employment ended. Subsequent to March 31, 2017 the Company issued 2,335,000 stock options and 183,333 stock options expired unexercised.

Warrant exercises
During the six months ended March 31, 2017, 7,549,054, warrants with an exercise price of $0.30 each were exercised for total proceeds of $2,264,716 and 458,890 warrants with an exercise price of $0.15 each were exercised for total proceeds of $68,834.

Off-Balance Sheet Arrangements
The Company does not have any off-balance sheet arrangements.

RISKS AND UNCERTAINTIES

In the course of our operations, we are exposed to various business risks and uncertainties that can affect our financial condition. While some financial exposures are reduced through insurance, and other risk management measures we have in place, there are certain cases where the market and operating risks are driven by external factors beyond our influence and control. A discussion of certain risks that may affect the Company is included in our annual MD&A.

RELATED PARTY DISCLOSURES

The Company entered into the following related party transactions during the six months ended March 31, 2017 and 2016. The terms and conditions of the transactions with key management personnel and non-executive directors and/or their related parties were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions with non-related entities on an arm's length basis.

Transactions with Key Management Personnel

During the six months ended March 31, 2017 and 2016, the following amounts were incurred with respect to the Company's CEO (Mr. Randy Buchamer), the CFO (Mr. Steve Vanry) and ex-CFO (Mr. Shabir Dhanani):

	Six months ended March 31	
(Cdn$, unless noted otherwise)	2017	2016
Salaries – R. Buchamer	100,000	100,000
Consulting fees – S. Vanry[1]	65,451	17,855
Salaries – S. Dhanani[2]	-	34,800
Share based compensation – R. Buchamer	68,283	90,342
Share based compensation – S. Vanry	5,648	-
Share based compensation – S. Dhanani	-	1,150
Total	**239,382**	**244,147**

[1] S. Vanry began working for the Company as CFO on a part-time basis in January 2016.
[2] S. Dhanani resigned as CFO in February 2016, but remains as full-time Controller.

Transactions with Other Related Parties

During the six months ended March 31, 2017 and 2016, the following amounts were incurred with respect to the Company's non-executive directors (Messrs. Michael Atkinson, Jamie Blundell, Michael Harcourt, Matt Walker and Dave Guebert):

	Six months ended March 31	
(Cdn$, unless noted otherwise)	2017	2016
Share based compensation – M. Atkinson	13,470	11,695
Share based compensation – J. Blundell	2,969	3,673
Share based compensation – M. Harcourt	2,633	2,708
Share based compensation – M. Walker	2,969	3,673
Share based compensation – D. Guebert	6,085	-
Total	**28,126**	**21,749**

NEW ACCOUNTING STANDARDS NOT YET ADOPTED

The following is an overview of new accounting standards that the Company will be required to adopt in future years. The Company does not expect to adopt any of these standards before their effective dates. The Company continues to evaluate the impact of these standards on its consolidated financial statements.

(i) IFRS 9 - *Financial Instruments*. This standard partially replaces IAS 39 - *Financial Instruments: Recognition and Measurement*. IFRS 9 measures financial assets, after initial recognition, at either amortized cost or fair value. Existing IAS 39 classifies financial assets into four measurement categories. The standard is effective for annual periods beginning on or after January 1, 2018. In the year of adoption, the Company is required to provide additional disclosures relating to the reclassified financial assets and liabilities.

(ii) IFRS 15 - *Revenue from contracts with customers.* IFRS 15 is effective for annual periods beginning on or after January 1, 2018. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. The new standard will apply to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial risk management objectives and policies

The Company's financial instruments include cash, receivables, accounts payables, accrued liabilities, and finance fee payable. The risks associated with these financial instruments and the policies regarding their management are discussed below. Management monitors these risk exposures to ensure appropriate measures are implemented in a timely and effective manner.

Foreign currency risk

The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

At March 31, 2017 the Company has no significant foreign currency denominated financial liabilities, and did not hold any significant foreign currency denominated financial assets.

Interest rate risk

The Company is not exposed to significant interest rate risk.

Credit risk

Credit risk is the risk of an unexpected loss if the counterparty to a financial instrument fails to meet its contractual obligations. The credit risk associated with cash is believed to be minimal as cash is on deposit with Canadian and foreign banks that are believed to be creditworthy. Receivables are comprised primarily of amounts due from various customers. The Company does not believe it is exposed to significant concentration of credit risk.

Liquidity risk

Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities.

OTHER MD&A REQUIREMENTS

Additional information relating to the Company may be found on or in:

· SEDAR at www.sedar.com;

· the Company's website at www.legendpower.com;

· the Company's condensed interim consolidated financial statements for the six months ended March 31, 2017.

Approval

The Board of Directors of the Company has approved the disclosure contained in this Management's Discussion and Analysis.

On Behalf of the Board of Directors,
"Randy Buchamer"
Randy Buchamer
President, CEO and Director
May 24, 2017