Legend Power Systems Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS
Nine-months ended June 30, 2016

(Expressed in Canadian Dollars)

Dated August 24, 2016

ABOUT THIS MD&A

This discussion and analysis of financial position and results of operation is prepared as at August 24, 2016, and should be read in conjunction with the unaudited condensed interim consolidated financial statements and the accompanying notes for the three and nine-months ended June 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 commercial and industrial customers. Many customers receive higher voltage levels than required from electrical utilities at certain points of the grid as the utilities attempt to reduce line loss across the feeder length. Higher than nominal voltage can affect the lifespan of electrical equipment and result in higher monthly utility bills. Legend utilizes a proprietary method that embodies the CVR concept. Legend's solution lowers demand and consumption through regulating voltage to maximize the efficiency of individual buildings. By delivering the optimal voltage to the user, the Electrical Harmonizer helps customers reduce their electricity bills and maintenance costs while increasing the life of 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, provides energy savings to North American facilities in the 4% to 8% range, which is a fairly 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 2 to 3 years, making it a highly competitive energy saving option, especially with increasing energy costs in most jurisdictions.

Legend's business plan is to aggressively build out our sales based on proven results and customer product adoption in the Province of Ontario followed by expansion into the eastern United States in fiscal 2016. It is management's view that successful expansion into the United States or any other new market is dependent on three primary criteria 1) high, local electrical energy costs; 2) local government incentives for customers to purchase our technology; and 3) endorsement of our technology by "Key Influencers", such as local utilities and electrical contractors. We define Key Influencers as individuals or organizations in our target markets with whom Legend has proved out the performance of our solutions and developed a relationship such that they understand and endorse our technology, its benefits and applicability for potential customers within their sphere of influence.

Recently completed research and development projects have provided new and or enhanced products for; 1) Canada's modern 600 volt standard which allows 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 schools verticals; and 3) the 480 volt market which provides capabilities for all verticals in the US market. Currently, our research and development is focused on the enhancement of our core technology with the aim of achieving greater energy savings and financial performance for customers in all of our geographic and market verticals along with improved margins for the Company.

The Company also intends to expand our 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 June 30, 2016 (Q3 2016)

Financial Highlights:

- achieved quarterly revenue of $658,143
- gross profit margin of 53.9%
- 9 unique customer transactions
- total of 15-unit sales
- $45,876 average unit sales price

Results for the third quarter of 2016 have been positive with continued success in introducing Legend's value proposition to name brand players and industry leaders in multiple verticals. We achieved strong order flow with the total dollar value of purchase orders received being in excess of final quarterly revenue booked, of $658,143, We achieved a record with the sale of 15-units to 9 different customers in the retail, education, hospitality and prisons market verticals.

The Company has now achieved sales in each of 12 distinct market verticals and continues to grow opportunities throughout these targeted markets. We are optimistic that the performance of our technology and the efforts of our sales team will lead to additional follow-on orders with significant accounts.

Efforts to create awareness in the New York market continue to be positive with Key Influencers such as Con Edison (local utility) and a significant, nation-wide electrical contractor both providing strong support.

We continued our improved EBITDA performance while carefully controlling operating expenses in both the three and nine-month periods of 2016. Our receivables have grown and our collection cycle may be affected by finalization of post installation measurement and verification procedures, however, we are focused on introducing methods to reduce the time from sale to receipt of cash from customer.

The Company has seen improved growth in its sales funnel and anticipates a continuing trend of converting prospects to customers and a resulting positive impact on top-line revenue.

RESULTS OF OPERATIONS

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

Financial Highlights for the three and nine-month periods ended June 30, 2016 and 2015

	Three-months ended June 30, 2016			Nine-months ended June 30, 2016		
(Cdn$, unless noted otherwise)	2016	2015	Change	2016	2015	Change
Revenue	658,143	150,824	336.4%	2,454,818	417,817	487.5%
Cost of sales	303,431	70,121	332.7%	1,163,800	194,522	498.3%
Gross margin	354,712	80,703	339.5%	1,291,018	223,295	478.2%
Gross margin %	53.9%	53.5%	0.4%	52.59%	53.4%	(0.8)%
Operating expenses[1]	(881,240)	(632,962)	39.2%	(2,274,861)	(2,045,552)	11.2%
Operating expense as % of sales	133.9%	419.7%	(285.8)%	92.67%	489.6%	(396.9)%
EBITDA[2]	(280,728)	(462,120)	39.3%	(432,695)	(1,392,121)	68.9%
Net (loss)	(526,378)	(610,621)	(13.8)%	(983,081)	(2,012,716)	(51.2)%

[1]Before other items.
[2]EBITDA; for the three and nine-months ended June 30, 2016 and 2015, we are disclosing EBITDA, which is a non-IFRS financial measure, as a supplementary indicator of operating performance. We define EBITDA as net income or loss before interest, income taxes, amortization, foreign exchange amounts and non-cash stock based compensation.

Revenues and Gross Margin

Revenues for the third quarter were $658,143, up from $150,824 in the same period of 2015 and year to date were $2,454,818, significantly up from $417,817 in the same period of 2015. The increases in revenue are the result of strong product demand in light of the Company's ability to consistently deliver on energy savings for its customers and the multi-vertical, market penetration being achieved in Ontario.

Gross margin for the third quarter was 53.9%, virtually unchanged from 53.5% in the same period in 2015 and year to date was 52.59%, down slightly from 53.4% in 2015. Management expects gross blended margin to improve with volume, cost optimization, product mix and the introduction of updates to our technology.

Thirteen of the Company's unit sales in the quarter were achieved in the Province of Ontario, one in Nova Scotia and one in New Brunswick.

EBITDA for the third quarter was negative $280,728 compared with negative $462,120 in the same period of 2015 and year to date EBITDA was negative $432,695 compared with negative $1,392,121 in the same period of 2015. The improved EBITDA performance realized in both periods is due primarily to the significant increase in revenue in fiscal 2016.

Net loss for the third quarter was $526,378, down from $610,621 in the same period of 2015 and the year to date loss was $983,081, down from $2,012,716 in the same period of 2015. The Company was able to realize these improved results by achieving significantly stronger sales, while keeping operating expenses in line with the comparative periods in 2015.

Included in the third quarter loss were several significant non-cash items, which totaled $245,800 while in the year to date period, non-cash items totaled $551,148.

Operating Expenses

	Three-months ended June 30, 2016			Nine-months ended June 30, 2016		
(Cdn$, unless noted otherwise)	2016	2015	Change	2016	2015	Change
Amortization and depreciation	47,491	45,285	4.9%	141,167	136,226	3.6%
General and overhead	166,115	88,645	87.4%	400,638	307,458	30.3%
Professional fees	22,325	22,010	1.4%	65,272	83,036	(21.4)%
Product development	14,803	9,917	49.3%	36,494	39,999	(8.8)%
Salaries and consulting fees	432,197	359,437	20.2%	1,221,309	991,258	23.2%
Share-based compensation	152,309	86,788	75.5%	307,981	446,695	(31.1)%
Warranty provision	46,000	20,880	120.3%	102,000	40,880	149.5%
Total operating expenses[1]	**881,240**	**632,962**	39.2%	**2,274,861**	**2,045,552**	11.2%

[1] Before other items.

Total operating expenses for the third quarter increased to $881,240 from $632,962 in same period of 2015 and year to date costs also increased to $2,274,861 from $2,045,552 in the same period of 2015.

Select expenses include:

- Amortization and depreciation costs for the third quarter 2016 were $47,491, up from $45,285 in the same period of 2015 and year to date costs were $141,167, up from $136,226 in the same period of 2015. The small increases in both the comparative periods relates to additional depreciation on new equipment purchases in fiscal 2016. Amortization, which relates to patent costs, did not vary in either year over year comparative period.

- General and overhead costs for the third quarter were $166,115, up from $88,645 in the same period of 2015 and year to date costs were $400,638, up from $307,458 in the same period of 2015. The increase in both comparative periods was due primarily to the recent growth in costs associated with sales and business development focused travel and additional non-recurring moving costs while the Company transitioned to a new premises. These increases were offset slightly by a lack of financing costs recorded in 2016, compared with $9,959 incurred in 2015.

- Professional fees for the third quarter were $22,325, up slightly from $22,010 in the same period of 2015 and year to date costs were $65,272, down from $83,036 in the same period of 2015. The higher costs in 2015 were attributable to legal fees associated with patent filing activities.

- Product development consists primarily of costs relating to the design of the Company's products and to the development and testing of prototypes, not including salaries. These costs for the third quarter amounted to $14,803 compared to $9,917 for the same period in 2015 and year to date costs were $36,494, down from $39,999 in the same period of 2015. In spite of these small decreases seen in the 2016 periods, the Company expects these costs to grow over time as it expands and refines its product offering for new vertical market segments.

- Salaries and consulting fees for the third quarter were $432,197, up from $359,437 in the same period of 2015 and year to date costs were $1,221,309, up from $991,258 in the same period of 2015. The increases are due primarily to the addition of personnel as to; sales (2) and accounting (1 part-time), engineering (1) and production (1).

- Share-based compensation expense for the third quarter was $152,309, up from $86,788 in the same period of 2015 and year to date expense was $307,981, down from $446,695 in the same period of 2015. 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. The increase witnessed in the three-months ended June 30, 2016 is due primarily to vesting associated with an option grant in Q2 2016. Variation in the 9-month periods is due to comparatively lower numbers of options vesting.

- Provision for potential warranty claims for the third quarter were $46,000, up from $20,880 in the same period of 2015 and year to date was $102,000, up from $40,880 in the same period of 2015. Warranty provision is linked to sales volume, and the increases are due to the material growth in sales during the 2016 periods.

Changes in US$ versus Cdn$ Exchange Rate

In spite of recent and significant appreciation in the value of the US$ versus the Cdn$, the Company’s financial results were not materially impacted. The Company does not as of yet sell the Harmonizer in the US, but it does purchase several components required for its manufacture, with payment terms denominated in US$. The most significant of these components are transformers, which have to date only increased nominally in Cdn$ cost terms.

Quarterly Trends

(Cdn$, unless noted otherwise)

	2014	2015				2016		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue	32,101	152,665	114,328	150,824	208,707	778,352	1,018,323	658,143
Gross margin	(36,370)	65,243	77,349	80,703	211,663[1]	427,416	508,890	354,712
Operating expenses	659,734	656,875	755,715	632,962	897,642	675,597	718,024	881,240
Loss before other items	(696,104)	(591,632)	(678,366)	(614,124)	(624,114)	(248,181)	(209,134)	(526,528)
Net loss	(844,141)	(689,226)	(712,869)	(610,621)	(527,448)	(247,940)	(207,117)	(526,378)
Loss per common share[2]	(0.040)	(0.012)	(0.012)	(0.011)	(0.008)	(0.004)	(0.003)	(0.008)

[1] *Gross margin in Q4 2015 was artificially inflated due to timing differences resulting from fiscal year-end accounting adjustments.*
[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.

The trend in revenue growth established between Q4 2015 and Q2 2015 was not sustained during Q3 2016 due primarily to a 4-week delay in fulfillment of orders due to a faulty, third party supplied electronic component. The faulty component was exposed during routine production tests and no customers were affected. The Company sourced an alternative parts supplier who was able to deliver the component on an expedited basis. Q1, Q2 and Q3 2016 revenues and gross margin were substantially over the 2014 and 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 Q4 2014 and Q2 2016 other than an increase experienced in Q4 2015, which was primarily associated with year-end accruals. Operating expenses in Q3 of 2016 increased due primarily to general growth of business activity.

The net loss during Q4 2014 and Q1 2015 were both materially impacted by significant other expenses. During these two quarterly periods, the Company incurred one-time, loss on product installation costs.

FINANCIAL CONDITION, CAPITAL RESOURCES AND OTHER DISCLOSURES

Summary of Consolidated Statement of Cash Flows

	Nine-months ended June 30		
(Cdn$, unless noted otherwise)	2016	2015	Change
Cash used in operating activities	(1,792,835)	(1,973,228)	(9.1)%
Cash used in investing activities	(31,789)	(18,298)	73.7%
Cash provided by financing activities	1,667,679	776,627	114.7%
Total change in cash	**(156,945)**	**(1,214,899)**	87.1%

Cash used in operating activities
During the nine-months ended June 30, 2016, cash used in operating activities, excluding changes in working capital, was $431,933, down from $1,327,050 from the same period in 2015, a significant decrease which is due to a significantly reduced net loss during the year to date period. Changes in non-cash working capital items were negative $1,360,902, up from negative $646,178 in the same period of 2015. This increase was due primarily to higher accounts receivable which was offset somewhat by a decrease in inventory and increase in accounts payable. From a sales perspective the Company typically experiences an accounts receivable cycle averaging between 4-6 months, which with our growing sales has resulted in a large increase in accounts receivable. We actively manage our working capital by monitoring inventory turnover data, collection of accounts receivable, and taking advantage of trade discounts and/or extended payment terms granted by suppliers.

Cash used in investing activities
During the nine-months ended June 30, 2016, cash used for investing activities was $31,789, up from $18,298 in the same period of 2015. The increase is due to furniture and electronic equipment purchases in the current year to date period.

Cash provided by financing activities
During the nine-months ended June 30, 2016, cash provided from financing activities was $1.67 million, up from $776,627 in the same period of 2015. The increase of $891,052 relates primarily to an equity private placement for gross proceeds of $1.66 million, which closed in Q1 2016 compared with warrant and option exercises in the 2015 period. The private placement consisted of 8.3 million units, with each unit priced at $0.20 and consisting of a common share and common share purchase warrant.

Working Capital Items

(Cdn$, unless noted otherwise)	June 30, 2016	September 30, 2015	Change
Cash	379,171	536,116	(29.3)%
Accounts receivable	2,633,969	646,800	307.2%
Inventory	355,870	572,912	(37.9)%
Prepaids	99,791	82,589	20.8%
Total current assets	**3,468,801**	**1,838,417**	88.7%
Trade payables	357,552	189,060	89.1%
Accrued Liabilities	467,779	209,843	122.9%
Total current liabilities	**825,331**	**398,903**	106.9%
Working capital	**2,643,470**	**1,439,514**	83.6%

Liquidity and capital resources measures

As at June 30, 2016, the Company had cash of $379,171 (September 30, 2015: $536,116), total current assets of $3,468,801 (September 30, 2015: $1,838,417) and current liabilities of $825,331 (September 30, 2015: $398,903). As at June 30, 2016, the Company had working capital of $2,643,470 (September 30, 2015: $1,439,514).

Based on working capital as at June 30, 2016, estimated cash requirements for the balance of 2016, and the Company's ability to timely collect accounts receivable, management believes the Company has sufficient capital to continue business operations over at least the next twelve months.

The Company has traditionally relied in the past 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 June 30, 2016 was $2,633,969 compared with $646,800 at September 30, 2015, an increase of $1,987,169. The increase was due primarily to the large number of sales that were recorded in the three most recent fiscal quarters and the Company's current accounts receivable turnover cycle. Of the accounts receivable at June 30, 2016, approximately $0.63 million is current, $1.0 million is between 30 and 120-days and $1.0 million is over 120-days.

Inventory

At June 30, 2016 inventory was $355,870 compared with $572,912 at September 31, 2015 a decrease of $217,042. The reduced inventory amounts are due to 1) improvements in managing inventory levels to more effectively track sales demand and 2) a fiscal year-end (September 30, 2015) adjustment regarding the delayed revenue recognition of a certain sale, which had a temporary impact on inventory reported. In the second quarter of 2016, the revenue from and resulting reduction in inventory for the delayed sales was realized.

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 June 30, 2016 were $357,552 and $467,779 respectively, compared with $189,060 and $209,843 at September 30, 2015. The increase in payables was due in most part to the GST/HST payable on sales during the quarter. The increase in accrued liabilities relates primarily to amounts recorded in relation to expected installation costs and accrued sales commissions.

Contractual Obligations and Commitments

The Company's office premises in Burnaby, BC was subject to an operating lease that expired on July 31, 2016. As at June 30, 2016, the remaining lease obligation totaled $10,849 subject to changes or increases in Company's portion of the landlord's common area charges and/or property taxes.

As of February 9, 2016, the Company committed to an operating lease for its new office premises in Vancouver, BC, which expires on September 30, 2020. The obligation associated with this new lease for the balance of fiscal 2016 is $29,640.

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, 2015	Net issued (grants, cancellations, exercises)	Number outstanding at June 30, 2016	Net issued (grants, cancellations, exercises)	Number outstanding at August 24, 2016
Shares[1]	59,397,389	8,909,861	68,307,250	1,780,031	70,087,281
Options	4,856,160	1,208,336	6,064,496	-	6,064,496
Warrants	10,510,053	8,687,639	19,197,692	(2,034,333)	17,163,359

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

Share offering

On December 30, 2015 the Company closed a private placement financing for gross proceeds of $1,660,000 by the issuance of 8,300,000 units at $0.20 per unit. Each unit consisted of one common share and one non-transferable warrant, each whole warrant entitling the purchase of a common share for two years at $0.40. The Company also issued 498,750 units (with the same terms referenced above) in satisfaction of finder's fees equal to 7% of certain proceeds received. Cash share issuance costs incurred in connection with the private placement were $25,654.

Incentive stock option grant

In January 2016, the Company's board of directors approved the grant of 1,941,666 incentive stock options to employees, directors and consultants. The options are exercisable at a price of $0.25 per share, and will vest over a 3-year period. The options expire on January 26, 2021.

Warrant exercise
Subsequent to June 30, 2016 1,780,031 warrants were exercised at $.30 each for total proceeds of $534,009.30 and 254,302 warrants with an exercise price of $0.30 expired unexercised.

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, hedging 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 us is included in our annual MD&A.

Legend's share price has been highly volatile following its TSX-V listing on July 3, 2008 due to market conditions and may continue to experience significant fluctuation in the future. Among the factors that could affect Legend's share price are: quarterly variations in operating results, news announcements, research reports by analysts and other developments with respect to the Company's industry or competitors, changes in general market conditions, lack of liquidity in the marketplace and domestic and international economic factors unrelated to the Company's performance.

The markets for equity securities of technology companies have been highly volatile recently and the market price of Legend's common shares may be subject to innovations or new products by the Company or its competitors, fluctuations in energy prices, patent or proprietary rights developments and market conditions for high technology stocks in general. In addition, stock markets in recent years have experienced extreme price and volume fluctuations that often have been unrelated or disproportionate to the operating performance of individual companies. These market fluctuations may adversely affect the market price of Legend's shares. There can be no assurance that the trading price of Legend's shares will remain at or near the current trading price.

RELATED PARTY DISCLOSURES

The Company entered into the following related party transactions during the nine-months ended June 30, 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 nine-months ended June 30, 2016 and 2015, 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):

	Nine-months ended June 30	
(Cdn$, unless noted otherwise)	2016	2015
Salaries – R. Buchamer	150,000	150,000
Consulting fees – S. Vanry[1]	43,203	-
Salaries – S. Dhanani[2]	25,500	76,500
Share based compensation – R. Buchamer	151,552	228,666
Share based compensation – S. Vanry	17,317	-
Share based compensation – S. Dhanani	1,150	2,822
Total	**388,722**	**457,988**

[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 nine-months ended June 30, 2016 and 2015, 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):

	Nine-months ended June 30	
(Cdn$, unless noted otherwise)	2016	2015
Share based compensation – M. Atkinson	27,146	25,815
Share based compensation – J. Blundell	7,451	8,795
Share based compensation – M. Harcourt	6,125	6,584
Share based compensation – M. Walker	7,451	8,795
Share based compensation – D. Guebert	7,368	-
Total	**55,541**	**49,989**

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, amounts receivable, trade 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 June 30, 2016 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. Amounts receivable is comprised primarily of amounts due from large corporations. The Company does not believe it is exposed to significant credit risk.

Liquidity risk

Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. The table below is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle 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 third quarter financial statements for the three and nine-month period ended June 30, 2016.

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
August 24, 2016