ENWAVE CORPORATION

Management Discussion and Analysis

Six months ended March 31, 2015

Dated May 27, 2015

ENWAVE CORPORATION
("EnWave" or "the Company")

MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A) FOR THE SIX MONTHS ENDED MARCH 31, 2015

1. Date of this report: May 27, 2015.

This report covers financial information related to the six months ended March 31, 2015, and other relevant information available up to the date of this report. It should be read in conjunction with the Company's condensed consolidated interim financial statements for the six months ended March 31, 2015 and the related Notes ("Interim Financial Statements"), the annual consolidated financial statements for the year ended September 30, 2014, and its corresponding annual MD&A.

Financial results are prepared and reported in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34") using accounting policies consistent with International Financial Reporting Standards.

Unless otherwise explicitly indicated, all monetary amounts are expressed in Canadian dollars.

2. Forward-looking statements

Certain statements in this MD&A constitute forward-looking statements, based on management's expectations, estimates and projections. All statements that address expectations or projections about the future, including statements about the Company's strategy for growth, research and development, market position, expected expenditures and financial results are forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company and other results and occurrences may differ from those reflected in the forward–looking statements due to a variety of risks, uncertainties and other factors, including, without limitation:

- EnWave's ultimate success in selling, licensing or generating a sustainable royalty stream from its *bio*REV®, *freeze*REV®, *nutra*REV®, *quanta*REV® and *powder*REV® technologies in the biotechnology and food industries will depend, in a large part, on whether these targeted markets view our technologies ("the EnWave technologies") as safe, effective and economically beneficial. Market acceptance will also depend on the Company's ability to demonstrate that the EnWave technologies are attractive alternatives to existing options. If the Company fails to demonstrate feasibility, commercially viable scale within acceptable product quality and equipment performance standards, or compete successfully against existing or potential competitors, its operating results may be adversely affected.
- EnWave's technologies targeted for use in the biotechnology industry will be subject to regulatory approval by a number of government entities, including the FDA in the United States and by comparable authorities in other countries. Technology development within this regulatory framework takes a number of years and may involve substantial expenditures. Any delays in obtaining regulatory approval would have an adverse impact on the Company's ability to earn future revenues.
- Research and development activities for new technologies are costly and may not be successful. There is no assurance that any of EnWave's technologies will be approved for marketing by the FDA or the equivalent regulatory agency of any other country. There is also no assurance that the Company will be able to generate additional technology candidates for its pipeline, either through internal research and development, or through the in-licensing or acquisition of other technologies. Even if a technology is approved for marketing by the applicable regulatory agency, there is no assurance that the Company will be able to ultimately deliver this technology on a commercial scale or obtain approvals for other technology candidates in the pipeline.

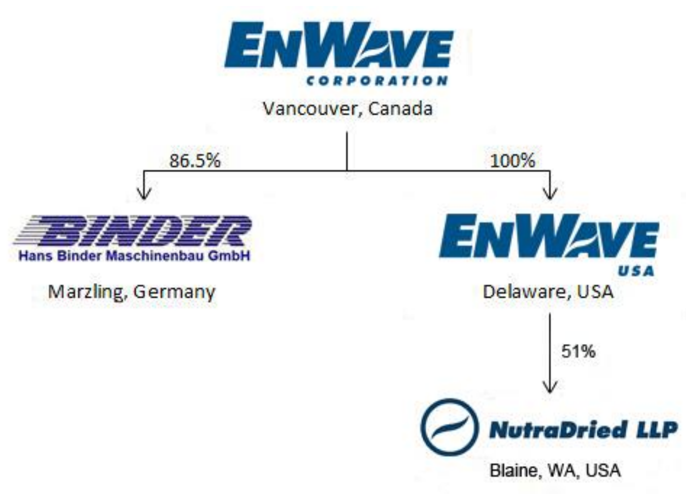
- EnWave's business is dependent upon securing proprietary rights to its technologies and the Company may be subject to intellectual property infringement claims by others or may not ultimately receive issued patents in all jurisdictions where patents are pending or for new applications.
- EnWave is currently dependent on third-party groups for developing its technology. The inability to design and build commercial scale technology in a timely manner could result in significant delays in development and commercialization of its technologies, which could adversely affect the Company's business, financial condition and results of operations.
- EnWave depends on third-party collaborators to license, co-develop and jointly commercialize some of its technologies. These third parties include Bonduelle, Hormel Foods ("Hormel"), NutraDried Creations ("Creations"), Milne Fruit Products ("Milne"), CAL-SAN Enterprises ("CAL-SAN"), Natural Nutrition Limited, Napa Mountain Spice Company ("Napa Mountain"), the Canadian Vegetable Producer licensee, Gay Lea Foods Cooperative, Umland LLC ("Umland"), a subsidiary of Merck, Sharp and Dohme ("Merck") and Sutro Biopharma ("Sutro").There is no guarantee these third-parties will meet the Company's expectations or be able to find commercial opportunities with the technology to support successful commercialization of the EnWave technologies.
- EnWave's business success and progress is dependent upon securing additional funding to expand its business and develop new technologies. If the Company cannot raise capital from investors or secure grants, it may limit the Company's research and development, ongoing testing programs, regulatory approvals and ultimately impact its ability to commercialize its technologies.

The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements were made, and the Company does not assume any obligation to update forward-looking statements if circumstances of management's beliefs, expectations or opinions should change. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

3. Overall performance

Corporate structure

As at the date of this MD&A the corporate structure is as follows:



Recent highlights & milestones to the date of this MD&A

During the six months ended March 31, 2015, and to the date of this MD&A, EnWave:

- appointed one new non-executive independent director, Ms. Mary C. Ritchie (Audit Committee Chair), to the Board of Directors;
- announced the resignation of Mr. J. Hugh Wiebe from the Board of Directors;
- adopted a restricted share rights plan to award restricted share rights to eligible participants to acquire up to an aggregate of 1,000,000 common shares of the Company; the restricted shares, together with stock options outstanding, cannot exceed 10% of the issued and outstanding common shares of the Company.
- announced that on January 30, 2015, NutraDried's minority interest was transferred from Lucid Capital Management to Nutradried Creations LLP ("Creations");
- signed a commercial royalty-bearing license agreement with Gay Lea Foods Cooperative and received a purchase order for a small commercial machinefor cheese snack production in Canada. This was installed in April, 2015.
- signed a commercial royalty-bearing license with Umland LLC and received a purchase order for a small commercial machine;
- signed a technology evaluation and license option agreement with Perdue Farms Incorporated;
- announced that Hans Binder Maschinenbau GmbH ("Binder"), a subsidiary of the Company, secured CAD$4,380,000 in new conventional air dryer orders;
- signed a non-exclusive license agreement with Merck for the drying of several specific vaccines and agreed to build a second generation non-GMP REV™ machine;
- received a purchase order from Hormel Foods for a 100kW *nutra*REV® machine for the production of meat snacks in North America;
- secured the launch of NutraDried LLP's Moon Cheese® product into 3,500 major coffee chain stores in the second half of 2015 throughout the United States;
- received approval in Canada for EnWave's modular *nutra*REV® machinery patent; and,
- announced that EnWave was named to the TSX Venture 50 for the fifth time.

4. Financings and working capital

a) Financings

During the six months ended March 31, 2015, 150,000 stock options were exercised for total proceeds of $153,000.

b) Working capital

The components of the Company's working capital are:

	March 31, 2015	September 30, 2014
	$	$
Cash and cash equivalents	**2,505,445**	5,850,658
Restricted cash	**1,491,689**	971,289
Trade receivables	**1,591,294**	1,660,845
Receivable from related parties	**796,542**	617,073
Due from customers on contract	**1,931,128**	-
Prepaids and other receivables	**240,321**	217,996
Inventories	**1,816,716**	1,242,843
Trade and other payables	**(2,476,741)**	(1,678,663)
Current amounts due to related parties	**(731,114)**	(693,024)
Customer deposits and deferred revenue	**(1,489,464)**	(1,573,797)
Other financial liability	**(370,250)**	(332,268)
	5,305,566	6,282,952

Restricted cash is cash set aside for bank guarantees and for collateral to company credit cards.

Receivable from related parties relates to the amounts due from a former director of the Company who is also a principal of Creations on a loan provided to him, and interest thereof (see Interim Financial Statements, Note 1).

Due from customers on contracts net of deferred revenues relates to work done that has been recognized as revenue using the percentage of completion method, but not invoiced to the customers yet.

The increase in inventories is due to production of food products by approximately $862,000 and packaging supplies by approximately $120,000 of Nutradried LLP.

Trade and other payables increased due to Binder's cash management and their schedule of payment of contract parts by approximately $992,000 as well as Nutradried LLP's effort in preserving cash by extending the payables cycle.

Customer deposits and deferred revenue relate to advance payments received from customers.

Amounts due to related parties relate mostly to shareholder loans in Binder (see Section 9, below).

Other financial liability relates to minimum royalty payments due to a related party (see Section 9, below)

The overall working capital of the Company decreased by approximately 550,000 due to: (a) acquisition of property, plant and equipment, (b) repayment of loans and other amounts due to related parties and other financial liabilities (see Interim Financial Statements – Statement of Cash Flows); and (c) the structure of some machine construction contracts whereby a significant part of the payment is realized upon delivery of the equipment (see Interim Financial Statements – Statement of Cash Flows: Increase in customer deposits and deferred revenues line).

5. Results of operations

The breakdown of the consolidated operating revenues and expenses for the comparative periods is stated in the following table:

Six months ended	31-Mar-15 ($)	% of expenses	31-Mar-14 ($)	% of expenses	% Change
Revenues	7,984,577		1,070,861		645.6%
Direct costs	(5,570,451)		(1,689,956)		229.6%
	2,414,126		(619,095)		-489.9%
Expenses					
Administrative	(1,223,444)	33.3%	(1,079,734)	24.5%	13.3%
Research and development	(763,617)	20.8%	(1,100,236)	25.0%	-30.6%
Amortization of intangible assets	(718,056)	19.6%	(719,857)	16.4%	-0.3%
Sales and marketing	(592,961)	16.2%	(679,749)	15.5%	-12.8%
Design and certain equipment costs	(304,085)	8.3%	(249,504)	5.7%	21.9%
Stock-based compensation	(171,094)	4.7%	(262,371)	6.0%	-34.8%
Interest expense	(39,713)	1.1%	(278,128)	6.3%	-85.7%
Gain (loss) on disposal of equipment	253	0.0%	(104,539)	2.4%	-100.2%
Finance income	50,599	-1.4%	83,223	-1.9%	-39.2%
Foreign exchange gain (loss)	95,008	-2.6%	(4,467)	0.1%	-2226.9%
	(3,667,110)	100.0%	(4,395,362)	100.0%	-16.6%
Net loss for the period	(1,252,984)		(5,014,457)		-75.0%
Foreign exchange translation	(222,516)		292,312		-176.1%
Total comprehensive loss	(1,475,500)		(4,722,145)		-68.8%

Revenue:

Revenue has increased mostly due to Binder's success in securing machine-building contracts during the last quarter of fiscal year 2014, and during the current period, whereas during the comparative period Binder was faced with a slowdown in work orders. Also contributing to the revenue is EnWave Canada's success in securing machine building contracts.

Direct costs:

These are the costs directly related to the sales, such as cost of materials, a certain proportion of labour costs, and related overhead.

Administrative expenses:

The figure is comprised of legal, administration, accounting and audit fees, shareholder communication fees, non-cash amortization of certain capital assets, management's salaries, office rent, insurance, filing and transfer agent fees and travel expenses.

Research and development expenses:

These expenses include the salaries of engineers, technicians and management related to research and development activities, the materials and other labour used in the construction of prototypes including testing of equipment, patent search, costs associated with the Company's, laboratory and pilot plant facilities including insurance, office expenses at the plants and the R&D staff travel expenses. Other research and development expenses include non-cash amortization expense of R&D equipment.

Research and development expenses are mostly attributable only to EnWave Canada. The lower research and development expenses during the current period are attributable to EnWave devoting more resources in the construction of equipment to be sold or leased to current and potential customers; these costs have been accordingly capitalized either as inventory or as property, plant & equipment. However research and development activities do continue.

Amortization of intangible assets:

Non-cash amortization of intangible assets relates to the patents acquired from UBC and INAP and computer software amortization.

Sales and marketing expenses:

Sales and marketing includes salaries for staff, travel expenses, consulting fees, office expenses including insurance, legal fees related to the sales effort. Sales in the comparative period were higher due to the Company's participation at a trade event in the first six months of fiscal year 2014, not repeating in the same period of fiscal year 2015.

Stock-based compensation:

During the current period the Company granted 75,000 stock options to a Director (2014: 460,000 stock options).

The amount of stock-based compensation shown in the above table reflects the vesting of options during the respective fiscal period, which was charged to the statement of loss. The basis of calculation of the fair value of the stock options is the *Black-Scholes* option pricing model; the calculation parameters are stated on Note 11(d) of the Interim Financial Statements.

The amount also includes the recognized portion of restricted share rights awarded during the period.

Design and certain equipment costs:

These are costs incurred by Binder for the general design of equipment, as well as other costs not directly attributable to the cost of sale.

Interest expense:

This amount is mainly related to interest incurred on two shareholder loans outstanding for Binder; please refer to Note 13 (c)(i) and 13(c)(ii) to the Interim Financial Statements for further explanation.

Other items:

Finance income relates to interest received on term deposit investments.

Gain (Loss) on disposal of equipment is attributable to disposition of certain leasehold improvements and intangible assets.

"Other comprehensive loss" results from foreign exchange translation arising from the consolidation of both Binder and EnWave USA numbers.

Results for the most recent fiscal quarter:

Three months ended	31-Mar-15 ($)	% of expenses	31-Mar-14 ($)	% of expenses	% Change
Revenues	5,474,931		504,605		984.99%
Direct costs	(3,628,422)		(645,706)		461.93%
	1,846,509		(141,101)		-1408.64%
Expenses					
Administrative	(763,247)	40.71%	(639,848)	29.75%	19.29%
Research and development	(273,612)	14.59%	(429,089)	19.95%	-36.23%
Amortization of intangible assets	(357,566)	19.07%	(358,435)	16.67%	-0.24%
Sales and marketing	(304,439)	16.24%	(347,970)	16.18%	-12.51%
Design and certain equipment costs	(148,802)	7.94%	(128,625)	5.98%	15.69%
Stock-based compensation	(73,850)	3.94%	(140,501)	6.53%	-47.44%
Interest expense	(10,637)	0.57%	(66,762)	3.10%	-84.07%
Loss on disposal of equipment	-	0.00%	(105,139)	4.89%	100.00%
Foreign exchange gain	24,936	-1.33%	278	-0.01%	8869.78%
Finance income	32,471	-1.73%	65,564	-3.05%	-50.47%
	(1,874,746)	100%	(2,150,527)	100%	-12.82%
Net loss for the period	(28,237)	100.00%	(2,291,628)	100.00%	-98.77%
Foreign exchange translation	51,789		113,781		-54.48%
Total comprehensive income (loss)	23,552		(2,177,847)		-101.08%

Due to the fact that the recognition of most of the revenue of the six month period ended on March 31, 2015, took place during the second quarter, the results show a profitable quarter.

Most of the expenses involving cash (administrative, R&D, sales & marketing, etc.) are very consistent with those of the same quarter of the previous year.

6. Summary of quarterly results:

	Quarter ended ($)			
	31-Mar 2015	31-Dec 2014	30-Sep 2014	30-Jun 2014
Revenue - net of direct costs	1,846,509	567,617	333,876	863,575
Loss and comprehensive loss	23,552	(1,499,052)	(1,436,294)	(547,581)
Per share, basic and diluted	0.00	(0.02)	(0.02)	(0.01)
Minority Interest	(176,662)	(100,975)	(99,136)	(65,470)
Total assets	22,218,882	20,791,329	21,851,177	21,380,881
Long term liabilities	653,925	962,460	1,135,896	1,543,735
Cash dividends declared	Nil	Nil	Nil	Nil

	Quarter ended ($)			
	31-Mar 2014	31-Dec 2013	30-Sep 2013	30-Jun 2013
Revenue - net of direct costs	(141,101)	(477,994)	365,675	372,188
Loss and comprehensive loss	(2,177,847)	(2,544,298)	(2,283,595)	(1,803,533)
Per share, basic and diluted	(0.03)	(0.03)	(0.03)	(0.02)
Minority Interest	(161,979)	(206,311)	(60,446)	(34,834)
Total assets	21,418,721	23,045,109	17,657,211	18,874,763
Long term liabilities	1,510,087	1,599,025	415,124	452,955
Cash dividends declared	Nil	Nil	Nil	Nil

The substantial increase in revenue compared to all the previous quarters, is a reflection of the increase in contract work for Binder and EnWave Canada.

The increase in total assets from the September 2013 quarter to December 2013 quarter reflects the closing of a $7.2 million private placement on December 20, 2013.

The decrease in revenue for the first two quarters of fiscal year 2014 are a reflection of Binder's slow start in sales during the current fiscal year, but recovering on the third and fourth quarters, and continuing into the present fiscal quarter.

7. Liquidity

As at March 31, 2015, the Company had cash and cash equivalents, restricted cash, prepaids and accounts receivable of $6,625,027 (September 30, 2014: $9,317,681).

The Company is working towards increasingly funding operations by realizing the sales revenue and ongoing royalties from its continuous *nutra*REV®, *powder*REV® and *quanta*REV® technology platforms, the eventual commercialization of other REV™ technologies currently in the prototype stage and by actively looking for new research partnerships with financial power to further develop the Company's REV™ technologies. The Company also anticipates increasing revenues from Binder operation and EnWave USA operation. There is no assurance that these initiatives will be successful.

8. Contingencies and commitments

There were no significant changes to the contingencies and commitments of the Company during the six months ended March 31, 2015.

9. Transactions and balances with related parties

a) Transactions:

Six months ended	**March 31, 2015** **$**	March 31, 2014 $
Management fees paid or accrued to a company controlled by Mr. Salvador Miranda, CFO of the Company	**90,625**	81,250
Industrial facility and office rent paid to a company controlled by a managing director of Binder.	**126,648**	132,336
Industrial facility and office rent paid to a company controlled by a former director of EnWave	**17,235**	
Licensing fees paid or accrued to a company controlled by a managing director of Binder	**166,110**	133,834
Management fees and consulting fees paid or accrued to companies controlled by Mr. J. Hugh Wiebe, a former director of the Company	**109,892**	71,541
Consulting fees paid to a company controlled by a family member of Mr. John Budreski, Executive Chairman and director of the Company	**6,488**	-
Consulting fees paid to companies controlled by Mr. Alan Whittaker, CEO of Nutradried LLP	**21,196**	49,551
Consulting fees paid to a company controlled by Dr. Gary Sandberg, a director of the Company	**30,000**	31,500
Directors' fees paid to independent directors	**5,000**	4,000
Restricted share rights recognized on awards to independent directors	**508**	
	573,702	504,012

The above transactions are in the normal course of operations and are measured at the exchange amount agreed to by the related parties.

b) The following amounts were due to related parties:

	As at	
	March 31, 2015	September 30, 2014
Shareholder loan owed to Binder Grundstücks UG, a company controlled by Mr. Johann Binder, a managing director of Binder (current amount)	**434,409**	656,297
Non-current amount on above debt	**15,665**	121,889
Financial liability owed to INAP, a company controlled by Messrs. Johann Binder and Alfred Hoen, both managing directors of Binder (current amount)	**370,250**	332,268
Non-current amount on above liability	**638,260**	870,328
EnWave management bonus accurals, royalties payable to INAP, and sundry expenses owed to related parties mentioned in the above tables.	**296,705**	180,406
	1,755,289	2,161,188

c) In addition, an amount of $798,630 (September 30, 2014 - $627,828) was receivable from related parties, of which $796,168 corresponds a former director of the Company who is a principal of Nutradried Creations (Note 1) (September 30, 2014 - $586,138 corresponded to Lucid, a company controlled the same person).

10. Critical accounting estimates

The preparation of consolidated financial statements requires management to use estimates and assumptions about the future. Estimates are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances.

The following discusses the most significant accounting estimates made in the preparation of these consolidated financial statements:

Revenue recognition

The recognition of revenue as of the consolidated statement of financial position date requires management to make significant estimates primarily relating to the percentage-of-completion method to determine the amount of work performed. The stage of completion is measured by reference to the actual contract costs incurred as a percentage of total estimated costs for each contract.

Impairment of Intangible assets

The Company tests annually whether goodwill is impaired. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. If the budgeted net income used in the value-in-use calculation had been 10% lower than management's estimates at March 31, 2015, there would be no change to the impairment assessment.

Other financial liability - Royalties payable

The Company is a party to an agreement entered into in December 2010 with INAP for the sub-licensing rights to the MIVAP® ("Microwave Vacuum Processor") technology.

The fair value of the liability on initial recognition was added to the cost of the intangible asset at the date of purchase. Subsequent changes in the liability is measured at amortized cost and recorded in the consolidated statement of comprehensive loss.

The Company's estimated liability at March 31, 2015 is $1,008,510 (September 30, 2014: $1,202,596) is based on the present value of minimum royalties payable to INAP over the life of the agreement discounted at rates of 6%. The potential variability of this estimate is significant given that it will be highly sensitive to the number of additional sub-licensees and their ultimate use of the technology. Given the length of the 5-10 year term over which the royalty is calculated, and the Company's lack of control over the licensee's actual and ultimate use of the technology which gives rise to the royalty, the Company cannot practicably determine how current estimates may change. These amounts are assessed annually.

Impairment of inventory

The Company has utilised guidance under IAS 2 Inventories to determine whether inventory is carried at the lower of cost and net realisable value. This determination requires judgement, which includes among other factors, the selling price, less the estimated costs of completion and the estimated costs to make the sale.

Critical judgements in applying the entity's accounting policies

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. The Company leases certain property, plant and equipment and assesses whether substantially all the risks and rewards of ownership rests with the Company or the customer.

When assessed that substantially all the risks and rewards of ownership rests with the Company the Company records the lease payments earned; however, when assessed as a finance lease, the amounts are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Revenue recognition

The Company recognises revenue for sales of machines to certain customers. The buyer has the right to return the goods if the machine is not operating as prescribed. The Company believes that, based on past experience with similar sales, the dissatisfaction rate will not exceed 1%. The Company has therefore recognised revenue with a corresponding provision against revenue for estimated returns. If the estimate changes by 1%, revenue will be reduced by $58,000.

11. Management's responsibility for financial information

The Company's management is responsible for presentation and preparation of the annual consolidated financial statements and the Management's Discussion and Analysis ("MD&A"). The annual consolidated financial statements have been prepared in accordance with IFRS.

The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators

The annual consolidated financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present.

12. Financial instruments

The Company’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value, interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The following information is based on the Interim Financial Statements, which do not include all financial risk management information and disclosure required in the annual financial statements, and it should be read, as the rest of the document, in conjunction with the Company’s annual financial statements for the fiscal year ended September 30, 2014 and the corresponding annual MD&A.

Fair values

The Company’s financial instruments consist of cash and cash equivalents, restricted cash, trade receivables, other receivable, trade and other payables, amounts due to related parties, and other financial liability.

The Company’s financial assets, consisting of cash and cash equivalents, restricted cash, and other receivables are all due in less than one year as shown under liquidity risk table (a) below.

The Company’s financial liabilities, consisting of trade and other payable and amounts due to related parties.

Other financial liability is due within 1 – 4 years as shown under liquidity risk table (c) below.

For all financial instruments other than amounts due to related parties and other financial liability, the carrying amount is a reasonable approximation of their fair value due to the short-term nature of these instruments. The Company did not have any held-to-maturity or available-for-sale financial instruments, nor did it acquire or hold any derivative products during the six months ended March 31, 2015 and year ended September 30, 2014.

The fair value of amounts due to related parties has been estimated to approximate its carrying value as the discount factors approximate market rates applicable to the loans.

Financial risk factors

The Company is exposed to a number of risks. These risks include credit risk, liquidity risk, and market risk. The Company has established policies and procedures to manage these risks, with the objective of minimizing the adverse effects that changes in the variable factors underlying these risks could have on the Company’s consolidated financial statements.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company manages liquidity risk through ongoing management and forecasting of cash flows, budgeting, and equity financings.

Cash flow forecasting is performed to monitor cash requirements and form capital management decisions. Such forecasting takes into account current and potential customers and the Company's technology development and capital raising expectations.

The Company has an agreement with the Bank of Montreal to provide Binder with the support for bank guarantees in favour of some of its customers, to a maximum of $1,500,000.

The Company owes amounts to a related party (Note 13 and Note 14(c) to the Interim Financial Statements); and has two credit cards with a limit of $25,000 and $44,956, respectively (September 30, 2014 - $25,000 and $46,705). Reference should also be made to nature of operations in Note 1 for further information regarding liquidity risk.

(a) Financial assets maturity table

	0 - 30	31 - 90	91- 1 year	over 1 year
Cash, cash equivalents and restricted cash	2,523,979	28,749	-	1,444,406
Trade receivables	876,726	326,594	387,519	455
Other receivables including related parties	76,455	761,944	-	-
	3,477,160	1,117,287	387,519	1,444,861

(b) Liabilities, excluding other financial liability, tax liabilities and customer deposits and deferred revenues maturity table

	0 - 30	31 - 90	91 - 1 year	over 1 year
Trade and other payables	1,048,220	1,052,999	278,227	39,312
Amounts due to related parties	197,125	99,580	434,409	15,665
Provisions	4,308	-	53,675	-
	1,249,653	1,152,579	766,311	54,977

(c) The Company's other financial liability consisting of undiscounted minimum royalties payable and are due as follows:

Due as at September 30, the following years	Royalties payable EUR €	Royalties payable CAD $
2015	125,920	171,540
2016	324,341	441,850
2017	421,643	574,405
2018	29,343	39,975
Total	901,247	1,227,770

Market risk

Market risk is the risk that the fair value or future cash flows of the Company will fluctuate due to changes in interest rates and foreign currency exchange rates.

a) Interest rate risk

The Company is exposed to credit risk through short-term investments. The Company limits its exposure to interest rate risk by investing in short-term investments at major Canadian financial institutions. A 1% change in interest rates would affect the results of operations by approximately $28,000 (September 30, 2014: $68,000).

The Company also has loans with related parties. The interest rates are fixed and the Company considers the risk to be low.

b) Foreign exchange risk

The Company has significant minimum royalties' payable over five years in Euros. The Company manages currency risk relating to this obligation by generating Euros in its European operations. Should the Company not generate adequate Euros in European operations, currency exchange risk will exist to convert Canadian or US dollars to Euros.

The Company also has increasing number of customers with contracts denominated in US dollars.

As at March 31, 2015 all of the Company's liquid assets and liabilities were held in Canadian dollars, Euros and US dollars.

A change in the value of the Euro by 10% relative to the Canadian dollar would have affected the Company's loss for the period by approximately $81,000.

A change in the value of the US dollar by 10% relative to the Canadian dollar would affect the Company's loss for the period by approximately $37,000.

13. Other MD&A requirements

a) Information pursuant to National Instrument 51-102

Copies of all previously published financial statements, management discussions, meeting materials, press releases, etc., are available on Company's website at www.enwave.net, or on the SEDAR website at www.sedar.com

i) Section 5.3: Please refer to Notes #1, 2 and 3 to the Interim Financial Statements.

ii) Section 5.4: Share Capital: please refer to Note #11 to the Interim Financial Statements.

As at the date of this MD&A the Company has:

- Common shares issued and outstanding: 84,522,759.
- Stock options: 4,924,000 outstanding with a weighted average exercise price of $1.48. Each stock option entitles its holder to purchase one common share of the Company.
- Warrants: 2,117,436 outstanding with exercise price of $1.75. Each warrant entitles its holder to purchase one common share of the Company until December 20, 2015.
- Agents' warrants: 203,521 outstanding with exercise price of $1.40. Each agent's warrant entitles its holder to purchase one common share of the Company until December 20, 2015.
- Restricted share rights: 65,000 vesting on March 23, 2018.

The fully diluted capital of the Company, including common shares, options and warrants, stands at 91,832,716 common shares.

b) Directors and officers as at the date of this MD&A[1]

Directors
Mr. John P.A. Budreski
Dr. Tim Durance
Dr. Gary Sandberg
Mr. Hugh McKinnon
Dr. Stewart Ritchie
Ms. Mary C. Ritchie [1]

Senior Officers	Position
Mr. John P.A. Budreski	Executive Chairman
Dr. Tim Durance	President and Chief Executive Officer
Mr. Salvador Miranda	Chief Financial Officer & Corporate Secretary
Mr. Beenu Anand	Executive Vice-President

[1] Ms. Mary C. Ritchie was appointed an independent Director and Chair of the Audit Committee of the Company on October 6, 2014

c) Contact information:

Corporate and strategic	Investor inquiries	Administration and finance
Mr. John P.A. Budreski Executive Chairman & Director Telephone (+1) 416 930 0914 jbudreski@enwave.net	Mr. Brent Charleton Senior Vice-President of Corporate Affairs Telephone (+1) 778 378 9616 bcharleton@enwave.net	Mr. Salvador Miranda Chief Financial Officer & Corporate Secretary Telephone (+1) 604 806 6110 smiranda@enwave.net

On behalf of the Board:

EnWave Corporation

(Signed) "*Tim Durance*"

Tim Durance
President and Chief Executive Officer

(Signed) "*Salvador Miranda*"

Salvador Miranda
Chief Financial Officer

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