THIRD QUARTER MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Three-Month and Nine-Month Periods ended October 31, 2014

*This management's discussion and analysis ("**MD&A**") of the financial condition and results of operations of Discovery Air Inc. ("**Discovery Air**" or the "**Corporation**") for the three and nine month periods ended October 31, 2014 should be read in conjunction with the Corporation's unaudited interim condensed consolidated financial statements and related notes as at October 31, 2014, the annual audited consolidated financial statements and related notes for the year ended January 31, 2014, and the annual MD&A for the year ended January 31, 2014, all of which are available on SEDAR at www.sedar.com.*

*This MD&A includes statements which are forward-looking in nature; please refer to "Forward Looking Statements" below for an explanation of the assumptions, uncertainties and risks associated with these statements. This MD&A also includes a number of defined terms and abbreviations as well as several financial terms, such as "EBITDA", "EBITDAR" and "Adjusted profit", that are not defined by International Financial Reporting Standards ("**IFRS**") but which are considered by the Corporation's management to be important in understanding the Corporation's financial results. Please refer to "Non-IFRS Measures" for explanations of the financial terms that are not defined by IFRS and the section titled "Definitions" for the meaning of all other defined terms and abbreviations.*

Business Profile

Discovery Air, founded in 2004, is a Canadian specialty aviation company, operating over 160 aircraft with over 850 team members. Its subsidiaries provide airborne training to the Canadian military, helicopter services, air ambulance services, airborne fire services, fixed-wing air charter services, expediting and logistics support, and a range of maintenance, repair, overhaul, modification, engineering and certification services. The Corporation has two reportable segments: Aviation, and Corporate Support and Other.

The Aviation segment includes four subsidiaries. Great Slave Helicopters Ltd. ("**GSH**"), one of the largest helicopter operators in Canada, has bases throughout Canada and South America from which it provides flight services to support mining, oil and gas seismic and exploration work, forest fire suppression, aerial construction and precision external load work, and environmental impact surveys. Air Tindi Ltd. ("**Air Tindi**"), a commercial fixed-wing operator with bases in Yellowknife, Cambridge Bay and Edmonton, utilizes a diversified fleet of fixed-wing aircraft to provide scheduled and charter passenger and cargo services, as well as air ambulance services in northern and western Canada. Discovery Air Fire Services Inc. ("**Fire Services**") provides primarily forest fire management and court-related air transport services to the Government of Ontario. Discovery Air Defence Services Inc. ("**Defence Services**"), formerly Top Aces Inc., provides primarily airborne training services to the Department of National Defence and the Canadian Forces ("**DND**").

The Corporate Support and Other segment consists of certain support functions at Discovery Air (collectively, "**Corporate**") as well as two operating subsidiaries: Discovery Air Technical Services Inc. ("**Technical Services**") and Discovery Mining Services Ltd. ("**Mining Services**"). Corporate support functions include shared services provided by personnel or professional advisors retained by the Corporation, such as finance, treasury, information technology, management, legal and human resources support. Technical Services provides a range of maintenance, repair and overhaul ("**MRO**"), modification, engineering and certification services. Mining Services provides remote exploration camp and expediting, logistics and staking services to a broad spectrum of resource exploration companies.

The Corporation's Class A Shares and Unsecured Debentures (as defined below) trade on the Toronto Stock Exchange (symbols DA.A and DA.DB.A, respectively).

Selected Financial Information

(thousands of Canadian dollars, except per share amounts)	Three months ended October 31 (unaudited) 2014	2013	% change	Nine months ended October 31 (unaudited) 2014	2013	% change
Results of operations						
Revenue	**$ 58,560**	$ 64,985	-10%	**$ 156,456**	$ 180,888	-14%
Expenses	**$ 44,610**	$ 50,085	-11%	**$ 133,638**	$ 148,025	-10%
Depreciation of property, equipment and intangible assets	**$ 5,486**	$ 6,260	-12%	**$ 16,352**	$ 18,175	-10%
	$ 8,464	$ 8,640	-2%	**$ 6,466**	$ 14,688	-56%
Finance costs	**$ 4,878**	$ 4,231	15%	**$ 13,771**	$ 12,455	11%
Profit (loss) attributable to shareholders of Discovery Air Inc.	**$ 2,926**	$ 3,050	-4%	**$ (3,699)**	$ 3,485	-206%
Basic earnings (loss) per share	**$ 0.09**	$ 0.21	-57%	**$ (0.14)**	$ 0.23	-161%
Diluted earnings (loss) per share	**$ 0.09**	$ 0.19	-53%	**$ (0.14)**	$ 0.23	-161%
Financial position and liquidity						
Total assets	**$ 312,051**	$ 318,925	-2%	**$ 312,051**	$ 318,925	-2%
Total debt	**$ 162,627**	$ 160,920	1%	**$ 162,627**	$ 160,920	1%
Cash provided by (used in) operations	**$ 6,005**	$ 14,995	-60%	**$ (6,603)**	$ 6,887	-196%
Working Capital*	**$ 60,432**	$ 50,800	19%	**$ 60,432**	$ 50,800	19%
Key non-IFRS performance measures*						
Adjusted profit (loss)	**$ 3,384**	$ 3,624	-7%	**$ (3,707)**	$ 2,392	-255%
Basic Adjusted profit (loss) per share	**$ 0.11**	$ 0.24	-54%	**$ (0.14)**	$ 0.16	-188%
Diluted Adjusted profit (loss) per share	**$ 0.11**	$ 0.21	-48%	**$ (0.14)**	$ 0.16	-188%
EBITDAR	**$ 18,245**	$ 20,802	-12%	**$ 34,673**	$ 46,813	-26%
EBITDA	**$ 14,367**	$ 15,394	-7%	**$ 24,233**	$ 34,222	-29%
EBITDA Margin	**25%**	24%		**15%**	19%	

* See "Non-IFRS measures" and "Definitions" below

Recent Developments

On November 27, 2014, the Corporation's unsecured 8.375% debenture holders voted in favor of two amendments to the debentures. As a result: a) the definition of "change of control" in the debenture indenture will be changed to allow for the Company's largest shareholder, Clairvest Group Inc. ("Clairvest"), to increase its equity interest above 50% without requiring the Company to repurchase the Debentures; and b) the maturity date of the Debentures will be extended from June 30, 2016 to June 30, 2018, which extension is subject to the Company completing, prior to June 29, 2016, an equity offering of the Company's Class A common shares and/or Class B variable voting shares for a minimum aggregate net proceeds of $5,000,000.

Subsequent to quarter end, an aircraft owned and operated by Air Tindi was forced to make an emergency landing shortly after taking off. All five passengers on board, as well as the pilot, were safely and successfully rescued after the incident. The damage to the aircraft is covered by insurance.

In November, 2014, the Corporation terminated a component asset management contract with a Canadian airline. Under the terms of the agreement, the Corporation sold the related inventory to the Canadian airline and in the current quarter recorded a loss of $1.0 million due to the write off of unrecoverable costs.

On February 24, 2014, the Corporation announced its intention to complete a rights offering (the "**Offering**") in order to raise up to $15.0 million of equity capital through the sale of Shares (as defined below). Under the Offering, the Corporation distributed a total of 14,555,661 rights to its shareholders of record on April 1, 2014 entitling them to subscribe for up to an aggregate of 17,441,860 Shares at a price of $0.86 per Share. Clairvest agreed, in accordance with the terms of a standby purchase agreement with the Corporation dated February 24, 2014 (the "**Standby Purchase Agreement**"), to purchase from the Corporation such number of Shares that were available to be purchased, but not otherwise subscribed for under the Offering, up to a predetermined cap. Clairvest also agreed to provide the Corporation with a subordinated, secured loan in the event that Clairvest was unable (due to the cap) to backstop the entire Offering and the Corporation was unable to raise gross proceeds from the Offering in an amount of $15.0 million. With the Standby Purchase Agreement in place, the Corporation used the anticipated proceeds from the Offering (including the standby commitment and the secured, subordinated loan from Clairvest) to obtain from its operating lender an immediate $10.0 million increase in the operating line of credit within the existing credit limit of its operating facility (by way of an increase in the Corporation's borrowing base). This commitment expired and was repaid on May 2, 2014 with the proceeds from Shares issued pursuant to the Standby Purchase Agreement. The short form prospectus for the Offering and the Standby Purchase Agreement can be found on SEDAR at www.sedar.com.

The Offering concluded on April 28, 2014. The Corporation raised approximately $1.7 million in gross proceeds from the issuance of 1,952,009 Shares. On May 2, 2014, the Corporation issued 15,047,284 Class A Shares (as defined below) and 442,567 Class B Shares (as defined below), for gross proceeds of $13.3 million to Clairvest and/or certain of its funds and co-investors pursuant to the Standby Purchase Agreement. In connection with the closing of this transaction, the holders of the Corporation's Secured Debentures (as defined below) irrevocably waived their right to direct (in certain circumstances) the manner in which 50% of the Common Shares held by certain current and former management shareholders are voted. Transaction costs were approximately $0.4 million.

On March 31, 2014, the Corporation entered into a loan agreement with Element Financial Corporation in the principal amount of $21.5 million. The proceeds from the loan were used to refinance approximately $20.5 million in existing term indebtedness of the Corporation and provided the Corporation with approximately $0.9 million in cash (net of loan arrangement fees but before transaction costs). In connection with this refinancing, the Corporation's obligation to restore the airworthiness of two aircraft or pay down $4.0 million in indebtedness was eliminated. The Corporation filed a Material Change Report in connection with this transaction on April 3, 2014, a copy of which is available on SEDAR at www.sedar.com.

The Corporation continues to undertake a number of initiatives to streamline core businesses and shift aircraft composition which has resulted in a number of operational and asset divestitures. In late January 2014, the Corporation ceased its executive jet service program based in Calgary. For the nine months ending October 31, 2014, the Corporation has sold seven aircraft for proceeds of $6.1 million, two buildings for proceeds of $1.0 million, and equipment for $0.8 million.

Consolidated Results

Three months ended October 31, 2014

Revenue

Quarterly revenues were $58.6 million, a 10% decline when compared to the three months ended October 31, 2013 (collectively with the nine months ended October 31, 2013, the "comparative period"). The Aviation segment experienced reduced activity (a 12% decrease from the comparative period) in the northern and western Canada resource-based sectors. The Corporate Support and Other segment reported higher revenues (a 7% increase from the comparative period) from increased MRO activity.

The Corporation's two largest customer sectors are government and resource-based. Revenues from the government sector represented 56% of total revenues (compared to 35% in the comparative period). The Corporation's revenues from resource-based customers represented 27% of total revenues (45% the comparative period). The increase in the government sector is primarily attributable to substantial flight hours in Defence Services. The reduction in flying in the resource-based sector was due to a substantial decline in mining exploration activity as well as delays in certain Oil and Gas sector projects. The Corporation believes that the decline in mining exploration is cyclical.

Expenses

The largest expense items for the Corporation are crew, fleet and parts costs, as well as general and administrative expenses. While there are variable components to these costs, a significant portion of these costs are fixed in nature within a given year.

Quarterly expenses decreased by 11% to $44.6 million over the comparative period due to cost saving initiatives and lower flying hours. The current quarter expenses include $2.2 million in business development costs to support airborne training opportunities in the US and Germany, compared to $1.5 million in the comparative period.

EBITDA and EBITDAR (see "Non-IFRS Measures" below)

Quarterly EBITDA was $14.4 million compared to $15.4 million in the comparative period, with the lower EBITDA largely attributable to lower flight hour activity.

EBITDAR in the quarter was $18.2 million compared to $20.8 million in the comparative period. While lower flight hours negatively impacted EBITDA in the quarter, it also reduced aircraft leasing expense by 28% from the comparative period to $3.9 million. The Corporation utilizes leased aircraft to support a component of its flight services.

Depreciation, finance and other expenses

Depreciation expense in the quarter was $5.5 million, a 12% decrease from the comparative period and consistent with lower flight hours.

Finance costs of $4.9 million in the quarter were comparable to $4.2 million in the comparative period. Non-cash finance charges and interest accreting on the loans and borrowings were $2.8 million compared to $2.6 million in the comparative period. The increase in finance costs is primarily attributable to increased costs related to the loan amendments and the Offering, and increased interest on the operating line based on additional amounts drawn in the current period.

The Corporation's quarterly income tax provision was $0.5 million, compared to $1.1 million in the comparative period. The effective tax rate for the quarter was 13% compared to the Corporation's statutory income tax rate of 27% with the variance primarily due to non-taxable income from associates. In the comparative period, the effective income tax rate of 27% was consistent with the Corporation's statutory income tax rate of 27%.

Earnings

The Corporation recorded a quarterly profit of $2.9 million ($0.09 basic and diluted earnings per share) compared to a profit of $3.1 million ($0.21 basic earnings per share and $0.19 diluted earnings per share) in the comparative period. The current quarter's profit reflects a tax-effected impairment of long term service contract that was terminated after the quarter end of $0.7 million, and tax-effected gain of $0.3 million from the disposal of property and equipment. The comparative period profit reflects a tax-effected impairment loss of $0.6 million on two fixed wing aircraft. Excluding these items, Adjusted profit was $3.4 million ($0.11 basic and diluted Adjusted profit per share) compared to $3.6 million ($0.24 basic adjusted profit per share and $0.21 diluted Adjusted profit per share) in the comparative period (See "Non-IFRS Measures – Adjusted profit (loss)" below).

Although the Corporation's Class A Share price at October 31, 2014 and 2013 was below the conversion price of the Unsecured Debentures and Secured Debentures, IAS 33, *Earnings per share,* considers these debentures dilutive if the interest savings per share (net of tax) is less than the basic earnings per share.

Nine months ended October 31, 2014

Revenue

Year-to-date revenue decreased 14% from the comparative period to $156.5 million.

Year-to-date revenues from government customers represented 52% of total revenues compared to 43% in the comparative period with the increase primarily attributable to increased flight hours at Defense Services. Year-to-date revenue from resource-based customers represented 25% of total revenues, compared to 34% in the comparative period, primarily due to reduced revenue from the Corporation's junior mining customer base.

Expenses

Year-to-date expenses were $133.6 million (or 85% of revenues) compared to $148.0 million (or 82% of revenues) in the comparative period, a decline of $14.4 million. Reduced costs primarily related to crew and fleet charges as a result of a reduction in flight hours and cost savings initiatives implemented during the period. Year-to-date expenses include $4.2 million in business development costs to support airborne training opportunities in the US and Germany, compared to $3.1 million in the comparative period.

EBITDA and EBITDAR (see "Non-IFRS Measures" below)

Year-to-date EBITDA was $24.2 million compared to $34.2 million in the comparative period, and EBITDA margin was 15% and 19%, respectively. Year-to-date EBTIDAR was $34.7 million, compared to $46.8 million in the comparative period, reflecting the trend in EBITDA.

Depreciation, finance and other expenses

Depreciation expense year-to-date was $16.4 million compared to $18.2 million in the comparative period.

Finance costs year-to-date were $13.8 million compared to $12.5 million in the comparative period. Non-cash finance charges and interest accreting on the loans and borrowings were $8.3 million ($7.5 million in the comparative period).

The Corporation's year-to-date income tax recovery was $2.2 million, compared to a tax provision of $1.0 million in the comparative period. The effective tax rate of 37% is higher than the statutory rate primarily due to non-taxable income from associates. In the comparative period, a permanent difference arose primarily due to a revaluation of the contingent consideration discussed below and a lower income tax base.

Earnings

The Corporation's year-to-date loss was $3.7 million ($0.14 basic and diluted loss per share) compared to a profit of $3.5 million ($0.23 basic and diluted earnings per share) in the comparative period. The Corporation's year-to-date profit includes a $0.7 million tax-effected gain on the disposal of property and equipment and tax-effected impairment of long term service contract that was terminated after the quarter end of $0.7 million. The comparative year-to-date profit includes a tax-effect impairment loss of $0.6 million, a tax-effected gain of $0.4 million from the sale of Hudson Bay Helicopters Ltd. ("**HBH**"), and a non-taxable gain of $1.2 million related to the second quarter revaluation of the second installment of the contingent consideration for the purchase of Helicopters Chile. Excluding the impact of these transactions, the year-to-date Adjusted loss was $3.7 million ($0.14 basic and diluted Adjusted loss per share) compared to an Adjusted profit of $2.4 million ($0.16 basic and diluted Adjusted profit per share) in the comparative period (See "Non-IFRS Measures" and "Adjusted profit (loss)" below).

Aviation Segment

(thousands of Canadian dollars)	Three months ended October 31 (unaudited)					Nine months ended October 31 (unaudited)				
		2014		2013	*% Change*		**2014**		2013	*% Change*
Revenue	**$**	**51,825**	$	58,710	*-12%*	**$**	**133,099**	$	157,465	*-15%*
Expenses		**36,333**		40,724	*-11%*		**105,198**		115,834	*-9%*
Share of profit from associates		**(424)**		(95)	*346%*		**(1,409)**		(286)	*393%*
EBITDA	**$**	**15,916**	$	18,081	*-12%*	**$**	**29,310**	$	41,917	*-30%*
Aircraft lease expense		**3,878**		5,408	*-28%*		**10,440**		12,591	*-17%*
EBITDAR	**$**	**19,794**	$	23,489	*-16%*	**$**	**39,750**	$	54,508	*-27%*
Capital expenditures	**$**	**5,220**	$	4,932	*6%*	**$**	**14,756**	$	11,194	*32%*

	As at October 31 (unaudited)				
		2014		2013	*% Change*
Total assets	**$**	**289,423**	$	289,053	*0%*
Goodwill	**$**	**37,861**	$	39,670	*-5%*
Intangible assets	**$**	**3,317**	$	7,500	*-56%*

Three months ended October 31, 2014

The Aviation segment's quarterly revenues were $51.8 million on 16,909 flight hours, compared to revenue of $58.7 million on 21,565 flight hours in the comparative period. The decrease in revenues and flight hours were attributable to decreased activity in the resource based sectors in northern and western Canada, as well as decreased activity in the forest fire management in the government sector due to cool and wet conditions. Overall government sector flight hours increased based on significant increases to airborne training activities.

Aviation segment quarterly expenses were $36.3 million (or 70% of revenues) in the current quarter compared to $40.7 million (or 69% of revenues) in the comparative period. The 11% decrease in expenses is mainly attributable to decreased flight hours and cost savings measures implemented in the quarter. The decrease in expenses were partially offset by increased business development costs of $2.2 million compared to $1.1 million in the comparative period.

Crew costs, which include wages, benefits, travel and training for pilots and maintenance engineers, for the quarter were $13.7 million (or 26% of revenues) compared to $14.6 million (or 25% of revenues) in the comparative period.

Fleet costs include aircraft lease, facility, parts, maintenance, and fuel costs. Fleet costs, excluding fuel costs, for the quarter were $11.5 million (or 22% of revenues), compared to $12.9 million (or 22% of revenues) in the comparative period. Generally, the Corporation's fuel costs are recovered from customers and recorded as revenue with the exception of non-contracted ferrying costs or training-related costs.

General and administrative expenses consist mainly of wages and benefits for administrative personnel, facility costs, travel costs, insurance costs and other overhead expenses. General and administrative expenses were $7.3 million (or 14% of revenues) in the quarter compared to $7.7 million (or 13% of revenues) in the comparative period.

The profit from associates was $0.4 million compared to $0.1 million in the comparative period.

The segment's quarterly EBITDA was $15.9 million compared to EBITDA of $18.1 million in the comparative period, with the decrease in EBITDA attributable to lower revenues. The current quarter EBITDA includes $2.2 million in business development costs compared to $1.1 million in the comparative period. EBITDAR was $19.8 million compared to EBITDAR of $23.5 million in the comparative period.

Depreciation expense in the current quarter was $5.0 million (or 10% of revenues) compared to $5.9 million (or 10% of revenues) in the comparative period, which is consistent with the lower flight hours and lower revenue.

Nine months ended October 31, 2014

Aviation segment year-to-date revenues were $133.1 million on 45,588 flight hours, compared to revenue of $157.5 million on 56,206 flight hours in the comparative period. The 15% decrease in revenue and 19% decrease in flight hours are attributable to the factors noted above.

The Aviation segment's year-to-date expenses were $105.2 million (or 79% of revenues) compared to $115.8 million (or 74% of revenues) in the comparative period. The 9% decrease in expenses is mainly attributable to decreased flight hours and cost savings measures implemented (as noted above). The decreases in expenses were partially offset by increased development costs of $4.2 million compared to $2.0 million in the comparative period.

Crew costs were $39.9 million, year-to-date, (or 30% of revenues) compared to $42.6 million (or 27% of revenues) in the comparative period due to lower flight hour activity.

Fleet costs year-to-date, excluding fuel costs, were $31.8 million (or 24% of revenues), compared to $37.1 million (or 24% of revenues) in the comparative period.

General and administrative expenses were, on a year-to-date basis, $22.3 million (or 17% of revenues) compared to $22.9 million (or 15% of revenues) in the comparative period.

The profit from associates was $1.4 million compared to $0.3 million in the comparative period. The increase is attributable to the transfer of the equity holdings of the 49% interest in Global Aviation Tools and Equipment (GATE) Inc. ("**GATE**"), a corporate venture incorporated in Canada; from Technical Services to Defence Services. GATE provides supplies and repairs aircraft parts.

Year-to-date EBITDA for the segment was $29.3 million compared to $41.9 million in the comparative period primarily due to lower revenues, yielding EBITDA margins of 22% in the current period and 27% in the comparative period. EBITDA includes $4.2 million in business development costs compared to $2.0 million in the comparative period. Year-to-date EBITDAR was $39.8 million compared to $54.5 million in the comparative period, reflecting the impact of lower EBITDA and decreased utilization of leased aircraft in the current year .

Depreciation expense was $15.0 million (11% of revenues) compared to $17.0 million (11% of revenues) in the comparative period, primarily driven by lower flight hours.

Corporate Support and Other

(thousands of Canadian dollars)	Three months ended October 31 (unaudited)			Nine months ended October 31 (unaudited)		
	2014	2013	*% Change*	**2014**	2013	*% Change*
Revenue	**$ 6,735**	$ 6,275	*7%*	**$ 23,357**	$ 23,423	*0%*
Expenses	**8,277**	9,361	*-12%*	**28,440**	32,191	*-12%*
Share of loss (profit) from associates	**7**	(399)	*-102%*	**(6)**	(1,073)	*-99%*
EBITDA	**$ (1,549)**	$ (2,687)	*42%*	**$ (5,077)**	$ (7,695)	*34%*
Capital expenditures	**$ 940**	$ 1,129	*-17%*	**$ 1,210**	$ 3,217	*-62%*

	As at October 31 (unaudited)		
	2014	2013	*% Change*
Total assets	**$ 22,628**	$ 29,872	*-24%*
Intangible assets	**$ 207**	$ 385	*-46%*

Three months ended October 31, 2014

Corporate Support and Other revenues were $6.7 million in the quarter compared to $6.3 million in the comparative period. The 7% increase in revenue reflects increased MRO activities partially offset by continued softness in the mining industry.

The segment incurred expenses totaling $8.3 million compared to $9.4 million in the comparative period, a decrease of 12%. The decrease in the segment expenses was largely attributable to improved cost management at Corporate, Technical Services and Mining Services; offset $0.4 million more in business development costs incurred in the comparative period.

The segment reported an EBITDA loss of $1.5 million in the quarter, compared to an EBITDA loss of $2.7 million in the comparative period. The 42% decrease in EBITDA loss was due to increased revenues and, improved cost management partially offset by the transfer of the investment in GATE, as mentioned above, and $0.4 million less of business development costs in the comparative period.

Nine months ended October 31, 2014

Year-to-date revenues in the Corporate Support and Other segment of $23.4 million were comparable to the comparative period. The increased revenue in MRO activities was offset with continued softness in the mining industry.

The segment's year-to-date expenses were $28.4 million compared to $32.2 million in the comparative period, a 12% decrease primarily due to cost efficiency measures implemented in the segment.

Year-to-date EBITDA loss was $5.1 million compared to an EBITDA loss of $7.7 million in the comparative period. The decrease in the EBITDA loss is mainly attributable to a more efficient cost structure, and $1.1 million more of business development costs incurred in the comparative period.

Liquidity and Financial Resources

The following schedule summarizes the movement in cash flow components:

	Nine months ended October 31 (unaudited)	
(thousands of Canadian dollars)	**2014**	2013
Operating activities	**$ (6,603)**	$ 6,887
Investing activities	**(6,340)**	(12,540)
Financing activities	**12,943**	(153)
Net decrease in cash for the period	**$ -**	$ (5,806)

Operating Activities

Cash used by operating activities for the nine month period ended October 31, 2014 was $6.6 million, a $13.5 million increase over the comparative period. The unfavourable variance was largely attributable to a $10.0 million reduction in EBITDA, and $3.6 million increase in investment in non-cash working capital.

Working Capital

As at October 31, 2014, the Corporation had positive Working Capital of $60.4 million, compared to a Working Capital position of $31.1 million at January 31, 2014 and $50.1 million as at October 31, 2013. The current ratio of Working Capital was 3.5 as at October 31, 2014, 2.1 as at January 31, 2014, and 2.9 as at October 31, 2013.

With respect to the Corporation's existing operations, there are no significant commitments for any expenditure that would significantly change its working capital requirements for these operations. Each significant, non-maintenance related capital expenditure for these operations is assessed to gain reasonable assurance that the capital expenditure will at least be matched by projected revenues or cost savings generated by the expenditure. In addition to the recent acquisition of Advanced Training Systems International, Inc. in Fiscal 2014, the Corporation has been pursuing an opportunity to acquire six F-16, six A-4N aircraft, and related support packages (the "**Additional Fighter Jets**") for the expansion of the Defence Services' airborne training services business. The cost of acquiring these assets and bringing them into service is estimated to be US $40.0 to $50.0 million. In Fiscal 2014, the Corporation placed a US $2.5 million deposit for the acquisition of the Additional Fighter Jets which is refundable should the Corporation not receive the required approval from the U.S. Department of State. In addition, the Corporation would only complete the acquisition of these assets upon securing the necessary financing for these assets. In July 2014, the Corporation made an additional deposit of US $1.9 million towards further options under this contract. This deposit is refundable under certain conditions.

Investing Activities
Net cash outlays for investing activities was $6.3 million compared to $12.5 million in the comparative period. Capital expenditures of $16.0 million were comprised of $4.5 million for Defence Services growth initiatives, $0.7 million for the purchase of an aircraft, and $10.8 million for sustaining capital expenditures and aircraft overhaul costs. The comparative period capital's expenditures of $14.4 million included $1.2 million for the purchase of one helicopter, $2.4 million for facility enhancements and aircraft deposits, $1.5 million for Defence Services growth initiatives, and $9.3 million related to sustaining capital expenditures and aircraft overhaul costs.

Total asset divestures of $7.9 million included seven aircraft for proceeds of $6.1 million, two buildings for proceeds of $1.0 million, and other items of property and equipment for $0.8 million. The comparative period asset divestures included the disposal of a wholly owned subsidiary, HBH, for $1.2 million.

The Corporation is expending funds to prepare for the commencement (in January 2015) of service under the combat support contract for the German Armed Forces (the "**German Contract**"). While the Corporation is not otherwise committed to fund other material growth-related projects, the Corporation intends, subject to obtaining certain government approvals and securing financing, to acquire the Additional Fighter Jets for further expansion of Defence Services' business.

Financing Activities
As at October 31, 2014, the Corporation had unused borrowing capacity of $6.5 million to fund its operating requirements. Consistent with the seasonal nature of its business, the Corporation draws on its operating line of credit primarily in the first and second quarters to fund costs associated with seasonal increases in business volumes, as well as to fund increased working capital. These draws are typically repaid during the latter half of the fiscal year. During the non-peak season, the Corporation is required to have no advances outstanding under the line of credit for 30 consecutive days. This requirement was waived for Fiscal 2014.

The Corporation made debt payments of $30.7 million, consisting of $20.4 million to refinance five loans (which closed on March 31, 2014), $2.9 million related to asset divestitures, a $0.8 million final installment on the contingent consideration related to the purchase of Helicopters Chile, and $6.6 million of scheduled term debt repayments. The loan refinancing transaction also eliminated an undertaking to restore the airworthiness of two aircraft (or, in the alternative, repay $4.0 million in debt secured by those aircraft) and provided the Corporation with approximately $0.9 million in cash. In the comparative period, the Corporation made scheduled debt payments of $7.3 million and $0.8 million as the first of two installments related to the purchase of Helicopters Chile.

On March 31, 2014, the Corporation entered into a $21.5 million term loan agreement to refinance five existing loans On June 13, 2014 the loan was amended for a $2.5 million loan repayment related to the sale of aircraft, to require monthly payments of $362,000 for the following twelve months and $210,000 per month thereafter, with the balance due at maturity on April 1, 2019. The loan bears interest at a rate equal to the three-month Canadian dollar banker's acceptance rate ("**BA rate**") plus 5.15% per annum. The loan is secured by charges on specific aircraft, as well as certain subsidiary guarantees and general security agreements. Transaction costs of $154,000 are netted against the carrying value of the loan and are being accreted to the loan's face value based on the loan's effective interest rate of 6.59% per annum. The loan agreement requires that the Corporation observe a variety of nonfinancial covenants, maintain a minimum debt service coverage ratio and not exceed a specified level of total liabilities to tangible net worth.

On January 31, 2014, the Corporation entered into a $1.6 million term loan agreement to finance a previously acquired aircraft. Proceeds were advanced in full on February 18, 2014. The loan matures on March 1, 2019 and is repayable in monthly instalments of $19,000, with the balance due at maturity. The loan bears interest at a rate equal to the three-month Canadian dollar BA rate plus 4.55% per annum. The loan is secured by a charge on the aircraft, as well as certain subsidiary guarantees and general security agreements. Transaction costs of $75,000 are netted against the carrying value of the loan and are being accreted to the loan's face value based on the loan's effective interest rate of 7.06% per annum. The agreement requires that the Corporation observe a variety of nonfinancial covenants, maintain a minimum fixed charge coverage and not exceed a specified level of leverage.

On June 22, 2012, the Corporation entered into a $4.5 million term loan agreement to refinance a maturing debt. On June 12, 2014 the loan was amended to postpone the principal payments for three months, and adjust the maturity date to July 22, 2015.

On November 27, 2014, the Corporation's unsecured 8.375% debenture holders voted in favor of two amendments to the debentures. As a result: a) the definition of "change of control" in the Debenture indenture will be changed to allow for the Company's largest shareholder, Clairvest, to increase its equity interest above 50% without requiring the Company to repurchase the debentures; and b) the maturity date of the Debentures will be extended from June 30, 2016 to June 30, 2018, which extension is subject to the Company completing, prior to June 29, 2016, an equity offering of the Company's Class A common shares and/or Class B variable voting shares for a minimum aggregate net proceeds of $5,000,000.

These amendments give the Corporation the financial flexibility and access to capital it needs to pursue its growth strategies.

The Corporation is required to comply with several other financial covenants in its debt agreements, including: a debt leverage covenant, which requires the Corporation to maintain a total debt to EBITDA (as specifically defined in the Secured Debentures) ratio of not more than 6.00:1.00 (the "**Debt Leverage Covenant**"), and a pledged asset ratio covenant, which requires the Corporation to provide the holders of the Secured Debentures with a first-lien security interest over assets having an appraised value equal to a prescribed ratio of the adjusted principal amount of the Secured Debentures (the "**PAR Covenant**"); a trailing four quarter consolidated EBITDAR to fixed charge ratio; a debt service coverage ratio; a total liabilities to tangible net worth ratio; and a total funded debt to EBITDAR ratio. The Corporation's ability to remain in compliance with its financial covenants is dependent on a number of factors, including (i) the profitability of its operations, (ii) its ability to generate cash flows, and (iii) the adequacy of the security pledged to its lenders in relation to its debt levels. Since interest on the Secured Debentures is paid in kind (i.e., accrues and is added to the principal amount of the Secured Debentures), the aggregate value of the assets that must be pledged to remain in compliance with the PAR Covenant increases over time.

In September 2014, the Corporation obtained amendments to certain of the Corporation's loans that reduced the covenant requirement for the Corporation to maintain a debt service to EBITDA ratio as at October 31, 2014 to not less than 1.05 from 1.25. The Corporation was in compliance with amended covenants as of October 31, 2014.

The Corporation received irrevocable waivers from (and/or amended) the Debt Leverage Covenant and the PAR Covenant for the quarters ending October 31, 2014 through to October 31, 2015. In September 2014, the Secured Debentures were amended to increase the Debt Leverage Covenant to 7.80:1.00 for the period ending April 30, 2015 and to decrease the PAR Covenant to 1.41:1.00 and 1.37:1.00 for the periods ending April 30, 2015 and July 31, 2015, respectively. In connection with the amendment the Corporation agreed to not request the Secured Debenture holders subordinate their security interest in the assets of the Corporation, and the Secured Debenture holders shall not be required to subordinate their security interest in the assets of the Corporation, prior to the later of December 31, 2016, and the date on which the Corporation is in compliance with the covenants (subject to certain exclusions) in the Secured Debentures for the eight quarters preceding the request. While this restriction is in effect the Secured Debenture holders are not permitted to convert any or all of the Secured Debentures into Shares, except in connection with the maturity of the Secured Debentures, or in connection with or following a Change of Control (as defined in the Secured Debentures). The Corporation also consented not to incur additional indebtedness without the prior consent of the Secured Debentures holders on yet-to-be acquired assets until August 1, 2015. In connection with these waivers, the Corporation also agreed to pledge certain real estate assets as security for the Secured Debentures refrain from incurring liens on newly acquired assets and refrain from exercising certain subordination rights in the Secured Debentures. For more information, please refer to the Corporation's Material Change Reports dated February 28, 2014 and May 6, 2014, which are available on SEDAR at www.sedar.com.

Further in December 2014, the Secured Debentures were amended to increase the Debt Leverage Covenant to 9.00:1.00 for the periods April 30, 2015 through to October 31, 2015; and to decrease the PAR Covenant to 1.40:1.00 for the period ending October 31, 2015. As part of this amendment, the Corporation also agreed to apply 50% of the proceeds of any equity financing conducted prior to July 29, 2016, up to a maximum of $5,000,000, to repay the Secured Debentures.

There is no assurance that following the periods covered by these waivers and amendments, the Corporation will be able to remain in compliance with its covenants.

In addition, consent from certain of the Corporation's lenders is required to, among other things, incur additional indebtedness beyond a defined amount, pay dividends or make other distributions or repurchase or redeem the Corporation's capital stock, prepay, redeem or repurchase certain debt, sell assets, and move aircraft internationally.

Contractual Obligations and Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements that management is aware of other than those disclosed in note 13 of the Corporation's interim condensed consolidated financial statements for the nine months ended October 31, 2014.

Shareholders' Equity

At October 31, 2014, there were 31,510,148 Class A Shares and 487,327 Class B Shares outstanding. At the same date, there were 3,199,748 stock options outstanding. During the year the Corporation issued 1,952,009 Class A shares upon completion of the Offering, and 15,047,284 Class A Shares and 442,567 Class B Shares upon the completion of the Standby Purchase Agreement. During the current quarter, the Corporation issued 2,369,728 stock options to employees and 259,330 stock options expired or were otherwise terminated in accordance with their terms. The stock options issued in the current period have an exercise price of $0.86 and vest in five equal tranches, with the first tranche vesting immediately and the remaining tranches vesting over a period of four years.

The Corporation's Unsecured Debentures provide for potential debt conversion to Class A Shares of 5,283,308 (adjusted from 4,726,027 due to the Offering) and the Secured Debentures provide for a potential debt conversion to 9,291,824 Shares.

Additional information with respect to shareholders' equity is contained in the consolidated financial statements for the year ended January 31, 2014, which can be found on SEDAR at www.sedar.com.

RISK FACTORS

The Corporation is subject to a number of risks and uncertainties and is affected by a number of factors outside of the control of its management. Some of those risks and uncertainties are described in this MD&A and are supplemented by risks and uncertainties described in the "Risk Factors" section of the Corporation's MD&A for the year ended January 31, 2014, as well as in the "Risk Factors" section of the Corporation's Annual Information Form dated May 1, 2014, both of which can be found on SEDAR at www.sedar.com.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

In preparing the unaudited interim condensed consolidated financial statements, various accounting estimates are made in applying the Corporation's accounting policies. These estimates require significant judgment on the part of management and are considered critical as they are important to the Corporation's financial condition and results. There have been no changes to the Corporation's significant account estimates disclosed in the Corporation's MD&A for the year ended January 31, 2014, which can be found on SEDAR at www.sedar.com.

RECENTLY ISSUED STANDARDS

For detailed discussion on recently issued standards please refer to Corporation's annual audited consolidated financial statements and related notes for the year ended January 31, 2014, which can be found on SEDAR at www.sedar.com. During nine months ended October 31, 2014 the following standards were issued however are not effective for the current reporting period.

In July 2014, the IASB issued IFRS 9, Financial Instruments ("IFRS 9"). IFRS 9 simplifies the measurement and classification of financial assets by reducing the number of measurement categories and removing complex rule-driven embedded derivative guidance in IAS 39, Financial Instruments: Recognition and Measurement. The new standard also provides for a fair value option in the designation of a non-derivative financial liability and its related classification and measurement, as well as for a new hedge accounting model more closely aligned with risk management activities undertaken by entities. IFRS 9 is to be applied retrospectively and is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Corporation is currently assessing the impact of the new standard on its financial statements.

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers ("IFRS 15"). IFRS 15 provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 is to be applied retrospectively and is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The Corporation is currently assessing the impact of the new standard on its financial statements.

NON-IFRS MEASURES

Management believes "**EBITDA**" to be an important metric in measuring the performance of the Corporation's day-to-day operations. This measurement is useful in assessing the Corporation's ability to service debt and to meet other payment obligations, and as a basis for valuation. "**EBITDAR**" is a measure commonly used in the aviation industry to evaluate results by excluding differences in the method by which companies finance aircraft.

The following is a reconciliation of EBITDA and EBITDAR to net profit (loss):

	Three months ended October 31 (unaudited)		**Nine months ended October 31 (unaudited)**	
(thousands of Canadian dollars)	**2014**	2013	**2014**	2013
Net profit (loss) attributable to shareholders' of Discovery Air Inc.	**$ 2,926**	$ 3,050	**$ (3,699)**	$ 3,485
Income tax provision (recovery)	**450**	1,120	**(2,180)**	997
Impairment loss	**-**	803	**-**	803
Gain on contingent consideration for business acquisition	**-**	-	**-**	(1,248)
Gain on disposal of subsidiary	**-**	-	**-**	(414)
Finance costs	**4,878**	4,231	**13,771**	12,455
Depreciation of property, equipment and intangible assets	**5,486**	6,260	**16,352**	18,175
Gain on disposal of property and equipment	**(343)**	(13)	**(981)**	(31)
Impairment of long term service contract	**970**		**970**	
Non-controlling interest	**-**	(57)	**-**	-
EBITDA	**$ 14,367**	$ 15,394	**$ 24,233**	$ 34,222
Aircraft lease expenses	**3,878**	5,408	**10,440**	12,591
EBITDAR	**$ 18,245**	$ 20,802	**$ 34,673**	$ 46,813

"**Adjusted profit (loss)**" refers to net profit (loss) attributable to shareholders of Discovery Air Inc. excluding a non-recurring gain on extinguishment of debt, gains and losses on disposal of property and equipment, gains on acquisitions and disposals, gains and losses resulting from the change in fair value of financial liabilities, and impairment loss, net of related taxes. Management believes Adjusted profit (loss) better reflects the Corporation's operational performance. Adjusted profit (loss) per common share is equal to profit (loss) attributable to shareholders of Discovery Air Inc. per share excluding the above noted items.

The following is a reconciliation of Adjusted profit (loss) to net profit (loss):

	Three months ended October 31 (unaudited)		**Nine months ended October 31 (unaudited)**	
(thousands of Canadian dollars)	**2014**	2013	**2014**	2013
Net profit (loss) attributable to shareholders of Discovery Air Inc.	**$ 2,926**	$ 3,050	**$ (3,699)**	$ 3,485
Gain on disposal of property and equipment	**(343)**	(13)	**(981)**	(31)
Tax effect on disposal of property and equipment	**93**	-	**265**	-
Impairment of long term service contract	**970**	-	**970**	-
Tax effect on Impairment of long term service contract	**(262)**	-	**(262)**	-
Impairment loss	**-**	803	**-**	803
Tax effect on impairment loss	**-**	(216)	**-**	(216)
Gain on sale of subsidiary	**-**	-	**-**	(414)
Tax effect on gain on sale of subsidiary	**-**	-	**-**	13
Gain on contingent consideration for business acquisition	**-**	-	**-**	(1,248)
Adjusted profit (loss)	**$ 3,384**	$ 3,624	**$ (3,707)**	$ 2,392

Segmented breakdown of EBITDA and EBITDAR

(thousands of Canadian dollars)	Three months ended October 31, 2014 (unaudited)			Three months ended October 31, 2013 (unaudited)		
	Aviation	**Corporate Support and Other**	**Total**	Aviation	Corporate Support and Other	Total
Revenue	**$ 51,825**	**$ 6,735**	**$ 58,560**	$ 58,710	$ 6,275	$ 64,985
Expenses	**36,333**	**8,277**	**44,610**	40,724	9,361	50,085
Share of (profit) loss from associates	**(424)**	**7**	**(417)**	(95)	(399)	(494)
EBITDA	**$ 15,916**	**$ (1,549)**	**$ 14,367**	$ 18,081	$ (2,687)	$ 15,394
Aircraft lease expenses	**3,878**		**3,878**	5,408	-	5,408
EBITDAR	**$ 19,794**	**$ (1,549)**	**$ 18,245**	$ 23,489	$ (2,687)	$ 20,802

(thousands of Canadian dollars)	Nine months ended October 31, 2014 (unaudited)			Nine months ended October 31, 2014 (unaudited)		
	Aviation	**Corporate Support and Other**	**Total**	Aviation	Corporate Support and Other	Total
Revenue	**$ 133,099**	**$ 23,357**	**$ 156,456**	$ 157,465	$ 23,423	$ 180,888
Expenses	**105,198**	**28,440**	**133,638**	115,834	32,191	148,025
Share of profit from associates	**(1,409)**	**(6)**	**(1,415)**	(286)	(1,073)	(1,359)
EBITDA	**$ 29,310**	**$ (5,077)**	**$ 24,233**	$ 41,917	$ (7,695)	$ 34,222
Aircraft lease expenses	**10,440**	**-**	**10,440**	12,591	-	12,591
EBITDAR	**$ 39,750**	**$ (5,077)**	**$ 34,673**	$ 54,508	$ (7,695)	$ 46,813

SUMMARY OF QUARTERLY RESULTS

(thousands of Canadian dollars, except per share amounts)

	(unaudited)							
	Oct-14	Jul-14	Apr-14	Jan-14	Oct-13	Jul-13	Apr-13	Jan-13
Results of operations:								
Total Revenue	**$ 58,560**	$ 56,813	$ 41,083	$ 32,638	$ 64,985	$ 72,308	$ 43,594	$ 37,321
EBITDA	**$ 14,367**	$ 10,825	$ (959)	$ (9,464)	$ 15,394	$ 21,017	$ (2,190)	$ (6,761)
Cash from (used in) operations	**$ 6,005**	$ (2,506)	$ (10,102)	$ 10,992	$ 14,995	$ 5,360	$ (13,468)	$ 5,521
Adjusted profit (loss)*	**$ 3,384**	$ 570	$ (7,748)	$ (14,795)	$ 3,624	$ 7,572	$ (8,804)	$ (11,547)
Profit (loss) attributable to shareholders of Discovery Air Inc.	**$ 2,926**	$ 1,111	$ (7,736)	$ (21,440)	$ 3,050	$ 9,239	$ (8,804)	$ (10,929)
Basic earnings (loss) per share	**$ 0.09**	$ 0.03	$ (0.52)	$ (1.44)	$ 0.21	$ 0.62	$ (0.59)	$ (0.74)
Basic adjusted profit (loss) per share*	**$ 0.11**	$ 0.02	$ (0.52)	$ (1.00)	$ 0.24	$ 0.51	$ (0.59)	$ (0.80)
Diluted earnings (loss) per share	**$ 0.09**	$ 0.03	$ (0.52)	$ (1.44)	$ 0.19	$ 0.40	$ (0.59)	$ (0.74)
Diluted adjusted profit (loss) per share*	**$ 0.11**	$ 0.02	$ (0.52)	$ (1.00)	$ 0.21	$ 0.34	$ (0.59)	$ (0.80)

*See "Non-IFRS Measures"

Seasonality and Quarterly Fluctuations

The Corporation's businesses are, to varying degrees, seasonal in nature. Seasonality and other factors can affect the comparability of results from one period to another, particularly from quarter to quarter. The seasonality and quarterly fluctuations are substantially unchanged from the description found under the heading "Seasonality and Quarterly Fluctuations" in the Corporation's MD&A for the fiscal year ended January 31, 2014, which is available on SEDAR at www.sedar.com

DISCLOSURE CONTROLS AND INTERNAL CONTROLS

There were no material changes in the Corporation's disclosure controls and procedures and internal controls over financial reporting that occurred during the three months ended October 31, 2014 that have materially affected or are reasonably likely to materially affect the Corporation's internal control over financial reporting and disclosures of required information.

DEFINITIONS

In this MD&A, the following terms have the meanings ascribed to them below:

(a) "**Unsecured Debentures**" means the $34,500,000 aggregate principal amount of 8.375% convertible unsecured subordinated debentures issued by the Corporation pursuant to a short form prospectus dated May 5, 2011, which trade on the Toronto Stock Exchange under the symbol "DA.DB.A";
(b) "**Class A Shares**" means the Corporation's Class A common voting shares, which trade on the Toronto Stock Exchange under the symbol "DA.A";
(c) "**Class B Shares**" means the Corporation's Class B common variable voting shares;
(d) "**Fiscal 2014**" means the fiscal year of the Corporation ended January 31, 2014;
(e) "**Fiscal 2015**" means the fiscal year of the Corporation ended January 31, 2015;
(f) "**Secured Debentures**" means the $70,000,005 aggregate principal amount of senior secured convertible debentures issued by the Corporation on September 23, 2011 pursuant to a private placement, which, as of October 31, 2014, had an adjusted principal amount of $93,937,247 (inclusive of accrued interest); and
(g) "**Shares**" means the Class A Shares and the Class B Shares.
(h) "**Working Capital**" means current assets less current liabilities excluding current portion of loans and borrowings and operating line of credit.

FORWARD-LOOKING STATEMENTS

Forward-looking information and statements are included in this management's discussion and analysis. Forward-looking information and statements include, but are not limited to, statements concerning possible or assumed future financial and operating results set out in this document, the Corporation's strengths, strategies and priorities and the Corporation's assessment of the economic and business outlook for the Corporation and the Corporation's industry. Generally, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "could", "should", "would", "expect", "believe", "plan", "estimate", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. More particularly, and without limitation, this MD&A contains forward-looking statements relating to: the seasonality of the Corporation's business; its business development; the impact of current economic conditions on the results of its operations and/or financial condition; management's outlook for the future; management's ability to reduce costs and/or contain them at their existing levels; management's ability to continue to manage working capital effectively; the impact of weather conditions on the results of the Corporation's operations and/or financial condition; its ability to utilize planned and/or existing fleet capacity; its ability to continue to meet its debt covenants and other terms and conditions of its credit agreements; and plans and/or requirements to make new capital investments.

All forward-looking information and statements presented in this document are based on reasonable assumptions, estimates and analysis that take into account management's experience and perception of trends and interpretation of external factors, such as economic conditions. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. Readers are cautioned not to place undue reliance on these forward-looking statements as a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: the Corporation's ability to secure operating contracts; the strength of the Canadian economy in general and the strength of the local economies within Canada in which the Corporation conducts operations; the effects of changes in interest rates; the effects of competition in the markets in which the Corporation operates; inflation; capital market fluctuations, including the availability of equity and/or debt capital to the Corporation; the impact of changes in the laws and regulations regulating aviation services; changes in tax laws; technological changes; unexpected judicial or regulatory proceedings and decisions; weather conditions in the geographical regions in which the Corporation operates; and the Corporation's anticipation of and success in managing the risks implied by the foregoing.

The foregoing list of important factors is not exhaustive. When relying on forward-looking information and statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events.

Additional information relating to the Corporation, including the Corporation's Annual Information Form which contains a further discussion of risk factors, can be found on SEDAR at www.sedar.com.

Dated: December 8, 2014