DISTINCT INFRASTRUCTURE GROUP INC.

MANAGEMENT

DISCUSSION AND ANALYSIS

FOR THE THREE MONTH ENDED AUGUST 31, 2015

Dated OCTOBER 27, 2015

Disclosure Regarding Forward-Looking Statements

This Management's Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets.

MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE MONTHS ENDED AUGUST 31, 2015

Notice to Reader

Management has compiled the unaudited interim financial statements of Distinct Infrastructure Group Inc., ("DIG" or the "Company") consisting of the Condensed Consolidated Interim Statement of Financial Position as at August 311, 2015 and the Condensed Consolidated Interim Statements of Comprehensive Income, Condensed Consolidated Interim Changes in Equity, and Condensed Consolidated Interim Cash Flows for the period ended August 31, 2015. All amounts are stated in Canadian Dollars unless specified.

The following Management Discussion and Analysis ("MD&A") of Distinct Infrastructure Group Inc. financial condition and results of operations, prepared as of August 31, 2015, should be read in conjunction with the Consolidated Audited Financial Statements of the Company for the period ended November 30, 2014 which are incorporated by reference herein and form an integral part of this MD&A.

Our MD&A is intended to enable readers to gain an understanding of the Company's current results and financial position. To do so, we provide information and analysis comparing the results of operations and financial position for the current period to those of the preceding year. We also provide analysis and commentary that we believe is required to assess the Company's future prospects. Accordingly, certain sections of this report contain forward-looking statements that are based on current plans and expectations. These forward-looking statements are affected by risks and uncertainties that are discussed in this document and that could have a material impact on future prospects. Readers are cautioned that actual results could vary.

Cautions Regarding Forward-Looking Statements

This MD&A contains certain forward-looking statements, which reflect management's expectations regarding the Company's results of operations, performance, growth, and business prospects and opportunities.

Statements about the Company's future plans and intentions, results, levels of activity, performance, goals or achievements or other future events constitute forward-looking statements. Wherever possible, words such as "May," "will," "should," "could," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," or "potential" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including: general economic and market segment conditions, competitor activity, product capability and acceptance, international risk and currency exchange rates and technology changes. More detailed assessment of the risks that could cause actual results to materially differ than current expectations is contained in the "Quantitative and Qualitative Disclosures of Market Risk" section of this MD&A. Unless otherwise indicated, all references to **"Dollar"** or the use of the symbol "$" are to the Canadian Dollar in this Management's Discussion and Analysis (the **"MD&A").**

The preparation of the financial statements are in conformity with International Financial Reporting Standards **("IFRS")** and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the financial statements and reporting amounts. Distinct Infrastructure Group Inc. bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from those estimates.

OVERVIEW OF DISTINCT INFRASTRUCTURE GROUP INC.

Distinct Infrastructure Group Inc. is a design, engineering, construction and maintenance Company. The Company was founded in Ontario in April 2007 and is publicly traded on the Toronto Stock Exchange ("TSXV") as of August 24, 2015. The Company's principal address and registered records of office is located at 77 Belfield Road, Suite 102, Toronto, Ontario, M9W 1G6, with operational offices in Calgary and Fort Saskatchewan, Alberta. The Group is primarily focused on Infrastructure opportunities in the Telecommunications, Utility and Hydro, in Ontario and in Western Canada. Management plans to grow its operations organically as well as acquire complementary and value added organizations to enhance the portfolio of services it offers it's clients. We believe that the existing Ontario and Alberta economic landscape of opportunity and the Government's financial commitment to maintaining and improving existing infrastructure, including aggressive plans to construct new infrastructure over the next 20 years, provides the company with significant growth opportunities.

QE2 Acquisition Corp.

On August 13, 2015, QE2 completed the acquisition of DISTINCTtech Inc. ("DISTINCTtech") by way of a three corner amalgamation (the "Amalgamation") among the Company, a wholly-owned subsidiary ("Subco") of QE2. The Amalgamation agreement was entered into among QE2, DISTINCTtech and Subco on June 29, 2015 (the "Agreement"). Upon the Amalgamation, which occurred on August 13, 2015, the

Company acquired all of the securities of DISTINCTtech in exchange for the issuance of 217,218,927 QE2 common shares at a deemed value of $0.10 per common share and 27,782,823 common share purchase warrants in the capital of the Company for each DISTINCTtech common share and common share purchase warrant for aggregate consideration of $21,721,893. The result of this transaction is a reverse take-over of QE2 by DISTINCTtech. Concurrent with this transaction, the Company changed its name to Distinct Infrastructure Group Inc. ("DIG"). On August 21, 2015, its listing symbol on the TSXV was changed to "DUG".

The transaction has been treated as a reverse takeover for accounting purpose as per IFRS.
Distinct acquired as part of the reverse takeover of QE2, both of QE2's operating subsidiaries Pillar and Candesto.

Pillar: Street Lights and Traffic Lights

The Company provides utility services which include streetlight services, painting, electrical services and traffic control. These activities are conducted from the Fort Saskatchewan, Alberta office which operates as Pillar Contracting Ltd. ("Pillar" or "Pillar Contracting"). Pillar has provided services to customers, including major utility companies and municipalities in Alberta and Saskatchewan since 1997.

Candesto: Highway Signage & Guardrail Installation Services

The Company's highway signage & guardrail installation services division, Candesto Enterprises Ltd. ("Candesto" or "Candesto Enterprises"), provides assembly and installation to specification for highway signage, guardrail and miscellaneous fencing with its services primarily engaged in the new construction of roads and highways. Candesto acquired the key assets, including the existing and forward order book, of Candesto Enterprises Inc. which operated for over 20 years. Candesto strategically concentrates its activities in southern Alberta, with the bulk of its customers acting as the project general contractor, working for one of the four levels of government.

iVac Services Inc.: Hydro Excavation Services

A Distincttech subsidiary since its launch in 2014 and operating from the centre of the GTA, iVac Services provides hydro excavation services both internally to the Company and to independent infrastructure contractors throughout Southern Ontario. Using the latest equipment, a highly trained and motivated workforce; iVac Services Inc. currently operates a fleet of nine late model specially designed vehicles and generates an annualized revenue of $2.5M. Specializing in afterhours work at premium rates. iVac is expected to show strong growth in its revenues next year.

HIGHLIGHTS FOR THE QUARTER ENDING AUGUST 31, 2015

Selected Financial Statement

Nine months period ended	August 31, 2015	August 31, 2014
INCOME STATEMENT		
Revenues	$23,399,392	$18,202,284
Income and comprehensive Income	$1,337,392	$1,434,797
Earnings per share – basic	$0.0076	$0.0095
Earnings per share – diluted	$0.0046	$0.0095
EBITDA	$3,643,256	$2,709,626
TOTAL ASSETS	$33,392,514	$17,231,529
Working Capital	$7,527,964	$1,815,675
STATEMENTS OF CASH FLOWS		
Cash from operations	($3,902,590)	($3,328,275)

Revenue and Direct Cost Analysis

Particulars	Quarter ended August 31, 2015	Quarter ended August 31, 2014	Nine Months ended August 31, 2015	Nine Months ended August 31, 2014
Revenue	$8,727,311	$6,667,846	$23,399,392	$18,202,284
Direct Costs	$5,781,330	$4,687,033	$15,904,299	$13,000,748
Gross Margin	$2,945,981	$1,980,813	$7,495,093	$5,201,536
Gross Margin %	34%	30%	32%	29%

Revenue

Revenue for the quarter ended August 31, 2015 increased to $ 8,727,311 versus $ 6,667,846 for the same period in 2014. The 31% increase in sales was due to the following major contributing factors:

(a) Increased construction contracts with two of the Company's largest customers. The Company performed in line with management's expectations within the telecommunication infrastructure business. This was partially offset by the slowdown created by the Pan Am Games in Toronto, which resulted in reduced volume over a period of four to eight weeks.

(b) Start - up revenues from the iVAC business segment. This business started in quarter four of 2014 and continues to perform as expected and in line with management's plans for the unit.

(c) The inclusion of only two weeks' worth of revenue for the two QE2 business units: Pillar and Candesto.

Direct Costs

Direct Costs for the quarter ending August 31, 2015 increased by $ 1,094,297 or 23% over the same period in 2014. The increase is a direct correlation to the increased revenues in the same period. The Company's direct costs are made up of materials, labour, and overheads. Overheads are based on management judgement of the time and other costs that relates to projects. These costs were in line with management expectations.

Operating Expenses

Operating costs consist of the following major expense sub categories: selling, general & administrative expenses, travel and promotion, legal and accounting, office and general expenses, rent and maintenance, salaries and related costs, interest on borrowed funds and amortization of equipment.

Particulars	**Nine Months ending August 31, 2015**	**Nine Months ending August 31, 2014**
Salaries and Wages	1,335,908	1,007,376
Professional Fees	337,020	230,526
Advertising and Promotions	464,946	277,712
Computer and IT	176,350	62,910
Occupancy Costs	73,526	102,530
Office Expense	123,241	113,561
Insurance	54,293	51,504
Travel	81,906	64,928
Corporate Costs	668,654	-
Other Expenses	147,898	231,520
Depreciation and Amortisation	906,520	427,475
Interest on Capital Leases and other finance costs	400,364	295,224
Loan Interest	234,397	82,248

Salaries and Wages

Staff includes: operations center, finance, HR, IT, customer service, and corporate administrative staff. Salaries for the nine months ended August 31, 2015 were $ 1,335,908 which increased by 33% compared to the same period in 2014. This was due mostly to increased workload from existing customers. The Company will continue to ramp up staffing to align with increased work load as required.

Professional Fees

Professional fees increased by $ 106,494 or 46%. The Company engaged consultants that provided services in finance, marketing, resource management and business development and information technology. Also, in 2014 DIG did not consolidate the operations of the just acquired QE2 Acquisitions Corp. These services were all provided to enable the Company to meet critical targets in the year to date.

Advertising and Promotions

This category of costs increased to $464,946 over the same period last year of $ 277,712 an increase of $187,234. The increase was driven by the need for the Company to promote its existing and new service offerings. The Company will continue to spend prudently on this category to ensure relationships and partnerships are acquired and appropriately managed.

Computer and IT

Computer expense and IT costs increased dramatically in the period ended Aug 31, 2015. Costs increased by $113,440 or 180% over the same period in 2014. The significant investment in this area was to automate the processes of the Company's various departments. This has already started to bring benefits of increase efficiencies and reducing processing times for invoicing and collections, purchasing and operations. The Company has implemented a new ERP system in Q4, at it's main business unit and will roll it out through the remaining units in late 2015 and early 2016.

Occupancy Costs

Occupancy costs were reduced by 28% to $73,526 for the period ending August 31, 2015. The Company was given three months free rent for2015 with the signing of the new lease.

Office Expenses

Office expenses marginally increased by $ 9,680 to $ 123,241. This increase was mainly attributable to increased purchases of stationery for office use, and is tied to increased staffing.

Insurance

Insurance expense also increase marginally to $54,293 when compared to the same period in 2014. The increase was due mainly to increase in number of vehicles in the fleet.

Travel Expenses

Travel expenditures increased by $16,979 to $81,906 for the period ending August 31, 2015 when compared to the same period in 2014. This increase was due to travelling costs in acquiring, meeting new customers and early stage business development initiatives in Western Canada

Corporate Costs

The category of corporate costs is new, as it is mostly related to the activities in getting the Company listed on the TSX Venture Exchange. The costs are mainly comprised of listing fees, legal fees, registration and commissions. The cost as at August 31, 2015 was $668,654 (nil-2014). The majority of these costs are one - time costs related to the financing, name change and Reverse Takeover (RTO) completion.

Other Expenses

Other expenses were reduced by $83,622 to $147,898 as at August 31, 2015 from $231,520 on August 31, 2014. These costs consist mainly of charitable contributions to approved charity organizations, and additional miscellaneous costs.

Amortization of property, plant and equipment

Amortization of property and equipment for the nine months ended August 31, 2015 increased by $479,046 to $ 906,520 due to additional leased capital assets in particular the increased number of hydrovacs. The Company plans on adding to its fleet of equipment and vehicles as the Company continues to grow.

Interest on capital leases and other finance costs

These expenses increased by $105,140 for the nine months ended August 31, 2015 to $400,364. This increase was for interest paid on Capital leases and finance costs for operating lease agreements and factoring. This line item will continue to grow as the company continues to add new equipment to meet growth targets.

Loan Interest

Loan interest increased to $234,397, from $82,248 over the previous corresponding period. This increase was due to the Company drawing down on the Company’s revolving loan facility and the associated interest costs for this financing.

Quarterly Results

	Three month ended August 31, 2015	Three month ended May 31, 2015	Three month ended February 28, 2015	Three month ended November 30, 2014
INCOME STATEMENT	**$**	**$**	**$**	**$**
Revenues	8,727,311	8,507,528	6,164,553	4,985,211
Expenses	7,565,160	7,523,048	5,574,265	4,557,962
Earnings and comprehensive earnings	527,587	603,887	205,918	173,523
Earnings per share – basic	**0.0025**	**0.0036**	**0.0014**	**0.0011**

	Three month ended August 31, 2014	Three month ended May 31, 2014	Three month ended February 28, 2014	Three months ended November 30, 2013
INCOME STATEMENT	**$**	**$**	**$**	**$**
Revenues	6,667,846	6,549,228	4,985,211	6,457,392
Expenses	5,763,865	5,589,906	4,557,962	5,289,848
Earnings and comprehensive earnings	680,326	580,948	173,523	919,914
Earnings per share – basic	0.0045	0.0038	0.0011	0.0061

RESULTS OF OPERATIONS

The Company continues to perform in line with management's expectations. The Company reported net income for the quarter ending August 31, 2015 was $527,587 as compared to $603,887 for the quarter ending May 31, 2015 and $680,326 for the quarter ending August 31, 2014. The reduction in net income was as a result of one - time expenses of $618,021 for legal fees, commissions, corporate filing fees and listing fees; all connected with the Company's preparation for being listed on the Toronto Stock Exchange.

Revenues for the quarter ending August 31, 2015 were $8,727,311 as compared to $6,667,846 for the same period in 2014. The growth is attributable to organic growth and a small portion to the ten business days of QE2 (Aug 15-Aug 31) included in this quarter's results. Organic growth accounted for the majority of this increase as the Company acquired additional projects and continues to increase its book of business with its key customers in the telecommunications sector. The Company's management is working hard

in order to continue this level of organic growth into the future.
Operating Expenses for the quarter ending August 31, 2015 were $7,565,160 as compared to $5,763,865 for the same period in 2014. This increase was due to increased costs associated with sales volume growth and one-time costs associated with the Company's, financing, re-branding and reverse take-over/listing on the TSX Venture Exchange. Also interest expenses on a revolving loan contributed to the increase. During the year the Company added capital lease assets which depreciated over the year and added $487,445 in additional costs. Operating costs fell in line with management expectations for the period given the nature of the business and taking into account the expected one time items.

Liquidity and Capital Resources

As at August 31, 2015, the Company had cash and cash equivalents of $ 110,834 compared to $ 30,923 at August 31, 2014. Trade receivable of $14,822,647 were outstanding at August 31, 2015 compared to $ 9,337,960 as at August 31, 2014, due mainly to increased volumes of work the Company carried out during the period. Total current assets amounted to $24,088,014 (August 31, 2014 - $ 13,707,677) with current liabilities of $ 16,560,049 (August 31, 2014 - $ 11,892,002) resulting in working capital balance of $ 7,527,964 (August 31, 2014 – $ 1,815,675).

The Company has a revolving loan with a Canadian chartered bank for a maximum availability of $7,500,000. As at August 31, 2015 the balance of the loan was $6,758,779 (August 31, 2014 – $7,080,350). The bank loan is due on demand, bears interest at the Bank's prime lending rate plus 2% per annum and is secured by a general security agreement, an assignment of insurance and guarantee postponement of claim in the amount of $750,000 each by two directors of the Company.

Long-term Debt

The Company acquired debt with the acquisition of QE2 Acquisition Corp. ("QE2") on August 13, 2015. A Term Loan with Roynat in an aggregate amount of $1,100,000 to support an acquisition by QE2. As at August 31, 2015, the principal balance outstanding was $717,949. The loan bears interest at 6.47% per annum and has a term of five years maturing on April 25, 2019. Principal and interest payments are required monthly on the 15th of each month. The loan is secured by all assets of Candesto, a subsidiary of QE2.

The Company has the option to pre-pay any or all of the loan at any time with penalties ranging from 3%-6% of the principal repaid or 3-6 months interest at the prevailing rate at time of pre-payment on the principal repaid. Debt issuance costs associated with the transaction were initially capitalized and are amortized to net income over the life of the loan.

The Company's subsidiary was not in compliance with the financial covenants at August 31, 2015. As a result, the balance of the loan has been classified as a current liability. Management is working to rectify the default and is in discussions with Roynat to come to an acceptable proposal. The loan continues to be paid under the original repayment schedule, and no request for repayment has been made by the lender.

Convertible Debentures

The semi-annual interest payment on the convertible debentures due June 30, 2015 totalling $77,880 has been recorded in accounts payable and accrued liabilities. The bondholders agreed to convert the interest due into common shares at a fair value of $0.15 per share which occurred on July 22, 2015. A total of 519,200 common shares were issued.

On August 11, 2015, pursuant to a Supplemental Indenture, the debenture holders agreed to reduce the interest rate from on the original convertible debentures from 12% to 8% per annum and extend the maturity date from October 20, 2016 to October 20, 2018. Concurrently, debentures totaling $319,000, were converted into 2,126,667 common shares at an exchange price of $0.15 per share.

Notes Payable - Vendor Take Back

As part of the consideration paid for the Candesto Asset Acquisition, QE2 entered into a Loan Agreement wherein the vendor received a Vendor Take Back Promissory Note (“VTBP Note”) in the amount of $850,000. The VTBP Note was originally payable in two equal installments of on April 24, 2015 and 2016. On February 25, 2015, the Vendor and QE2 entered into an Amending Agreement, deferring the installments due April 24, 2015 and 2016 to August 13, 2017 and 2018. The Amending Agreement was subject to certain conditions relating to the successful completion of the RTO with Distinct (Note 15). These conditions have been satisfied as at August 31, 2015 and the entire amount of the VTBP Note has been recorded as long term liability. The VTBP Note is interest bearing at ATB’s Prime lending rate plus 2%. The VTB Note was initially recognized at a fair value of $752,923 using a market interest rate of 14%. Subsequent to initial recognition, the VTBP Note is amortized using the effective interest rate method. The VTBP Note is secured by a general security agreement covering property and equipment that was acquired in the Asset Acquisition having a net book value of $921,125. Under the terms of the Loan Agreement, the Company is entitled to defer the annual principal payments if a certain normalized net profit threshold (the “Profit Threshold”) is not attained by the subsidiary Candesto. If the Profit threshold is not attained by the first anniversary date, 50% of that required payment is deferred to the second anniversary date. If the Profit Threshold is not attained on the second anniversary date, 50% of that required payment is deferred for an additional twenty-four months. Accrued interest at August 31, 2015 is $42,500 which is recorded in notes payable.

Operating Credit Agreements

The Company’s subsidiary QE2 currently has Credit Agreements in place for each of Pillar and Candesto. The Pillar agreement was entered into on October 13, 2013 for a maximum of $500,000 or 75% of Good Receivables and bears interest at ATB prime plus two percent. The Candesto agreement was entered into on March 28, 2014 for a maximum of $750,000 or the sum of 75% of Good Receivables plus Inventory (maximum inventory allowance of $150,000) and bears interest at ATB prime plus two percent.

BALANCE SHEET VARIATIONS

Current Assets

Current Assets which includes cash, trade receivables, work in progress, and prepaid expenses increased by $ 10,380,337 for the nine months ending August 31, 2015 as compared to the same period in 2014. The increase is due primarily to increases in trade receivables and work in progress and is due to increase business activities and recent acquisition of QE2.

Non-Current Assets

Non-Current Assets which includes Property, Plant and Equipment, Intangibles and Assets under capital lease increased by $5,780,648 from the end of the same prior in 2014. The increase is primarily due to additional leased equipment and vehicles. Also, goodwill on the acquisition of DC connections and QE2 of $15,295 and $1,446,277 respectively.

The Company continues to make investments in equipment and vehicles as the business continues to grow.

Current Liabilities

Current liabilities which includes accounts payable and accrued liabilities, notes payable and obligations under finance leases, income tax payables and bank indebtedness; increased by $4,668,047 from the end of the same period of the prior year due primarily to increased obligations under capital lease and notes payable. The notes payable was from the acquisition of QE2.

Non-Current Liabilities

Non-Current Liabilities which includes long term notes payable, and obligations under finance leases. Non-current liabilities increased by $3,740,458 from the end of the same period in 2014. The increase is due primarily to acquisition of equipment under capital leases and increases to long term debt from the acquisition of QE2.

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

TRANSACTIONS WITH RELATED PARTIES

Due from Related Party

ABL Professional Management Services Inc. (“ABL”) is a separate legal entity that provides engineering services and managed by the common shareholders that control the Company. Transactions between the parties are incurred in the normal course of business and are measured at the exchange amount, which is the consideration established and agreed to by the respective parties. During the period, the Company has recorded services on a pass through basis of $326,157 to their related party (2014: $101,721). As at August 31, 2015, $1,563,341 (2014: $1,538,372) remains receivable. The common shareholders have provided personal guarantees for up to $2M and ABL will repay amounts outstanding within 24 months. The loan bears interest at 5% per annum and is secured.

Due from Shareholders

The Company has a receivable outstanding from Shareholders (Senior Management and majority shareholders) of $215,684 (2014: $192,067), this receivable will be repaid over the next twenty four months, is personally guaranteed by the shareholders and bears interest at 5% per annum effective November 1, 2015. There will be no additional advances to shareholders.

Other Related Party Transactions

The Company pays its Senior Management and majority shareholders by way of a management services agreement(s) with companies controlled by these individuals. Payments totalling $462,322 was paid for the period ending August 31, 2015 (2014-$nil). In prior periods management had been compensated through other methods.

The Company pays its Other Senior Management (outside the control group) by way of management services agreement(s) with companies controlled by these individuals. Payments totalling $210,428 was paid for the period ending August 31, 2015 (2014-nil).

SUBSEQUENT EVENTS

The Company on October 2, 2015 announced that Mr. David O’Brien was elected the Chairman of the Board of Directors. Mr. O’Brien is retired as president and Chief Executive Officer of Toronto Hydro Corporation where he served between 2004-2009. Prior to joining Toronto Hydro Corporation, Mr. O’Brien was on a six month secondment with the Ontario’s Ministry of energy from the city of Mississauga, where he initially joined as Associate Deputy Minister of Energy and was subsequently appointed Deputy Minister. Mr. O’Brien began his career 40 years ago in the city of Sudbury where he rose to the position of City Manager. Since then he has held the position of City Manager for the Region of Ottawa Carleton, City of Gloucester, the City of Ottawa, and most recently the City of Mississauga between 1995-2004. Mr. O’Brien worked with KPMG from 2012-2014 as the Global Head of the Cities Centre of Excellence. Mr. O’Brien has also served as President and Chief Executive Officer of Enersource Corporation, the parent company of the Board of Directors of Enersource Corporation and Chair of the Development Committee.

The Company also announced that it has granted an aggregate of 7,650,000 stock options to the Directors, Officers and employees. Each option is exercisable at $0.20 per common share at any time until September 28, 2020.

Critical Accounting Estimates

The Company's financial statements are impacted by the accounting policies used, and the estimates and assumptions made, by management during their preparation. The Company's accounting policies are described within the financial statements. The accounting estimates considered to be significant to the Company include the computations of agents' warrants value, charitable stock option and stock-based compensation expense and recovery of future income tax assets.

Changes in Accounting Policies

The Company made no significant changes to its accounting policies in 2015. For 2015 3rd Quarter as mandated by the new accounting standards, International Financial Reporting Standards (IFRS), the Company has prepared the 2015 3rd Quarter Financial Statements as per IFRS with prior year comparison.

Financial Instruments and Other Instruments

The Company is not a party to any financial instruments and other instruments as defined in item 1.14 of National Instrument 51-102F1 — Management's Discussion and Analysis.

Fair Values

The estimated fair value of cash, accounts receivable, work in progress, borrowings and finance leases approximates their carrying values due to the relatively short-term nature of the instruments. The fair value of accounts payables and accrued liabilities approximates their fair values due to the requirement to extinguish the liabilities on demand.

Financial Risk Management Objectives and Policies

The financial risk arising from the Group's operations are currency risk, credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Group's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Credit Risk

Credit risk is managed on Group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalent and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

Liquidity Risk

The Group manages its liquidity risk by preparing and monitoring forecasts of cash expenditures to ensure that it will have sufficient liquidity to meet liabilities when due. The Group's accounts payable and accrued liabilities generally have maturities of less than 90 days. At August 31, 2015, the Company had cash of $110,834 to settle current liabilities of $16,560,049. The Company has trade accounts receivable of $14,822,647 which are due and payable by customers which will help in meeting the obligations of the Company.

Undiscounted cash flows of financial liabilities based on maturity date are as follows:

	1 year	2 to 5 years	>5 years	Total
Accounts payable and accrued liabilities	5,827,916	-	-	5,827,916
Borrowings	7,807,968	1,035,205	-	8,843,173
Obligations under finance lease	1,367,787	3,384,061	-	4,751,848

Fair Value Hierarchy

The following summarizes the methods and assumptions used in estimating the fair value of the Group's financial instruments where measurement is required. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in IFRS.

Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level two includes inputs that are observable other than quoted prices included in level one.

Level three includes inputs that are not based on observable market data.

All of the Group's cash is a level one as per the fair value hierarchy included in IFRS.

CAPITAL MANAGEMENT

The Company's primary objectives when managing capital are to continue the development of the business and support new growth initiatives. The Board of Directors does not establish quantitative capital criteria for management, but rather relies on the expertise of the Group's management to sustain future development of the business, and continued growth.

The Group includes equity, comprised of issued capital stock, warrants and conversion rights; and deficit, in the definition of capital. The Group is dependent on internal and well as external financing to fund its activities. In order to carry out planned business activities and pay for administrative costs, the Group will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Group, is reasonable.

Capital Structure

During the prior fiscal year (2014) the Company had two shareholders and 150 shares outstanding with a common share value of $3.

On April 2, 2015, DISTINCTtech Inc. amalgamated with two Ontario numbered holding companies (2210291 Ontario Ltd & 2210296 Ontario Ltd) owned at that time by the sole shareholders of DISTINCTtech for tax planning purposes. The 150 common shares of DISTINCTtech along with all the shares of the numbered companies were returned to treasury for cancellation and 151,000,000 common shares were issued as replacement to the existing shareholders.

On April 27, 2015, the Company closed its first round brokered private placement, issuing 30,682,705 units at $0.10 per unit for gross proceeds of $3,068,270.50. Each Unit consists of one common share and one-half common share warrant.

On May 4, 2015, the Company closed its second round of its brokered private placement, issuing 10,590,000 units at $0.10 per unit for gross proceeds of $1,059,000. Each Unit consists of one common shares and one-half common share warrant.

On June 1, 20015, the Company closed its third round of its brokered private placement, issuing 14,292,940 units at $0.10 per unit for gross proceeds of $1,429,294. Each Unit consists of one common shares and one-half common share warrant.

The brokered private placement was led by Mackie Research Capital Corporation, and the agreement provided for a 6% cash commission and an 8% commission in the form of broker options.

The Company Share Capital Consists of the Below Common Shares

DISTINCTtech Inc. ("DIG") Shares Outstanding	151,000,000
DIG Shares Issued Pursuant to pre-RTO Financing	55,565,645
DIG Shares Outstanding Prior to RTO	206,565,645
QE2 Acquisition Corp. ("QE2") Shares Outstanding	28,812,766
Debt Conversions	4,006,933
QE2 Shares Issued Pursuant to pre-RTO Financing	5,225,000
QE2 Shares Outstanding Prior to RTO	38,044,699
Distinct Infrastructure Group (Resulting Issuer) Basic Shares Outstanding	244,610,344

OTHER MD&A REQUIREMENTS

As defined in National Instrument 52-109 — Certification of Disclosure in issuers' Annual and Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

The Company has evaluated the effectiveness of its disclosure controls and procedures, as defined, and has concluded that they were effective as of the end of the period covered by this MD&A as well as of the date of this MD&A. The Corporation has evaluated its internal controls and financial reporting procedures and have found them to be effective with the objective of reporting the Corporation's financial transactions.