The following Management's Discussion and Analysis ("MD&A") of iFabric Corp. and its subsidiaries ("iFabric" or the "Company") is based upon and should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the years ended September 30, 2015 and the comparative year ended September 30, 2014. The audited consolidated financial statements and accompanying notes were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") using the accounting policies described therein. This MD&A is dated December 23, 2015.

All references to dollars or "$" are to Canadian dollars, the Company's functional and presentation currency, unless otherwise noted. In the discussion that follows, "2015" refers to the annual fiscal period ended September 30, 2015, "2014" refers to the annual fiscal period ended September 30, 2014, "2013" refers to the annual fiscal period ended September 30, 2013, "Q1" refers to the period of October 1 to December 31, "Q2" refers to the period of January 1 to March 31, "Q3" refers to the period of April 1 to June 30, and "Q4" refers to the period of July 1 to September 30.

Certain comparative figures in this MD&A have been reclassified to conform to the presentation used in the Company's most recent audited consolidated financial statements. For more information, please see note 25 of the 2015 audited consolidated financial statements.

FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results that "may", "could", "would", "might" or "will" be taken, to occur or to be achieved. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable at the date that such statements are made. Forward-looking information involve known and unknown risks, uncertainties, assumptions and other factors that may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, but are not limited to, the factors discussed in the section entitled "Risk Factors". Although the Company has attempted to identify important factors that could cause actions, events or results to differ materially from those described in the forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is reflected as at the date of the MD&A. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on the forward-looking information. The Company does not undertake to update any forward-looking information except as required by applicable securities laws.

BUSINESS OVERVIEW

General

iFabric is a Canadian public company, incorporated under the Alberta Business Corporations Act and is domiciled in Canada. The Company is listed on the Toronto Stock Exchange ("TSX") under the trading symbol "IFA". The head office is located at 525 Denison Street, Unit 1, Markham, Ontario, Canada.

The Company's business activities are divided into three reportable operating segments, which offer different products and services, and are managed separately because they require different marketing strategies and resource allocations. The following summarizes the operations of each segment:

- Intimate Apparel: Includes the design and distribution of women's intimate apparel, sleepwear and accessories.
- Intelligent Fabrics: Includes the development and distribution of innovative products and treatments that are suitable for application to textiles, plastics, liquids, and hard surfaces. These products are designed to provide added benefits to the user.
- Other: Includes leasing of property to group companies, related parties and third parties.

NATURE OF OPERATIONS

Intimate Apparel

The Intimate Apparel division commenced operations in 1992 and currently operates under the trade name Coconut Grove Intimates. Its business comprises the design, purchasing, and distribution of intimate apparel and, in particular, a range of specialty bras including the division's patented backless, strapless underwire bra. The division also distributes a range of apparel accessories as well as sleepwear.

Initially, all products were manufactured and distributed from manufacturing facilities situated in Ontario, Canada. However, in 2005, management took a decision to wind down the Canadian manufacturing operations in favour of outsourcing manufacture to major mills located in China. The benefits of this decision were twofold:

- Lower and stable direct product costs resulting in improved margins.
- Significant savings in overheads especially in lower sales month's resultant from the seasonal nature of the apparel industry.

As a further consequence of this decision, manufacturing space in Company owned premises located in Markham, Ontario were converted to warehouse and office space and currently serves as the Company's head office as well as the product distribution centre for the Canadian market. Surplus space in its Canadian facility has been rented to third party tenants, which has reduced the carrying cost of this facility.

The division has continued to deploy the approach of outsourcing production of its products to China, where currently over 95% of its inventory production takes place.

The division utilizes contract warehouse facilities located in Los Angeles, California and Manchester, England in order to service its key US and European markets and, Company-owned premises located in Markham, Ontario serve as the distribution centre for the Canadian market. Premises rented in Manhattan, New York, houses the division's sales team and, additionally, includes showroom space for the purpose of hosting marketing appointments with major retail buyers in the United States.

In the past several years, the Company has repositioned the division's product strategy by way of leveraging a number of key license agreements in order to sell products under some of the most recognized brands in the intimate apparel industry, including Maidenform®, Splendid®, and Ella Moss®. In addition, the division develops and supplies products for sale under the private label brands of certain major retailers as well as the Company's own brand.

Products are sold internationally to the division's customer base which includes a number of major retailers as well as specialty boutiques. Major retail customers include Wal-Mart (Canada), Sears (Canada), Debenhams, Kohl's, Hanes Brands, Bloomingdales, Marks & Spencer, Nordstrom, Maidenform, La Vie En Rose, House of Fraser, Boux Avenue and Amazon.com.

Intelligent Fabrics

A second strategic division commenced operations in 2010, when the Company obtained exclusive North American distribution rights for a new generation of textile treatment technologies, which have the ability to kill bacteria, repel insects, and help encourage a healthy skin environment, amongst others. Management anticipates that the intelligent fabrics division will be the main driving force of the Company's future growth and expansion.

On December 6, 2013, the Company secured global distribution and marketing rights in respect of antimicrobial, antiviral and other textiles technologies with the additional right to distribute such technologies under the Company's own brands.

The Intelligent Fabrics business segment has two key supply centers in Asia (China and Taiwan), that service the Asian market, which represent the main production region for goods supplied to North America and is accordingly the Company's main market area for the distribution of products. In addition, technical support specialists in Asia provide guidance and support to customers regarding the integration of the Company's chemical formulations into their products.

Development, testing and regulatory activities are primarily funded with income earned from both the Intelligent Fabrics division and the Intimate Apparel division. Additional funding, when required, is sourced from additional equity and/or debt.

The Intelligent Fabrics division currently focuses its regulatory, product development, and marketing efforts on three key technologies, namely:

1. Protx2® Anti-Microbial Technologies

Protx2® formulations impart anti-microbial and/or anti-viral powers to fibers, plastic, paint and paper treated with these formulations. Numerous laboratory tests have shown that treated products inhibit the growth of a wide variety of infectious agents associated with Healthcare-Associated Infections ("HAI"), including MRSA, C-Difficile, VRE, and H1N1, and by their application may assist in preventing the spread of such infections.

The company is currently targeting two key markets with regard to the distribution of Protx2®:

a) Sports apparel, outerwear and footwear

There is an increasing trend amongst major sports apparel, outerwear and footwear manufactures to offer technologically-enhanced products. With the ability of Protx2® to combat odour-causing bacteria, the Company is able to provide manufacturers with the ability to produce apparel and footwear that stays fresher longer without the need for repeated washing or cleaning. Innovative application methodology developed by the Company over a number of years allows for Protx2® to be integrated into almost any fabric as well as all the components of footwear including foam, rubber, and plastics. With its current Environmental Protection Agency ("EPA") registrations, the Company is in a position to distribute Protx2® for use in sportswear and footwear sold in the US market.

b) Medical

Protx2® formulations impart anti-microbial and/or anti-viral powers to fibers, plastic, paint and paper treated with these formulations and is suitable for application to many areas of a hospital environment, including, scrubs, bedding, curtaining, carpeting, walls, air filters and numerous plastic components amongst others.

The Protx2® range of products is dedicated to combating hospital acquired bacterial infections, including MRSA, Clostridium Difficile, VRE, Klebsiella Pneumonia, and by their application may greatly assist in reducing such infections. In addition, Protx2® is also a strong antiviral agent effective against, Norovirus and H1N1.

In order to fully enter the medical market for Protx2®, the Company is in process of securing a second and higher level of EPA registrations that will allow it to make applicable claims in connection with the efficacy of Protx2® ("kill claims") for medical use. A testing protocol for this purpose has been negotiated and agreed to by the EPA and the requisite testing in conformity with Good Laboratory Practice ("GLP") Recognition Standards had commenced as at the date hereof. On completed of testing, the reports covering the test results will be submitted to the EPA for review and their approval to include the appropriate kill claims in future product labeling.

2. Dreamskin®

Dreamskin® textile technology helps encourage a healthy skin environment.

Dreamskin® is effective during both summer and winter months as high and low moisture environments both offer discomfort and irritation. In particular, athletic apparel has two key areas that can cause skin irritation, namely friction and excessive moisture. Dreamskin® targets both of these to help prevent irritation. Dreamskin® became commercially available for sale in Q1 2015.

3. Enguard® Insect Repellent Fabric

Applying Enguard® to fabrics results in a highly effective and durable insect repellent. A major strength of Enguard® is that it is safe for children. Testing carried out by the London School of Hygiene and Tropical Medicine show Enguard® to have repelling power comparable to highconcentration DEET and significantly greater than any other natural insect repellents. Enguard® is anticipated to be commercialized during calendar 2016.

During 2015, the Intelligent Fabrics division expanded its portfolio of products by securing distribution and marketing rights, under the Company's own brands, for the following textile treatments:

UVtx™

Textiles infused with UVtx™ provides apparel with a built in ultraviolet ("UV") light blocker. The UVtx™ formulation contains both UV reflecting and UV absorption elements, giving apparel treated with UVtx™ the ultraviolet protection factor ("UPF") strength of up to UPF 30. This allows the wearer of UVtx™ treated apparel to enjoy permanent sun protection without the need to apply sprays or lotions to the area covered by the garment. Testing has shown that UVtx treated textiles never lose efficacy. As of the date of this MD&A, efficacy and durability testing of UVtx had been completed and it is anticipated that UVtx will be commercialized during the course of calendar 2016.

FreshTx™

FreshTx™ is a state of the art odour-absorbing technology, which is easily infused into textile products. FreshTx™ offers permanent protection against odours without the need to use sprays or perfumes. FreshTx™ uses naturally-occurring elements for effective results that are non-toxic and safe. Extremely durable, once applied, the properties of FreshTx™ are renewed with each wash, and is effective even when wet. As of the date of this MD&A, efficacy and durability testing of FreshTx™ has been completed and it is anticipated that this product will be commercialized during the course of calendar 2016.

DryTx™

DryTx™ moisture-wicking technology provides treated apparel with the ability to quickly draw moisture away from the skin and disperse perspiration across the fabric surface for faster evaporation.

An additional significant attribute of DryTx™ is its ability to be integrated into apparel in combination with the division's other product offerings, resulting in unique garments that provide superior performance characteristics for athletic apparel. As of the date of this MD&A, efficacy and durability testing of DryTx™ had been completed and it is anticipated that this product will be commercialized during the course of calendar 2016.

(In Canadian dollars, except as otherwise noted)

SELECTED ANNUAL INFORMATION

The following table sets forth selected annual consolidated statement of earnings (loss) information and balance sheet data for each of the last five fiscal years.

For the year ended and as at September 30,	**2015**	2014	2013	2012	2011
Income Statement Data					
Revenue	**13,074,848**	13,021,482	8,165,983	6,074,766	5,660,288
Net earnings (loss) attributable to common shareholders	**(109,837)**	542,214	(144,556)	(218,680)	484,231
Net earnings (loss) per common share					
Basic	**(0.004)**	0.021	(0.006)	(0.009)	0.038
Diluted	**(0.004)**	0.020	(0.006)	(0.009)	0.038
Balance Sheet Data					
Total assets	**11,928,359**	11,559,443	9,154,711	8,454,058	8,292,672
Total non-current financial liabilities	**1,408,893**	1,952,287	2,084,741	2,801,891	3,485,694
Cash dividends declared	**-**	-	-	-	-

Three Year Overview

A discussion of the significant factors which have caused variations in the results of operations over the three most recently completed fiscal years is set out below. The selected financial information set out in this MD&A is not exhaustive and should be read in conjunction with the Company's 2015 audited consolidated financial statements and notes thereto.

Revenue

The amount of revenue reported in 2015 increased by a nominal amount, as opposed to an increase of 59% in 2014, and an increase of 34% in 2013, as compared to each of the immediately preceding fiscal years.

Revenue remained relatively unchanged in 2015 in comparison to 2014. However, there are a number of variables, both internal and external, which have contributed to 2015 revenue remaining relatively unchanged from the prior year. The Company's Intimate Apparel operating segment increased its sales in Canada by approximately 26%, but sales in both the United States and United Kingdom decreased, when expressed in their transactional currencies, by approximately 10% in the U.S and 9% in the UK. The majority of the Company's revenues are transacted in foreign currencies. A weakened Canadian dollar vis-à-vis the U.S. dollar and the British pound sterling in 2015 largely offset lower sales in foreign currencies, relative to 2014. During 2015, the Intelligent Fabrics division remained in a bulk trial phase, in terms of integrating its products into production cycles for its client base, and accordingly, revenues in this operating segment represented approximately 5% of the Company's overall consolidated revenues.

In 2014, the 59% increase in revenue was mostly attributable to a full year of sales of the Company's newly introduced intimate apparel programs, which had only begun selling midway through fiscal 2013. During 2014, sales in the Intimate Apparel segment with regard to these new apparel and sleepwear products constituted approximately 38% of overall sales within that operating segment. The increase in revenue in 2014 was also attributed to the commencement of bulk trial programs within the Intelligent Fabrics operating segment.

In 2013, the 34% increase in revenue was almost entirely attributable to the launch of new intimate apparel and sleepwear lines. The Company was successful in negotiating a new license agreement and sales with regard to these licensed products to major retailers had commenced in January 2013.

Net Earnings (Loss)

Net loss attributable to common shareholders of the Company was $109,837 in 2015, compared with net earnings of $542,214 in 2014 and a net loss of $144,556 in 2013. There are a number of variables that contributed to the Company's reduction in net earnings from 2014 to a net loss in 2015. While revenues in 2015 remained relatively consistent overall compared to 2014, there was a reduction in gross profit percentage and gross profit dollars, mainly due to changes in product sales mix and increased clearances of older seasonal goods, at lower margins, during the year in the Company's Intimate Apparel business segment. As discussed above, the relatively unchanged revenues and decreased gross profits were largely offset by a weakened Canadian dollar in 2015 relative to 2014. The reduction in net earnings in 2015 was also the result of increased selling, general and administrative costs in both the Intimate Apparel and Intelligent Fabrics operating segments. Within the Intimate Apparel segment, the Company increased its staffing costs for the purposes of developing and supporting a new line of sleepwear products. In the Intelligent Fabrics segment, the Company increased its travel, regulatory and testing costs to facilitate future growth of existing products, as well as the launch of new products. During 2015, share-based compensation costs increased by $164,677 compared to 2014. The reduced sales transacted in foreign currencies, lower gross profits and increased selling, general and administrative costs have been largely offset by gains on foreign currency translation that the Company recorded with respect to its financial assets and liabilities held in foreign currencies.

In 2014, net earnings attributable to the Company's common shareholders was $542,214 versus a net loss of $144,556 in 2013. The increase in net earnings of $686,770 was largely attributable to an increase in revenue in the Intimate Apparel segment from a full fiscal year of sales of the Company's latest line of intimate apparel and sleepwear, as discussed in the "revenue" section above. In addition, gross profits increased by $2,177,091 to $6,707,580 in 2014 from $4,530,489 in 2013. Gross profit percentage decreased in 2014 to 52% from 55% in 2013, as the newly introduced line of products carried lower margins than the Intimate Apparel segment's existing line of accessories. During 2014, selling, general and administrative costs increased in both Intimate Apparel and Intelligent Fabrics operating segments for the purposes of supporting new and future programs within their respective divisions. The other significant factors that contributed to the increase in net earnings in 2014 were lower share-based compensation costs than in 2013, as well as an impairment loss in the amount of $300,253 recorded in 2013 which was a non-recurring loss.

In 2013, net loss attributable to the Company's commons shareholders decreased by $74,124 to $144,556 from $218,680 in 2012. The decrease in net loss was largely attributable to the introduction of a new line of intimate apparel products, which commenced sales in January 2013. The launch of these new products was the driving force in increasing the Company's total revenues and gross profits from 2012. However, share-based compensation costs of $436,414 and impairment losses of $300,253 in 2013 (nil for both items in 2012), offset much of the improved net loss position in 2013 versus 2012.

Key factors which have caused variations in the Company's financial position over the three most recently completed fiscal years include:

- **Decreases in non-current financial liabilities**

  The Company has reduced its non-current liabilities over the last three financial years, utilizing cash generated from operations and cash raised in a private placement of common shares in fiscal 2014. Specifically, the Company has gradually reduced the principal amount of its long-term bank loan payable and has also repaid a portion of amounts due to related parties of the Company. The effect of these repayments is a strengthening of the Company's debt to equity ratio.

- **Issuance of Capital Stock**

  During fiscal 2014, the Company issued common shares in a private placement for net cash proceeds of $1,430,288. The equity financing was done primarily to facilitate investments in working capital and to finance additional selling, general and administrative costs needed to support future growth.

(In Canadian dollars, except as otherwise noted)

RESULTS OF OPERATIONS

The following table sets forth the Company's consolidated statements of earnings (loss) and comprehensive earnings (loss):

For the year ended September 30,	2015	2014
REVENUE	**13,074,848**	13,021,482
COST OF SALES	**6,604,018**	6,313,902
GROSS PROFIT	**6,470,830**	6,707,580
EXPENSES		
Selling, general and administrative costs	**6,042,353**	5,428,068
Interest on operating line	**16,451**	12,106
Interest on long-term debt	**43,077**	49,512
Amortization of property, plant and equipment	**39,133**	41,877
Amortization of deferred development costs	**161,465**	144,400
	6,302,479	5,675,963
EARNINGS FROM OPERATIONS	**168,351**	1,031,617
OTHER EXPENSES (INCOME)		
Share-based compensation	**493,351**	328,674
Gain on foreign exchange	**(397,243)**	(87,413)
Sundry income	**(9,546)**	(13,152)
	86,562	228,109
EARNINGS BEFORE INCOME TAXES	**81,789**	803,508
PROVISION FOR (RECOVERY OF) INCOME TAXES		
Current	**455,685**	378,832
Deferred	**(266,689)**	(116,472)
	188,996	262,360
NET EARNINGS (LOSS) AND COMPREHENSIVE EARNINGS (LOSS)	**(107,207)**	541,148
NET EARNINGS (LOSS) AND COMPREHENSIVE EARNINGS (LOSS) ATTRIBUTABLE TO:		
iFabric Corp. shareholders	**(109,837)**	542,214
Non-controlling interest	**2,630**	(1,066)
	(107,207)	541,148
EARNINGS (LOSS) PER SHARE		
Basic	**(0.004)**	0.021
Diluted	**(0.004)**	0.020

SELECTED OPERATING SEGMENT DATA

Operating Segments 2015	Intimate Apparel	Intelligent Fabrics	Other Segments	Corporate Items and Eliminations	**Consolidated**
External revenues	12,298,361	679,298	97,189	-	**13,074,848**
Earnings (loss) before income taxes	1,670,582	(1,292,029)	12,881	(309,645)	**81,789**

Operating Segments 2014	Intimate Apparel	Intelligent Fabrics	Other Segments	Corporate Items and Eliminations	**Consolidated**
External revenues	12,076,631	846,645	98,206	-	**13,021,482**
Earnings (loss) before income taxes	1,418,462	(483,884)	735	(131,805)	**803,508**

Revenue

Revenue increased by $53,366 to $13,074,848 in 2015 from $13,021,482 in 2014. With respect to reportable operating segments of the Company, revenue increased by 2% or $221,730 in its Intimate Apparel segment and revenue decreased 20% or $167,347 in its Intelligent Fabrics segment. Geographically, revenue decreased in the United States and United Kingdom, but increased in Canada and other regions.

Revenue remained relatively consistent during 2015 in comparison to 2014. However, there are a number of variables, both internal and external, which have contributed to the results of 2015 revenue remaining relatively unchanged from the prior year. The Company's Intimate Apparel operating segment increased its sales in Canada by approximately 26%, but sales in both the United States and United Kingdom decreased, when expressed in their transactional currencies, by approximately 10% in the U.S and 9% in the UK. The majority of the Company's revenues are generated in U.S. dollars. A weakened Canadian dollar vis-à-vis the U.S. dollar and the British pound sterling in 2015 translated foreign currency revenues into higher amounts when expressed in Canadian dollars, relative to 2014. This foreign exchange impact significantly offset the decrease in foreign currency sales in the Intimate Apparel division. During 2015, the Intelligent Fabrics division remained in a bulk trial phase, in terms of integrating its products into production cycles for its client base, and accordingly, revenues remained a modest portion of the Company's overall consolidated revenues.

Gross profit

Gross profit as a percentage of revenue decreased to 49% in 2015 from 52% in 2014. The decrease in gross profit percentage is mainly due to increased clearances of older seasonal goods, at lower margins, during the year in the Company's Intimate Apparel business segment. Gross profit percentage also decreased in 2015 from 2014 due to the sales mix of products in the Intimate Apparel segment, including a higher proportion of seasonal intimate apparel and sleepwear, which typically carry lower margins than accessories. Gross profit percentage was also lower in 2015 than in 2014 due to certain products in the Intelligent Fabrics segment being sold at lower prices as an incentive for new customer adoption. These incentives were limited to bulk and mini trial programs. Gross profit in dollars decreased by 4% or $236,750 to $6,470,830 in 2015 from $6,707,580 in 2014. The decrease in gross profit dollars is largely attributable to a reduced gross profit percentage, for the reasons discussed above. Similar to the changes in revenue in 2015 versus 2014, as discussed above in the section entitled "Revenue", reduced sales transacted in foreign currencies in 2015, which contributed to a decrease in gross profit dollars, were partially offset by a weakened Canadian dollar relative to the U.S. dollar and British pound sterling.

Selling, general and administrative costs

In 2015, selling, general and administrative costs increased by 11% or $614,285 to $6,042,353 from $5,428,068 in 2014. In the Intimate Apparel operating segment, the Company increased its selling, general and administrative costs for the purposes of developing and supporting a new line of sleepwear products, as part of a renewed license agreement signed in 2015. In the Intelligent Fabrics segment, the Company increased its travel, regulatory and testing costs to facilitate growth of existing products, as well as the launch of new products. Selling, general and administrative costs have also increased as a result of the Canadian dollar weakening in 2015 against the U.S. dollar, as many of the Company's overhead expenses are paid for in U.S. dollars. In addition, the Company's listing fees with regards to migration from the TSX-Venture exchange to the TSX, totaling approximately $125,000, caused an increase in selling, general and administrative costs in 2015 versus 2014.

Interest Expense

Interest expense during 2015 was $59,528 compared to $61,618 during 2014. The Company's interest expense on its long-term debt was lower in 2015 than in 2014, as it carried a smaller principal balance of its bank loan payable. Interest costs on the Company's operating line of credit was higher in 2015 than in 2014. The overall change in interest expense was nominal.

Amortization

Amortization of the Company's property, plant and equipment and deferred development costs totaled $200,598 during 2015 compared to $186,277 during 2014. The increase is attributable to the Company recording amortization in 2015 for a product that was still under development during 2014.

Share-based compensation

Share-based compensation costs in 2015 were $164,677 higher than in 2014. The increase in share-based compensation costs is mostly attributable to a grant of stock options to a newly appointed director of the Company in 2015, which vested immediately, and were expensed in accordance with the Company's accounting policies on share-based payments.

(In Canadian dollars, except as otherwise noted)

Gain on foreign exchange

In 2015, the Company's gain on foreign exchange was $397,243 versus $87,413 in 2014. This increase is the result of a significant weakening of the Canadian dollar against the U.S. dollar and British pound sterling during 2015. The Company translated its foreign currency-denominated financial assets and liabilities at each reporting period and realized larger foreign currency gains in 2015 than in 2014.

Provision for (recovery of) income taxes

The Company's total provision for income taxes in 2015 was $188,966, compared to $262,360 in 2014. Included in the earnings before income taxes for 2015 are certain non-deductible items for tax purposes. Specifically, an increase in 2015 from 2014 in share-based compensation by $164,677 is the main reason for the change in the Company's effective income tax rate.

Net earnings (loss)

Net loss attributable to iFabrics' shareholders during 2015 was $109,837 ($0.004 per share, basic and diluted) compared to net earnings of $542,214 in 2014 ($0.021 basic earnings per share, and $0.020 diluted earnings per share). The decrease from net earnings in 2014 to a net loss in 2015 is mostly attributable to a decrease in gross profit of $236,750, an increase in selling, general and administrative costs of $614,285, and an increase in share-based compensation of $164,677, for the reasons discussed above. The impact of these changes was partially offset by an increase in foreign exchange gains of $309,830 in 2015 versus 2014.

SEASONALITY AND QUARTERLY FLUCTUATIONS

The Company's business is seasonal and results of operations for any interim period are not necessarily indicative of results of operations for the full fiscal year. Generally, the Company has experienced a higher level of revenues in the third quarter, compared to other quarterly periods, largely in part to its intimate apparel operating segment, which usually realizes a higher level of sales in the months of April to June, as its retail customers begin to increase their respective purchases in anticipation of larger retail sales in the summer months.

All quarterly results and figures, and their related discussion topics, are unaudited.

SUMMARY OF QUARTERLY RESULTS

Fiscal 2015	Q1	Q2	Q3	Q4
Revenue	3,042,404	3,251,478	3,700,502	3,080,464
Net earnings (loss) attributable to common shareholders	(160,905)	126,333	206,806	(282,071)
Net earnings (loss) per common share				
Basic	(0.006)	0.005	0.008	(0.011)
Diluted	(0.006)	0.005	0.008	(0.011)

Fiscal 2014	Q1	Q2	Q3	Q4
Revenue	3,005,785	2,911,274	3,881,993	3,222,430
Net earnings (loss) attributable to common shareholders	212,157	278,431	245,205	(193,579)
Net earnings (loss) per common share				
Basic	0.008	0.011	0.009	(0.008)
Diluted	0.008	0.010	0.009	(0.008)

2015 FOURTH QUARTER RESULTS COMPARED WITH 2014 FOURTH QUARTER RESULTS

Revenue

Revenue during Q4 2015 decreased by 4% or $141,966 to $3,080,464 from $3,222,430 during Q4 2014. The reduction in revenue is largely attributable to the timing of sales in the comparative quarters. The reduction in sales was partially offset by a weakened Canadian dollar vis-à-vis the U.S. dollar during Q4 2015 versus Q4 2014.

Gross profit

Gross profit as a percentage of revenue during Q4 2015 declined to 40% from 45% in Q4 2014. The decrease in gross profit percentage is mostly attributable to the Company increasing the level of clear-out sales of older seasonal inventory in its Intimate Apparel business segment, at lower margins, during Q4 2015 versus Q4 2014. The reduction in gross profit percentage was partially offset by a weaker Canadian dollar vis-à-vis the U.S. dollar during Q4 2015 versus Q4 2014, as the majority of the Company's sales are in U.S. dollars. Gross profit in dollars during Q4 2015 decreased by 16% or $225,308 to $1,227,941 from $1,453,249 in Q4 2014. The decrease in gross profit in dollars is attributable to reduced revenue and reduced gross profit percentage as discussed above.

Selling, general and administrative costs

Selling, general and administrative costs during Q4 2015 increased by 4% or $69,722 to $1,651,191 from $1,581,469 in Q4 2014. The increase is largely attributable to listing fees and legal expenses associated with the Company's graduation from the TSX Venture Exchange to the TSX. These fees were incurred in September 2015 and are non-recurring. The increase is also largely attributable to a decline in the Canadian dollar vis-à-vis the U.S. dollar during Q4 2015 versus Q4 2014, as many of the Company's fixed overheads, including professional fees and product development costs, are paid by the Company in U.S. dollars. The increase in selling, general and administrative costs was partially offset by lower costs with regard to advertising and promotional activities in Q4 2015 versus Q4 2014.

Interest expense

Interest expense during Q4 2015 was $10,292 compared to $17,530 during Q4 2014. The reduction was mainly attributable to the Company carrying a lower operating bank loan balance during Q4 2015.

Amortization

Amortization of the Company's property, plant and equipment and deferred development costs totaled $50,152 during Q4 2015 compared to $45,187 during Q4 2014. The increase is attributable to the Company recording amortization in 2015 for a product that was still under development during Q4 2014.

Net loss

Net loss attributable to iFabric's shareholders during Q4 2015 was $282,071 ($0.011 per share, basic and diluted) compared to $193,579 ($0.008 per share, basic and diluted) during Q4 2014.

OVERVIEW OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The Company's cash balance decreased to $852,016 as at September 30, 2015 from $1,006,385 as at September 30, 2014. The decrease in cash is mainly attributable to the Company reducing its financial liabilities.

Total accounts receivable at the end of 2015 was $2,143,066 compared to $2,042,179 at the end of 2014.

Total inventory increased by $294,211 to $4,706,426 at the end of 2015 from $4,412,215 at the end of 2014. The increase is largely attributable to the timing of sales surrounding the fourth quarter of both 2015 and 2014.

Property, plant and equipment at the end of 2015 totaled $2,487,880 compared to $2,527,012 at the end of 2014. The Company did not invest in or dispose of any property, plant and equipment during 2015.

Deferred development costs decreased to $598,171 at the end of 2015 from $759,637 at the end of 2014. The decrease is attributed to amortization of deferred development costs for products commercially available for sale during 2015.

Deferred income taxes increased to $720,283 at the end of 2015 from $453,594 at the end of 2014. The increase is mostly attributable to non-capital losses incurred in the Company's Intelligent Fabrics operating segment during 2015.

Total liabilities at the end of 2015 were $69,218 lower than at the end of 2014. The Company reduced its liabilities mainly with respect to its bank operating line and loans due to related parties. The decrease in total liabilities was partially offset by an increase in accounts payable and accrued liabilities.

LIQUIDITY, CASH FLOWS AND CAPITAL RESOURCES

The Company is subject to risks including, but not limited to, the potential inability to raise additional funds through debt and/or equity financing to support the Company's development and continued operations, and to meet the Company's liabilities and commitments as they come due.

The Company's capital resources include a bank operating line, long-term debt, and equity attributable to the Company's shareholders.

(In Canadian dollars, except as otherwise noted)

Bank Operating Line

One of the Company's subsidiaries has a demand operating loan with a tier one Canadian bank available to a maximum of $2,000,000, against which no amount was outstanding as at September 30, 2015 (September 30, 2014 - $247,204). The loan facility bears interest at the bank's prime lending rate plus 1.75%. The purpose of the credit facility is to provide for ongoing operating requirements including the financing of accounts receivable and inventories. The facility is secured by General Security Agreements covering all the assets of two subsidiary companies, their accounts receivable insurance, an assignment of their fire insurance, and a guarantee in the amount of $1,000,000 from a third subsidiary of the Company. In addition, the Company has credit card facilities amounting to $50,000 Canadian dollars and $25,000 U.S. dollars, which are subject to the same security arrangements.

Long-term Debt

One of the Company's subsidiaries has a bank loan, payable in monthly principal payments of $10,000 plus interest, bearing interest at the bank's prime rate plus 1.25%, due May 31, 2023 and secured by a first readvanceable mortgage on the land and building owned by the subsidiary, a general security agreement over all assets of another of the Company's subsidiaries subject to priority on inventory and accounts receivable to the lender of the bank operating line described above, and a general assignment of rents. As at September 30, 2015, the total amount of this loan outstanding was $980,000 (2014 - $1,100,000).

Working capital

Working capital represents current assets less current liabilities. As at September 30, 2015, the Company's working capital was $5,419,934 compared to working capital of $5,173,981 as at September 30, 2014, representing an increase of $245,953 or 5%.

Operating activities

Operating activities generated cash of $378,091 in 2015, compared to an amount of $574,120 used in operating activities during 2014, representing an increase of $952,211. The increase in operational cash flow can be largely attributed to lower cash outflows with respect to accounts receivable and inventory balances during 2015 versus 2014.

Financing activities

Cash used in financing activities during 2015 amounted to $532,460, compared to $1,138,244 provided by financing activities during 2014, representing a decrease of $1,670,704 in financing cash flow. The difference can be mostly attributed to a private placement that closed in December 2013, in which the Company raised net cash proceeds of $1,430,288.

Investing activities

No cash was provided by or used in investing activities during 2015 as opposed to cash of $14,870 used in investing activities during 2014.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as of September 30, 2015, with the exception of the operating leases as noted in the "Commitments & Contractual Obligations" section below.

COMMITMENTS & CONTRACTUAL OBLIGATIONS

The following details the Company's contractual obligations, under various operating lease agreements and a long-term bank loan payable, as at September 30, 2015:

	Payments due by fiscal year ended						
Contractual obligations	2016	2017	2018	2019	2020	Subsequent years	**Total**
Bank loan payable	120,000	120,000	120,000	120,000	120,000	380,000	**980,000**
Operating leases	138,749	137,359	84,901	4,351	-	-	**365,360**
Total contractual obligations	**258,749**	**257,359**	**204,901**	**124,351**	**120,000**	**380,000**	**1,345,360**

The Company's other commitments are outlined below:

- The Company enters into foreign exchange forward contracts to manage the risks associated with exchange rate fluctuations. See note

7 of the Company's 2015 annual consolidated financial statements for more information.

- Effective October 17, 2011, the Company entered into an exclusive worldwide license agreement for the right to use trademarks in connection with the manufacture, marketing, sale and distribution of certain licensed products. During the initial license term, the Company is required to pay a monthly royalty of 9.5% on its net sales as defined in the agreement, on all products sold under the licensed marks. The initial license term is in effect until December 31, 2015 and may be renewed for an additional term of four years on the condition that certain performance goals as defined in the agreement are attained. As of the date of this MD&A, the Company is in the process of negotiating terms for renewing this agreement. It is anticipated that a new agreement will be signed in January 2016.
- Effective January 16, 2012, the Company entered into an exclusive license agreement for the right to use trademarks in connection with the manufacture, marketing, sale and distribution of certain licensed products. The licensed territory includes certain worldwide areas as specified in the agreement. During the initial license term, the Company is required to pay a monthly royalty of 9% on its net sales as defined in the agreement, on all products sold under the licensed marks. Minimum annual royalties have been established for the contract periods ending December 31, 2013, 2014, and 2015 in U.S. dollar amounts of $144,000, $279,000 and $432,000 respectively. In addition, the Company is required to pay an advertising fee of 2%, payable semi-annually, on its net sales as defined in the agreement, for the promotion of the licensed products. The initial license term is in effect until December 31, 2015 and may be renewed for an additional term of three years on the condition that certain performance goals as defined in the agreement are attained. As of the date of this MD&A, the Company is in the process of negotiating terms for renewing this agreement. It is anticipated that a new agreement will be signed in January 2016.
- Effective January 1, 2015, the Company entered into a worldwide license agreement for the right to use trademarks in connection with the manufacture, marketing, sale and distribution of certain licensed products. During the license term, the Company is required to pay a quarterly royalty on its net sales as defined in the agreement, on all products sold under the licensed marks. The effective royalty rates vary depending on the distribution channel and range from 4-10%. Minimum annual royalties have been established for the contract periods ending December 31, 2015, 2016, 2017, and 2018 in U.S. dollar amounts of $131,000, $190,000, $288,000, and $368,000, respectively. In addition, the Company is required to pay an advertising fee of 1-2%, depending on the distribution channel, payable quarterly, on its net sales as defined in the agreement, for promotion of the licensed products. The license term is in effect until December 31, 2018.

RELATED PARTY TRANSACTIONS

(a) Key management personnel of the Company are those individuals having authority and responsibility for planning, directing, and controlling the activities of the Company, including members of the Company's Board of Directors. The Company considers key management to be the Company's Board of Directors, which includes three executive officers of the Company.

Remuneration of key management personnel of the Company was as follows:

	2015	2014
Salaries, management and professional fees, directors' fees, and short-term benefits	**581,951**	610,159
Share-based compensation	**180,980**	43,927
	762,931	654,086

Further information about the remuneration of certain individual executive officers and members of the Board of Directors will be provided in the Company's Management Information Circular, to be filed in respect of its 2015 shareholders' meeting.

(b) Included in selling, general and administrative costs are management fees in the amount of $30,000 (2014 - $31,000) paid to a company controlled by a director of one of the Company's subsidiaries.

(c) Included in revenue is rental income earned in the amount of $35,841 (2014 - $31,858) from a company controlled by a director of one of the Company's subsidiaries.

(d) Included in accounts payable and accrued liabilities is an amount of $15,000 (September 30, 2014 - $45,000) due to directors and key management personnel of the Company in respect of unpaid fees.

(In Canadian dollars, except as otherwise noted)

FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Company routinely assesses the financial strength of its customers to mitigate its exposure to credit risk. Approximately 36% of the Company's total sales are to two customers (2014 - 28% of sales were to two customers). At September 30, 2015, four customers accounted for 49% (September 30, 2014 - four customers accounted for 52%) of the Company's accounts receivable.

In order to mitigate its credit risk, the Company insures its trade accounts receivable with Chartis Insurance Company of Canada based on specific or discretionary credit limits, dependant on the level of amounts outstanding from individual customers at that time. At the financial year end, no claims were pending under this policy.

The Company's maximum exposure to credit risk is $2,143,066 (2014 - $2,042,179). Included in selling, general and administrative costs are bad debts of $14,507 (2014 - $516) expensed during the year.

The aging of trade accounts receivable is as follows:

	September 30, 2015	September 30, 2014
0 - 30 days	**1,130,465**	841,522
31 - 60 days	**772,148**	794,275
61 - 90 days	**166,060**	333,044
90 + days	**151,603**	279,638
	2,220,276	2,248,479

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its obligations associated with its financial liabilities. The Company is exposed to this risk mainly with respect to its accounts payable and accrued liabilities, income taxes payable, related party loans, and bank loan payable. The Company reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due, maintains an adequate line of credit to pay trade creditors and repays long term debt interest and principal as it becomes due using cash generated from operations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company is exposed to currency risk and interest rate risk.

(In Canadian dollars, except as otherwise noted)

Currency risk

The Company conducts certain of its operations in USD and GBP. The Company manages its currency risk with foreign exchange forward contracts (see note 7 of the Company's 2015 annual consolidated financial statements). The following balances were included in the financial statements:

USD	September 30, 2015	September 30, 2014
Cash	**452,183**	731,134
Accounts receivable	**1,202,225**	1,605,269
Accounts payable and accrued liabilities	**(921,758)**	(921,642)
Prepaid expenses and deposits	**201,700**	189,973
Foreign exchange forward contract margin deposit	**60,000**	100,000
	994,350	1,704,734

GBP	September 30, 2015	September 30, 2014
Cash	**58,699**	88,825
Accounts receivable	**216,976**	182,183
Accounts payable and accrued liabilities	**(89,424)**	(20,204)
	186,251	250,804

The Company has performed a sensitivity analysis on its foreign currency denominated financial instruments. The effect of a 5% strengthening (weakening) of the USD as at September 30, 2015, in relation to the net amount of USD-denominated currency balances, would have resulted in a gain (loss) of approximately $24,000 recognized in net earnings (loss) for 2015, all other variables held constant. The effect of a 5% strengthening (weakening) of the GBP as at September 30, 2015, in relation to the net amount of GBP-denominated currency balances, would result in a gain (loss) of approximately $9,000 recognized in net earnings (loss) for 2015, all other variables held constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on its secured bank loan and its bank operating line, which bear interest at floating rates, since changes in market rates can cause fluctuations in cash flows.

The Company has performed a sensitivity analysis on its interest rate risk. The effect of a 1% decrease (increase) in the average interest rate paid during the year, would have resulted in a gain (loss) of approximately $10,000 recognized in net earnings (loss) for 2015, all other variables held constant.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 25,899,750 common shares outstanding. Furthermore, as of the date of this MD&A, the Company had 1,720,000 options issued and outstanding, of which 1,495,000 were exercisable, as well as 232,133 warrants outstanding.

RISKS & UNCERTAINTIES

Financial

The Company may require additional financing to fund future expansion initiatives. There can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of development of certain of the Company's business, and therefore affect its future cash flows, earnings, results of operations and financial condition.

Competition

The Company faces significant competition in almost every aspect of its business, particularly from other companies that:

- Design, manufacture and distribute intimate apparel, sleepwear and accessories;
- Sell sprays, topical liquids and creams that repel biting insects;
- Sell sprays, liquids, creams, chemicals and textiles which have the ability to kill bacteria;
- Sell sprays, topical liquids, creams and oral medication that assist with the healing of skin and the control of skin irritations; and
- Distribute chemicals that can be applied to textiles in order to kill bacteria.

Licensing Arrangements

The Company will be reliant on a number of key licensing and distribution agreements and its future performance could be materially affected by a termination of one or more of such agreements. Termination could arise as a result of any of the following:

- Failure to pay royalties or advertising contributions;
- Failure to meet minimum purchase obligations;
- Failure to achieve minimum sales targets;
- The breach of a material covenant;
- Failure to ship licensed products to authorized customers;
- Failure to give notice of intention to renew within the stipulated time period

Key Personnel

The senior officers of the Company are critical to its success. In the event of the departure of a senior officer, the Company believes that it will be successful in attracting and retaining qualified successors but there can be no assurance of such success. Recruiting qualified personnel as the Company grows is critical to its success. As the Company's business activities grow, it will require additional key financial, administrative and technical personnel as well as additional operations staff. If the Company is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Technological Advancements

The chemical industry is subject to significant technological advancements, changing industry standards, market trends, customer preferences and competitive pressures which can, among other things, necessitate revisions in pricing strategies, price reductions and reduced profit margins. The success of the Company will depend on its ability to secure technological superiority in its products and maintain such superiority in the face of new technologies. No assurance can be given that further modification of product offerings of the Company will not be required in order to meet demands or to remain competitive.

Intellectual Property

The success of the Company will depend, in part, on its ability to maintain proprietary protection over its intellectual property and operate without infringing the proprietary rights of third parties. Despite precautions, it may be possible for a third party to copy or otherwise obtain and use the Company's technologies without authorization. There can be no assurance that any steps taken by the Company will prevent misappropriation of its technologies.

Government Regulation and Regulatory Approvals

Future changes in government regulation could adversely affect the industries in jurisdictions in which the Company operates or intends to operate.

With regard to its Intelligent Fabrics operating segment, the Company is dependent on regulatory approvals or registrations and the legal systems in the markets in which it operates, such as the U.S. Environmental Protection Agency ("EPA") and Health Canada. The Company currently has certain EPA registrations and is in process of securing additional approvals from both the EPA and Health Canada. There is no certainty that such approvals will be granted and regulators could, even after granting such approvals, be stringent on non-compliance with regulatory requirements or change such requirements, which could have a material adverse effect on the Company's business and result in adverse publicity.

Customer Adoption

The Company's revenue in its Intelligent Fabrics division is highly dependent on the willingness of consumers to purchase products based upon their awareness of the benefits of such products. Different markets will require differing marketing strategies and the adoption of the Company's products may be slower than anticipated.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of these financial statements requires management to select appropriate accounting policies and to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingent assets and liabilities at the end of the reporting period. The estimates and related assumptions are based on previous experience and other factors considered reasonable under the circumstances, the results of which form the basis of making assumptions about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Significant assumptions about the future that management has made and that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Valuation of inventories

Provisions for non-saleable inventories are prepared by management based on their knowledge of sales history.

Recoverability of deferred development costs

Management deems all such costs as recoverable based on the expectation of realizing future economic benefits through the profitable commercialization of the relevant products under development.

Benefits of deferred income tax assets

The recognition of deferred income tax assets is based on the Company's judgment. The assessment of the probability of future taxable income in which the deferred income tax assets can be utilized is based on management's best estimate of future taxable income that the Company expects to achieve based on its internal projections. The estimate is adjusted for significant non-taxable income and expenses and for specific limits to the use of any unused tax loss or credit. Deferred income tax assets are recognized to the extent it is probable that estimated taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilized.

Estimated useful life of property, plant and equipment

Management makes this estimate based on past experience with similar assets and future business plans.

Allowance for doubtful accounts

Management provides for doubtful accounts based on its assessment of credit risk, past experience and payment history of a customer.

Allowance for discounts and rebates

The company has guaranteed a minimum level of margins, to certain of its customers, as a condition of sale. Management provides for potential rebates based on its estimate of inventories sold, that is likely to be discounted by these customers, based on current sale-through levels.

Share-based payment transactions

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield of the share option and forfeiture rate.

Actual results could differ from these estimates and may require a material adjustment to the carrying amount of affected assets and liabilities, or on the reported results of revenues, expenses, gains or losses.

ACCOUNTING POLICY DEVELOPMENTS

(a) Adoption of new or amended accounting standards

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for annual periods beginning on or after January 1, 2014. As of October 1, 2014, the Company has adopted the following standards:

i) IAS 32, 'Financial Instruments: Presentation' was amended in December, 2011, clarifying the application of the offsetting requirements of financial assets and financial liabilities. The Company has assessed that the adoption of IAS 32 has no material impact on the financial statements.

ii) 'Annual Improvements to IFRSs 2010-2012 and 2011-2013 cycle' were approved by the IASB in December 2013. These improvements included amendments to a number of IFRSs as a result of the annual improvements project. The Company has assessed that no adjustments are necessary as a result of applying the revised rules.

(b) Future changes in accounting standards

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on January 1, 2015 or later periods. The standards impacted that are applicable to the Company are as follows:

i) IFRS 9, 'Financial Instruments' was issued in November 2009 as the first step in its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting January 1, 2018, with early adoption permitted. The IASB amended IFRS 9 in November, 2013 to add new requirements for classifying and measuring financial liabilities, de-recognition of financial instruments, impairment and hedge accounting. The standard is not expected to have an impact on the Company's accounting for financial instruments and the Company has not yet decided when to adopt IFRS 9.

ii) IFRS 15, 'Revenue From Contracts With Customers' was issued in May 2014. The standard provides a comprehensive framework for recognition, measurement, and disclosure of revenue from contracts with customers except for those that fall within the scope of IAS 17, 'Leases' or other applicable IFRS. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2017, with early adoption permitted. The adoption of IFRS 15 is not expected to have an impact on the Company's accounting for revenue and the Company is currently assessing when to adopt IFRS 15.

iii) 'Annual Improvements to IFRSs 2012-2014 Cycle' was approved by the IASB in September 2014. These improvements included amendments to a number of IFRSs as a result of the annual improvements project. The revised rules are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Company expects there to be no impact or adjustments necessary as a result of applying the revised rules.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that material information relating to the Company is made known to the Chief Executive Officer and the Chief Financial Officer (the "Certifying Officers") by others on a timely basis so that appropriate decisions can be made regarding public disclosure within the time periods required by applicable securities laws. The Certifying Officers are responsible for establishing and maintaining the Company's disclosure controls and procedures. Based on an evaluation of the Company's disclosure controls and procedures, the Company's Certifying Officers have concluded that these controls are appropriately designed and were operating effectively as of September 30, 2015. Although the Company's disclosure controls and procedures were operating effectively as of September 30, 2015, there can be no assurance that the Company's disclosure controls and procedures will detect or uncover all failures of persons within the Company to disclose material information otherwise required to be set forth in the annual regulatory filings.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Internal control over financial reporting ("ICFR") is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements in accordance with IFRS. The Certifying Officers are responsible for establishing and maintaining adequate ICFR for the Company. The Certifying Officers have evaluated the effectiveness of the Company's ICFR as at September 30, 2015 and whether any material weaknesses relating to the design of the Company's ICFR were existing as at September 30, 2015. Based on that evaluation, the Certifying Officers concluded that the ICFR, as defined by National Instrument 52-109 – Certification of Disclosure on Issuers' Annual and Interim Filings, are appropriately designed and were operating effectively and that no material weaknesses were identified through their evaluation. The Certifying Officers have evaluated whether there were any changes in the Company's ICFR that occurred during the fiscal year ended September 30, 2015 that have materially affected, or are reasonably likely to materially affect, its ICFR. No such changes were identified through their evaluation.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com. Additional information can also be found on the Company's website at www.ifabriccorp.com.