Mobio Technologies Inc.

(formerly LX Ventures Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED

JULY 31, 2014 AND 2013

TO OUR SHAREHOLDERS

November 27, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is management's discussion and analysis ("MD&A") of Mobio Technologies Inc.'s ("Mobio" or the "Corporation") (formerly "LX Ventures Inc.") operating and financial results for the years ended July 31, 2014 and 2013, as well as information and expectations concerning the Corporation's outlook based on currently available information. This report is dated **November 27, 2014.**

This MD&A should be read in conjunction with the audited consolidated financial statements of Mobio Technologies Inc. for the years ended July 31, 2014 and 2013. Additional information is available at www.sedar.com.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable. The Corporation's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's audit committee meets with management no less than quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information including the Corporation's future plans. The use of any of the words "target", "plans", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Such forward looking information, including but not limited to statements pertaining to Corporation's future plans and management's belief as to the Corporation's potential involve known and unknown risks, uncertainties and other factors which may cause the actual results of the Corporation and its operations to be materially different from estimated costs or results expressed or implied by such forward-looking statements. Forward looking information is based on management's expectations regarding future growth, results of operations, future capital and other expenditures (including the amount, nature and sources of funding for such expenditures), business prospects and opportunities. Forward looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: the risks associated with the commercial viability of any technologies the Corporation is in the process of developing or deploying, delays or changes in plans with respect to any technologies, costs and expenses, health, safety and environmental risks, the risk of foreign exchange rate fluctuations, risks and uncertainties associated with securing the necessary regulatory approvals and financing to proceed with any planned business venture, product development or deployment, and risks and uncertainties regarding the potential to economically scale and bring to profitability any of the Corporation's current or planned endeavors. Although the Corporation has attempted to take into account important factors that could cause actual costs or results to differ materially, there may be other factors that cause the results of the Corporation's business to not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. See the Risk Management section of this MD&A for a further description of these risks. The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information.

1. SUMMARY OF OPERATIONS, EVENTS AND FUTURE PLANS

The Corporation was originally incorporated under the *Business Corporations Act* (Alberta) on November 19, 1998. On December 6, 2012, the Corporation changed its name to LX Ventures Inc. and was continued into British Columbia under the *Business Corporations Act* (British Columbia). On July 7, 2014, the Corporation again changed its name to Mobio Technologies Inc. to better reflect the activities of the Corporation at that point in time and anticipated going forward.

Development of Mobio's Business

In the past year, Mobio has completed a series of acquisitions that give it a footprint in the social media space. The Corporation is now focusing its efforts on two of these acquired assets, *Mobio INsider* and Strutta. Strutta is a social promotions platform that allows brands to run contests and sweepstakes across multiple social web channels, while *Mobio INsider* is a social engagement platform that allows fans to engage directly with influencers.

Acquisitions

Strutta.com Media Inc.

On January 31, 2014, Mobio completed a foundational acquisition when it closed on the purchase of Strutta.com Media Inc. ("Strutta"). Strutta has developed a social media platform that enables brands to create, launch and manage online campaigns to drive leads, awareness and sales. The acquisition of Strutta gives the Corporation a new presence in social marketing.

Strutta's technology connects brands with their target consumers through social promotions. Its do-it-yourself tools allow agencies, brands and developers to easily create and manage interactive contests and sweepstakes. Strutta's technology has powered award-winning promotions for top international agencies, Fortune 500 companies, small businesses, and household brand names including Gatorade, AirBNB, Edelman, Hilton, Crate & Barrel, Red Bull and Shutterfly. To date, Strutta has worked with over 12,000 customers and had over 8.5 million users create accounts.

Copper Cloud Inc.

On February 14, 2014, Mobio acquired all of the issued and outstanding shares of Copper Cloud Inc. ("Copper"). Copper is an acquirer, developer, integrator and provider of software developer tools that allow full-stack cloud-based business applications to be developed, deployed, monitored and managed.

Copper is focused on executing an integrated sales and marketing strategy and bringing the product suite to enterprise-level information technology teams. As this growth strategy requires significant capital, on May 7, 2014, the Corporation announced that it had entered into definitive agreements with venture capital investors to complete the recapitalization of its Copper. The transaction contemplated an additional $3 million of external financing for Copper, to be used to accelerate Copper's growth, including the pursuit of targeted acquisitions. This recapitalization transaction enabled Copper to continue its growth trajectory and allowed Mobio to retain a significant interest without having to incur further dilution to fund that growth.

Mobio
During the prior fiscal year, on May 17, 2013, the Corporation the business and assets the *Mobio INsider* web platform. *Mobio INsider* officially launched on December 1, 2013, and many household names in Hollywood immediately became influencers utilizing the platform. TV stars such as Scott Disick (*Keeping up with the Kardashians*), who has 3.6 million followers on twitter, Paul Wesely of *The Vampire Diaries*, *Sports Illustrated* swimsuit model Jessica Gomes, Disney teen star Bella Thorne, and well-known American-Canadian actress Pamela Anderson became early adopters of *Mobio INsider*.

Since its launch *Mobio INsider* has attracted millions of unique visitors and page views, hundreds of thousands of fan requests, acquired hundreds of thousands of registered users, and served up tens of millions of native ad impressions.

Capital Raising Activities
During the year, the Corporation completed four equity financings for gross proceeds of approximately $8 million for the issuance of approximately 43.9 million common shares and 21.9m warrants. Additionally, during the year ended July 31, 2014, the Corporation received proceeds of approximately $2.3 million from the exercise of approximately 8.2 million share purchase warrants (see *Section 13 – Outstanding Share Data*).

Strategic Investments
During the prior year, Mobio made a series of strategic investments in companies that are introducing new innovations to the software services sector. These companies are focused on high-growth markets such as online gaming, social performance management tools, cloud-based accounting and payroll solutions, and other emerging digital sectors.

As Mobio's strategic direction has evolved towards foundational acquisitions and away from strategic investments, these assets remain good opportunities for investment return, but are presently neither core nor essential to Mobio's fundamental strategy.

2. BUSINESS COMBINATIONS AND ACQUISITIONS

Strutta.com Media Inc.
On January 31, 2014, the Corporation, through a wholly-owned subsidiary, completed the acquisition of all of the issued and outstanding shares of Strutta.com Media Inc. ("Strutta"). The acquisition of Strutta was accounted for as a business combination under IFRS 3. The assets acquired and liabilities assumed on January 31, 2014 are consolidated in the Consolidated Statements of Financial Position as of January 31, 2014. Strutta's revenues and expenses prior to January 31, 2013, are not consolidated into the Corporation's Consolidated Statements of Comprehensive Loss.

Final consideration paid for all of the issued and outstanding shares of Strutta consisted of 3,641,637 common shares of the Corporation with a fair value of $1,356,462 (based on Mobio's closing price of $0.38 on the date of acquisition) and cash payments of $250,000. The shares of Mobio issued in connection with the acquisition of Strutta are subject to pooling restrictions over the 18 months immediately following the acquisition date.

An additional 3,125,000 common shares are issuable on the achievement of each of three agreed monthly recurring revenue targets (9,375,000 additional common shares to be issued in aggregate if all three targets are achieved), the final one of which requires Strutta to achieve a monthly recurring revenue run rate of $2,400,000 per annum. On May 8, 2014, 3,125,001 common shares of Mobio were issued to Strutta's former shareholders pursuant to the achievement of the first monthly recurring revenue target. These shares are subject to pooling restrictions for up to 22 months following the date of issue, and as of July 31, 2014 5,818,510 common shares of Mobio remained in escrow. Any additional Mobio shares that may be issued pursuant to future revenue targets will also be subject to pooling restrictions over the 22 months following the date of issue.

At the time of acquisition, the Corporation estimated the timing and probability of revenue targets being achieved and calculated the fair value of the consideration, which is recorded as a liability and is classified as contingent consideration. The initial amount of contingent consideration of $3,416,157 was based on the value of the Corporation's shares, as shares are to be issued to satisfy these obligations, with the sole exception of the final contingent payment, where former shareholders of Strutta may elect to receive up to $500,000 in cash in exchange for foregoing up to 25% of the shares to be issued pursuant to that payment. The value of this contingent consideration is re-measured at the end of each reporting period, with changes recorded directly in profit or loss. This re-measurement is based on the market price of the Corporation's shares at the end of each reporting period

Allocation of Value - Assets and Liabilities of Strutta.com Media Inc.

Assets acquired:		
Cash	$	27,548
Accounts receivable and deposits		270,971
Marketable securities		147,272
Physical assets		25,375
Intangible assets		5,917,404
Goodwill		1,359,896
	$	**7,748,466**
Liabilities assumed:		
Accounts payable and accruals	$	139,812
Deferred revenue and customer deposits		13,566
Loans		1,208,223
Deferred taxes		1,364,246
	$	**2,725,847**
Fair value of net assets acquired	**$**	**5,022,619**
Financed by:		
Cash payments for shares		250,000
Issuance of common shares		1,356,462
Contingent consideration		3,416,157
Total consideration	**$**	**5,022,619**

Intangible assets related primarily to software-related intangible assets.

During the year ended July 31, 2014, the Corporation discharged $1,208,223 of loans and obligations of Strutta which predated the acquisition of Strutta.

In connection with the acquisition of Strutta, the Corporation incurred a charge to deferred taxes that arose from temporary differences between accounting values and tax values that resulted from the transaction being structured as a purchase of Strutta's shares. Both Strutta and Mobio have unused tax losses from prior years and the transaction did not result in any income taxes being payable by either Mobio or Strutta. During the period ended July 31, 2014, the Corporation recorded an income tax recovery against deferred taxes.

The most significant assets acquired by the Corporation with the acquisition of Strutta were software-related intangible assets.

In connection with the acquisition of Strutta, the Corporation incurred legal fees of $54,506, and other professional costs of $7,550. These costs were expensed during the period and included under "professional fees" in the Corporation's Consolidated Statements of Comprehensive Loss.

Subsequent to the acquisition date, the following results of Strutta are included in the Corporation's Consolidated Statements of Comprehensive Loss:

Strutta.com Media Inc.		February 1, 2014 - July 31, 2014
Revenues	$	353,017
Expenses		696,334
Net loss	**$**	**(343,317)**

The following table illustrates what the Consolidated Statement of Comprehensive Loss would have looked like if the operations of Strutta were included from August 1, 2013 through to July 31, 2014:

Pro forma consolidated financial results inclusive of Strutta from August 1, 2013 - July 31, 2014		
		Consolidated Pro Forma (unaudited)
Revenues	$	1,663,050
Expenses		12,234,010
Net loss	**$**	**(10,570,960)**

Copper Cloud, Inc.

On February 14, 2014, the Corporation completed the acquisition of all of the issued and outstanding shares of Copper Cloud, Inc. ("Copper"). Copper is an acquirer, developer, integrator and provider of software developer tools that allow full-stack cloud-based business applications to be developed, deployed, monitored and managed.

The acquisition of Copper was accounted for as a business combination under IFRS 3. Consideration paid for all of the issued and outstanding shares of Copper consisted of 4,961,109 common shares of the Corporation with a fair value of $2,257,305 (based on Mobio's closing price of $0.455 on the date of acquisition), total cash payments of $1,250,000 which were paid upon closing, and an additional $250,000 which was paid subsequent to closing. Additionally, the Corporation also recorded a contingency of $500,000 for contingent share-based payments consisting of 694,444 common shares of the Corporation pursuant to certain agreed monthly recurring revenue targets within agreed-upon timeframes, and a charge of $500,000 for future obligations payable in cash pursuant to the same agreed monthly recurring revenue targets within agreed-upon timeframes.

At the time of acquisition, the Corporation estimated the timing and probability of the revenue targets being achieved and calculated the fair value of the consideration. All contingent payments were recorded as a liability against contingent share-based payments. The initial amount of contingent consideration of $500,000 was based on the value of cash consideration rather than the share-based consideration, as the form of consideration to be received was at the option of the vendor.

Allocation of Value - Assets and Liabilities of Copper Cloud, Inc.

Assets acquired:		
Cash	$	8,966
Accounts receivable and deposits		34,623
Intangible assets		4,779,879
Goodwill		1,357,117
	$	**6,180,585**
Liabilities assumed:		
Accounts payable and accruals	$	66,164
Deferred taxes		1,357,117
	$	**1,423,281**
Fair value of net assets acquired	**$**	**4,757,304**
Financed by:		
Cash payments for shares		1,250,000
Issuance of common shares		2,257,305
Contingent consideration		500,000
Future payment obligations (in cash)		750,000
Total consideration	**$**	**4,757,304**

Intangible assets related to software-related intangible assets.

On May 7, 2014, the Corporation announced it had entered into an agreement with venture capital investors with respect to Copper. Under the terms of the agreement, Mobio exchanged all of its common shares of Copper for received preferred shares, retained pro rata participation rights in future financings undertaken by Copper, and was relieved of any further obligations to its previous shareholders, including performance-related contingent consideration and future payment obligations.

Upon completion of this transaction, the Corporation received 1.7 million preferred shares of Copper. As of July 31, 2014, 558,724 preferred shares had been redeemed for proceeds of $558,724, and the Corporation recorded a fair value adjustment decreasing the value of the remaining preferred shares by $141,276. The remaining preferred shares of Copper owned by the Corporation have an aggregate redemption value of $1 million. As the Corporation no longer exercises control or significant influence over Copper, Mobio's investment in Copper is now accounted for as an investment with changes in fair value being reflected through the Consolidated Statements of Comprehensive Loss. This transaction resulted in the Corporation recording a loss of $2,029,437.

In connection with the acquisition of Copper and the share exchange described above, the Corporation incurred legal fees of $99,445, and other professional costs of $40,046.

3. EARNINGS AND EXPENSES

Following is a discussion of the Corporation's consolidated financial results for the years ended July 31, 2014 and 2013. The consolidated financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All inter-company balances and transactions have been eliminated upon consolidation.

Revenue

The Corporation's revenues primarily consist of software licensing fees, management and recurring revenues fees, direct brand relationships tied to influencer created content, advertising, international distribution deals, and professional services. Software license fees and recurring revenue primarily consists of fees charged for the provisioning and hosting for delivered services and products, for customer support on software products post-delivery and also includes recurring fees derived from annual software as a service contracts, subscriptions, combined software/support contracts, and transaction-related revenues. Professional service revenue consists of fees charged for implementation and integration services, customized programming, product training and consulting.

The Corporation reported revenues for the year ended July 31, 2014 of $926,098 (2013 - $31,026). The increase in revenues from $31,026 during the prior year was primarily the result of the acquisitions of Strutta and Copper in the current period, and for software development services rendered. Strutta accounted for approximately $353,000 in revenues for the year, and Copper accounted for approximately $192,000. Software development and services activities generated $300,000 of revenue during the year. The balance of revenue was generated by the Corporation's other subsidiaries, Mobio, Fodio, and Sosido.

Cost of Sales and Gross Profit

Cost of sales for the year ended July 31, 2014 were $309,461 (2013 - $22,504). Gross Profit for the year was $616,637 (2013 - $8,522). Cost of sales pertain primarily to the cost of provisioning the various software and electronic services that the Corporation's operating subsidiaries provide to customers.

Operating, General and Administrative Expenses

Expenses consist primarily of staffing costs, professional services to fulfill customer arrangements, marketing costs, and general operating expenses. Operating, general and administrative expenses for the year ended July 31, 2014 were $9,927,869 (2013 - $1,637,814). The increase in operating, general and administrative expenses for the current period is attributable to the Corporation's aggressive business development strategy, including two significant acquisitions in the current fiscal year, which resulted in operating activities being significantly expanded. During the prior year, neither Strutta nor Copper were under the ownership of the Corporation. Additionally, Sosido and Mobio were only owned by the Corporation for approximately 2 months in the prior year, and *Mobio INsider*'s product launch date was during fiscal 2014. The significant increase in business activities resulted in increased operating expenses.

Marketing costs and personnel are presently the two most significant cost categories for Corporation. Marketing costs for the year ended July 31, 2014 were $3,617,084 (2013 - $77,299). Marketing costs pertain primarily to *Mobio INsider* and relate to customer acquisition and business development costs.

Personnel costs during the year ended July 31, 2014 increased to $2,680,818 (2013 - $803,905). The increase in personnel costs for the current year is due to the increased activities of Mobio and Strutta, and for part of the year also include Copper and Sosido. The prior year's personnel costs were significantly less, as neither Strutta nor Copper were owned by the Corporation, and the operations of Mobio and Sosido were only included in fiscal 2013's results for approximately 2 months as both were acquired near the fiscal year end.

The Corporation also recorded significant non-cash charges for the amortization of intangible assets, and for share-based payments. Amortization of intangible assets for the year ended July 31, 2014 was $1,648,085 (2013 - $Nil). Share-based payments for the year were $504,826 (2013 - $328,764). Intangible assets are amortized on a straight-line basis over a period of 36 months. Share based payments are recorded to the Corporation's Statements of Comprehensive Loss over the vesting period of the option grants.

Other Gains and Losses

Other expenses during the year included a loss on investments, primarily driven by the restructuring of Copper, in the amount of $2,288,460 (2013 - $Nil), write-downs of certain assets, including certain intangible assets, in the amount of $407,000 (2013 - $Nil), and investment losses of $731,355 (2013 - $129,000).

During the year, the Corporation recorded a gain of $1,412,251 upon the re-measurement of contingent consideration related to Strutta. Contingent consideration totaled $910,156 as of July 31, 2014 (July 31, 2013 - $Nil).

The Corporation also recorded a deferred income tax recovery of $1,377,507 during the year ended July 31, 2014. The income tax recovery arose due to the deferred tax liability recorded on the acquisition of Strutta. Deferred tax liabilities and deferred income tax recoveries related to accounting treatments only, as the Corporation did not pay any income taxes nor recover any income taxes in cash during the year.

Loss and Loss Per Share

The Corporation's net and comprehensive loss for the year ended July 31, 2014 was $10,195,182 (2013 - $1,731,015). The increase in the Corporation's net and comprehensive losses during the current fiscal period is attributable to the Corporation's aggressive business development strategy, which has seen the operating activities significantly expanded. Additional losses were due to dispositions and write-downs on investments and intangibles.

Loss Per Share for the year ended July 31, 2014 was $0.17 (2013 - $0.06). The increase in the weighted average common shares outstanding for the current year partially offsets the greater increase in net and comprehensive loss, as illustrated in the following table:

Loss Per Share Calculation	Weighed Average Shares Outstanding	Net Income (Loss)	Income (Loss) Per Share
Year ended July 31, 2014	61,057,886	$ (10,195,182)	$ (0.17)
Year ended July 31, 2013	27,070,011	$ (1,731,015)	$ (0.06)

4. ASSETS

Current Assets

Current assets held by the Corporation as of July 31, 2014 consist of cash in the amount of $738,485 (July 31, 2013 - $449,898), restricted cash in the amount of $25,160 (July 31, 2013 - $55,000), receivables in the amount of $210,614 (July 31, 2013 - $86,377), and deposits and prepaid expenses in the amount of $259,643 (July 31, 2013 - $39,535). Accounts receivable are primarily represented by trade receivables of Strutta, excise taxes recoverable, and development-related taxes refundable. Deposits and prepaid expenses pertain primarily to *Mobio INsider*, and consist of amounts paid on deposit with respect to customer acquisition costs and the future performance of services by certain vendors.

Capital Assets

The Corporation's capital assets consist of computers and related equipment. As of July 31, 2014, the book value of fixed assets was $6,951. During year ended July 31, 2014, the Corporation spent $21,475 on computer and equipment purchases, net of proceeds from asset dispositions (2013 - $2,646).

Intangibles and Goodwill

The Corporation's intangible assets pertain to software-related intangibles. As part of the acquisition of Strutta, the Corporation acquired significant software-related intangible assets.

Cost		**Software-related technology**		**Goodwill**		**Total**
Balance, July 31, 2013	$	1,729,197	$	10,704		1,739,901
Acquired through business combinations		10,697,284		2,717,013		13,414,297
Disposals during the year		(4,886,585)		(1,367,821)		(6,254,406)
Balance, July 31, 2014	$	7,539,896	$	1,359,896	$	8,899,792
Amortization						
Balance, July 31, 2013	$	-	$	-	$	-
Amortization for the period		1,648,085		-		1,648,085
Expensing of development costs		10,031		-		10,031
Impairments		407,000		-		407,000
Balance, July 31, 2014	$	2,065,116	$	-	$	2,065,116
Carrying amounts, July 31, 2013	**$**	**1,729,197**	**$**	**10,704**	**$**	**1,739,901**
Carrying amounts, July 31, 2014	**$**	**5,474,780**	**$**	**1,359,896**	**$**	**6,834,676**

During the year ended July 31, 2014, the Corporation recorded amortization expenses of $1,648,085 (2013 - $Nil) on software-related technology assets pertaining to Mobio, Strutta, Copper, and Sosido.

During the year, the Corporation also recorded an impairment charge on certain software related intangible assets, primarily related to software acquired in connection with GSD Technologies Inc. during the prior year.

Investments

During the prior fiscal year, the Corporation made investments in several companies. During the current fiscal year, the Corporation only made one such investment, and also received preferred shares of Copper in connection with the recapitalization of Copper (see *Section 2 – Business Combinations and Acquisitions*). The following table sets forth the changes in the Corporation's investments during the year:

Investments						
	Opening balance	**Additions**	**Interest accrued**	**Redemptions/ distributions**	**Gains/losses**	**Fair value**
Copper Cloud, Inc.	$ -	$ 1,700,000	$ -	$ (558,724)	$ (141,276)	$ 1,000,000
All other investments	599,729	160,175	17,888	-	(590,079)	187,713
	$ 599,729	$ 1,860,175	$ 17,888	$ (558,724)	$ (731,355)	1,187,713

The Corporation's investee companies are focused on high-growth markets such as online gaming, social performance management tools, cloud-based accounting and payroll solutions, and other emerging digital sectors. Equity investments consist of common shares, preferred shares and convertible promissory notes issued by the investee entities. The Corporation does not presently have any equity positions that result in significant influence. Equity investments are carried at fair value, with changes being recorded through profit or loss.

Convertible notes are unsecured and bear interest annually at rates between 5% and 8%, and mature in two years or less. The notes are convertible upon certain future events transpiring, and such events are uncertain as to both their occurrence and their magnitude. The convertible notes are carried at fair value through profit or loss.

During the year ended July 31, 2014, the Corporation recorded $8,888 of interest income on convertible notes (2013 - $Nil). Accrued interest is recorded as an increase to the carrying value of each convertible note.

5. LIQUIDITY AND CAPITAL RESOURCES

At July 31, 2014, the Corporation had working capital of $700,681, compared to working capital of $259,677 at July 31, 2013. Management has been actively engaged in securing the resources necessary fulfill all of Mobio's planned activities. During the year, the Corporation completed four equity financings for gross proceeds of approximately $8 million for the issuance of approximately 43.9 million common shares and 21.9m warrants. Additionally, during the year ended July 31, 2014, the Corporation received proceeds of $2.3 million from the exercise of approximately 8.2 million share purchase warrants (see *Section 13 – Outstanding Share Data*).

During the year ended July 31, 2014, the Corporation discharged $1,208,223 of loans and obligations of Strutta, which predated the acquisition of Strutta.

The Corporation's continued activities over the long term are dependent upon the Corporation's ability to raise additional capital in the future, achieve profitability, monetize one or more of its proprietary technologies, or reduce discretionary expenditures.

6. SELECTED ANNUAL INFORMATION

The following table provides a summary of the Corporation's financial operations for the three most recently completed fiscal years. For more detailed information pertaining to the Corporation, please see Mobio's annual audited consolidated financial statements for 2014 and 2013.

SELECTED ANNUAL INFORMATION						
Year ended July 31,		**2014**		**2013**		**2012**
Revenue	$	926,098	$	31,026	$	45,018
Cost of sales	$	309,461	$	22,504	$	29,127
Expenses	$	9,927,869	$	1,639,184	$	217,834
Other income (expenses)	$	883,950	$	17,943	$	39,716
Net earnings (loss)	$	(10,195,182)	$	(1,731,015)	$	(162,227)
Earnings (loss) per share, basic and fully diluted	$	(0.17)	$	(0.06)	$	(0.03)
Cash	$	738,485	$	449,898	$	1,546
Working capital (deficiency)	$	700,681	$	259,677	$	(392,048)
Total assets	$	9,263,242	$	2,986,542	$	4,547
Total long-term liabilities	$	-	$	-	$	-
Shareholders' equity	$	7,819,865	$	2,615,409	$	(392,048)
Cash dividends	$	-	$	-	$	-

The Corporation presently does not pay and does not anticipate paying any dividends on its common shares, as all available funds will be used to develop the Corporation's business for the foreseeable future.

7. SELECTED QUARTERLY INFORMATION

The following table provides a brief summary of the Corporation's financial results for each of the eight most recent quarters. For additional information pertaining to the Corporation's quarterly results, please refer to the annual audited consolidated financial statements for 2014 and 2013, and to the interim financial statemetns and MD&A for each period presented, which are available at www.sedar.com.

SUMMARY OF QUARTERLY RESULTS								
	Jul. 31	**Apr. 30**	**Jan. 31**	**Oct. 31**	**Jul. 31**	**Apr. 30**	**Jan. 31**	**Oct. 31**
Quarter ended	**2014**	**2014**	**2014**	**2013**	**2013**	**2013**	**2013**	**2012**
Revenue	$ 170,255	$ 659,327	$ 71,487	$ 28,520	$ 31,026	$ -	$ -	$ -
Cost of sales	56,523	-	-	13,063	22,504	-	-	-
Expenses	4,670,322	4,222,302	2,497,259	868,653	1,006,737	244,743	404,941	91,745
Net earnings (loss)	(3,354,664)	(3,984,405)	(2,459,419)	(898,992)	(1,001,336)	(244,508)	(404,941)	(91,745)
Earnings (loss) per share, basic and fully diluted	(0.04)	(0.05)	(0.04)	(0.02)	(0.03)	(0.01)	(0.01)	(0.01)
Cash	738,485	186,544	2,393,263	1,152,636	449,898	1,300,261	1,043,097	1,791,941
Working capital (deficiency)	700,681	478,874	2,426,345	1,113,364	259,677	1,369,313	1,049,704	1,683,804
Total assets	9,263,242	15,483,063	13,944,096	3,632,017	2,986,542	2,528,819	1,974,870	1,829,055
Total long-term liabilities	-	-	-	-	-	-	-	-
Shareholders' equity	7,819,865	11,527,496	10,200,407	3,355,931	2,615,409	2,495,486	1,936,704	1,708,804
Cash dividends	-	-	-	-	-	-	-	-

8. RELATED PARTY TRANSACTIONS

Related party transactions consist of transactions made between the Corporation's subsidiaries and key management. Payments to key management, directors, and former directors during the years ended July 31, 2014 and 2013 were as follows:

Year ended July 31,		**2014**		**2013**
Management fees paid to current and former directors and/or officers, or to companies controlled by directors and/or officers	$	517,500	$	334,700
Share-based payments:				
Number of options granted		1,430,000		1,950,000
Fair value of options granted	$	297,362	$	193,665
Total compensation	$	814,862	$	528,365

The Corporation has agreements with officers or companies controlled by officers of the Corporation which contain provisions for severance payments upon termination without cause by the Corporation, such termination payments potentially equating to up to six months of equivalent base salary, as follows:

- Michael Edwards, Chief Executive Officer - the Corporation may terminate the contract at any time, without cause, by providing six (6) months written notice.
- Kevin Rathbun, Chief Financial Officer - the Corporation may terminate the contract at any time, without cause, by providing thirty (30) days written notice.

Transactions with related parties, other than management compensation arrangements, entered into during the years ended July 31, 2014 and 2013, consisted of premises rental agreements. For part of the year, the Corporation and its subsidiaries rented office space from a company that two of the Corporation's former and current directors are also directors of. The Corporation's offices were rented on a month-to-month basis and no lease has been entered into. During the year ended July 31, 2014, the Corporation paid rent of $113,014 (2013 - $39,866).

All related party transactions were in the normal course of business and have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties. The exchange amounts approximate fair values.

9. FUTURE ACCOUNTING CHANGES

The IASB has made the pronouncements described below related to accounting changes, which have not yet been adopted by the Corporation. As of the date hereof, the following standards, amendments and interpretations have not been early adopted and are not expected to have a material effect on the Corporation's future results and financial position:

Financial Instruments

In November 2013, the IASB issued IFRS 9, *Financial Instruments*, (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39). IFRS 9 (2009) establishes the measurement and classification of financial assets. Financial assets are measured either at fair value through earnings or at amortized cost if certain conditions are met. IFRS 9 (2010) includes guidance on the classification and measurement of financial liabilities. The most recent amendment, IFRS 9 (2013) includes a new general hedge accounting model, which will align hedge accounting more closely with risk management. Additionally, the new standard removes the January 1, 2015 effective date. The new mandatory effective date of this standard is January 1, 2018.

The Corporation is currently evaluating the impact of IFRS 9 on its consolidated financial statements and expects to apply the standard in accordance with its future mandatory effective date.

Revenue from Contracts with Customers

On May 28, 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers*. The new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard is effective for fiscal years ending on or after December 31, 2017 and is available for early adoption.

The Corporation is currently evaluating the impact of IFRS 15 on its consolidated financial statements and expects to apply the standard in accordance with its future mandatory effective date.

Separate Financial Statements

IAS 27, "Separate Financial Statements", has been amended for the issuance of IFRS 10, Consolidated Financial Statements, but retains the current guidance for separate financial statements. The Corporation does not anticipate this amendment to have a significant impact on its consolidated financial statements.

Investments in Associates and Joint Ventures

IAS 28, *Investments in Associates and Joint Ventures*, has been amended for conforming changes based on the issuance of IFRS 10, Consolidated Financial Statements, and IFRS 11, Joint Arrangements. The Corporation does not anticipate this amendment to have a significant impact on its consolidated financial statements.

Intangible Assets

On May 12, 2014, the IASB issued amendments to IAS 38, *Intangible Assets*. The amendments in IAS 38 introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate. This presumption could be overcome only when revenue and consumption of the economic benefits of the intangible asset are highly correlated or when the intangible asset is expressed as a measure of revenue.

The Corporation intends to adopt the amendments to IAS 38 in its consolidated financial statements for the annual period beginning on August 1, 2016. The extent of the impact of adoption of the amendments has not yet been determined.

Offsetting Financial Assets and Liabilities

In December 2011, the IASB issued, *Offsetting Financial Assets and Liabilities*, an amendment to IAS 32, *Financial Instruments: Presentation*. The objective of this amendment to IAS 32 is to clarify when an entity has a right to offset financial assets and liabilities. This amendment is effective for annual periods beginning on or after January 1, 2014 and is to be applied retrospectively.

The Corporation expects to apply this standard to its consolidated financial statements for the annual period beginning on August 1, 2014 and does not expect the amendment to have a material impact on the consolidated financial statements.

10. FINANCIAL INSTRUMENTS

The Corporation's financial instruments consist of cash, accounts receivable, investments in convertible notes, investments in equity securities, and trade and other payables. As at July 31, 2014, there are no significant differences between the carrying amounts of these items and their estimated fair values. The carrying value of these items approximates their fair values due to their immediate or short-term maturity.

The Corporation's financial instruments are exposed to certain financial risks, and the Board of Directors approves and monitors the risk management processes. The Corporation has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk and funding risk
- Interest rate risk
- Market risk

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

11. RISK MANAGEMENT

Early stage technology companies face many risks. While management is unable to eliminate risks, the Corporation is intent on identifying and mitigating such risks as much as is reasonably possible.

Many early stage technology companies are unsuccessful in achieving development of their product or commercialization thereof due to external factors that cannot be predicted, anticipated, or controlled by management, and even one such factor may result in the economic viability of a particular project being detrimentally impacted to the point where it is not feasible nor economical to proceed. The Corporation frequently evaluates and monitors its activities and the risk factors which could impact those activities, and makes timely decisions in regard to risk management. Management occasionally seeks the assistance of experienced professionals when appropriate to address risks.

Risks faced by the Corporation include:

- Credit risk
- Liquidity risk and funding risk
- Interest rate risk
- Market risk

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 Corporation manages its financial instruments with the objective of minimizing potential interest rate risk, which generally means avoiding interest-bearing obligations other than in unusual circumstances.

Credit Risk
Credit risk is the risk of potential loss to the Corporation if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Corporation is associated with cash and accounts receivable, investments in convertible notes, and investments in promissory notes. Management believes that the credit risk with respect to cash is minimal as balances are held with a high-credit quality financial institution. Accounts receivable is minimal and described in Note 4. Credit risk arising from convertible notes can be managed through the conversion features embedded in those notes. The Corporation does face credit risk exposure from promissory notes. During the period ended July 31, 2014, the Corporation wrote down its investment in certain promissory notes to the estimated recoverable value. Subsequent to the year end, nearly the full amount of the estimated recoverable value was realized in cash.

During the year ended July 31, 2014, the Corporation recorded provisions for bad debts of $9,154. The Corporation believes that its current credit practices mitigate exposure to bad debts.

Liquidity Risk
The Corporation's exposure to liquidity risk is dependent on the collection of accounts receivable, purchasing commitments and obligations or raising funds to sustain operations. The Corporation controls liquidity risk by management of working capital and cash flows.

Market Risk
The Corporation's exposure to financial market risk is limited to a minimal number of financial instruments that fluctuate as a result of changes in prices quoted in open markets. Currently the Corporation only has one equity investment that has prices quoted in a recognized market, and is therefore exposed to financial market risk. As at July 31, 2014, the fair value of this investment was $14,000.

12. ACCOUNTING POLICIES & USE OF CRITICAL ESTIMATES

Accounting Policies
The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, revenues and expenses. Actual results could differ from these estimates. The financial statements include estimates, which by their nature are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting

adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

The preparation of these consolidated financial statements required the use of judgement with respect to assessing whether certain acquisitions meet the definition of a "business" as defined in IFRS 3 – *Business Combinations*. Those acquisitions which meet the definition of a business are accounted for as a business combination using the purchase method, and require the purchase price to be allocated to the fair values of the net assets acquired, including any intangible assets that may have arisen as a result of the acquisition, with the remainder of the purchase price allocated to goodwill. Those acquisitions which did not meet the definition of a business are accounted for as a purchase of assets. The judgement applied to making this determination includes assessing whether the acquisition contains inputs, processes, and outputs as described in IFRS 3.

The key sources of estimation uncertainty in these consolidated financial statements are the fair values of the Corporation's investments. The determination of the fair values of investments involves the use of multiple sources of data as well as forward-looking information. Furthermore, multiple methods of determining the fair value of investments could be used and could potentially yield different results. The Corporation has developed a consistent approach to assessing the fair value of its investments as described below.

a) Measurement uncertainty

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Aside from the significant areas described above, other areas requiring management estimates include impairment provisions, stock-based compensation and the estimation of the tax rates used to calculate deferred income tax assets and liabilities. Actual results could differ from those estimates.

b) Functional currency and presentation

The Corporation's functional currency is the Canadian dollar and transactions in foreign currencies are translated into Canadian dollars at rates of exchange at the time of such transactions. Monetary assets and liabilities are translated at reporting period rate of exchange. Non-monetary assets and liabilities are translated at historical exchange rates. Revenue and expenses denominated in a foreign currency are translated at the monthly average exchange rate (except for depreciation and amortization which is translated at historical exchange rates). Gains and losses resulting from the translation adjustments are included in income.

c) Income taxes

Income tax expense consists of current and deferred tax expenses. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized directly in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for temporary differences related to the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or investments in subsidiaries and equity investments to the extent it is probable that they will not be reversed in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Corporation does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that asset.

d) Stock-based compensation

For employees, the fair value is measured at grant date and recognized on a straight-line basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Compensation expense for stock options granted to non-employees is recorded as an expense in the period at the earlier of the completion of performance and the date the options are vested using the fair value method.

e) Loss per share

Basic earnings (loss) per share is calculated by dividing the earnings (loss) attributable to common shareholders by the weighted-average number of common shares outstanding during the period. The Corporation uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. The method requires computation as if the proceeds from the exercisable options and warrants would be used to purchase common shares at the average market price during the period. For the periods presented, diluted loss per share is equal to basic loss per share since the effects of stock options and warrants were anti-dilutive.

f) Financial instruments

At initial recognition, the Corporation classifies all financial instruments as held-to-maturity, available-for-sale, held-for-trading, loans and receivables, financial liabilities measured at amortized cost or financial assets and liabilities measured at fair value. Financial assets held to maturity, loans and receivables and financial liabilities, other than those measured at fair value, are measured at amortized cost. Instruments classified as held-for-trading are measured at fair value with unrealized gains and losses recognized in the statement of operations. Instruments classified as available for sale are measured at fair value with unrealized gains and losses included in other comprehensive income.

The carrying amounts for cash and cash equivalents, accounts receivable, accounts payable, and promissory notes on the statement of financial position approximate their fair value due to the current nature of these instruments.

g) Investments
Investments consist of common shares, preferred shares, convertible notes and promissory notes. Investments are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Corporation's management estimates fair value of its investments (other than promissory notes) based on the criteria below and records such valuations in the financial statements. All adjustments to the fair value of investments are recorded directly in profit or loss. At each reporting period thereafter, the fair value of an investment may, depending on circumstances, be adjusted by applying one or more of the following valuation techniques:

- There has been a significant new equity financing with arms-length investors at a valuation above or below the current fair value of the investee company, in which case the fair value of the investment is adjusted to the value at which the financing took place; or
- Based on financial information received from the investee company it is apparent to the Corporation that the investee company is unlikely to be able to continue as a going concern, in which case the fair value of the investment is adjusted downward; or
- There have been significant corporate, political, operating, technological or economic events affecting the investee company that, in the Corporation's opinion, have a positive or negative impact on the investee company's prospects and, therefore, its fair value; or
- The investee company is placed into receivership or bankruptcy.

In addition to the circumstances described above, the Corporation will take into account general market conditions when determining if an adjustment to the fair value of an investment is warranted at the end of each reporting period. Absent the occurrence of any of these events, or any significant change in general market conditions, the fair value of the investment is left unchanged.

Application of the valuation techniques described above may involve uncertainties and determinations based on the Corporation's judgment and any value estimated from these techniques may not be realized.

The amount at which an investment could be disposed of may differ from its carrying value due to the availability and/or reliability of information available to, and determinations reached by, the Corporation.

Any fair value estimated by the application of these techniques may not be realized.

Transaction costs incurred in the purchase and sale of investments are recorded as an expense in the statement of loss and comprehensive loss.

h) Comprehensive income
Comprehensive income (loss) is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net earnings. Comprehensive loss is equal to net loss for the years ended July 31, 2014 and 2013.

i) Non-monetary transactions
All non-monetary transactions are measured at the fair value of the asset surrendered or the asset received, whichever is more reliable, unless the transaction lacks commercial substance or the fair value cannot be reliably established. The commercial substance requirement is met when the future cash flows are expected to change significantly as a result of the transaction. When the fair value of a non-monetary

transaction cannot be accurately measured it is recorded at the carrying amount of the asset given up adjusted by the fair value of any monetary consideration received or given.

The accompanying financial information reflects the same accounting policies and methods of application as the Company's consolidated financial statement for the year ended July 31, 2013, with the exception of the following new accounting standards that were issued by the IASB and existing policy, which were adopted by the Company, effective August 1, 2013.

13. OUTSTANDING SHARE DATA

As of July 31, 2014, common shares issued and outstanding were as follows:

Common Shares Issued and Outstanding	**Number**		**Amount**
Balance, August 1, 2012	5,631,550	$	1,800,647
Shares issued pursuant to private placements	26,165,000		2,824,250
Share issuance costs	-		(38,424)
Shares issued on exercise of stock options	50,000		13,000
Shares issued for asset acquisitions	4,800,000		1,002,000
Shares issued for business acquisitions	1,382,400		421,632
Balance, July 31, 2013	38,028,950	$	6,023,105
Shares issued pursuant to private placements	43,881,157	$	6,882,753
Share issuance costs	-		(434,159)
Shares issued for business acquisitions	11,832,982		4,854,336
Shares returned to treasury	(105,235)		(67,350)
Shares issued on warrant exercise	8,195,440		2,500,316
Expiration of warrants	-		99,616
Shares issued on option exercise	525,000		136,078
Balance, July 31, 2014	102,358,294	$	19,994,695

As of July 31, 2014, the Corporation had the following common share purchase warrants issued and outstanding:

	Number of Warrants		Weighted Average Exercise Price
Balance, July 31, 2012	-	$	-
Warrants issued during the period	11,082,500	$	0.30
Balance, July 31, 2013	11,082,500	$	0.30
Warrants issued during the period	23,059,897	$	0.31
Warrants exercised during the period	(8,195,440)	$	0.28
Warrants expired during the period	(4,535,000)	$	0.30
Balance, July 31, 2014	21,411,957	$	0.32

As of July 31, 2014, the Corporation had the following stock options issued, outstanding, and vested and exercisable:

Outstanding (#)	Exercisable (#)	Exercise Price ($)	Expiry Date
1,040,000	390,000	$ 0.15	Oct. 4, 2018
1,650,000	1,650,000	$ 0.16	Nov. 15, 2017
250,000	250,000	$ 0.25	Apr. 2, 2019
150,000	150,000	$ 0.27	May 10, 2018
750,000	375,000	$ 0.32	May 30, 2018
50,000	12,500	$ 0.32	Mar. 12, 2019
715,000	178,750	$ 0.50	Dec. 24, 2018
200,000	50,000	$ 0.60	Feb. 25, 2017
4,805,000	3,056,250		

As of the date of this MD&A, the fully diluted share capital of the corporation is 123,078,257 shares, comprising 102,358,294 common shares, 12,464,963 share purchase warrants, and 8,255,000 stock options. Additionally, the Corporation could issue up to 6,249,999 shares to former shareholders of Strutta contingent upon certain revenue-based milestones being achieved within agreed-upon timeframes.

14. CORPORATE INFORMATION

Directors
Jeff Durno, Chairman and director
Mike Edwards, Chief Executive Officer and director
David Baxby, director
Derek Lew, director

Officers
Kevin Rathbun, Chief Financial Officer

Head Office
950 – 1199 W. Hastings St.
Vancouver, BC, Canada
V6E 3T5
Email: info@mobio.net
web: www.mobio.net

Auditors
KPMG, LLP
900 – 777 Dunsmuir Street
Vancouver, BC, Canada V7Y 1K3
T: (604) 691-3000 F: (604) 691-3031
web: www.kpmg.com

Legal Counsel
Anfield Sujir Kennedy & Durno LLP
1600 – 609 Granville Street
Vancouver, BC, Canada V7Y 1C3
T: (604) 669-1322 F: (604) 669-3877
web: www.askdlaw.com

Transfer Agent & Registrar
Olympia Trust Company
1003 – 750 West Pender Street
Vancouver, BC, Canada V6C2T8
T: (604) 484 8637 F: (604) 484 8638
web: www.olympiatrust.com

Stock Exchange Listing (CAN)
TSX Venture Exchange
Symbol: **MBO**

Stock Listing (USA)
OTCQX
Symbol: **MBIOF**