Sparta Capital Ltd.

("Sparta" or "Corporation")

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") for the Three and Nine Months ended June 30, 2015 and the Three and Nine Months ended June 30, 2014.

The following discussion and analysis should be read in conjunction with the audited financial statements of the Corporation for the year ended September 30, 2014 and the unaudited interim condensed consolidated financial statements of the Corporation for the three and nine months ended June 30, 2015 prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar figures included therein and in the following discussion and analysis are quoted in Canadian dollars, which is the Corporation's functional and reporting currency.

This management's discussion and analysis is dated August 30, 2015 and is in respect of the three and nine months ended June 30, 2015. The discussion in this management's discussion and analysis focuses on this period. Further information about the Company and its operations can be obtained on www.sedar.com

Forward Looking Statements and Risks

Certain statements included in this discussion may constitute forward-looking statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Corporation, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include changes in government regulations, general economic conditions and business conditions, ability to raise debt or equity financing as required to fund operations, ability to convert long term investments into cash through the sale of all or part of investments, foreign currency exposure, supplier constraints, transportation constraints, emissions standards, fuel prices, product quality and safety, alternative and competing products, protection of intellectual property, the findings resultant to due diligence programs, the results of product certification testing, the ability to attract and retain employees, sales agents and service personnel in Canada and in international markets, the actions of current and future competitors, future claims or litigation, the speculative nature of product research and development, and other factors that may affect demand for the Corporation's products and services and the ability of the Corporation to implement its business strategy and/or generate profit.

The words "may", "would", "could", "will", "likely", "estimate", "believe", "expect", "plan", "forecast", "is to be", "intend", "anticipate" and similar expressions are intended to identify forward-looking statements. Although Sparta has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results 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. Accordingly, readers should not place undue reliance on forward-looking statements. Sparta does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Going concern

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") accounting principles applicable to a going concern which assumes that the Corporation will realize its assets and discharge its liabilities in the normal course of business.

As the Corporation continues to focus on developing a market for its products, it has incurred a net loss from continuing operations of $360,654 (June 30, 2014 - $97,862) and negative cash flow from operations of $554,804 (June 30, 2014 - $8,116) for the nine-month period ending June 30, 2015. As at June 30, 2015, the Corporation has shareholders' equity of $36,927 (September 30, 2014 - a deficiency of $347,343).

At June 30, 2015 the Corporation had working capital of $69,949, which is mainly due to a unit issuance for net proceeds of $713,046 during the period. In order to meet the Corporation's future working capital requirements it will be required to attract additional funds through the issue of debt or equity to further the development of the Corporation's products and to provide sufficient working capital. The Corporation's management will continue to consider various alternatives to finance the Corporation's operations and activities within the context of existing market conditions.

There can be no assurance that capital will be available as necessary to meet these continuing development costs or, if the capital is available, that it will be on terms acceptable to the Corporation. The issuances of additional equity securities by the Corporation may result in significant dilution to the equity interests of its current shareholders. If the Corporation is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected, thus giving rise to doubt about the Corporation's ability to continue as a going concern.

Additional capital requirements are dependent on uncertain future events, including but not limited to the results of the evaluation of other business growth opportunities, the level of growth in product sales and distribution. If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, and the balance sheet classifications used which could be material.

Overview

The Corporation's common shares are listed and posted for trading on the NEX board of the TSX Venture Exchange under the symbol "SAY.H".

The Corporation seeks to leverage its expertise in product development, manufacturing, distribution, sales and service across a growing range of complementary technologies designed to achieve reduced emissions and increased operating efficiency of carbon fuel powered equipment and in the process, monetize resulting carbon credits to help children around the globe. In that regard the Corporation continues to identify and evaluate further business growth opportunities.

Over the past nine months, the corporation has expanded its offering into four distinct environmentally centered market verticals; transportation, mining, construction and energy (through biomass conversion). To date, this has been accomplished through the formation of majority controlled corporations and/or exclusive licensing agreements.

Sparta will continue to seek further opportunities to utilize its distribution network to distribute complementary products and intends, on an ongoing basis, to assess product performance and market acceptance of other products suitable to the Corporation's established distribution network. Announcements of new products added to Sparta's distribution network will be made following the Corporation's comprehensive due diligence processes.

Overall Performance

An extensive period of research and analysis, as well as consultation with experts in a number of technology sectors has led to substantial progress in the last 12 months. Sparta has expanded its product offering and corporate relationships while enhancing its corporate profile at the same time. Brand awareness is building but will soon be enhanced with the implementation of a number of new marketing initiatives, primarily using an expanded social media platform. This program will be headed up by Sparta's experienced marketing and communications team that is well versed in everything Sparta related.

Along with the ongoing Addeco Tech™ work, the Corporation continued to expand its environmental interests into a number of other important market verticals; each with the underlying mandate of finding technologies that reduce carbon emissions, which can be used to help fund children's hospital around the globe.

As previously stated, on October 28th, 2014 Sparta announced that they had entered into a share purchase agreement with the shareholders of Newport Environmental Technologies Ltd. and on November 25th, 2014 Sparta completed the agreement. Newport includes an extensive team of professionals with strong marketing, sales, legal, financial, engineering and business development skills. Together they bring a host of potential supply agreements in such market verticals as transportation, mining, commercial, industrial, residential and power generation. Combining Newport's skill sets and experience with Sparta's longstanding reputation and corporate structure is expected to culminate in rapid expansion of the Sparta offering and powerful brand awareness.

Then in February 2015 the Corporation announced the formation of a mining division called, Sparta Technologies 4 Mining Ltd. With emphasis being placed on the development of an emission free underground vehicle propulsion system, this mining division has the potential to transform mining operations. The new equipment will offer underground mine operators safer work conditions while optimizing performance and efficiency.

Just one month later, the Corporation signed a licensing agreement with SuperNova Performance Technologies Ltd. for their unique TreeFrog Transport Optimization™ systems. The systems offer carbon-reducing technologies for the transportation sector, at the same time emissions are rising. Greenhouse Gas emissions from transportation have increased by about 16% since 1990. This is largely due to increased demand for travel and limited gains in fuel efficiency.

After signing a licensing agreement with SuperNova, Sparta took the time to study a number of dynamic companies and technologies. Their efforts culminated in the formation of Illumineris Inc., a Canadian controlled corporation with majority interest held by the Corporation. This Toronto based company, established in June, is focused on meeting an important niche in the construction industry. Illumineris offers a specialized technology that inadvertently reduces carbon fuel consumption by illuminating important safety routes without the use of electricity. Created by Jessup Manufacturing of McHenry IL, the Illumineris GloBrite® products are approved by every North American Building and Fire Code. The GloBrite® photoluminescent products act like a light battery, accumulating light, storing it, and then using it, if and when the lights to a building go out; thus reducing the consumption of carbon based electricity. Illumineris distributes a photoluminescent version of the international running man exit sign, which is quickly becoming the exit sign of choice around the world and has recently been mandated throughout Canada.

The same month (June), the Corporation announced the formation of an exciting new biomass division called ReECO Tech Conversion Technologies Ltd. With an aim to helping develop environmentally sustainable economies by converting what was once old into consumables that are now of value, Sparta is entering this arena at a time when biomass is expecting tremendous growth. Biomass (plant and animal waste) is one of the oldest sources of renewable energy, used by our ancestors who first learned the secret of fire. Re-ECO Tech is able to convert the waste into consumables for such markets as waste-to-energy, fertilizer and pellet production, to name a few. As the capture of feedstock is very scalable, ReECO Tech will soon be in a position to capture a significant portion of the rapidly expanding biomass market, while fulfilling its commitment to assist children through the reduction in carbon emissions.

With this expanded team, Sparta will continue to seek further opportunities to leverage its sales and marketing channels to distribute complementary products. As well, the Company intends, on an ongoing basis, to assess product performance and market acceptance of other technologies suitable to the Corporation's established distribution network and executive team. Announcements about new Sparta products will be made following the Corporation's comprehensive due diligence processes.

Selected Financial Information

The following table is a summary of selected financial information derived from the Corporation's audited financial statements for the years ended September 30, 2014, 2013 and 2012 prepared in accordance with IFRS:

	2014	**2013**	**2012**
	$	$	$
Total Assets	24,587	75,662	69,453
Total Non-Current Financial Liabilities	-	-	(172,700)
Revenues	-	-	27,127
Net and comprehensive loss for the period	(138,218)	(660,541)	(320,180)
Basic and diluted net loss per share for the year	(0.002)	(0.013)	(0.008)
	Common Shares	Common Shares	Common Shares
Weighted average number outstanding	62,530,140	52,287,695	39,608,788

For the three and nine months period ended June 30, 2015, the Corporation reported no discontinued operations and declared no cash dividends.

Summary of Quarterly Results

The quarterly financial information for the eight most recently ended quarters are as follows:

	Q3 June 30, 2015	**Q2 March 31, 2015**	**Q1 December 31, 2014**	**Q4 September 30, 2014**	**Q3 June 30, 2014**	**Q2 March 31, 2014**	**Q1 December 31, 2013**	**Q4 September 30, 2013**
Net (Loss)	(164,124)	(160,737)	(40,354)	(13,290)	(38,361)	(46,213)	(206,835)	(238,573)
(Loss) Per Share	(0.001)	(0.001)	(0.000)	(0.000)	(0.001)	(0.001)	(0.005)	(0.004)
Total Asset	384,414	666,758	24,587	52,151	52,267	56,110	75,662	156,447
Total Liabilities	314,365	703,685	371,930	359,138	345,964	311,448	284,786	347,398

Variances in net loss by quarter is not cyclical or seasonal and reflect overall corporate activity and factors which do not recur each quarter, such as travel, due diligence, professional and regulatory fees.

Results of Operations

Overall for the three and nine months ended June 30, 2015 respectively the Corporation had a net and comprehensive loss of $164,124 and $360,654 compared to a net and comprehensive loss of $13,290 and $97,862 for the same time periods in 2014.

Revenue

No sales revenue was generated during the three and nine months ended June 30, 2015 and 2014, while the Corporation attracted new business interests and sought to attract funding to support sales and marketing activities.

Expenses

For the three months ended June 30, 2015

The total expenses increased to $160,737 during the three months ended June 30, 2015, an increase of $147,447 representing a 1,109% increase from the $13,290 in the same period in 2014, due to the following:

Consulting fees increased to $71,250 during the three months ended June 30, 2015, an increase of $62,250 or 692% from the $9,000 incurred in the same period in 2014 due to increased fees for services provided.

Professional fees increased to $27,946 during the three months ended June 30, 2015, from $230 incurred in the same time period in 2014. This increase is primarily a result of higher legal and accounting fees during the current period.

There was no stock based compensation during the three months ended June 30, 2015.

For the nine months ended June 30, 2015

The total expenses increased to $360,654 during the nine months ended June 30, 2015, an increase of $262,792 representing a 269% increase from the $97,862 in the same period in 2014, due to the following:

Consulting fees increased to $109,250 during the nine months ended June 30, 2015, a increase of $57,250 representing a 110% increase from $52,000 incurred in the same period in 2014.

Professional fees increased to $68,429 during the nine months ended June 30, 2015, an increase of $63,199 or 1,208% from $5,230 incurred in the same time period in 2014. This increase is a result of higher legal and accounting fees during the current period.

Stock based compensation increased to $92,400 during the nine months ended June 30, 2015, from the $nil incurred in the same time period in 2014.

Cash Flows

The following is a summary of cash flows for the nine months ended June 30:

Cash Flow Activity	2015	2014
Cash used in operating activities	($554,804)	($8,116)
Cash provided by financing activities (see Note 1)	685,546	-

Note 1 – cash provided from financing activities is due to the completion of the first and second tranches of an 18,800,000 units offering by issuing 14,434,000 units at $.05 per unit for net proceeds of $685,546 (gross $721,700 less share issuance costs $10,656 and share issuance receivable $27,500).

Liquidity

The Corporation had a cash balance at June 30, 2015 of $130,742 and a cash balance of $nil at September 30, 2014.

At June 30, 2015 the Corporation had a working capital surplus balance of $69,949 (September 30, 2014: deficiency $347,343). In order to meet the Corporation's anticipated working capital requirements it may be required to attract additional funds through the issue of debt, equity or other business means to further the development of the Corporation's products and to provide sufficient working capital. The Corporation monitors its working capital position and makes changes or reductions in expenditures to help sustain sufficient liquidity to meet liabilities on a timely basis.

Transactions with Related Parties

For the three months ended June 30, 2015, the Corporation incurred consulting fees of $24,000 (2014-$4,500) with companies controlled by the President. For the nine months ended June 30, 2015, the Corporation incurred consulting fees of $39,500 (2014-$9,000) with companies controlled by the President. Included in accounts payable and accrued liabilities is $8,000 (2014-$185,664).

Financial Instruments

The carrying values of the financial assets and liabilities included in the statement of financial position are as follows:

	June 30, 2015	**September 30, 2014**
Financial Assets	$	$
Held for trading financial assets:		
Cash	130,742	-
Accounts receivable	12,120	24,587
Financial Liabilities		
Accounts payable and accrued liabilities	301,365	358,930
Loans and borrowings	13,000	13,000

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair value due to the relatively short period to maturity of the instruments. Cash is classified as level 1, whereby fair value measurement is derived from quoted prices in active markets. The carrying value of the loans and borrowings approximates their fair value due to the relatively short period to maturity of the instruments. The carrying amount of loans and borrowings approximate fair value as the interest rates are consistent with the current market rates.

Shareholders' Equity

Authorized

The authorized share capital of the Corporation consists of an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares, issuable in series. The rights, privileges, restrictions and conditions attached to the preferred shares are to be determined by the Directors of the Corporation at time of issuance. There are no preferred shares issued or outstanding as at June 30, 2015.

The number of issued and outstanding common shares is 138,964,140 as at June 30, 2015 and the date of this MD&A.

As at June 30, 2015 and the date of this MD&A the Corporation had 5,375,000 options outstanding with a range of exercise prices of $0.05 to $0.13 and a weighted average remaining contractual life of 3.86 years.

As at June 30, 2015 and the date of this MD&A the Corporation had 18,477,620 warrants outstanding, with an exercise prices between $0.05 and $0.14 per warrant and remaining contractual life of 1.0 year.

Contributed surplus totaled $612,741 at June 30, 2015. The balance comprises the cumulative stock-based compensation expenses charged since February 11, 2004 plus $14,080 resulting from the Corporation repurchasing and subsequently canceling common shares in 1996.

Capital Management

The Corporation's objectives when managing capital is to safeguard its ability to continue as a going concern, provide adequate working capital, and maintain cash on hand. The Corporation defines capital as the Corporation's shareholders' equity and loans and borrowings. At June 30, 2015 shareholders' equity was $69,949 (September 30, 2014 –a deficiency of $347,343) and loans and borrowings were $13,000 (September 30, 2014 - $13,000). The Corporation manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Corporation may purchase shares for cancellation pursuant to normal course issuer bids, issue new shares or obtain debt financing. The Corporation is not currently subject to any externally imposed capital requirements.

Management anticipates that, based on the amount required to fund expenses associated with the execution of the Corporation's current business plan, taking into account the present working capital deficiency and the Corporation's projected level of future income, the Corporation is expected to require an injection of capital through debt or equity financing to meet its normal operating requirements for the next 12 months. Additional capital requirements are dependent on the extent of future revenues and expenses related to product development, manufacturing, sales and promotion and in consideration of results of the evaluation of other business growth opportunities and associated capital requirements. Additional liquid capital may be sourced from the issuance of share capital, debt financing or from potential government funding in support of development of export markets.

Financial Risk Management

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized as follows:

<u>Credit Risk</u>

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's trade receivables.

<u>Liquidity Risk</u>

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities. The Corporation's objective in managing liquidity risk is to maintain sufficient liquidity to meet liabilities when due by holding sufficient cash and cash equivalents to settle current liabilities and meet its anticipated 2015 working capital requirements. The Corporation's accounts payable and accrued liabilities of $301,365 and certain loans payable of $13,000 are current and due on demand. The Corporation had a cash balance at June 30, 2015 of $130,742 (September 30, 2013 – $Nil).

At June 30, 2015 the Corporation had a working capital surplus balance of $69,949 (September 30, 2014 – deficiency of 347,343). In order to meet the Corporation's anticipated working capital requirements it may be required to attract additional funds through the issue of debt, equity or other business means to further the development of the Corporation's products and to provide sufficient working capital. The Corporation monitors its working capital position and makes changes or reductions in expenditures to help sustain sufficient liquidity to meet liabilities on a timely basis.

Outlook

Sparta's is focused on continuing to expanding its product offering across the many market verticals initiated by the recent acquisition of Newport Environmental Technologies Ltd., as well as monetizing the resulting carbon credits through the Clean Air for Kids™ campaign.

In every target market there are glaring inefficiencies that can be addressed by applying Sparta's innovative technology solutions; the key values being the ability to reduce fuel consumption while reducing harmful emissions in the process. This could mean through the reduction of ventilation air systems in underground mining applications; the reduction of low-temperature heat loss in industrial and commercial applications; through the ability to better automate vocational vehicles in the transportation sector; or by helping to expand the use of high-intensity LED fixtures in commercial, industrial and urban applications. These are just a few examples, but all reduce fuel consumption and in turn reduce emissions, thus leaving behind a better planet.

The model is simple…higher quality need not cost the consumer more. The team is strong and well experienced. We look forward to an exciting and profitable future.