This "Management's Discussion and Analysis" ("MD&A") has been prepared as of August 31, 2015, and should be read in conjunction with the unaudited condensed interim consolidated financial statements of EEStor Corporation (the "Company", formerly ZENN Motor Company Inc.) for the three and nine months ended June 30, 2015 and 2014, and the Company's Annual Information Form ("AIF") dated January 28, 2015. Any specific reference to "EEStor" herein means EEStor, Inc. alone, a 71.3% subsidiary of EEStor Corporation. The Company's unaudited condensed interim consolidated financial statements and the notes thereto have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars unless otherwise stated. These financial statements do not contain all disclosures required by IFRS for annual financial statements and, accordingly, should also be read in conjunction with the most recently prepared annual consolidated financial statements for the year ended September 30, 2014. All financial analysis, data and information set out in this MD&A are unaudited.

FORWARD-LOOKING STATEMENTS

This MD&A includes certain forward-looking statements that are based upon current expectations which involve risks and uncertainties associated with the Company's business and the economic environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements, which are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. The forward-looking statements are not historical facts, but reflect the Company's current expectations regarding future results or events. Forward-looking statements contained in this MD&A are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed in the section "Risks and Uncertainties" below and the "Risk Factors" section of the Company's most recently filed AIF. Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information.

The Company believes the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward looking statements.

Forward-looking statements	Assumptions	Risk factors
The Company intends to complete another equity financing, debt borrowing or a combination of both.	The funds are intended to be used towards continued third party testing and ongoing enhancement to the current technology and for further working capital.	The Company may not be able to complete the desired financing due to market conditions or other factors needed to increase its cash on hand and continue to operate and support EEStor.
The Company does not anticipate any additional cash expenses related to Discontinued Operations.	All anticipated costs related to the closure have been provided for as of September 30, 2013.	Not all expenses may be anticipated and provided for as of September 30, 2013.

Forward-looking statements	Assumptions	Risk factors
Management believes that its technology, if proven successful, will allow the Company to successfully license and or partner with known commercial capacitor companies that require a capacitor that provides high voltage and high capacitance at a substantially lower cost to currently available technologies.	The energy storage technology will be successfully commercially developed and will possess the performance attributes anticipated.	The energy storage technology may not be successfully commercialized for financial, technical or other reasons, or in a manner providing the features and benefits expected or on a timely basis. The technology, even if successfully developed, may not gain market acceptance. Also see "Risk Factors" section of the Company's most recently filed AIF.

The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

OVERVIEW OF BUSINESS

The Company's mission is to be the provider of leading edge electrical energy storage and related capacitor technologies. The Company operates on the principle and belief that a fundamental breakthrough in energy storage will be the catalyst for positive environmental and economic change globally. The Company's current business strategy is to focus on licensing and partnership opportunities across a broad spectrum of industries and applications building on its recent technology achievements related to capacitors.

The Company holds an approximate 71.3% as-converted equity and voting interest and certain technology rights to a solid-state capacitor and related energy storage technologies currently under development by EEStor. The acquisition of the controlling interest in EEStor on January 27, 2014 aligned the businesses of both companies and now allows EEStor Corporation to benefit from other revenue streams that may be available to EEStor, including applications throughout the capacitor industry and not limited to high density energy storage applications.

HIGHLIGHTS AND SUMMARY

The following summarizes the key events in the development of the Company during the three and nine months ended June 30, 2015, and up to the date of this MD&A:

Financial Highlights

- In the three and nine months ended June 30, 2015, the Company incurred net losses of $501,921 and $1,909,164, respectively, compared to the Company's losses of $724,405 and $1,865,458 in the corresponding periods of the prior year. On a per share basis, for the three and nine months ended June 30, 2015, the Company incurred net losses of $0.01 and $0.03, respectively, compared to the Company's losses of $0.02 and $0.05 in the corresponding periods of the prior year.
- EEStor incurred total losses of $152,216 and $978,024 for the three and nine months ended June 30, 2015, compared to a loss of $457,288 and $775,405 in the corresponding periods of the prior year.

- As a result of the deferral of certain payables and the arms length shareholder advances, the Company incurred a source of cash of $181,396 for the current three month period and a use of cash of $1,237,906 on a year to date basis, as compared to the Company's use of $545,087 and $1,826,999 in the same periods of the prior year.

Other

- On August 12, 2015, the Company released independent testing results performed by Intertek Group plc of four 1500 volt and one 2000 volt 8-layer robotically produced polypropylene injection molded samples of EEStor's capacitor technology across multiple voltages (see "*Subsequent Events - Independent Testing Results Announced").* The testing further confirms the advanced technical characteristics of the EEStor-developed dielectric material, and its potential commercial value in the large capacitor market. The Company is now ready to advance discussions with potential commercial partners towards agreements that are expected to range from licensing to manufacturing joint-ventures.
- On April 28, 2015, the Company announced the extension of the expiry date of 3,704,000 outstanding common share purchase warrants for an additional six months from May 14, 2015 to November 13, 2015. Each warrant entitles the holder to purchase one common share of the Company at a price of $1.50 per share until May 14, 2015.
- On March 26, 2015, the Company released the findings of independent Phase 2 testing conducted by Intertek Group plc.
- On February 5, 2015, the Company completed a non-brokered private placement in which 2,793,000 equity units at a price of $0.375 were issued resulting in gross proceeds to the Company of $1,047,375.
- On December 22, 2014, the Company granted an aggregate of 856,000 stock options to Directors, Officers, and employees of the Company; 400,000 of the options vest over a twelve month period and the remainder are to vest over an eighteen month period. Each option granted entitles the holder to acquire one common share at a price of $0.57 and expires five years from the grant date.
- On December 22, 2014, the Company entered into an investor relations consulting agreement with Mr. John Zammit. As part of the agreement, Mr. Zammit has been granted stock options as his compensation. The options will vest as to one half for a six month period and the remaining one-half for a twelve month period at an exercise price of $0.35.
- On December 17, 2014, the Company released independent testing results performed by Intertek Group plc, of an extensive sampling of EEStor capacitor layers across multiple voltages using Intertek's equipment and testing protocols.

The Company continues to work on its patent portfolio as it relates to its energy storage technology. Additional details about the Company's patent activity is available in the Company's most recently filed AIF.

DISCUSSION OF OPERATING RESULTS

Operating results

The following table summarizes the Company's operating results for continuing operations, segregating the Company's loss from discontinued operations, for the three and nine months ended June 30, 2015 and 2014.

	Three Months Ended June 30 (unaudited)		Nine Months Ended June 30 (unaudited)	
	2015	2014	**2015**	2014
	$	$	**$**	$
Interest (Income)	**(436)**	(1,190)	**(2,284)**	(9,714)
Share of loss of associates	**-**	-	**-**	91,126
General and administrative	**531,640**	635,518	**1,775,158**	1,573,047
Engineering and development	**38,309**	295,124	**600,319**	497,962
Business development	**1,364**	25,816	**3,006**	102,956
Loss from continuing operations	**570,877**	955,268	**2,376,199**	2,255,377
Loss from discontinued operations	**7,000**	7,000	**21,000**	21,000
Total comprehensive loss	**577,877**	962,268	**2,397,199**	2,276,377
Non-controlling interest in subsidiary	**75,956**	237,863	**488,035**	410,919
Loss for the period	**501,921**	**724,405**	**1,909,164**	**1,865,458**
Loss per share				
Continuing operations	**(0.01)**	(0.02)	**(0.03)**	(0.05)
Discontinued operations	**(0.00)**	(0.00)	**(0.00)**	(0.00)
Total	**(0.01)**	(0.02)	**(0.03)**	(0.05)

In accordance with IFRS, the Company is required to incorporate the financial results of EEStor in its consolidated statements as a result of the acquisition of control of EEStor on January 27, 2014. On a year to date basis, the costs incurred by EEStor reflect a full nine month period compared to the prior year which only includes expenses during the period from January 27, 2014 to June 30, 2014. The segmented financial information for EEStor is provided below under "EEStor, Inc. Operations". The continuing operations expenses incurred by EEStor Corporation for the three and nine months ended June 30, 2015 was $418,661 and $1,398,175 respectively, compared to $497,980 and $1,479,972 in the previous periods. For the nine months period, salaries and stock base compensation costs increased when compared to the prior year and were offset by costs savings related to legal and business development costs.

In the three and nine months ended June 30, 2015, the Company incurred non-cash related losses of $7,000 and $21,000, respectively, as a result of the payment of a premium on a run off insurance policy for the LSV business, which expires in July 2015. The Company ceased providing its service support in June 2013 and does not expect to incur any further costs.

The tables in the following page present an analysis of the **continuing operations** of the Company.

General and Administrative

	For the three months ended June 30 (unaudited)		For the nine months ended June 30 (unaudited)	
	2015	2014	**2015**	2014
	$	$	**$**	$
Salaries and benefits	**210,896**	201,512	**621,199**	576,466
Stock based compensation	**84,138**	216,779	**397,329**	460,997
Stock based compensation - consultant	**37,789**	-	**133,037**	-
Insurance	**30,416**	30,264	**91,033**	83,035
Legal, audit, regulatory	**56,257**	87,890	**198,382**	245,511
Occupancy costs	**66,966**	60,656	**201,568**	129,057
Other costs	**44,133**	38,105	**129,144**	77,487
Amortization	**1,045**	312	**3,466**	494
Total	**531,640**	635,518	**1,775,158**	1,573,047

General and Administrative comprises a broad range of costs including salaries and benefits, travel, and department specific costs for a number of functional areas including Executive, Finance, and Administration. This group of expenses also reflects rent, voice and data services, insurance and corporate compliance costs. The above amounts for 2015 include expenses incurred by EEStor for the full current periods however, only expenses from January 27 to June 30, 2014 are included in the prior year amounts. In the current year periods, stock based compensation decreased as a result of options previously granted becoming fully vested. On a year to date basis, salaries increased when compared to the prior year as a result of the increased compensation related to the CEO position of approximately $96,000 and Director's fees of approximately $11,000, which is offset by the elimination of the Vice President and General Manager role and executive consulting fees at EEStor (collectively approximately $62,000). Other Costs increased in the current year as a result of travel related expense of the CEO. Legal costs in the prior year included expenses related to the acquisition of control of EEStor.

Engineering and Development

	For the three months ended June 30 (unaudited)		For the nine months ended June 30 (unaudited)	
	2015	2014	**2015**	2014
	$	$	**$**	$
Salaries and benefits	**260,380**	204,036	**745,677**	346,610
Stock based compensation	**315**	3,264	**3,327**	3,264
Service and materials	**45,950**	69,041	**283,499**	132,905
Other costs	**2,310**	8,734	**38,161**	(1,826)
Amortization	**12,786**	10,049	**32,953**	17,009
Gross expenses	**321,741**	295,124	**1,103,617**	497,962
Expenses deferred as development costs				
Salaries and benefits	**(231,108)**	-	**(399,865)**	-
Service and materials	**(17,707)**	-	**(42,260)**	-
Other costs	**(34,617)**	-	**(61,173)**	-
Total	**38,309**	295,124	**600,319**	497,962

Engineering and Development includes all costs related to product research, engineering and development. The costs for the current year periods relate to the full three and nine month periods respectively whereas the prior year numbers only reflect costs of EEStor from January 27, 2014 to June 30, 2014. Amortization costs increased during the current periods due to the addition of the robotics system implementation.

For the three and nine month period, $283,432 and $503,298, respectively, of costs incurred related to the development of the EEStor technology were deferred.

Business Development

	For the three months ended June 30 (unaudited)		For the six months ended June 30 (uaudited)	
	2015	2014	**2015**	2014
	$	$	**$**	$
Salaries and benefits	**-**	(21)	**-**	37,291
Stock based compensation	**-**	21,983	**-**	55,003
Other marketing related costs	**1,364**	3,854	**3,006**	10,662
Total	**1,364**	25,816	**3,006**	102,956

Business Development costs incurred in the prior year related to the Executive Vice-President, EEStor Relations ("EVP") position which ceased at the end of April 2014.

EEStor Operations

	For the three months ended June 30		**For the nine months ended June 30**	
	2015	2014	**2015**	2014
	US $	US $	**US $**	US $
General and administrative	**92,675**	148,744	**316,280**	283,711
Engineering and development	**31,168**	270,709	**509,067**	422,545
Interest Income	**-**	-	**-**	(4)
Net loss	**123,843**	419,453	**825,347**	706,252

The average foreign exchange rate used for consolidation purposes relating to operating expenses for the three months ended December 31, 2014 is 1.1361, 1.2411 for the three months ended March 31, 2015 and 1.2291 for the three months ended June 30, 2015.

Discontinued Operations

In June 2013, the Company closed its Service department, and all expenses anticipated relating to the discontinued operations have been provided for in the recently completed fiscal year 2013.

QUARTERLY FINANCIAL INFORMATION

The following table sets out the quarterly results for the most recently completed eight quarters. The results have been segregated to reflect continuing and discontinued operations:

Quarters Ended	Loss continuing operations $	Gain/(Loss) discontinued operations $	Non-controlling interest in period $	Net loss in period $	Loss per share continuing operations $	Loss per share discontinued operations $	Loss per share in period $
September 30, 2013	(455,489)	123,811	N/A	(331,678)	(0.01)	0.00	(0.01)
December 31, 2013	(384,222)	(7,000)	N/A	(391,222)	(0.01)	0.00	(0.01)
March 31, 2014	(915,887)	(7,000)	173,056	(749,831)	(0.02)	0.00	(0.02)
June 30, 2014	(955,268)	(7,000)	237,863	(724,405)	(0.02)	0.00	(0.02)
September 30, 2014	(918,548)	(7,000)	189,562	(735,986)	(0.01)	0.00	(0.01)
December 31, 2014	(934,463)	(7,000)	242,031	(699,432)	(0.01)	0.00	(0.01)
March 31, 2015	(870,860)	(7,000)	170,048	(707,812)	(0.01)	0.00	(0.01)
June 30, 2015	(570,877)	(7,000)	75,956	(501,921)	(0.01)	0.00	(0.01)

For the two quarters ending December 31, 2013 and March 31, 2014, the previously reported losses related to continuing operations increased due to the inclusion of the proportionate share of EEStor's losses of $24,123 and $67,003, respectively, for the period December 20 to December 31, 2013 and January 1, 2014 to January 26, 2014. The loss related to EEStor operations for the period January 27, 2014 to June 30, 2015, has also been incorporated following the acquisition of control.

The losses related to discontinued operations (which reflect the results of the LSV business) in the quarter ended September 30, 2013, included a warranty adjustment of $166,875, offset by severance cost related to the closure of the service support of ($25,731). The Company has provided for all anticipated expenses at the end of the 2013 fiscal year and does not expect to incur any further costs associated with the discontinued operations following the completion of the 2013 fiscal year.

In the three and nine month periods, development costs of $283,432 and $503,298, respectively, were deferred to future periods.

LIQUIDITY AND CAPITAL RESOURCES

In the period ended June 30, 2015, and up to the date of this MD&A, the Company continued to incur losses and is drawing on cash resources.

The Company's financial liquidity is currently supported by cash and short-term investments. The Company is not cash flow positive and its ongoing ability to remain liquid will depend on a number of factors including licensing and partnering arrangements following independent validation of its technology for the aluminium electrolytic market, the rate of cash expenditures to fund ongoing operations and development, investments in non-cash working capital and the Company's ability to raise capital to fund the development of the business (see "Risks and Uncertainties" below). The Company intends to complete further equity financing to hire senior staff at EEStor in order to expand its development capabilities and accelerate product development, to protect intellectual property, to conduct extensive third-party testing activities of ongoing enhancements to the current technology and to arrange partnership and licensing opportunities with key global capacitor companies and for general corporate purposes.

On February 5, 2015, the Company successfully completed a non-brokered private placement that resulted in gross proceeds for the Company of $1,047,375. The net proceeds from the offering were used for working capital and general corporate purposes.

On April 28, 2015, the Company completed a non-brokered private placement that resulted in gross proceeds of $31,000. The net proceeds from the offering were used for working capital and general corporate purposes.

The Company's total cash and cash equivalents at June 30, 2015 was $154,706 compared to a balance of $1,013,181 at September 30, 2014. Working capital as at the same two dates were ($699,811) and $701,084, respectively.

The Company's investment policy restricts the investment of its cash balances to term deposits and bankers' acceptances. As well, short-term investments are invested only in high quality instruments of financial institutions, providing the Company with very low levels of liquidity risk on its invested financial instruments.

The Company has no long term debt; however, in order to continue to operate it is pursuing the raising of funds by an equity financing, debt borrowing or a combination of both. There can be no assurance that additional financing will be available on commercially reasonable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to fund its operations and as a result may be required to substantially reduce or temporarily cease its operations, including but not limited to the reduction of payroll costs, development activities and other operating expenditures. Any such actions could have a material adverse effect on the Company's business, financial condition and prospects. Prior to March 31, 2015, the Company began maintaining a cash management program which encompasses restricting a number of non-discretionary expenses including certain management and director remuneration in addition to extending the payment of various accounts payable amounts. As of August 31, 2015, the Company has obtained $446,540 as an advance from certain arm's length shareholders to assist the Company until additional financing can be obtained (see "*Subsequent Events – Shareholder Advances")***.**

CAPITAL COMMITMENTS

The Company does not have any material commitments for capital assets as at June 30, 2015, or the date of this MD&A.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off balance sheet transactions.

MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to maintain its ability to continue as a going concern for the benefit of shareholders and other stakeholders by balancing cash conservation and prudent investment in its operations in order to further its business objectives.

Working capital management is fundamental to the broader management of capital. The Company has a defined investment policy restricting the investment of cash balances to term deposits and bankers' acceptances. Non-cash working capital is managed with defined business practices and policies intended to optimize the investment and safeguard the assets.

The Company includes equity in its definition of capital. Equity is comprised of share capital, contributed surplus, warrant capital and deficit. The Company's approach to raising equity has been to raise sufficient capital to take the Company toward a target milestone, with an objective of minimizing dilution for shareholders. To secure additional capital to pursue its objectives, the Company may raise additional funds through the issuance of equity. The Company's ability to raise equity capital is a function of many factors, including the state of the capital markets, and there is no assurance that capital will be available to the Company when required or on acceptable terms.

The Company is not subject to any external capital requirements.

There have been no changes with respect to the overall capital management strategy during the period ended June 30, 2015.

RELATED PARTY TRANSACTIONS

Key Management Personnel Compensation

Key management personnel 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 members of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer.

Key management personnel may also participate in the Company's stock-based compensation plans. See Note 10 to the unaudited condensed interim consolidated financial statements for the three and nine months ended June 30, 2015, for details.

The remuneration of key management personnel were as follows:

	For the three months ended June 30		For the nine months ended June 30	
	2015	2014	**2015**	2014
	$	$	**$**	$
Wages and salaries	**160,056**	122,478	**463,466**	382,282
Statutory deductions	**4,866**	3,768	**23,179**	21,989
Stock-based compensation	**78,141**	208,622	**363,805**	483,924
	243,063	334,868	**850,450**	888,195

As at August 31, 2015, the outstanding compensation for key management personnel**,** as defined above, amount to $170,954. In addition, the outstanding compensation for EEStor employees amounted to $194,000.

Consulting Agreement

An agreement was entered into with Mr. J. Gregory Gooch, a member of the EEStor Board of Directors for his weekly consulting services relating to the EEStor technology. During the nine months ended June 30, 2015 fees and other expenses of $52,975 were incurred. As at August 31, 2015, the amount $24,750 remains outstanding.

Employee Advance

The Company previously entered into an agreement to advance $35,000 to Mr. Ian Clifford, a director and CEO of the Company. A promissory note was issued evidencing the advance and provides for a 2% annual interest charge and a maturity date of March 31, 2015. As at August 31, 2015, Mr. Clifford is indebted $63,464 to the Company.

FINANCIAL INSTRUMENTS

Interest Rate Risk

Interest rate risk is the impact that changes in interest rates could have on the Company's income and liabilities. The Company's exposure to interest rate risk is minimal.

Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to currency risk is minimal.

Credit Risk

Credit risk arises from the possibility that the entities to which the Company sells products may experience financial difficulties and be unable to fulfill their contractual obligations. Since the Company no longer sells its LSV products, its sales credit risk is minimal.

Credit risk can also arise from the inability of the institutions in which the Company invests its cash and short term investments to return the funds to the Company when due. As described in the "Management of Capital" section above, the Company's investment policy restricts the investment of its cash balances to term deposits and bankers' acceptances. As well, short-term investments are invested only in high quality instruments of financial institutions, providing the Company with very low levels of liquidity risk on its invested financial instruments. As such, the Company believes it is exposed to a very low level of credit risk on its investments.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

The unaudited condensed interim consolidated financial statements of the Company include the statements of the Company and its wholly-owned subsidiaries EEStor Limited (formerly ZENN Motor Company Limited), ZENN Capital Inc., ZENNergy Inc., and ZMC America, Inc. and EEStor, Inc., which the Company holds an indirect 71.3% controlling interest in on an as-converted basis. Intercompany transactions and balances are eliminated on consolidation.

The Company's unaudited condensed interim consolidated financial statements have been prepared by management in accordance with IFRS. Management has made certain estimates and assumptions that affect the reported amount of assets and liabilities. Significant areas requiring the use of management estimates relate to amounts recorded as accrued liabilities, including the valuation of purchase price allocation, stock options, warrants, measurement of deferred tax assets and the fair value of financial instruments. The significant area requiring the use of management judgement relates to the assessment of going concern uncertainties.

Amortization of investments in property and equipment is calculated at various rates intended to reflect the useful life of the asset.

The fair value of options is determined using the Black-Scholes option pricing with the following weighted average assumptions: (i) dividend yield of 0% (2014 – 0%), (ii) expected volatility of approximately 170% (2014 – 148%), (iii) risk free interest rate of 1.02% (2014 – 1.07%), (iv) the average expected life of 1.09 years (2014 – 2 years), and (v) the average share price on date of issuance of $0.57 (2014 - $0.52). Expected volatility is based on historical volatility. The Company includes an estimated forfeiture rate, with actual forfeitures reversed in the period they occur. The weighted average fair value of the cost of grants in the period was approximately $0.37 (2014 - $0.33) per instrument.

Accounting Pronouncements Issued But Not Yet Effective

As at the date of the MD&A, the Company has determined that the following matter for accounting and disclosure under the standards established by the International Accounting Standards Board ("IASB") may be applicable to the Company's operations. Accordingly the following pronouncement may impact the Company's accounting and disclosure of its activities:

IFRS 9, Financial Instruments

In July 2014, the IASB issued IFRS 9, "Financial Instruments" ("IFRS 9"). IFRS 9, which replaces IAS 39, "Financial Instruments: Recognition and Measurement", establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 and must be applied retrospectively. The Company is assessing the impact of this new standard.

RISKS AND UNCERTAINTIES

An investment in the Company should be considered highly speculative due to the nature of the Company's activities and its early stage of development. These risk factors and uncertainties could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements contained herein relating to the Company.

This section should be read in conjunction with and is qualified by the "Risk Factors" section of the Company's most recently filed AIF, available on SEDAR at www.sedar.com, which is hereby incorporated by reference herein. Some of these risks, presented in greater detail in the AIF, include the following:

- Dependence on the successful development, commercialization and integration of its technologies and potential impact on the Company if this does not occur at all or in a timely manner, or if the commercial applications do not possess the anticipated functionality and benefits,
- Early stage of development, history of losses,
- Additional financing requirements,
- Currency risk related to a controlled foreign subsidiary.

The Company's success depends on the commercialization of its technology. There is no assurance that EEStor will be successful in the completion of the various enhancement phases to warrant the anticipated licensing opportunities in the technology. Readers are directed to the "Risk Factors" disclosed in the Company's AIF.

Additional Disclosure for Venture Issuers Without Significant Revenue

Effective January 1, 2015, the Company began to defer development costs incurred as a result of the independent third party verification test results documented in late December 2014.

As of June 30, 2015, the Company has deferred to future periods the recognition of costs in the amount of $503,298 relating to the development of new projects. Development costs include direct labour, materials and third party costs. No amortization has been taken to date

Additional required disclosure for venture issuers without significant revenue is included in the section "Discussion of Operating Results" above.

Outstanding Shares

The following table outlines all outstanding voting or equity securities of the Company and all other securities of the Company which are convertible into, or exercisable or exchangeable for, voting or equity securities as of August 31, 2015:

	Number
Common shares outstanding	62,337,505
Issuable under options	3,657,800
Issuable under warrants	10,554,457
Total diluted commons shares	**76,549,762**

The terms of the options are described in Note 10 to the unaudited condensed interim consolidated financial statements for three and nine months ended June 30, 2015.

Subsequent Events

Shareholder Advances

As part of the continuing efforts to obtain financing for the Company, the Company has received an additional $221,540 as an advance from certain arms length shareholders subsequent to June 30, 2015.

Independent Testing Results Announced

On August 12, 2015, the Company announced the findings of the independent Phase 3 testing conducted by Intertek on its 1500 and 2000 volt robotically produced capacitor technology.

Intertek rigorously tested four 1500 volt and one 2000 volt 8-layer robotically produced polypropylene injection molded samples of EEStor's capacitor technology across multiple voltages. Intertek confirmed that significant improvements were achieved over the previously tested and reported 750 volt, hand built six-layer injection molded prototype.

Key highlights and findings of the Intertek report include:

1. An eight layer stack, rated at 2000 volts, was successfully tested up to 3400 volts, demonstrating high voltage stability and improvements to time constants.
2. Capacitance of the stack remained constant over a wide range of voltages (1,000 to 3,400 volts).
3. The resultant extremely high time constant could allow for voltage smoothing for many applications and should improve the performance of power related devices.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's most recently filed AIF, can be found on SEDAR at www.sedar.com and at the Company's website at www.eestorcorp.com.