The following is management's discussion and analysis of operations and financial position ("MD&A") and should be read in conjunction with the audited consolidated financial statements for the year ended July 31, 2015 and the audited consolidated financial statements and MD&A for the year ended July 31, 2014 included in our 2014 Annual Report to Shareholders. The audited consolidated financial statements for the year ended July 31, 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Reko's Chief Executive Officer and Chief Financial Officer have signed a statement outlining management's responsibility for financial information in the annual consolidated financial statements and MD&A. The statement, which can be found on page 29, also explains the roles of the Audit Committee and Board of Directors in respect of that financial information. When we use the terms "we", "us", "our", "Reko", or "Company", we are referring to Reko International Group Inc. and its subsidiaries.

This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 "Continuous Disclosure Obligations" ("NI 51-102") of the Canadian Securities Administrators. Additional information regarding Reko International Group Inc., including copies of our continuous disclosure materials, is available on our website at www.rekointl.com or through the SEDAR website at www.sedar.com.

In this MD&A, reference is made to earned revenue, which is not a measure of financial performance under IFRS. The Company calculates earned revenue as sales less materials, sub-contracting and inventory adjustments. The Company included information concerning this measure because it is used by management as a measure of performance, and management believes it is used by certain investors and analysts as a measure of the Company's financial performance. This measure is not necessarily comparable to a similarly titled measure used by other companies.

All amounts in this MD&A are expressed in 000's of Canadian dollars, except per share amounts and where otherwise indicated.

This MD&A is current to October 21, 2015.

OVERVIEW

Reko designs and manufactures a variety of engineered products and services for original equipment manufacturers ("OEMs") and their Tier 1 suppliers. These products include custom machining of very large castings and assemblies to high precision tolerances, specialty machines and lean cell factory automation, compression molds, hydroform dies, plastic injection molds, fixtures and gauges. Customers are typically OEMs or their Tier 1 suppliers and are predominantly in the automotive market. Divisions of Reko are generally invited to bid upon programmes comprised of a number of custom products used by the customer to produce a complete assembly or product.

For the transportation and oil and gas industry, the Company machines customer supplied metal castings to customer indicated specifications. For the automotive industry, the Company conceptualizes designs and builds innovative solutions to manufacturing challenges, including specialty machines for gas tank assembly lines, work cell solutions for compression molds, plastic secondaries, as well as compression molds, hydroform dies, two shot molds and plastic injection molds. Reko has extensive experience and knowledge in mold design and material flow and the impact of pressure on segments of the mold/die.

Our design and manufacturing operations are carried on in two manufacturing plants located in Lakeshore, Ontario a suburb of the City of Windsor in Southwestern Ontario.

INDUSTRY TRENDS AND RISKS

Historically, our sales levels have been primarily dependent upon the levels of new model releases of cars and light trucks by North American OEMs and our ability to secure moulding and automation programmes from them and demand levels for locomotives. OEM new model releases can be impacted by many factors, including general economic and political conditions, interest rates, energy and fuel prices, labour relation issues, regulatory requirements, infrastructure, legislative changes, environmental emissions and safety issues. Demand levels for locomotives can be impacted by many factors, including general economic and political conditions, interest rates, energy and fuel prices, regulatory requirements, North American rail infrastructure and safety issues.

The following additional risk factors, as well as the other information contained in this MD&A, for the year ended July 31, 2015 or otherwise incorporated herein by reference, should be considered carefully. These risk factors could materially and adversely affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements related to the Company.

OPERATIONAL RISK

Current outsourcing and in-sourcing trends could materially impact our profitability and financial condition

During periods of weakened demand, our customers traditionally revisit outsourcing decisions as a method of maintaining their employment levels. Then during periods of strong demand, they return to previous levels of outsourcing. As a result of this and other factors, our demand levels will swing with general economic activity related to the industries we serve. Depending upon the depth and breadth of the current economic climate, Reko may experience reductions in outsourced work orders.

The consequences of a decrease in the world's energy or emission reduction programs could materially impact our profitability and financial condition

Certain of our activities are tied to machining of energy or emission efficient locomotive crankcases. An adverse change in the current worldwide economic demand for energy or emission efficient locomotive crankcases could result in reduction in the demand for our machining operations.

A shift away from technologies in which the Company is investing could have a material adverse effect on our profitability and financial condition

Like our OEM and Tier 1 customers, we continue to invest in technologies and innovations, which the Company believes are critical to its long-term growth. Our ability to anticipate changes in technology and to successfully develop and introduce new and enhanced products on a timely basis using such technologies will be a significant factor in our ability to remain competitive. If there is a shift away from the use of such technologies, our costs may not be fully recovered. In addition, if other technologies in which our investment is not as great or our expertise is not as fully developed emerge as the industry-leading technologies, we may be placed at a competitive disadvantage, which could have a material adverse effect on our profitability and financial condition.

Inability to diversify our sales could have an adverse effect on our profitability and financial condition

Although we supply molds, gauges, fixtures and factory automation to all of the leading automobile manufacturers, a significant majority of our sales are to the Detroit 3. In addition, although we supply machined locomotive crankcases to each of the leading locomotive manufacturers, a significant majority of our sales are to one locomotive OEM. While we have diversified our customer base in recent years and continue to attempt to further diversify, there is no assurance we will be successful. Inability to successfully grow our sales to non-traditional customers could have an adverse effect on our profitability and financial condition.

We may not be able to successfully compete against suppliers with operations in developing markets, which could have an adverse effect on our profitability and financial condition

Many of our customers have sought, and will likely continue to seek to take advantage of lower operating costs in China, India, Brazil, Indonesia, Russia, Mexico and other developing markets. While we continue to expand our manufacturing sources, with a view to taking advantage of these lower cost countries, we cannot guarantee that we will be able to fully realize such opportunities. The inability to quickly adjust our manufacturing sources to take advantage of opportunities in these markets could harm our ability to compete with our suppliers operating in or from such markets, which could have an adverse effect on our profitability and financial condition.

The consequences of the automotive industry's dependence on consumer spending and general economic conditions could materially impact our profitability and financial condition

The global automotive industry is cyclical and largely tied to general economic conditions. As our customers revisit their business models and make design changes to existing models and new vehicle introductions, the market for tooling and factory automation may decline.

The financial viability of our supply base could materially impact our profitability and financial condition

While our exposure to individual entities in our supply chain is largely limited to steel suppliers and mold grainers, both of which tend to be mandated by our customers, we are still exposed to multiple relatively small niche market players whose declining financial viability may present challenges for securing the necessary inputs to our manufacturing process.

Changes in consumer demand for specific vehicles could materially impact our profitability and financial condition

The global automotive industry is cyclical and consumer demand for automobiles is sensitive to changes in economic and political conditions, including interest rates, energy prices, employment levels and international conflicts, including acts of terrorism. Automotive production and more importantly for Reko, the frequency of automotive model changes, is affected by consumer demand and may be affected by macro-economic factors. As a result of these and other factors, some of our customers are currently experiencing, and/or may experience in the future, reduced consumer demand for all or a portion of their vehicles, leading to reduced product offerings.

Our dependence upon key personnel could materially impact our profitability and financial condition

The success of Reko is dependent on our design engineers, control engineers, machinists and our management team. The experience and talents of these individuals is a significant factor in the Company's continued growth and success. The loss of one or more of these individuals without adequate replacement could have a material adverse effect on the Company's operations and business prospects.

Our failure to successfully identify, complete, and integrate acquisitions could materially impact profitability and financial condition

While we have not completed an acquisition in a number of years, we may do so in the future. In those product areas in which we identified acquisitions as critical to our business strategy, we may not be able to identify suitable acquisition targets or successfully acquire any suitable targets, which we identify. Additionally, we may not be able to successfully integrate or achieve anticipated synergies from those acquisitions, which we do complete.

MANAGEMENT'S DISCUSSION AND ANALYSIS (IN 000'S, EXCEPT FOR PER SHARE AMOUNTS)

Our manufacturing facilities are subject to risks, which could materially impact our profitability and financial condition

Our manufacturing facilities are subject to risks associated with natural disasters, including fires and floods. The occurrence of any of these natural disasters could cause the total or partial destruction of a manufacturing facility, thus preventing us from supplying products to our customers and disrupting production at their facilities for an indeterminate period of time. The inability to promptly resume the supply of products following a natural disaster at a manufacturing facility could have a material adverse effect on our operations, profitability and financial condition.

FINANCIAL AND CAPITAL MANAGEMENT RISK

Uncertain economic conditions could have a material adverse effect on our profitability and financial condition

Economic uncertainty or deterioration of the global economy for an extended period of time could have a material adverse effect on our profitability and financial condition.

The continuation or intensification of pricing pressures and pressure to absorb additional costs could have an adverse effect on our profitability

We face significant pricing pressure, as well as pressure to absorb extra costs, as well as other items previously paid for directly by customers. These pressures are expected to continue. The continuation or intensification of these pricing pressures and pressure to absorb additional costs could have an adverse effect on our profitability and financial condition.

Continued support of our lenders could have a material impact on our profitability, financial condition and continued sustainability

The Company operates in a capital-intensive business, has significant financing requirements placed on it by its customers and its financial resources are less than the financial resources of our customer base. There can be no assurance that, if, as and when the Company seeks additional equity or debt financing, it will be able to obtain the additional financial resources required to successfully compete in its markets on favourable commercial terms or at all. Additional equity financings may result in dilution to existing shareholders.

Significant long-term fluctuations in relative currency values could have an adverse effect on our profitability and financial condition

Although, our financial results are reported in Canadian dollars, significant portions of our sales are realized in U.S. dollars. Movements in the U.S. dollar against the Canadian dollar affect our profitability. As a result of our hedging program, foreign currency transactions are not fully impacted by movements in exchange rates. Our hedging program is designed to hedge our accounting risk (the risk associated with our foreign exchange balances on our balance sheet at any point in time) but does not hedge our economic risk (the risk associated with all of our foreign exchange balances and potential balances regardless of whether those balances and potential balances are on our balance sheet at any one particular time). Despite these measures, significant long-term fluctuations in relative currency values could have an adverse effect on our profitability and financial condition and any sustained change could adversely impact our competitiveness.

We could record impairment charges in the future, which could materially impact our profitability and financial condition

Annually, we must test our capital assets, future income taxes and any other long-lived assets for impairment or whenever indicators of impairment exist. The bankruptcy of a significant customer could be an indicator of impairment. In addition, to the extent that forward-looking assumptions regarding the impact of improvement plans on current operations, outsourcing and other new business opportunities are not met, impairment charges could occur.

Our inability to utilize tax losses could materially impact our profitability and financial condition

We incurred tax losses in both Canada and the United States, which we may not be able to fully or partially offset against future income in those countries. In the case of the United States, we may not be able to utilize these losses at all if we cannot generate profits in the United States.

Potential volatility of Reko's share prices could materially impact the financial returns earned by our shareholders

The market price of the Company's common shares has been, and will likely continue to be, subject to fluctuations in response to a variety of factors, many of which are beyond the Company's control. These fluctuations may be exaggerated if the trading volume of the common shares remains low. In addition, due to the evolving nature of its business, the market price of the common shares may fall dramatically in response to a variety of factors, including quarter-to-quarter variations in operating profits, announcements of technological or competitive developments by the Company or its competitors, large short-term fluctuations in foreign exchange rates, acquisitions or entry into strategic alliances by the Company or its competitors, the industry or its customer's industry and general market and economic conditions.

Interest of the majority and minority shareholders may be in conflict with the interests of the Company

As of the date of this MD&A, The Reko Family Corporation and Shirley Reko own directly or indirectly 51.8% of the outstanding shares of the Company. As such, The Reko Family Corporation will be able to elect or remove the directors of the Company and to exercise control in certain respects over the Company's affairs.

MANAGEMENT'S DISCUSSION AND ANALYSIS (IN 000'S, EXCEPT FOR PER SHARE AMOUNTS)

REGULATORY RISK

Significant changes in law, government regulations or accounting regulations could materially impact our profitability and financial condition

A significant change in the current regulatory environment in our principal markets could impact future profitability. In particular, our profitability could be adversely impacted by significant changes in the tariffs and duties imposed on our products. In addition, we could be affected by changes in tax or other laws, which impose additional costs on original equipment manufacturers or consumers, or more stringent fuel economy requirements on manufacturers, of fossil fuel based vehicles from which we derive some of our sales.

Environmental laws and regulations could materially impact our profitability and financial condition

We are subject to a wide range of environmental laws and regulations relating to air emissions, wastewater discharge, waste management and storage of hazardous substances. We are also subject to environmental laws requiring investigation and clean-up of environmental contamination. Estimating environmental clean-up liabilities is complex and heavily dependent on the nature and extent of historical information and physical data relating to the contaminated sites, the complexity of contamination, the uncertainty of which remedy to apply, and the outcome of discussions with regulatory authorities relating to the contamination. In addition, these environmental laws and regulations are complex, change frequently and have tended to become more stringent and expensive over time. Therefore, we may not have been, and in the future may not be, in complete compliance with all such laws and regulations, and we may incur material costs or liabilities as a result of such laws and regulations significantly in excess of amounts we have reserved.

UNUSUAL ITEMS

PRECISION MACHINING CONTRACT

During the year, the Company secured a three-year precision machining contract with a major global industrial. The contract will generate revenues of at least $27 million during its term, with approximately 40% of the revenues earned during its first year. In order to service the contract, the Company announced it would spend $6.3 million on CAPEX associated with plant additions, new machines and tooling. The Company's actual CAPEX associated with implementing the precision machining contract was $5.1 million. The contract began on March 2, 2015.

RENEGOTIATED BANKING AGREEMENT

During the year, the Company renegotiated its banking agreement with its primary lender. The renegotiated agreement provided for a reduction in the Company's interest rate on its line-of-credit of approximately 200 basis points. In addition, the renegotiated agreement provided term loan facilities to fund the Company's capital investment associated with its new precision machining contract. The term loan facilities are structured into two tranches. The first tranche requires monthly principal and interest payments based on a five-year term and five-year amortization period. The first tranche was drawn on March 27, 2015, in the amount of $2,600 (USD). The second tranche was drawn on April 30, 2015, in the amount of $1,650 (USD). The second tranche was recently renegotiated and requires monthly interest payments and one annual payment of $550 USD on each anniversary date of the loan until the loan is repaid in full. The two tranches bear interest at rates consistent with our current LIBOR rates plus the same premium applicable to our line-of-credit borrowings.

DISSOLUTION OF REKO GLOBAL SERVICES, LLC

During the year, the company entered into an agreement with its joint venture partner in Reko Global Services, LLC to dissolve the joint venture. The Companies liquidated the assets of the joint venture. The Articles of Dissolution were filed with the State of Alabama on January 2, 2015.

RECOVERY OF DEFERRED TAX ASSET

Under IFRS, Reko maintains deferred income tax asset accounts by jurisdiction. Each reporting period Reko assesses the probable net recovery of its Canadian non-capital losses and SR&ED tax credits and its U.S. net operating losses. As a result of the assessment at July 31, 2015, Reko determined that it was probable that its expected recovery of its Canadian non-capital losses and SR&ED tax credits had increased by $746, which resulted in Reko recording $746 income tax recovery in the Company's fourth quarter.

FOREIGN EXCHANGE AND OTHER FINANCIAL INSTRUMENTS

Reko is exposed to the impacts of changes in the foreign exchange rate between Canadian and United States ("U.S.") dollars. More specifically, approximately 80% of the Company's sales and 20% of its costs are incurred in U.S. dollars. In addition, the Company maintains certain working capital in the U.S.

In order to minimize our exposure to the impacts of changes in the foreign exchange rate, the Company maintains a forward foreign exchange hedging programme ("Programme"). Reko's Programme is based on maintaining our net exposure to the U.S. dollar (total U.S. exposure less forward foreign exchange contracts) between positive and negative $2,000. This Programme is designed to minimize the Company's exposure to foreign exchange risks over the mid-term. As a consequence of this mid-term exposure protection, the Company is subject to short-term paper gains and losses on its net exposure to the U.S. dollar, most particularly during periods when our net exposure to the U.S. dollar is outside of our target exposure. During periods of rapid fluctuation in the foreign exchange rate between the Canadian dollar and the U.S. dollar, regardless of our net exposure to the U.S. dollar, the Company can generate significant gains or losses, which will materially impact financial results. These significant gains or losses are entirely related to mark-to-market accounting rules and represent the product of our net exposure to the U.S. dollar and the change during any given month of the value of the U.S. dollar in relation to the Canadian dollar.

MANAGEMENT'S DISCUSSION AND ANALYSIS (IN 000'S, EXCEPT FOR PER SHARE AMOUNTS)

REKO INTERNATIONAL GROUP INC.

During each of the last four quarters, the Company's month-end exposure to the U.S. dollar has been:

FISCAL PERIOD	TOTAL U.S. EXPOSURE BEFORE HEDGING PROGRAMME	FORWARD FOREIGN EXCHANGE CONTRACTS BOOKED	NET EXPOSURE TO THE U.S. DOLLAR
Q4 – 2015	$ 8,739	$ 8,500	$ 239
Q3 – 2015	$ 9,701	$ 9,500	$ 201
Q2 – 2015	$ 10,809	$ 11,000	$ (191)
Q1 - 2015	$ 11,250	$ 10,500	$ 750

As a result of the Company's purchase of forward foreign exchange contracts ("FFECs"), the Company is subject to changes in foreign exchange rates that may not be consistent with changes in the current quoted foreign exchange rates. More specifically, the Company's foreign exchange risk is split such that its net exposure to the U.S. dollar, as detailed above, is subject to change in market foreign exchange rates on a monthly basis and the remainder of its U.S. dollar exposure is subject to foreign exchange risks based on the specific foreign exchange rate contained in its FFECs. The table below presents a comparison between actual foreign exchange rates and Reko's effective rate on its booked FFECs.

	FOR THE THREE MONTHS ENDED JULY 31,				FOR THE YEAR ENDED JULY 31,			
	2015		2014		2015		2014	
	ACTUAL	REKO EFFECTIVE RATE	ACTUAL	REKO EFFECTIVE RATE	ACTUAL	REKO EFFECTIVE RATE	ACTUAL	REKO EFFECTIVE RATE
U.S. DOLLAR EQUALS CANADIAN DOLLAR	1.2454	1.2266	1.0823	1.0907	1.1905	1.1548	1.0732	1.0611

The Company's FFECs represent agreements with an intermediary to trade a specific amount of U.S. dollars for Canadian dollars at a specific rate on a specific date. Currently, the date is between one (1) and three (3) months after the date on which the FFEC is booked. The specific rate entered into is not necessarily indicative of what either the intermediary or Reko believes the foreign exchange rate will be on the date the settlement of the trade occurs, rather it is a rate set by the intermediary which Reko can either accept or reject.

At the end of the year, we held FFECs of $8,500 compared to $9,500 at the end of the prior year. During fiscal 2015, on average, we held FFECs of $10,200, consistent with the $10,200 held during the prior year.

The following table outlines the level of FFECs presently maintained and the average effective rate of these contracts:

FISCAL PERIOD	CONTRACT VALUE BOOKED (000'S)	EFFECTIVE AVERAGE RATE
Q1 – 2016	$ 8,500	1.2391

The Company notes that at current levels of FFECs and U.S. dollar denominated assets and liabilities, an increase in the value of the U.S. dollar against the Canadian dollar results in the Company recording gains and an increase in the value of the Canadian dollar against the U.S. dollar results in financial losses for the Company.

Foreign currency transactions are recorded at rates in effect at the time of the transaction. Forward exchange contracts are recorded at month-end at their fair value, with unrealized holding gains and losses recorded in foreign exchange gain (loss).

Additional information with respect to financial instruments is provided in Note 1, Note 3 and Note 5 to Reko's audited consolidated financial statements, which by this reference are hereby incorporated herein.

RECONCILIATION OF NON-IFRS MEASURES

The reconciliation of earned revenue to sales in accordance with IFRS is provided in the following table:

		2015	2014
SALES		$ 48,296	$ 38,894
LESS:	MATERIAL	11,473	9,242
	SUBCONTRACTING	2,842	2,954
	INVENTORY ADJUSTMENTS	406	(482)
		$ 33,575	$ 27,180

RESULTS OF OPERATIONS

Sales

Sales for the year ended July 31, 2015 increased $9,402, or 24.2%, to $48,296 compared to $38,894 in the prior year.

The increase in sales was largely related to:

- Increased foreign exchange rate on our U.S. dollar sales;
- Increased hourly rates on sales;
- Impacts of our long-term agreement announced in September 2014, but which became effective beginning in March 2015; and,
- Increased demand in all of our markets.

MANAGEMENT'S DISCUSSION AND ANALYSIS (IN 000'S, EXCEPT FOR PER SHARE AMOUNTS)
REKO INTERNATIONAL GROUP INC.

Earned revenue

The earned revenue for the year ended July 31, 2015, increased $6,395 to $33,575, compared to $27,180, in the prior year.

The increase in earned revenue was largely related to:

- Increased foreign exchange rate on our U.S. dollar sales;
- Increased hourly rates on our sales;
- Impacts of our long-term agreement announced in September 2014; and,
- Increased demand in all of our markets.

Gross profit

The gross profit for the year ended July 31, 2015 increased $4,928 to $12,051 or 25.0% of sales, compared to $7,123, or 18.3% of sales, in the previous fiscal year.

The increase in gross profit was largely related to:

- Increased levels of earned revenue during the year.

Items offsetting the increase in gross profit included:

- Higher fixed overhead costs during the year, particularly related to wages commensurate with the increased earned revenue during the year; and,
- Increased repair and maintenance costs.

Selling and administration

Selling and administration expenses ("S,G&A") increased by $1,619, or 34.2%, to $6,349, or 13.1% of sales for the year ended July 31, 2015, compared to $4,730, or 12.2% of sales in the prior year. The increase in S,G&A was a result of:

- Increased professional fees;
- Increases in wages paid to sales people;
- Increases in wages, tied to contractual, productivity and income-based bonuses; and,
- Increases in bad debt.

Items offsetting the increase in selling and administration included:

- Decreases in the premiums of our accounts receivable insurance as we eliminated redundant coverages.

Earnings overview

The net income for the year ended July 31, 2015 was $4,127, or $0.64 per share, compared to a net income of $2,298, or $0.36 per share, in the prior year.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow from operations increased from $356 in the prior year to $2,590 in the current year.

The increase in cash flow from operations is primarily a result of:

- Improved profitability for the year;

Items offsetting the increase in cash flow from operations included:

- Increased investment in new projects as demand increased in the first half of the year.

During the year, the Company obtained equipment financing in the amount of $4,250 USD ($5,282 CDN) bearing interest at LIBOR plus the same premium applicable to our line-of-credit borrowings.

Financial covenants

The Company met its financial covenants at all times during the year.

The Company believes it has sufficient operating room with respect to its financial covenants for the next fiscal year and does not anticipate being in breach of any of its financial covenants during this period.

Capital assets and investment spending

For the year ended July 31, 2015, the Company invested $7,155 in capital assets. The total capital asset investment is comprised of $5,147 related to growth CAPEX and $2,008 related to maintenance CAPEX spending.

Cash resources/working capital requirements

As at July 31, 2015, Reko had borrowed $8,528 on its revolving line of credit, net of its cash on hand, compared to $8,560 at July 31, 2014 and $10,216 at April 30, 2015. The revolver borrowings decreased by $1,688 in the quarter and decreased approximately $32 for the year. Over the next six months, we anticipate collecting more from customers than we will be investing in new projects. Accordingly, we expect borrowings to display a decreasing trend over this period.

Reko has a $20,000 revolver available. However, based on our current lender defined margining capabilities, our borrowings are limited to $20,000, of which approximately $11,472 was unused and available at the end of the year. Under the terms of our credit facilities, Reko must achieve certain financial covenants including a maximum Total Debt to Tangible Net Worth, a minimum Current Ratio and a minimum Debt Service Coverage Ratio. As previously discussed, Reko is confident about its ability to meet these financial covenants over the next fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (IN 000'S, EXCEPT FOR PER SHARE AMOUNTS)

Contractual obligations and off-balance sheet financing

CONTRACTUAL OBLIGATIONS	PAYMENTS DUE BY PERIOD				
	TOTAL	LESS THAN 1 YEAR	1 - 3 YEARS	4 - 5 YEARS	AFTER 5 YEARS
LONG-TERM DEBT	$ 11,072	$ 2,746	$ 7,285	$ 1,041	--
OPERATING LEASES	42	10	21	11	--
TOTAL CONTRACTUAL OBLIGATIONS	**$ 11,114**	**$ 2,756**	**$ 7,306**	**$ 1,052**	**--**

Except as disclosed elsewhere in this MD&A, there have been no material changes with respect to the contractual obligations of the Company during the year.

Reko does not maintain any off-balance sheet financing.

Share capital

The Company had 6,429,920 common shares outstanding at July 31, 2015. During the year, the Company granted 400,000 options. Of which, 100,000 were to a director/officer, 80,000 were to an officer, 30,000 were to independent directors and the remainder were to employees.

Outstanding share data

DESIGNATION OF SECURITY	NUMBER OUTSTANDING	MAXIMUM NUMBER ISSUABLE IF CONVERTIBLE, EXERCISABLE OR EXCHANGEABLE FOR COMMON SHARES
Common Shares	6,429,920	
Stock options issued	455,000	
Stock options exercisable	39,000	
Total (maximum) number of common shares		6,884,920

QUARTERLY RESULTS

The following table sets out certain unaudited financial information for each of the eight fiscal quarters up to and including the fourth quarter of fiscal 2015, ended July 31, 2015. The information has been derived from the Company's unaudited condensed consolidated financial statements, which in management's opinion, have been prepared on a basis consistent with the audited consolidated financial statements contained elsewhere in this Annual Report and include all adjustments necessary for a fair presentation of the information presented. Past performance is not a guarantee of future performance and this information is not necessarily indicative of results for any future period.

		OCT/13	JAN/14	APR/14	JULY/14
Sales		$ 8,469	$ 9,298	$ 10,561	$ 10,566
Net income		42	54	151	2,051
Earnings per share:	Basic	0.01	0.01	0.02	0.32
	Diluted	0.01	0.01	0.02	0.32
		OCT/14	**JAN/15**	**APR/15**	**JULY/15**
Sales		$ 10,586	$ 13,323	$ 13,519	$ 10,868
Net income		366	528	893	2,340
Earnings per share:	Basic	0.06	0.08	0.14	0.36
	Diluted	0.06	0.08	0.13	0.33

NORMAL COURSE ISSUER BID

The Company does not currently have an open Normal Course Issuer Bid.

This MD&A contains forward-looking information and forward-looking statements within the meaning of applicable securities laws. We use words such as "anticipate", "plan", "may", "will", "should", expect", "believe", "estimate" and similar expressions to identify forward-looking information and statements. Such forward-looking information and statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe to be relevant and appropriate in the circumstances. Readers are cautioned not to place undue reliance on forward-looking information and statements, as there can be no assurance that the assumptions, plans, intentions or expectations upon which such statements are based will occur. Forward-looking information and statements are subject to known and unknown risks, uncertainties, assumptions and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed, implied or anticipated by such information and statements. These risks are described in the Company's MD&A and, from time to time, in other reports and filings made by the Company with securities regulators. While the Company believes that the expectations expressed by such forward-looking information and statements are reasonable, there can be no assurance that such expectations and assumptions will prove to be correct. In evaluating forward-looking information and statements, readers should carefully consider the various factors, which could cause actual results or events to differ materially from those, indicated in the forward-looking information and statements. Readers are cautioned that the foregoing list of important factors is not exhaustive. Furthermore, the Company disclaims any obligations to update publicly or otherwise revise any such factors of any of the forward-looking information or statements contained herein to reflect subsequent information, events or developments, changes in risk factors or otherwise.