GLG LIFE TECH CORPORATION

MANAGEMENT DISCUSSION & ANALYSIS

For the Three Months and Nine Months Ended September 30, 2015

Dated: November 16, 2015

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") of GLG Life Tech Corporation is dated November 16, 2015, which is the date of filing of this document. It provides a review of the financial results for the three and nine months ended September 30, 2015, compared to the same periods in the prior year.

This MD&A relates to the consolidated financial condition and results of operations of GLG Life Tech Corporation ("we," "us," "our," "GLG" or the "Company") together with GLG's subsidiaries in the People's Republic of China ("China") and other jurisdictions. As used herein, the word "Company" means, as the context requires, GLG and its subsidiaries. The common shares of GLG are listed on the Toronto Stock Exchange (the "Exchange") under the symbol "GLG". Except where otherwise indicated, all financial information reflected herein is expressed in Canadian dollars and determined on the basis of International Financial Reporting Standards ("IFRS"). This MD&A should be read in conjunction with the condensed interim consolidated financial statements and notes thereto for the nine months ended September 30, 2015, as well as the annual consolidated financial statements and notes thereto and the MD&A of GLG for the year ended December 31, 2014. Additional information relating to the Company, including GLG's Annual Information Form, can be found on GLG's web site at www.glglifetech.com or on the SEDAR web site for Canadian regulatory filings at www.sedar.com.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities and disclosure of contingent assets or liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following: determining the accrued liabilities; assessing the fair value of property, plants and equipment, biological assets, intangible assets and goodwill; the valuation of future tax assets; revenue recognition; estimate of inventory net realizable value; going concern assumption; expected useful lives of assets subject to amortization and the assumptions used in determining the fair value of stock-based compensation. While management believes the estimates used are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

GLG has issued reports on certain non-IFRS measures that are used by management to evaluate the Company's performance. Because non-IFRS measures do not have a standardized meaning, securities regulations require that non-IFRS measures be clearly defined and qualified, and reconciled with their nearest IFRS measure. Where non-IFRS measures are reported, GLG has provided the definition and reconciliation to their nearest IFRS measure in section "Non-IFRS Financial Measures".

Forward-Looking Statements

Certain statements in this MD&A constitute "forward-looking statements" and "forward looking information" (collectively, "forward-looking statements") within the meaning of applicable securities laws. Such forward-looking statements include, without limitation, statements evaluating the market, statements regarding potential demand for stevia, monk fruit, and other products and discussions regarding general economic conditions and future-oriented costs and expenditures. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases or words and phrases that state or indicate that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

While the Company has based these forward-looking statements on its current expectations about future events,

the statements are not guarantees of the Company's future performance and are subject to risks, uncertainties, assumptions and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Such factors include amongst others the effects of general economic conditions, consumer demand for our products and new orders from our customers and distributors, changing foreign exchange rates and actions by government authorities, uncertainties associated with legal proceedings and negotiations, industry supply levels, competitive pricing pressures and misjudgments in the course of preparing forward-looking statements. Specific reference is made to the risks described herein under the heading "Risks Related to the Company's Business" and "Risks Associated with Doing Business in the People's Republic of China." For a discussion of these and other sources of risk and factors underlying forward-looking statements, reference is made to those additional risks set forth under the heading "Risk Factors" in the Company's Annual Information Form for the financial year ended December 31, 2014. In light of these factors, the forward-looking events discussed in this MD&A might not occur.

Further, although the Company has attempted to identify factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

As there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements, readers should not place undue reliance on forward-looking statements.

Financial outlook information contained in this MD&A about prospective results of operations, capital expenditures or financial positions is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information as of the date hereof. Such financial outlook information should not be used for purposes other than those for which it is disclosed herein.

Overview

We are a leading producer of high-quality stevia extract and high-quality monk fruit extract. While stevia has long been the foundation of our company, 2014 was our inaugural year in the Monk fruit extract market, commencing with the announcement in July 2014 of a significant contract to supply Tate & Lyle, a global leader in the food industry, with our monk fruit extract products. Stevia extracts, such as Rebaudioside A (or Reb A), and monk fruit extracts are used as all-natural, zero-calorie sweeteners in food and beverages. Our revenue derives primarily from the sale of high-grade stevia and monk fruit extracts to the food and beverage industry. Furthermore, we have expanded our product offerings and market opportunities through the supply of ingredients complementary to the natural high-intensity sweetener market under our Naturals+ product line.

We conduct our stevia and monk fruit development, refining, processing and manufacturing operations through our five wholly-owned subsidiaries in China. Our stevia operations in China include four processing factories, stevia growing areas across 10 growing regions, and four research and development centers engaged in the development of high-yielding stevia seeds and seedlings. Our processing facilities have a combined annual throughput of 41,000 metric tons of stevia leaf and 1,500 metric tons of RA 97, our best-selling high-grade stevia product, and 130 metric tons of high-purity monk fruit extract.

For the quarter ended September 30, 2015, revenues were $8.8 million, compared to $3.8 million for the quarter ended September 30, 2014. We had a net loss attributable to the Company of $5.9 million for the quarter, compared to a net loss of $6.8 million for the comparable quarter in 2014.

Summary of Significant Accounting Policies

The Company's significant accounting policies are subject to estimates and key judgments about future events, many of which are beyond management's control. A summary of the Company's significant accounting policies is included in Note 4 of the Company's annual consolidated financial statements for the period ended December 31, 2014 (the "Financial Statements").

The preparation of financial statements in conformity with generally accepted accounting principles requires the appropriate application of certain accounting policies, many of which require us to make estimates and assumptions about future events and their impact on amounts reported in our financial statements and related notes. Since future events and their impact cannot be determined with certainty, the actual results will inevitably differ from our estimates. Such differences could be material to our financial statements.

We believe that our application of accounting policies, and the estimates inherently required therein, are reasonable. Our accounting policies and estimates are periodically re-evaluated, and adjustments are made when facts and circumstances dictate a change. Historically, we have found our application of accounting policies to be appropriate, and actual results have not differed materially from those determined using necessary estimates.

Basis of presentation

These consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements have been prepared on a historical costs basis except for biological assets, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting. These consolidated financial statements are presented in Canadian dollars, except when otherwise indicated.

Change in accounting policies

The Company has adopted the following new standards and amendments to standards on January 1, 2015.

- Annual Improvements 2012
- Annual Improvements 2013

Significant accounting estimates and judgments

The Company makes certain estimates and judgments regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are available in the audited annual financial statements for the year ended December 31, 2014.

Corporate Developments

Commencement of Monk Fruit Deliveries

Earlier this year, GLG shipped its first orders of high-purity monk fruit extracts, working towards satisfaction of the contract it signed last year with Tate & Lyle. As of September 30, 2015, GLG has completed all deliveries of monk fruit extract under that contract. This year's monk fruit harvest is now underway; GLG is presently purchasing fruit in multiple regions in China. GLG is commencing processing and expects to commence deliveries late in the fourth quarter.

Producing monk fruit products is a natural extension of GLG's core stevia product line; these product lines are each naturally sourced sweetener ingredients and monk fruit is often used in tandem with stevia. GLG differentiates itself from other monk fruit producers in four ways: (1) its competitive advantage in establishing agriculture systems in China, including the introduction of Good Agriculture Practices (GAP) by its monk fruit farmers, superior monk fruit seedlings and its proven methods to expand the amount of farming in other crops such as stevia; (2) its commitment to its Fairness to Farmers program, whereby it aims to promote a healthy economy via fair, stable income for farmers in the monk fruit growing region; (3) its advanced processing and extraction technology, which will enable GLG to more efficiently and economically produce monk fruit extracts and (4) its large industrial processing capacity, which well positions GLG for anticipated growth in the monk fruit market driven by international food and beverage companies.

Major Advances in High-Purity Leaf for Reb D and Reb M

On September 30, 2015, GLG announced a major agricultural breakthrough, one that significantly advances the global food and beverage industry toward utilizing naturally-sourced Rebaudioside D ("Reb D") and Rebaudioside M ("Reb M"). Through GLG's development of its Reb D seedling using its non-GMO patented breeding methodology, the GLG agriculture team has developed a new strain containing significantly higher levels of the highly-desired Reb D and Reb M glycosides.

GLG's new Reb D seedling contains 320% more Reb D than conventional leaf strains, at 1.26% of dry leaf weight, and amounting to 9.4% of total steviol glycosides ("TSG"). Moreover, as expected, the increased Reb D levels brought a corresponding increase in the Reb M levels; Reb M levels increased by over 430% relative to the typical percentage in a leaf, at 0.53% of dry leaf weight, and amounting to 4% of TSG. Historically, conventional stevia leaf has had Reb D concentrations of around 0.3% of dry leaf weight, or 2.5% of TSG, and Reb M concentrations less than 0.1% of dry leaf weight, or less than 1% of TSG. The TSG in the Reb D seedling was 13.43% of dry leaf weight, and lab tests of this Reb D seedling also included a substantial amount of Reb A in the leaf (68% of the TSGs were Reb A).

This increase in Reb D and Reb M represents a major milestone in developing a commercially viable high-Reb D / high-Reb M seedling and is another significant leap forward in the natural, non-GMO agronomic development of the historically scarcer steviol glycosides. GLG made its first announcement in 2014 with its breakthrough in high Reb C seedlings, clearly demonstrating the promise of its patented non-GMO seedling hybridization technology. GLG expects further improvements in the near future with its Reb D seedling, given its proven patented hybridization process.

This Reb D/Reb M seedling breakthrough is important to the sweetener industry as the flavor profile of Reb D and Reb M has been shown to have a vastly superior profile to Reb A, providing a flavor profile much closer to

that of sucrose. A natural stevia leaf source sufficiently high in Reb D and Reb M will bring production costs down significantly, as GLG has experienced with Reb C, enabling GLG to provide Reb D and Reb M extracts at commercially viable price points.

GLG is in the process of filing for patent protection for its new Reb D/Reb M seedling. GLG has previously filed two GRAS applications with the FDA for high-purity Reb D (GRN 548) and Reb M (GRN 512), with purity levels ranging from 80% to 95% to be used as a sweetener.

Launch of BevSweet™ and BakeZeroCal™

In February 2015, the Company announced two new products specifically formulated for two industry applications. BakeZeroCal™, for the baking industry, provides significant calorie reduction while also providing the bulking and browning attributes commonly desired by bakers and consumers alike. BevSweet™, for the beverage industry, allows food and beverage companies to reduce calories and naturally sweeten their products with decreased formulation time and with no solubility issues. Each product is a special blend providing an improved taste profile, including a well-rounded sucrose-like sweetness, and ease of use. BakeZeroCal and BevSweet will enable companies to formulate new products and reformulate existing products with less complexity and lower cost.

Non-GMO Project Verified

On September 23, 2015, GLG announced that it had received Non-GMO Project Verification across both its stevia and monk fruit natural zero-calorie sweetener product lines.

For over a decade, GLG has offered food and beverage companies, and their customers, great tasting natural zero-calorie sweeteners with an emphasis on quality and sustainability. It has done so through full vertical integration, strong partnerships with farmers and a commitment to improving the communities in which GLG operates. In an effort to further GLG's commitment to serving its customers' evolving needs while also demonstrating its social responsibility, GLG made achieving Non-GMO Project Verification a focus for 2015.

The Non-GMO Project provides North America's only independent verification to ensure that non-GMO products are produced according to rigorous best practices for GMO avoidance.

Latest Product Accomplishments Under FDA's GRAS Program

Consistent with its role as a leader in the sweetener industry, GLG places great importance on adherence to the Generally Recognized as Safe ("GRAS") program administered by the United States Food and Drug Administration ("FDA"). Through this program, for each of its core sweetener products, GLG undertakes expert studies and in-depth consultation through GRAS Associates, LLC, which convenes independent panels of scientists to spearhead safety assessments for each product to determine that the product is GRAS. The output of each study is then submitted to the FDA GRAS program, whereupon the submission is reviewed by the FDA. If the FDA finds no issues with the submission, it issues a Letter of No Objection, reflecting the FDA's view that it has no issue with the Company's determination that its product is GRAS.

Last year was a productive one for GLG's GRAS submissions, with four different products garnering Letters of No Objection from the FDA. GLG has continued this trend; since the beginning of 2015, we have received additional Letters of No Objection from the FDA:

- On February 17, 2015, the Company announced that it had received a Letter of No Objection regarding its high-purity Rebaudioside C extract products. GLG is the first company to have Rebaudioside C products deemed GRAS in compliance with the FDA's GRAS program. Furthermore, in late 2014, GLG announced its development of its "Reb C Gold" seedling – containing levels of Reb C many times higher than that found in prior stevia seedling strains. It expects to offer Reb C extract products commercially in late 2016.
- On April 27, 2015, the Company announced that it had received a Letter of No Objection regarding its high-purity Rebaudioside D extract products. To date, the supply availability and high price of Rebaudioside D extracts have been limiting factors for their broader use in the natural sweetener market. However, GLG is working on an agriculture R&D program to address both of these factors.

GLG has the largest number of stevia extract products certified under the GRAS process, as well as GRAS status for its Monk fruit extract products. Pursuing and obtaining GRAS designations furthers GLG's commitment to maintaining the highest quality standards for its products, and to ensure that each of its naturally-sourced sweetener products conforms to the GRAS compliance standards.

Corporate Rebranding

On January 27, 2015, the Company unveiled its new corporate brand and logo, in addition to the launch of its new website (www.glglifetech.com). GLG's rebranding emphasizes the Company's Canadian heritage and reflects its new business strategy, which encompasses three complementary product lines. The new website presents a renewed focus on GLG's closed loop system that includes superior agriculture programs, production excellence, and our focus on sustainability and corporate social responsibility throughout the supply chain.

The vision for the new brand and logo came together in a symbolization of several essential aspects of our Company's strategy. The maple leaf, a beloved Canadian symbol, forms the centerpiece of our new logo symbolizing our roots as a public company in Canada. 2015 marks GLG's 10th anniversary as a publically traded company in Canada. The outer portion of the logo – a circular trio of crescents – symbolizes GLG's three core product lines; stevia extracts, long our flagship product; monk fruit, with GLG entering the market as the highest-capacity producer of this highly desired sweetener; and our Naturals+ line of ingredients that offers both functional ingredients complementary to the sweetener space as well as products tailored to meet particular market needs. The brand and logo well captures the essence of GLG as a proudly-Canadian innovator and leader in the world of natural zero calorie sweeteners.

The launch of GLG's new website elaborates on these themes, and more. Visitors will find even greater emphasis on our world-class agricultural programs, including the development of superior non-GMO varietals of stevia and, soon, monk fruit, our technological prowess in the production and innovation arena and our commitment to sustainability and corporate social responsibility. Through the vision of its leaders, the excellence of its team members and the holistic nature of and demanding standards manifest throughout its supply chain, GLG leverages these assets to provide leading natural sweeteners and ingredient solutions to businesses globally.

Appointment of Paul Block to GLG's Board of Directors

On March 3, 2015, the Company announced the appointment of Mr. Paul R. Block to its Board of Directors. Mr. Block brings a wealth of experience in sales, marketing, and business development as a senior executive in the global food and beverage and sweetener industries. Mr. Block most recently served as Chief Executive Officer of Merisant Worldwide Company, Inc. and the Whole Earth Sweetener Co., LLC. While at Merisant, Mr. Block

oversaw the company's well-recognized line of sweeteners, including the Equal® sweetener brand. Prior to joining Merisant, Mr. Block held C-level positions at Sara Lee Coffee and Tea Consumer Brands, Allied Domecq Spirits USA and Groupe Danone. Mr. Block has been a key figure in developing the global stevia tabletop market through his role as CEO at Merisant and the Whole Earth Sweetener Co., LLC., launching the successful Pure Via® line of tabletop zero calorie stevia sweeteners.

Mr. Block is an excellent strategist who complements our current Board makeup and skill set. He has a proven track record of innovation and building shareholder value in the sweetener and food and beverage industries.

Annual General Meeting

The Company held its Annual General Meeting on June 26, 2015, in Vancouver, B.C. The shareholders voted in all nominated directors, with favorable votes for each exceeding 97%. Dr. Luke Zhang continues as Chairman of the Board and Chief Executive Officer and Brian Palmieri continues as Vice Chairman of the Board.

Results from Operations

The following results from operations have been derived from and should be read in conjunction with the Company's annual consolidated financial statements for 2014 and the condensed interim consolidated financial statements for the nine-month period ended September 30, 2015.

In thousands Canadian $, except per share amounts	3 Months Ended September 30		% Change	9 Months Ended September 30		% Change
	2015	2014		2015	2014	
Revenue	$8,808	$3,775	133%	$23,008	$12,447	85%
Cost of Sales	($8,699)	($5,854)	49%	($21,686)	($14,705)	47%
% of Revenue	(99%)	(155%)	56%	(94%)	(118%)	24%
Gross Profit (Loss)	$109	($2,078)	(105%)	$1,323	($2,258)	(159%)
% of Revenue	1%	(55%)	56%	6%	(18%)	24%
Expenses	($2,603)	($2,268)	15%	($7,770)	($6,553)	19%
% of Revenue	(30%)	(60%)	31%	(34%)	(53%)	19%
Loss from Operations	($2,495)	($4,346)	(43%)	($6,447)	($8,811)	(27%)
% of Revenue	(28%)	(115%)	87%	(28%)	(71%)	43%
Other Expenses	($3,355)	($2,445)	37%	($7,682)	($5,728)	34%
% of Revenue	(38%)	(65%)	27%	(33%)	(46%)	13%
Net Loss before Income Taxes	($5,850)	($6,791)	(14%)	($14,129)	($14,539)	(3%)
% of Revenue	(66%)	(180%)	113%	(61%)	(117%)	55%
Net Loss	($5,850)	($6,792)	(14%)	($14,129)	($14,573)	(3%)
% of Revenue	(66%)	(180%)	114%	(61%)	(117%)	56%
Loss per share (LPS, Basic & Diluted)	($0.15)	($0.20)	(24%)	($0.37)	($0.44)	(14%)
Other Comprehensive Income (Loss)	($289)	$2,129	(114%)	$355	$283	25%
% of Revenue	(3%)	56%	(60%)	2%	2%	(1%)
Total Comprehensive Loss	($6,139)	($4,663)	32%	($13,774)	($14,289)	(4%)
% of Revenue	(70%)	(124%)	54%	(60%)	(115%)	55%

The Company has restated the comparative December 31, 2014 balances to correctly treat a settlement of convertible debentures that occurred in the fourth quarter of fiscal 2014. During fiscal 2014, The Company recorded a gain of $2,000,857 on the settlement of the debentures that should have been reflected in equity, not net loss. The Company has also now recorded $443,000 of a loss provision on the amendment of the notes.

The effect on the ending balance sheet is a reclassification of $2,443,857 between deficit and share capital. For the year ended December 31, 2014, net loss increased by $2,443,857 from $32,566,755 to $35,010,612. Loss per share changed from $0.95 to $1.02 per share. There was no effect to cash flow from operations, investing or activities. There was also no impact on the current or comparative period for the three-month and nine-month period ended September 30, 2015 and 2014.

Revenue

For the three months ended September 30, 2015, revenue was $8.8 million, an increase of 133% compared to $3.8 million in revenue for the same period last year.

This 133% increase in revenue was attributable to a mix of stevia extracts, monk fruit extract and sales of other natural ingredient products. Stevia and monk fruit extracts accounted for 87% of quarterly revenue. International sales accounted for 94% of third quarter 2015 revenue, compared to only 54% for the comparable period in 2014. International sales increased by 309% while China revenue was down 69% in the third quarter 2015, relative to the comparable period in 2014, reflecting the Company's strategy of focusing on international sales of its products rather than the sale of lower purity stevia extracts in China to other stevia providers. Sales for the GLG Naturals+ product line accounted for 13% of third quarter revenue compared to nil in the comparable period. The Company continues to make significant progress in developing its GLG Naturals+ in 2015 with three-month revenue climbing to $1.1 million from nil in the comparable period.

Revenue for the nine months ended September 30, 2015, was $23.0 million, an increase of 85% compared to $12.4 million in revenue for the same period last year.

This 85% increase in revenue was driven by higher volumes of products sold internationally relative to the prior year. The Company also generated significant sales from monk fruit extracts in 2015. The GLG Naturals+ product line was launched in 2014; however, its contribution to international sales increased significantly in 2015. The main revenue increase came from international sales, reflecting the Company's continuing strategy of moving away from sales of lower-purity stevia extract sales to other China-based stevia providers, instead pursuing international customers that generate monthly recurring revenues from higher-purity stevia and monk fruit extracts. International sales contributed 88% of year-to-date 2015 revenues, compared to 51% for the comparable period in 2014. While China revenue decreased 56% year-over-year for the nine-month period, international sales more than compensated, increasing 218% relative to the comparable period last year. Sales for the GLG Naturals+ product line accounted for 14% of revenue for the nine-month period in 2015 compared to nil in the comparable 2014 period. The Company continues to make significant progress in developing its GLG Naturals+ in 2015 with nine-month revenue climbing to $3.1 million from nil in the comparable 2014 period.

Cost of Sales

For the three months ended September 30, 2015, the cost of sales was $8.7 million compared to $5.9 million in cost of sales for the same period last year (a $2.8 million or 49% increase). Cost of sales as a percentage of revenues was 99% compared to 155% in the prior comparable period, an improvement of 56 percentage points. The decrease in cost of sales as a percentage of revenue for the three months ended September 30, 2015, compared to the prior comparable period, was driven by higher margin on international sales of monk fruit and stevia extracts as well as higher sales of GLG's Natural+ ingredients compared to the higher mix of low-purity

lower margin stevia products sold in the comparable period.

Idle capacity charges also impacted the cost of sales over the three-month period. Capacity charges charged to the cost of goods sold ordinarily would flow to inventory and have a significant impact on gross margin. Only two of GLG's manufacturing facilities were fully operating in 2014 and 2015. This resulted in capacity charges for the third quarter of $0.8 million charged to cost of sales (representing 9% of overall cost of sales), compared to $0.9 million charged to cost of sales for the same period in 2014 (representing 15% of cost of sales).

A 133% increase in revenues for the three-month period ending September 30, 2015, relative to the same period in 2014, served to lessen the impact (on a percentage basis) of these idle capacity charges. Two other factors in the third quarter of 2015 impacted cost of sales, increasing costs by approximately $0.8 million: 1) there were higher impurities in the stevia leaf purchased in late 2014 and processed during the third quarter of 2015, which negatively impacted the stevia leaf yield ($0.5 million higher cost of sales impact) and 2) lower mogroside content in the monk fruit processed and sold during the third quarter compared to the monk fruit processed and sold in the first six months of 2015 ($0.3 million higher cost of sales impact). The Company expects these negative gross margin impacts to impact the third quarter only, given the improved quality of monk fruit purchased in 2015 and the lower levels of impurities in stevia leaf purchased in 2015.

Cost of sales for the nine months ended September 30, 2015, was $21.7 million compared to $14.7 million for the same period last year or an increase of 47%. Cost of sales as a percentage of revenues was 94% compared to 118% in the prior period, an improvement of 24 percentage points. The cost of sales as a percentage of revenue was lower for the nine-month period ended September 30, 2015, compared to the prior year period, due to the impact of higher margin international sales compared to a higher mix of lower purity lower margin stevia product sales made in the comparable period in 2014. Idle capacity charges also impacted the cost of sales for the nine-month period ending September 30, 2015. For the nine months ended September 30, 2015, GLG recorded idle capacity charges of $2.3 million, which were charged to cost of sales (representing 10% of cost of sales), compared to $2.2 million charged to cost of sales for the comparable period in 2014 (representing 15% of cost of sales). Increased revenues of 85% for the nine-month period ending September 30, 2015, relative to the comparable period in 2014, served to lessen the impact (on a percentage basis) of these idle capacity charges. As previously stated in the third quarter analysis of cost of sales, there were two higher cost factors that impacted the nine-month period results by $0.8 million due to higher stevia leaf impurities and lower mogroside content in monk fruit processed and sold during the third quarter.

The key factors that impact stevia and monk fruit cost of sales and gross profit percentages in each period include:

1. Capacity utilization of processing plants.
2. The price paid for stevia leaf or monk fruit and the stevia leaf or monk fruit quality, which is impacted by crop quality for a particular year/period and the price per kilogram for which the extract is sold. These are the most important factors that will impact the gross profit of GLG's stevia business.
3. Salaries and wages of manufacturing labour.
4. Other factors which also impact cost of sales to a lesser degree include:
    - water and power consumption;

- manufacturing overhead used in the production of stevia and monk fruit extracts, including supplies, power and water;
- net VAT paid on export sales;
- exchange rate changes;
- depreciation and capacity utilization of the processing plants;

GLG's stevia and monk fruit business is affected by seasonality. The harvest of the stevia leaves typically occurs starting at the end of July and continues through the fall of each year. The harvest of monk fruit typically occurs starting in October and continues through December of each year. GLG's operations in China are also impacted by Chinese New Year celebrations, which occur approximately late-January to mid-February each year, and during which many businesses close down operations for approximately two weeks.

Gross Profit (Loss)

Gross profit for the three months ended September 30, 2015, was $0.1 million, an increase of $2.2 million over $2.1 million gross loss for the comparable period in 2014. The gross profit margin for the three-month period ended September 30, 2015, was 1% compared to negative 55% for the three months ended September 30, 2014, or an increase of 56 percentage points over the same period of last year. The gross margin for the three-month period ended September 30, 2015, increased as a result of higher gross profits contributed from international sales of monk fruit and stevia extracts and other natural ingredients. International sales increased by 309% and China sales decreased by 69% for the three-month period ended September 30, 2015, compared to the same period prior year.

There were two factors in the third quarter of 2015 that impacted gross profit margins by approximately $0.8 million: 1) there were higher impurities in the stevia leaf purchased in late 2014 and processed during the third quarter of 2015, which negatively impacted the stevia leaf yield ($0.5 million gross profit impact) and 2) lower mogroside content in the monk fruit processed and sold during the third quarter compared to the monk fruit processed and sold in the first six months of 2015 ($0.3 million negative gross profit impact). The Company expects these negative gross margin impacts to impact the third quarter only, given the improved quality of monk fruit purchased in 2015 and the lower levels of impurities in stevia leaf purchased in 2015.

Gross profit for the nine months ended September 30, 2015, was $1.3 million, an improvement of $3.6 million over the comparable period in 2014 ($2.3 million loss). The gross profit margin for the nine-month period ended September 30, 2015, was 6% compared to negative 18% for the nine months ended September 30, 2014, or an improvement of 24 percentage points from the previous year. The gross margin for the nine-month period ended September 30, 2015, was impacted primarily by a higher percentage of international sales in the nine months ended September 30, 2015, carrying higher margins than lower purity stevia sales made primarily in China. International sales increased 218% and China sales decreased by 56% for the nine-month period in 2015 compared to the same period prior year. Gross profit was also impacted by a small increase in capacity and other fixed charges to the cost of goods sold. As noted above, these capacity charges ordinarily would flow to inventory, but instead, capacity charges of approximately $2.3 million were incurred (compared to $2.2 million in 2014). As previously stated in the third quarter analysis of gross profit, there were two factors that impacted September 30, 2015, nine-month period gross profit results by $0.8 million due to higher stevia leaf impurities and lower mogroside content in monk fruit processed and sold during the third quarter.

Selling, General, and Administration Expenses

Selling, General and Administration ("SG&A") expenses include sales, marketing, general, and administration costs ("G&A"), stock-based compensation, and depreciation and amortization expenses on G&A fixed assets. A breakdown of SG&A expenses into these components is presented below:

In thousands Canadian $	3 Months Ended September 30		% Change	9 Months Ended September 30		% Change
	2015	2014		2015	2014	
G&A Exp	($2,058)	($1,833)	12%	($6,053)	($4,954)	22%
Stock Based Compensation Exp	($292)	($374)	(22%)	($980)	($1,272)	(23%)
Amortization Exp	($254)	($60)	320%	($736)	($328)	125%
Total	($2,603)	($2,268)	15%	($7,770)	($6,553)	19%

G&A expenses for the three months ended September 30, 2015, were $2.1 million compared to $1.8 million for the same period in 2014 or a $0.3 million increase year-over-year. The majority of the increase was due to a $0.1 million increase in consulting fees and a $0.1 million increase in business taxes. The consulting fees relate to the Company's debt restructuring efforts in China, which are aimed at restructuring its $69 million bank debt in China.

G&A expenses for the nine months ended September 30, 2015, were $6.1 million compared to $4.9 million in the same period in 2014 or a $1.2 million increase year-over-year. The majority of the increase was due to (1) a $0.3 million increase in business taxes in China, (2) a $0.2 million increase in professional fees, (3) a $0.4 million increase in consulting fees related to restructuring activities in China, (4) a $0.2 million increase in office expenses and salaries commensurate with increased sales activities and (5) a $0.1 million increase in insurance. The consulting fees relate to the Company's debt restructuring efforts in China, which are aimed at restructuring its $69 million bank debt in China.

Stock-based compensation was $0.3 million for the three months ended September 30, 2015, compared with $0.4 million in the same quarter of 2014. The number of common shares available for issue under the stock compensation plan is 10% of the issued and outstanding common shares. During the quarter, compensation from vesting stock-based compensation awards was recognized, due to previously granted options and restricted shares. Stock-based compensation was $1.0 million for the nine months ended September 30, 2015, compared with $1.3 million in the same period of 2014.

G&A related depreciation and amortization expenses for the three months ended September 30, 2015, were $0.3 million compared with $0.1 million for the same period in 2014. G&A related depreciation and amortization expenses for the nine months ended September 30, 2015, were $0.7 million compared with $0.3 million for the prior year.

Other Expenses

In thousands Canadian $	3 Months Ended September 30		% Change	9 Months Ended September 30		% Change
	2015	2014		2015	2014	
Other Expenses	($3,355)	($2,445)	37%	($7,682)	($5,728)	34%
% of Revenue	(38%)	(65%)	27%	(33%)	(46%)	(13%)

Other expenses for the three months ended September 30, 2015, were $3.3 million, a $0.9 million increase compared to $2.4 million for the same period in 2014. The increase of $0.9 million is attributable to 1)

increased interest expenses of $0.9 million, a $0.3 million reduction in bad debt recovery and $0.1 million in foreign exchange losses, which were offset by 2) a sales taxes recovery of $0.2 million and a $0.2 million prepaid expenses recovery.

Other expenses for the nine months ended September 30, 2015, were $7.7 million, a $2.0 million increase compared to $5.7 million for the same period in 2014. The increase of $2.0 million is attributable to 1) increased interest expenses of $2.2 million, $1.1 million in foreign exchange losses and $0.2 million in inventory obsolescence, which were offset by 2) a sales taxes recovery of $1.5 million.

Foreign Exchange Gains (Losses)

GLG reports in Canadian dollars but earns revenues in US dollars ("USD") and Chinese renminbi ("RMB") and incurs most of its expenses in RMB. Impacts of the appreciation or depreciation of the RMB against the Canadian dollar are shown separately in Accumulated Other Comprehensive Income ("AOCI") on the Balance Sheet. As at September 30, 2015, the exchange rate for RMB per Canadian dollar was 4.7461 compared to the exchange rate of 5.3505 as at December 31, 2014, reflecting a 11.3% appreciation of the RMB against the Canadian dollar. The AOCI balance was $11.9 million on September 30, 2015, compared to a balance of $11.5 million as at December 31, 2014.

As at September 30, 2015, the exchange rate for USD per Canadian dollar was 0.7466 compared to the exchange rate of 0.8620 as at December 31, 2014, reflecting an appreciation of the USD against the Canadian dollar of 13.4%.

The foreign exchange gain or loss is made up of realized and unrealized gains or losses due to the depreciation or appreciation of the foreign currency against the Canadian dollar. Foreign exchange losses were $0.8 million for the third quarter of 2015 compared to the foreign exchange gain of $0.7 million for the comparable period in 2014. Foreign exchange losses were $1.7 million for the first nine months of 2015 compared to the foreign exchange gain of $0.6 million for the comparable period in 2014. The majority of the foreign exchange losses were due to the USD-denominated debt held by the Company. The table below shows the change in the Canadian dollar relative to the US dollar from October 1, 2013, to September 30, 2015, and the exchange rate movement for the Canadian dollar relative to the US dollar and RMB as shown below.

Exchange rates	2015	2015	2015	2014	2014	2014	2014	2013
Noon rate (as compared to the Canadian $)	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec
U.S. Dollars	0.7466	0.8017	0.7885	0.8620	0.8922	0.9367	0.9047	1.0636
Chinese RMB	4.7461	4.9702	4.8876	5.3505	5.4765	5.8106	5.6243	5.6915
Exchange rates	2015	2015	2015	2014	2014	2014	2014	2013
Noon rate (as compared to the US $)	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec
Chinese RMB	6.3569	6.1998	6.1989	6.2071	6.138	6.2034	6.2165	6.0535

Net Loss Attributable to the Company

In thousands Canadian $	3 Months Ended September 30		% Change	9 Months Ended September 30		% Change
	2015	2014		2015	2014	
Net Loss	($5,850)	($6,792)	(14%)	($14,129)	($14,573)	(3%)
% of Revenue	(66%)	(180%)	114%	(61%)	(117%)	56%

For the three months ended September 30, 2015, the Company had a net loss attributable to the Company of $5.9 million, a decrease of $0.9 million or a 14% improvement over the comparable period in 2014 ($6.8 million loss). The decrease in net loss was driven by (1) an increase in gross profit of $2.2 million which was offset by (2) increased G&A expenses of $0.3 million and (3) an increase in other expenses of $0.9 million.

For the nine months ended September 30, 2015, the Company had a net loss attributable to the Company of $14.1 million, a decrease of $0.5 million or a 3% improvement over the comparable period in 2014 ($14.5 million loss). The decrease in net loss was driven by (1) an increase in gross profit of $3.6 million which was offset by (2) increased G&A expenses of $1.2 million and (3) an increase in other expenses of $2.0 million.

Comprehensive Loss

In thousands Canadian $	3 Months Ended September 30		% Change	9 Months Ended September 30		% Change
	2015	2014		2015	2014	
Net Loss	($5,850)	($6,792)	(14%)	($14,129)	($14,573)	(3%)
Other Comprehensive Income (Loss)	($289)	$2,129	(114%)	$355	$283	25%
% of Revenue	(3%)	56%	(60%)	2%	2%	(1%)
Total Comprehensive Loss	($6,139)	($4,663)	32%	($13,774)	($14,289)	(4%)

The Company recorded a total comprehensive loss of $6.1 million for the three months ended September 30, 2015, comprising $5.9 million of net loss attributable to the Company and $0.3 million of other comprehensive loss. The Company recorded a total comprehensive loss of $13.8 million for the nine months ended September 30, 2015, comprising $14.1 million of net loss attributable to the Company and $0.3 million of other comprehensive income.

Summary of Quarterly Results

The selected consolidated information below has been gathered from GLG's quarterly condensed interim consolidated financial statements for the previous eight quarterly periods:

In thousands Canadian $, except per share amounts	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4
Revenue	$8,808	$8,033	$6,168	$7,535	$3,775	$4,008	$4,663	$4,138
Gross Profit $	$109	$892	$322	$212	($2,078)	$374	($554)	$1,862
Gross Profit %	1%	11%	5%	3%	(55%)	9%	(12%)	45%
Net Loss	($5,850)	($3,514)	($4,765)	($17,994)	($6,792)	($2,809)	($4,972)	($3,431)
Gain (loss) from continuing operations	($5,850)	($3,514)	($4,765)	($17,994)	($6,792)	($2,809)	($4,972)	($5,461)
Gain (loss) from discontinued operations	$0	$0	$0	$0	$0	$0	$0	$2,030
Basic Income (Loss) Per Share	($0.15)	($0.09)	($0.13)	($0.53)	($0.20)	($0.08)	($0.15)	($0.10)
Basic LPS from continuing operations	($0.15)	($0.09)	($0.13)	($0.53)	($0.20)	($0.08)	($0.15)	($0.16)
Basic LPS from discontinued operations	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.06
Diluted Income (Loss) Per Share	($0.15)	($0.09)	($0.13)	($0.53)	($0.20)	($0.08)	($0.15)	($0.10)
Diluted LPS from continuing operations	($0.15)	($0.09)	($0.13)	($0.53)	($0.20)	($0.08)	($0.15)	($0.16)
Diluted LPS from discontinued operations	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.06

Quarterly Net Loss

For the three months ended September 30, 2015, the Company had a net loss attributable to the Company of $5.9 million, a decrease of $0.9 million or a 14% improvement over the comparable period in 2014 ($6.8 million loss). The decrease in net loss was driven by (1) an increase in gross profit of $2.2 million which was offset by (2) increased G&A expenses of $0.3 million and (3) an increase in other expenses of $0.9 million.

For the three months ended June 30, 2015, the Company had a net loss attributable to the Company of $3.5 million, an increase of $0.7 million over the comparable period in 2014 ($2.8 million loss). The increase in net loss was driven by (1) increased G&A expenses of $0.3 million and (2) an increase in other expenses of $0.9 million, which was offset by (3) increased gross profit of $0.5 million.

For the three months ended March 31, 2015, the Company had a net loss attributable to the Company of $4.8 million, a decrease of $0.2 million or a 4% improvement over the comparable period in 2014 ($5.0 million loss). The decrease in net loss was driven by (1) an increased gross profit of $0.9 million, which was offset by (2) an increase in G&A expense of $0.6 million and (3) an increase in other expenses of $0.1 million.

For the three months ended December 31, 2014, the Company had a net loss attributable to the Company of $18.0 million, an increase of $14.5 million or a 424% increase over the comparable period in 2013 ($3.4 million loss). The increase in net loss was driven by (1) an increase in other expenses of $11.0 million due to $6.0 million property, plant and equipment impairment, $5.2 million sales tax recoverable impairment and $1.7 million inventory impairment, these impairments were offset by $2.0 million gain from convertible note conversation, (2) a decrease in gross profit of $1.6 million and (3) a decrease in gain from discontinued operations of $2.0 million, offset by (4) a decrease in income tax expense of $0.1 million.

For the three months ended September 30, 2014, the Company had a net loss attributable to the Company of $6.8 million, a decrease of $5.7 million or a 45% improvement over the comparable period in 2013 ($12.5 million loss). The decrease in net loss was driven by (1) a decrease in other expenses of $8.4 million. This decrease in other expenses was offset by (2) a decrease in gross profit of $0.4 million, (3) an increase in G&A expenses of $0.4 million and (4) a decrease in gain from discontinued operations of $1.9 million.

For the three months ended September 30, 2014, the Company had a net loss attributable to the Company of $2.8 million, a decrease of $4.0 million or a 56% improvement over the comparable period in 2013 ($6.8 million

loss). The decrease in net loss was driven by: (1) an increase in gross profit of $1.8 million, (2) a decrease in other expenses of $0.5 million, (3) a decrease in SG&A expenses of $1.3 million and (4) a decrease in loss from discontinued operations of $0.4 million.

For the three months ended September 30, 2014, the Company had a net loss attributable to the Company of $5.0 million compared to a net loss of $3.7 million for same period in 2013. The increase of $1.3 million loss was driven by: (1) a decrease in gross profit of $0.2 million, (2) an increase in G&A expenses of $0.3 million and (3) an increase from other expenses of $0.9 million. These items were offset by (4) a decrease in loss from discontinued operations of $0.1 million.

For the three months ended December 31, 2013, the Company had a net loss attributable to the Company of $3.4 million compared to a net loss of $11.8 million for same period in 2012. The decrease of $8.4 million loss was driven by: (1) an increase in gross profit of $3.2 million, (2) a decrease in other expenses of $3.9 million and (3) a gain from discontinued operations of $4.3 million. These items were offset by (4) an increase in G&A expenses of $3.0 million. The net loss from continuing operations was $5.5 million and the net gain from discontinued operations was $2.0 million.

Quarterly Basic and Diluted Loss per Share

The basic loss and diluted loss per share was $0.15 for the third quarter of 2015 compared with a basic and diluted net loss of $0.20 for the comparable period in 2014. For the three months ended September 30, 2015, the Company had a net loss attributable to the Company of $5.9 million, a decrease of $0.9 million or a 14% improvement over the comparable period in 2014 ($6.8 million loss). The decrease in net loss was driven by (1) an increase in gross profit of $2.2 million which was offset by (2) increased G&A expenses of $0.3 million and (3) an increase in other expenses of $0.9 million.

The basic loss and diluted loss per share was $0.09 for the second quarter of 2015 compared with a basic and diluted net loss of $0.08 for the comparable period in 2014. For the three months ended September 30, 2015, the Company had a net loss attributable to the Company of $3.5 million, an increase of $0.7 million over the comparable period in 2014 ($2.8 million loss). The increase in net loss was driven by (1) increased G&A expenses of $0.3 million and (2) an increase in other expenses of $0.9 million, which was offset by (3) increased gross profit of $0.5 million.

The basic loss and diluted loss per share was $0.13 for the first quarter of 2015 compared with a basic and diluted net loss of $0.15 for the comparable period in 2014. For the three months ended March 31, 2015, the Company had a net loss attributable to the Company of $4.8 million, a decrease of $0.2 million over the comparable period in 2014 ($5.0 million loss). The decrease in net loss was driven by (1) an increased gross profit of $0.9 million, which was offset by (2) an increase in G&A expense of $0.6 million and (3) an increase in other expenses of $0.1 million.

The basic loss and diluted loss per share from operations was $0.53 for the three months ended December 31, 2014, compared with a basic and diluted net loss from both continuing and discontinued operations of $0.10 for the same period in 2013. For the three months ended December 31, 2014, the Company had a net loss attributable to the Company of $18.0 million, an increase of $14.5 million or a 424% increase over the comparable period in 2013 ($3.4 million loss). The increase in net loss was driven by (1) an increase in other expenses of $11.0 million, (2) a decrease in gross profit of $1.6 million and (3) a decrease in gain from discontinued operations of $2.0 million, offset by (4) a decrease in income tax expense of $0.1 million.

The basic loss and diluted loss per share from operations was $0.20 for the third quarter of 2014 compared with

a basic and diluted net loss from both continuing and discontinued operations of $0.37 for the same period in 2013. For the three months ended September 30, 2014, the Company had a net loss attributable to the Company of $6.8 million, a decrease of $5.7 million or a 45% improvement over the comparable period in 2013 ($12.5 million loss). The decrease in net loss was driven by (1) a decrease in other expenses of $8.4 million. This decrease in other expenses was offset by (2) a decrease in gross profit of $0.4 million, (3) an increase in G&A expenses of $0.4 million and (4) a decrease in gain from discontinued operations of $1.9 million.

The basic loss and diluted loss per share from operations was $0.09 for the second quarter of 2014 compared with a basic and diluted net loss from both continuing and discontinued operations of $0.21 for the same period in 2013. For the three months ended September 30, 2014, the Company had a net loss attributable to the Company of $2.8 million, a decrease of $4.0 million or a 56% improvement over the comparable period in 2013 ($6.8 million loss). The decrease in net loss was driven by: (1) an increase in gross profit of $1.8 million, (2) a decrease in other expenses of $0.5 million, (3) a decrease in SG&A expenses of $1.3 million and (4) a decrease in loss from discontinued operations of $0.4 million.

The basic loss and diluted loss per share from operations was $0.15 for the first quarter of 2014 compared with a basic and diluted net loss from both continuing and discontinued operations of $0.11 for the same period in 2013. For the three months ended September 30, 2014, the Company had a net loss attributable to the Company of $5.0 million compared to a net loss of $3.7 million for same period in 2013. The increase of $1.3 million loss was driven by: (1) a decrease in gross profit of $0.2 million, (2) an increase in G&A expenses of $0.3 million and (3) an increase from other expenses of $0.9 million. These items were offset by (4) a decrease in loss from discontinued operations of $0.1 million.

The basic loss and diluted loss per share from both continuing and discontinued operations was $0.10 for the fourth quarter of 2013 compared with a basic and diluted net loss from both continuing and discontinued operations of $0.36 for the same period in 2012. The basic and diluted loss per share from continuing operations was $0.16 per share. The basic and diluted earnings per share from discontinued operations were $0.06 per share. For the three months ended December 31, 2013, the Company had a net loss attributable to the Company of $3.4 million compared to a net loss of $11.8 million for same period in 2012. The decrease of $8.4 million loss was driven by: (1) an increase in gross profit of $3.2 million, (2) a decrease in other expenses of $3.9 million and (3) a gain from discontinued operations of $4.3 million. These items were offset by (4) an increase in G&A expenses of $3.0 million.

NON-GAAP Financial Measures

Gross Profit (Loss) before capacity charges

This non-GAAP financial measure shows the gross profit (loss) before the impact of idle capacity charges are reflected on the gross profit margin. GLG had only 50% of its production facilities in full operation in the first nine months of 2015 and idle capacity charges have a material impact on the gross profit (loss) line in the financial statements.

Gross Profit before capacity charges for the three months ended September 30, 2015, was $0.9 million or 10% of third quarter revenues, compared to negative $1.2 million or negative 32% of third quarter revenues for the same period in 2014.

Gross Profit before capacity charges for the nine months ended September 30, 2015, was $3.6 million or 16% of nine-month revenues, compared to a negative $0.1 million or 0% of nine-month revenues for the same period in 2014.

Gross Profit margin before capacity charges increased from the comparable periods due to the increase in international sales.

Earnings Before Interest Taxes and Depreciation ("EBITDA") and EBITDA Margin

Consolidated EBITDA

In thousands Canadian $	3 Months Ended September 30		% Change	9 Months Ended September 30		% Change
	2015	2014		2015	2014	
Loss Before Income Taxes and Non-Controlling Interests	($5,850)	($6,792)	(14%)	($14,129)	($14,539)	(3%)
Add:						
Bad debt recovery	($51)	($297)	(83%)	($355)	($297)	19%
Inventory obsolescence	$3	$0	0%	$199	$0	0%
Recovery (impairment) for prepaids	$59	$354	(83%)	($9)	$354	(103%)
Recovery for sales taxes recoverable	($173)	$0	0%	($1,555)	$0	0%
Loss on disposal of property, plant & equipment	$122	$0	0%	$122	$0	0%
Net Interest Expense	$2,600	$1,699	53%	$7,581	$5,417	40%
Depreciation and Amortization	$1,319	$1,084	22%	$4,276	$3,440	24%
Foreign Exchange Loss	$762	$663	15%	$1,662	$583	185%
Non-Cash Share Compensation	$292	$374	(22%)	$980	$1,272	(23%)
EBITDA	($915)	($2,915)	(69%)	($1,228)	($3,771)	(67%)
EBITDA as a % of revenue	(10%)	(77%)	67%	(5%)	(30%)	25%

EBITDA for the quarter ended September 30, 2015, was negative $0.9 million, or negative 10% of revenues, compared to negative $3.0 million, or negative 77% of revenues, for the same period in 2014. EBITDA improved by 67 percentage points for the three-month period ended September 30, 2015, driven by significantly higher sales of international products in the third quarter of 2015 compared to the prior period and higher gross margins realized on stevia, monk fruit and GLG naturals+ product sales compared to the prior comparable 2014 period, which was dominated by lower purity stevia sales.

EBITDA for the nine months ended September 30, 2015, was negative $1.2 million or negative 5% of revenues compared to negative $3.8 million or negative 30% of revenues for the nine months ended September 30, 2014. EBITDA improved by 25 percentage points for the nine-month period ended September 30, 2015, driven by significantly higher sales of international products and higher gross margins realized on stevia, monk fruit and GLG naturals+ product sales compared to the prior comparable 2014 period, which was dominated by lower purity stevia sales.

Liquidity and Capital Resources

In thousands Canadian $		30-Sep-15		31-Dec-14
Cash and Cash Equivalents	$	536	$	1,141
Working Capital	$	(83,756)	$	(67,351)
Total Assets	$	80,141	$	71,903
Total Liabilities	$	134,708	$	113,676
Loan Payable (<1 year)	$	70,027	$	62,501
Loan Payable (>1 year)	$	29,539	$	25,063
Total Equity	$	(54,567)	$	(41,773)

The Company's main initiative to improve its negative working capital position is a potential debt restructuring involving the State Owned Capital Management Companies and China Banks where the Company's operating subsidiaries owe approximately $69,220,197 in short-term debt. The Company is developing a plan to either restructure this short-term debt to longer term debt, or potentially convert all or a portion of this short-term debt into equity of the Company's Chinese operating subsidiaries (see also section on Short term and Long Term Loans).

The Company continues to be able to negotiate loans with its Directors and related family members to assist with short-term working capital requirements. The Company's increase in sales in 2015 has significantly improved the cash from sales while simultaneously working to hold down sales, general and administration costs. For example, for the nine-month period ending September 30, 2015, relative to the comparable 2014 period, the gross profits improved by $3.6 million whereas SG&A expenses increased by $1.2 million. After factoring in the incremental improvement of $0.5 million in non-cash items such as depreciation and stock-based compensation for the nine-months ended September 30, 2015, the net cash improvement year over year is a $2.9 million higher cash contribution from nine-month results in 2015 compared to the prior period.

The $16.4 million increase in negative working capital for the nine months ended September 30, 2015, is primarily due to appreciation of both the Renminbi against the Canadian dollar (11.3% appreciation) and the USD against the Canadian dollar (13.4% appreciation). Appreciation alone resulted in an increase in current assets of $2.2 million and current liabilities of $10.7 million, netting to an $8.5 million appreciation-related increase in negative working capital. The $2.2 million appreciation-related increase in current assets includes a $1.8 million appreciation-related increase in the inventory and increases of $0.2 million in prepaid expenses and $0.1 million in accounts receivables. The $10.7 million appreciation-related increase in current liabilities includes a $7.8 million appreciation-related increase in the short-term loan balance and increases of $1.6 million in accounts payable and $1.3 million in interest payable. The remaining $7.9 million of non-appreciation-related increases in negative working capital results from increases in current assets of $2.1 million and increases in current liabilities of $5.8 million (mainly due to an increase in interest payable).

The long-term loan balance was $29.5 million as of September 30, 2015, an increase of $4.5 million compared to the balance of December 31, 2014 ($25.1 million). This increase was due to $3.8 million in appreciation-related changes and $0.7 million in non-appreciation-related changes ($0.1 million in new loans and a $2.9 million increase in accrued interest offset by loan payments of $2.3 million).

Cash Flows: Three months ended September 30, 2015 and 2014

Cash used in operating activities was $1.2 million in the three-month period ended September 30, 2015, compared to $2.3 million generated in operating activities in the same period of 2014. (1) Cash used in operations prior to changes in non-cash working capital is $1.0 million less than the same period last year, and (2) non-cash working capital decreased by $4.2 million in the current period compared to the same period in 2014. The $4.2 million decrease in non-cash working capital in the three months ended September 30, 2015, compared to the comparable 2014 period, was due to (1) an increase of $2.0 million used from inventory, (2) an increase of $3.6 million in cash used from accounts receivable and (3) an increase in prepaid expenses of $0.6 million; these increases were offset by (4) increases in interest payable of $1.8 million and taxes recoverable of $0.2 million.

Cash used by investing activities was $0.7 million during the third quarter of 2015 including $0.3 million received on selling a short-term investment and a $1.0 million investment in fixed assets relating to equipment purchases, compared to cash used by investing activities of $0.7 million in the same period in 2014.

Cash used from financing activities was $3.0 million in the third quarter of 2015 compared to cash generated of $0.2 million in the same period in 2014. The increase of cash used from financing of $3.2 million was primarily driven by an increase in repayment to related parties of $2.2 million and a decrease of $1.0 million in advances received from related parties.

Cash Flows: Nine months ended September 30, 2015 and 2014

Cash generated in operating activities was $1.7 million in the nine-month period ended September 30, 2015, compared to $0.5 million in the same period of 2014. Cash generated in operating activities increased by $1.2 million year-over-year. (1) Cash generated in operations prior to changes in non-cash working capital is $0.1 million less than the prior period, and (2) cash generated from non-cash working capital was $1.4 million higher in the current period compared to the same period in 2014. The $1.4 million higher cash generated from non-cash working capital in the nine months ended September 30, 2015, compared to the comparable 2014 period, was due to (1) an increase in interest payable of $5.3 million, (2) an increase in taxes recoverable of $0.5 million and (3) an increase in inventory of $0.4 million, which were offset by (4) an increase in accounts receivable of $3.2 million, (5) an increase in prepaid expenses of $1.5 million and (6) a decrease in accounts payable of $0.1 million.

Cash used by investing activities was $1.1 million during the first nine months of 2015 due to $1.2 million in equipment purchases offset by $0.1 million from selling a short-term investment, compared to cash used by investing activities of $0.8 million in the same period in 2014.

Cash used in financing activities was $2.6 million in the nine months ended September 30, 2015, compared to cash used from financing of $0.6 million in the same period in 2014. The increase of cash from financing of $2.0 million was primarily driven by an increase of $2.5 million in loan repayment to related parties and a decrease of $1.0 million in advances received from related parties, which was offset by $1.5 million less in long-term loan repayments.

Financial Resources

Cash and cash equivalents decreased by $0.5 million during the nine months ended September 30, 2015, from December 31, 2014. Working capital declined by $16.5 million from the year-end 2014 position to negative $83.7 million. The $16.5 million increase in negative working capital for the nine months ended September 30, 2015, is primarily due to a net increase of $8.5 million in negative working capital driven by the 11.3% appreciation of the Renminbi against the Canadian dollar and 13.4% appreciation of USD against the Canadian dollar. The remaining $8.0 million of non-appreciation-related increase in negative working capital resulted from increases in current assets of $2.0 million and increases in current liabilities of $6.0 million (mainly due to an increase in interest payable and account payable).

Subsequent to the quarter, the Company secured a new loan for working capital purposes to purchase monk fruit and/or stevia leaf from a related party for up to USD 3 million; the Company received USD 2 million in funds shortly after the quarter ended. The Company also has received $5.5 million in cash from its quarter end A/R balance (see note 5 in interim 9 Months Financial Statements for details) as additional financial resources to operate its business.

The Company's working capital and working capital requirements fluctuate from quarter to quarter depending on, among other factors, the annual stevia and monk fruit harvests in China (third and fourth quarter each year) and the production output along with the amount of sales conducted during the period. The value of raw material in inventory has historically been the highest in the fourth quarter due to the fact that the Company purchases stevia leaf and monk fruit during the third and fourth quarter for the entire production year which runs October through September each year. The Company's principal working capital needs include accounts receivable, taxes receivable, inventory, prepaid expenses, other current assets, and accounts payable and interest payable.

Balance Sheet

In comparison to December 31, 2014, the total assets increased by $8.2 million as at September 30, 2015. This was split between an increase in current assets of $0.1 million and an increase in fixed term assets of $8.1 million.

The increase in the total assets was driven by the following:

1. decrease in cash and cash equivalents of $0.6 million
2. increase in prepaid expenses of $1.8 million
3. decrease in inventory of $5.5 million
4. increase in accounts receivable of $4.2 million
5. increase in sales tax recoverable of $0.2 million
6. increase in fixed assets of $8.0 million

The increase in the fixed assets of $8.0 million was mainly due to $11.2 million from appreciation of the RMB against the Canadian dollar and a purchase of $0.6 million, offset by amortization of $3.8 million for the period.

Current liabilities increased by $16.5 million as at September 30, 2015, in comparison to December 31, 2014.

The increase in the current liabilities was driven by the following:

1. appreciation of the RMB against the Canadian dollar of $10.7 million
2. increase in accounts payable of $1.6 million
3. increase in interest payable of $4.5 million
4. decrease in short-term loans of $0.1 million
5. decrease in due to related parties of $0.2 million

Shareholders' equity decreased by $12.8 million from December 31, 2014, due to an increase in deficit of $14.1 million, partly offset by an increase in common stock of $0.9 million from the vesting of restricted shares and stock options and an increase in accumulated other comprehensive income of $0.4 million.

Short-Term and Long-Term Loans

The Company's short term loans consisted of borrowings from a private lender and from various banks in China as follows:

Bank loans as at September 30, 2015:

Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
$ 632,098	3,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
5,899,581	28,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
2,106,993	10,000,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
2,060,639	9,780,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
10,866,205	51,572,096	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
16,855,945	80,000,000	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
16,684,195	79,184,858	On Demand	11.97%	Bank of Communication
3,678,278	17,457,477	On Demand	9.24%	China Cinda Assets Management Jiangsu Branch
8,960	42,523	On Demand	8.83%	China Cinda Assets Management Jiangsu Branch
1,474,895	7,000,000	July 1, 2016	5.82%	Huishang Bank
6,320,979	30,000,000	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
2,631,429	12,489,025	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
$ 69,220,197	328,525,978			

Bank loans as at December 31, 2014

	Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
$	560,695	3,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
	5,233,156	28,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
	1,868,984	10,000,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
	1,827,867	9,780,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
	9,638,743	51,572,096	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
	14,951,874	80,000,000	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
	14,799,525	79,184,858	On Demand	11.97%	Bank of Communication
	3,356,224	17,957,477	On Demand	9.24%	Bank of China
	7,948	42,523	On Demand	9.24%	Bank of China
	1,308,289	7,000,000	July 1, 2015	7.20%	Huishang Bank
	5,606,953	30,000,000	On Demand	12.12%	Construction Bank of China
	2,334,179	12,489,025	On Demand	9.09%	Construction Bank of China
$	61,494,436	329,025,979			

The Company has worked with its Chinese banks on restructuring its debt. As of September 30, 2015, the Chinese debt with the Agricultural Bank of China had been transferred to China Hua Rong Asset Management Co., Ltd. ("Hua Rong"). The loans with the Construction Bank of China were transferred to China Cinda Assets Management Co., Ltd. ("Cinda") earlier in 2015. The Company also successfully transferred the loans from the Bank of China to Cinda during the third quarter of 2015. These are state-owned capital management companies ("SOCMC"). This now brings the total amount of China Bank loans transferred to SOCMCs to approximately 74% of total outstanding bank debt. The Company continued its negotiations with the SOCMCs and remaining banks to restructure its debt during the third quarter.

The Company also successfully renewed the RMB 7 million loan with the Huishang Bank on July 1, 2015, for an additional one year.

The assets of the Company's subsidiaries, including inventory and property, plant and equipment, have been pledged as collateral for these bank and SOCMC loans.

Long-term borrowing from private lenders:

December 31, 2014	$	2,010,965
Additions		1,270,527
Payments		(1,196,782)
Foreign currency translation		273,121
September 30, 2015	$	2,357,831

The loan balance above consists of two loans.

The first loan's principal amount as of September 30, 2015, is $1,030,414 (2014 - $892,467) and bears interest at 11.50% per annum. The loan will be payable in 36 months without any attached covenants.

The second loan's principal amount as of September 30, 2015, is $1,327,417 (2014 - $1,118,498) and bears

interest at 20% per annum. The loan will be payable in 36 months without any attached covenants. This loan provides a repayment option to the lender in either RMB or USD using a fixed foreign exchange rate of 6.1234. This option results in a liability of $6,525, which is accounted as liabilities on derivatives and unrealized foreign exchange losses. The fair value of the liability on derivatives was calculated using the Black-Scholes model with the following assumptions:

Risk free interest	0.87%
Expected life of the loan	3 years
Expected foreign currency volalitity	2.95%

Financial and Other Instruments

The Company's financial instruments comprise cash and cash equivalents (classified as "held-for-trading"), accounts receivable and certain other assets that are financial instruments (classified as "loans and receivables"), and short-term loans, accounts payable, interest payable, advance from customer, due to related party, and non-current bank loans (classified as "other financial liabilities"). The Company currently does not have any hedge instruments.

As at September 30, 2015, the Company recorded cash and cash equivalents at fair value. Recorded amounts for accounts receivable, accounts payable and accrued liabilities, short-term loans, interest payable, advances from customers, and due to related party approximate their fair values due to the short-term nature of these instruments.

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's primary credit risk is on its cash and cash equivalents, restricted cash and accounts receivable.

The Company limits its exposure to credit risk by placing its cash and cash equivalents with various financial institutions. Given the current economic environment, the Company monitors the credit quality of the financial institutions it deals with on an ongoing basis.

The Company has a high concentration of credit risk as the accounts receivable was owed by fewer than ten customers. However, the Company believes that it does not require collateral to support the carrying value of these financial instruments. The carrying amount of financial assets represents the maximum credit exposure. The Company reviews financial assets, including past due accounts, on an ongoing basis with the objective of identifying potential events or circumstances which could delay or prevent the collection of funds on a timely basis. Based on default rates on customers with receivable balances at September 30, 2015, the Company believes that there are minimal requirements for an allowance for doubtful accounts against its accounts receivable.

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of a change in foreign exchange rates. The Company conducts its business primarily in US dollars, RMB, Canadian dollars and Hong Kong dollars. The Company is exposed to currency risk as the functional currency of its subsidiaries is other than Canadian dollars.

The majority of the Company's assets are held in subsidiaries whose functional currency is the RMB. The RMB is not a freely convertible currency. Many foreign currency exchange transactions involving RMB, including foreign exchange transactions under the Company's capital account, are subject to foreign exchange controls and require the approval of the PRC State Administration of Foreign Exchange. Developments relating to the PRC's economy and actions taken by the PRC government could cause future foreign exchange rates to vary

significantly from current or historical rates. The Company cannot predict nor give any assurance of its future stability. Future fluctuations in exchange rates may adversely affect the value when translated or converted into Canadian dollars of the Company's net assets and net profits. The Company cannot give any assurance that any future movements in the exchange rates of RMB against the Canadian dollar and other foreign currencies will not adversely affect its results of operations, financial condition and cash flows. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

All of the Company's operations in China are considered self-sustaining operations. The assets and liabilities of the self-sustaining operations are translated at exchange rates prevailing at the balance sheet date.

See the Company's year-end financial statements (Note 25) for the period ending December 31, 2014, for further information on its financial and other instruments.

Contractual Obligations

Operating leases

The Company renewed two five-year operating leases with respect to land and production equipment at the Qingdao factory in China. The leases expire in 2016 and 2018, and the annual minimum lease payments are approximately $211,000 (RMB 1,000,000).

The Company has previously entered into a thirty-year agreement with the Dongtai City Municipal Government, located in the Jiangsu Province of China, for approximately 50 acres of land for its seed base operation. Rent of approximately $166,000 (RMB 790,000) is paid every 10 years.

The Company entered into a five-year agreement for office premises located in Vancouver, Canada beginning June 1, 2011 and ending in 2016. The lease payments for the year ended December 31, 2015 total $147,000 (2014 – $161,811).

The minimum cash payments related to the above are summarized below:		Amount
2015	$	359,293
2016		272,789
2017		-
2018		166,000
Thereafter		166,000
Total	$	964,082

Investment in Juancheng

In April 2008, the Company signed a twenty-year agreement with the government of Juancheng County in the Shandong Province of China, which gave the Company exclusive rights to build and operate a stevia processing factory as well as the exclusive right to purchase high-quality stevia leaf grown in that region. The agreement requires the Company to make a total investment in the Juancheng County of $75,000,000 (US$60,000,000) over the course of the twenty-year agreement to retain its exclusive rights. As of September 30, 2015, the Company

has not made any investment in the county and there is no liability if the Company eventually does not make any investment in the region. However, the Company may lose its exclusivity right if no investment is made by the end of the term of the agreement.

Capital Structure

Outstanding Share Data as at the date of this MD&A:

	30-Sep-15
Common Shares Issued	37,908,336
Reserved For Issuance	
Warrants	-
Stock Options	3,966,983
Total Reserved For Issuance	3,966,983
Fully Diluted Shares	41,875,319

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements.

Transactions with Related Parties

a) **Transactions with key management personnel**
Key management personnel are those persons who have the authority and responsibility for planning, directing, and controlling activities of the Company directly or indirectly, including any external director of the Company.

Remuneration of key management of the Company as of September 30, 2015, is comprised of the following expenses:

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Short-term employee benefits (including salaries, bonuses, fees and social security benefits)	$ 231,887	$ 190,839	$ 713,044	$ 574,872
Share-based benefits	$ 279,826	$ 335,053	$ 970,520	$ 1,125,729
Total remuneration	$ 511,713	$ 525,892	$ 1,683,563	$ 1,700,601

Certain executive officers are subject to termination benefits. Upon resignation at the Company's request or in the event of a change in control, they are entitled to termination benefits ranging from 24 to 36 months of gross salary, totaling approximately $1,700,000.

Key management did not exercise stock options granted under the Company's stock option plan in the three months ended September 30, 2015.

b) Amount due to related parties

As of September 30, 2015, the Company has accrued $1,795,037 (2014 - $1,429,074) in consulting fees to the Company's Chairman and Chief Executive Officer representing five years of services but remaining unpaid.

As of September 30, 2015, the Company has obtained loans under numerous credit facility agreements starting from April 2012 to November 2013 from the Company's Chairman and Chief Executive Officer (the "Lender") that, along with accrued interest, total $23,886,463 (2014 - $18,901,926). The loan proceeds were used for corporate working capital purposes. Amended agreements specify that the loans are repayable within 72 months of the date of borrowing.

As of September 30, 2015, the Company has obtained a loan from a direct family member of the Company's Chairman and Chief Executive Officer that, along with accrued interest, totals $3,081,478 (2014 - $4,150,397) in order to provide working capital required for monk fruit extracts. The loan is secured by expected proceeds from monk fruit sales, bearing interest at 20% per annum and repayable within 36 months of the loan Date.

The combined total of the above loans, including the accrued interest, is $26,967,941. These loans will be repaid by either GLG or its Chinese subsidiaries to the Lender in the currency the loans were originally borrowed (either USD or RMB), or, at the Lender's discretion, in the alternate currency.

These loans provide a repayment option to the lenders in either RMB or USD using a fixed foreign exchange rate of 6.1234. This option results in a liability of $111,875, which is accounted as liabilities on derivatives and unrealized foreign exchange losses. The assumptions for the fair value determination of the liability are the same as those outlined in Note 7 in the consolidated financial statements.

Loan balance as of September 30, 2015

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
	$ 9,120,608	April 27, 2012	April 27, 2018	Unsecured	Category 1	Chairman and CEO
	2,091,180	October 11, 2012	October 11, 2018	Unsecured	Category 1	Chairman and CEO
	3,695,354	May 30, 2013	May 30, 2018	Unsecured	Category 2	Chairman and CEO
	334,852	November 15, 2013	November 15, 2018	Unsecured	Category 1	Chairman and CEO
	2,285,210	October 20, 2014	October 20, 2017	Unsecured	Category 3	Direct family member of CEO
Principal amounts	**$ 17,527,204**					
Accrued interests	**9,440,736**					
	$ 26,967,941					

Loan balance as of December 31, 2014

		Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
	$	8,076,235	April 27, 2012	April 27, 2018	Unsecured	Category 1	Chairman and CEO
		1,812,938	October 11, 2012	October 11, 2018	Unsecured	Category 1	Chairman and CEO
		3,324,117	May 30, 2013	May 30, 2018	Unsecured	Category 2	Chairman and CEO
		290,023	November 15, 2013	November 15, 2018	Unsecured	Category 1	Chairman and CEO
		4,024,942	October 20, 2014	October 20, 2017	Unsecured	Category 3	Direct family member of CEO
Principal amounts	**$**	**17,528,255**					
Accrued interests		**5,524,068**					
	$	**23,052,323**					

Category 1: China 10 year benchmark government bond rate plus 1100 basis points
Category 2: US 10 year benchmark government bond rate plus 1100 basis points for loans issued in USD or
China 10 year benchmark government bond rate plus 1100 basis points for loans issued in RMB
Category 3: 20%

As of September 30, 2015, the Company has renewed a loan of $800,000 from a Director of the Company to provide working capital required for Monk Fruit extracts. The loan is secured by expected proceeds from this major customer contract, bearing interest at 15% per annum and repayable in full within twelve months of the Disbursement Date. As of September 30, 2015, the total amount due to this related party including interest was $806,534 (2014 -$1,006,575) and is classified under current liabilities.

Loan balance as of September 30, 2015

		Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
Principal amounts	$	800,000	September 15, 2015	September 15, 2016	Unsecured	15.00%	Director
Accrued interests	$	6,534					
	$	**806,534**					

Loan balance as of December 31, 2014

		Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
Principal amounts	$	1,000,000	September 15, 2014	September 15, 2015	Unsecured	15.00%	Director
Accrued interests	$	6,575					
	$	**1,006,575**					

c) Warrants

In connection to the loans from the Company's Chairman and Chief Executive Officer (the "Lender"), 100 common share purchase warrants for every US$1,000 equivalent borrowed were granted to the lender at the exercise price of $1.00 per warrant for a period of 24 months following the offering closing date. As of September 30, 2015, these purchase warrants were expired and the lender did not exercise the purchase warrants.

d) Subsidiaries

The following are the subsidiaries of the Company:

	Jurisdiction of incorporation	Ownership Interest 2015	2014	Functional Currency
Subsidiaries				
Agricultural High Tech Developments Limited	Marshall Islands	100%	100%	HKD
Anhui Bengbu HN Stevia High Tech Development Company Limited	China	100%	100%	RMB
Chuzhou Runhai Stevia High Tech Company Limited	China	100%	100%	RMB
Dongtai Runyang Stevia High Tech Company Limited	China	100%	100%	RMB
Qingdao Runde Biotechnology Company Limited	China	100%	100%	RMB
Qingdao Runhao Stevia High Tech Company Limited	China	100%	100%	RMB
GLG Life Tech US, Inc.	USA	100%	100%	USD
0833416 BC Limited (formerly "GLG Weider Sweet Naturals Corporation")	Canada	55%	55%	USD

Disclosure Controls and Internal Controls over Financial Reporting

The Company's disclosure controls and procedures are designed to provide reasonable assurance that relevant information relating to the Company, including its consolidated subsidiaries, is made known to senior management in a timely manner so that information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation. As of the end of the period covered by this report, the Company's management evaluated, under the direction and supervision of the Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of the Company's disclosure controls and procedures, as defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim filings ("NI 52-109"). The Company's Chief Executive Officer and Chief Financial Officer have concluded that as of September 30, 2015, the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed in reports the Company files or submits to the Canadian Securities Administrators ("CSA") is recorded, processed, summarized and reported within the time periods specified therein and accumulated and reported to management to allow timely discussions regarding required disclosure.

The Company's management, under the direction and supervision of the Chief Executive Officer and Chief Financial Officer, is also responsible for establishing and maintaining internal control over financial reporting. These controls are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in Canada.

Management assessed the effectiveness of the Company's internal control over financial reporting, as defined in NI 52-109, as of September 30, 2015. In making this assessment, management used the criteria set forth in the "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, the Company's Chief Executive Officer and Chief Financial Officer have concluded that as of September 30, 2015, the Company's internal control over financial reporting were effective.

It should be noted that while the officers of the Company have certified the Company's period-end filings, they do not expect that the disclosure controls and procedures or internal controls over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or implemented, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

Risks Related to the Company's Business

This section describes the material risks affecting the Company's business, financial condition, operating results and prospects. A prospective investor should carefully consider the risk factors set out below and consult with his, her or its investment and professional advisors before making an investment decision. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material, but which also may have a material adverse effect on the Company's business, financial condition, operating results or prospects. In that case, the trading price of the common shares could decline substantially, and investors may lose all or part of the value of the common shares held by them.

There are a number of risk factors that could materially affect the business of GLG, which include but are not limited to the risk factors set out below. The Company has been structured to minimize these risks. More details about the following risk factors can be found in the Company's Annual Information Form filed on SEDAR at www.sedar.com.

- Intellectual Property Infringement
- Product Liability Costs
- Manufacturing Risk
- Inventory Risk
- Customer Concentration Risk
- Competition
- Government Regulations
- Consumer Perception of Products
- Changing Consumer Preferences
- Market Acceptance
- Dependence on Key Personnel
- Volatility of Share Prices

Risks Associated with Doing Business in the People's Republic of China

The Company faces the following additional risk factors that are unique to it doing business in China. More details about the following risk factors can be found in the Company's Annual Information Form.

- Government Involvement
- Changes in the Laws and Regulations in the People's Republic of China
- The Chinese Legal and Accounting System
- Currency Controls
- Additional Compliance Costs in the People's Republic of China

- Difficulties Establishing Adequate Management, Legal and Financial Controls in the People's Republic of China
- Capital Outflow Policies in the People's Republic of China
- Jurisdictional and Enforcement Issues
- Political System in the People's Republic of China

Additional Information

Additional information relating to the Company, including our Annual Information Form, is available on SEDAR (www.sedar.com). Additional information relating to the Company is also available on our website (www.glglifetech.com).