**NEW INTERNATIONAL INFOPET SYSTEMS LTD.**
**Suite 204, 181 Eglinton Avenue East**
**Toronto, Ontario, M4P 1J4**
**Telephone: (416) 485-8833**
**Facsimile: (416) 485-3246**

# Management's Discussion and Analysis of Financial Condition and Operating Results

## For The Three Months Ended January 31, 2013

## Prepared by Management

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND OPERATING RESULTS**

The following Management's Discussion and Analysis of Financial Condition and Operating Results ("MD&A") for New International Infopet Systems Ltd. ("Infopet" or the "Company") should be read in conjunction with the unaudited condensed interim financial statements for the three months ended January 31, 2013 and the audited annual financial statements for the year ended October 31, 2012 and the Notes thereto and constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended January 31, 2013.

This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as at March 19, 2013, unless otherwise indicated.

The unaudited condensed interim financial statements for the three months ended January 31, 2013, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The unaudited interim condensed financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS.

As a result of ongoing review and possible amendments by interpretive guidance from the IASB and IFRIC, IFRS in effect at October 31, 2013, may differ from IFRS and interpretation statements applied in preparing the audited annual consolidated financial statements for the year ended October 31, 2012, and the unaudited condensed interim financial statements for the three months ended January 31, 2013 and 2012.

Further information about the Company and its operations is available on SEDAR at **www.sedar.com**.

*The following Management's Discussion and Analysis ("MD&A") may contain forward-looking statements. Forward-looking statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual events or results to differ materially from those reflected herein. Forward-looking statements are based on the estimates and opinions of management of the Company at the time the statements were made. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements (see Risks Factors below).*

**Risk Factors**

Some of the business risks could include:

- ability to raise financing;
- ability to meet obligations as they come due;
- reliance on related parties;
- general business and economic conditions;

- the ability to attract and retain staff;
- competition for, among other things, financings, acquisitions and skilled personnel; and
- government regulation.

*The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base their decisions on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The Company also cautions readers not to place undue reliance on these forward-looking statements. Moreover, these forward-looking statements may not be suitable for establishing strategic priorities and objectives, future strategies or actions, financial objectives and projections other than those mentioned above.*

**Overview**

The Company has no operations and is currently seeking new business opportunities. Success in identifying a suitable new business for the Company is uncertain. Furthermore, the Company has limited working capital to pursue such opportunities.

The ability of the Company to continue as a going concern is dependent upon, among other things, its being able to obtain additional financing, and maintaining positive operating cash flows.

**Overall Performance**

There were no notable events during the first quarter of 2013. The Company concentrated on searching for prospective assets and businesses to acquire or merge with.

At January 31, 2013, the Company had cash of $68 and shareholders' deficit of $2,015,474. This compares with cash of $135 and shareholders' deficit of $2,011,146 at October 31, 2012.

At January 31, 2013, the Company had $204,512 of current liabilities (October 31, 2012 - $200,251).

At January 31, 2013, the Company had a working capital deficiency of $204,444 compared to a working capital deficiency of $200,116 at October 31, 2012.

The Company believes that additional financing will be required to fund its operating expenses as it searches for suitable assets and businesses to merge with or acquire. The Company is economically dependent on related parties for financing its ongoing operations.

**Trends**

The Company plans to continue to search for suitable assets or businesses to acquire or merge with in order to maximize value for shareholders. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and long-term strategic decisions. Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

## Selected Quarterly Information

| Three Months Ended | Total Sales ($) | Profit or Loss | |
|---|---|---|---|
| | | Total ($) | Per Share ($) |
| January 31, 2013 | - | (4,328) | (0.00) |
| October 31, 2012 | - | (1,105) | (0.00) |
| July 31, 2012 | - | (1,108) | (0.00) |
| April 30, 2012 | - | 1,120 | 0.00 |
| January 31, 2012 | - | (935) | (0.00) |
| October 31, 2011 | - | (29) | (0.01) |
| July 31, 2011 | - | (24) | (0.00) |
| April 30, 2011 | - | (492) | (0.00) |

## Results of Operations

*Three months ended January 31, 2013, compared with the three months ended January 31, 2012*

For the three months ended January 31, 2013, the Company reported a loss of $4,328 (basic and diluted loss per share – ($0.00)) versus a loss of $935 (basic and diluted loss per share – ($0.00)) for the three months ended January 31, 2012. Expenses in both periods related primarily to accounting fees and regulatory filing fees to keep the Company compliant with its public company reporting and disclosure obligations. Professional fees were $2,505 for the current period compared to $904 in the comparative period. Office fees were $1,823 for the current year compared to $31 in the comparative period.

## Liquidity

The Company has a significant working capital deficiency and is economically dependent on various related parties for financing its ongoing operations. At January 31, 2013 the Company had a working capital deficiency of $204,444 (October 31, 2012 - $200,116). The Company’s primary use of funds was applied to operating expenses.

The Company’s current assets as of January 31, 2013 were $68 which consists of cash (October 31, 2012 – cash of $135). Long-term assets as of January 31, 2013 were $1 which consists of 1,000 common shares of International Infopet Systems Inc., a privately owned company registered in Delaware, United States. This holding represents a one-third interest in that corporation (October 31, 2012 – $1).

The Company exercises significant influence over the investee and uses the equity method to account for its investment. During 2004, the investment became permanently impaired and was written down to a nominal amount of $1. Any subsequent increase in value will be recognized only when the investment becomes profitable.

The Company’s current liabilities at January 31, 2013 were $204,512 (October 31, 2012- $200,251). Included in current liabilities is accounts payable and accrued liabilities of $13,026 (October 31, 2012- $8,765) and amounts due to related parties of $191,486 (October 31, 2012- $191,486).

The Company will require additional sources of revenue or further advances from related parties to meet its current and future working capital obligations.

The Company’s past primary source of liquidity and capital resources has been advances from related parties and consulting revenue. The Company does not currently have any contracts or commitments for capital expenditures. At present, the Company does not have sufficient resources to fund its current working capital requirements. The Company may be required to obtain additional financing by way of debt, issuance of common shares or some other means to service its working capital requirements, any additional or unforeseen obligations or to implement any future opportunities.

## Capital Resources

At present, the Company's operations are inactive. The Company does not have any contracts or commitments for capital expenditures. The Company will be required to obtain external financing in order to participate in any opportunities. In order to obtain sufficient financing, the Company may be required to obtain a listing of its common shares. If the Company issued additional common shares from treasury, it would cause the current shareholders of the Company to be diluted.

## Off- Balance Sheet Transactions

The Company has no off balance sheet arrangements.

## Related Party Transactions

(a) Amounts due to related parties by the Company at January 31, 2013 and October 31, 2012 are as follows:

| | As at January 31, 2013 | | As at October 31, 2012 | |
|---|---|---|---|---|
| Dapaul Management Limited (as trustee) (i) | **$** | **157,586** | $ | 157,586 |
| 857710 Ontario Limited (ii) | | **32,445** | | 32,445 |
| Due to president (iii) | | **1,455** | | 1,455 |
| | **$** | **191,486** | $ | 191,486 |

(i) The president of the Company owns 100% of Dapaul Management Limited. The amount due is non-interest bearing and payable on demand.

(ii) 857710 Ontario Limited is a corporation controlled by a director and officer of the Company. The amount is unsecured, non-interest bearing, and without definite terms of repayment.

(iii) The amount is due to the president of the Company. The amount is unsecured, non-interest bearing, and without definite terms of repayment.

## Economic dependence

The Company is economically dependent on the above related parties for financing of its ongoing operations.

## Changes in Accounting Policies

There are no relevant changes in accounting standards applicable to future periods other than as disclosed in the section entitled "Changes in Accounting Policies" in the Company's MD&A for the fiscal year ended October 31, 2012, available on SEDAR at **www.sedar.com**.

## New Accounting Policies

*Amendments to IAS 1 Presentation of Financial Statements*
During the quarter, the Company adopted IAS 1 Presentation of Financial Statements (amendments to IAS 1), issued by the IASB in June 2011. The amendments require items presented in the statement of other comprehensive income to be categorized according to whether the items will or will not be reclassified to income at a future date. The adoption did not impact the Company's financial results.

## Capital Management

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future business opportunities, and pursuit of business or asset acquisitions; and
- To maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be capital stock, reserve and deficit which at January 31, 2013 totaled a deficit balance of $204,443 (October 31, 2012 - deficit balance of $200,115).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended January 31, 2013. The Company is not subject to any capital requirements imposed by a lending institution.

## Financial Instruments

The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

*Credit Risk*

The Company is exposed to credit risk through its cash, which is held at a Canadian chartered bank. The Company believes this credit risk is insignificant.

*Liquidity Risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at January 31, 2013, the Company had a cash balance of $68 (October 31, 2012 - $135) to settle current liabilities of $204,512 (October 31, 2012 - $200,251). Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

It is expected the Company will render one invoice annually for consulting fees to the President/Chief Executive Officer of the Company in an amount sufficient to cover its ongoing operating expenses.

*Fair Values*

The fair values of cash, accounts payable, accrued liabilities and due to related parties approximate their carrying values due to the short-term to maturity of these financial instruments.

*Sensitivity analysis*

The Company does not have significant financial instruments as at January 31, 2013. A one percentage point increase or decrease in the Company's financial instruments would not have a significant impact on profit or loss.

## Other MD&A Requirements

### Additional Information

Additional information relating to the Company may be obtained or viewed from the System for Electronic Data Analysis and Retrieval at www.sedar.com.

### Share Capital as at January 31, 2013 and as at the date of this MD&A

(a) Authorized

Unlimited number of common shares

(b) Common shares issued

| | Number of common shares | Stated value |
|---|---|---|
| Balance at October 31, 2011, January 31, 2012, October 31, 2012 and January 31, 2013 | **1,068,400** | **$ 1,586,504** |

(c) Other

The Company had no convertible shares, stock options or warrants outstanding during the current or prior periods.