# COMPEL CAPITAL INC.
# MANAGEMENT DISCUSSION AND ANALYSIS
# FOR THE YEAR ENDED DECEMBER 31, 2013
# ANNUAL AUDITED

## INTRODUCTION

The following sets out the Management's Discussion and Analysis ("MD&A") of results of operations and financial condition of Compel Capital Inc. (the "Company", "Compel", "our" and "we") describes the operating and financial results of the Company for the year ended December 31, 2012. The MD&A should be read in conjunction with the Company's Audited financial statements and related notes for the year ended December 31, 2012. The Corporation prepares and files its financial statements in accordance with the International Financial Reporting Standards ("IFRS"). All dollar amounts herein are in Canadian currency unless otherwise specified. Additional information regarding the Company is available on the SEDAR website at www.SEDAR.com.

## FORWARD-LOOKING STATEMENTS

Some statements contained in this MD&A are forward-looking statements, and therefore involve uncertainties or risks that could cause actual results to differ materially. These statements are based on the Company's expectations, estimates and projections regarding its business and the economic environments in which it operates, and readers should not place undue reliance on such statements. The Company disclaims any obligation to update forward-looking statements.

**DATE OF MD&A** This MD&A was prepared on April 29, 2014.

## OVERVIEW

Compel is a publicly held corporation and was incorporated on December 20, 1945 in Ontario. On April 30, 2008 the Ontario Securities Commission ("OSC") issued an order (the "Order") revoking the cease trade order (the "CTO") which was issued by the OSC in 1993.

On July 24, 2008 at a Special Meeting of Shareholders, the shareholders voted to change the company name from Slocan Rambler (1947) Mines Limited to Compel Capital Inc., consolidate the shares on the basis of a factor of one new common share in the capital of the Company for three existing common shares and to increase the authorized capital of the Company to an unlimited number of common shares without par value. The shareholders approved all of these resolutions.

On July 6, 2010 the Company agreed to issue a total of 1,494,660 common shares to certain of the Company's debt-holders at an ascribed price of $0.10 per share in full and final settlement of $149,466 principal amount of unsecured debt (the "Debt Settlement Transaction").

The Company is inactive. The Company has no revenues and the expenses incurred are all related to maintaining the Company's status as a public issuer Company.

**FINANCIAL PERFORMANCE**

The following tables set out financial performance highlights for the year ended December 31, 2013 and 2012 in accordance with IFRS**.**

| For the year ended Dec 31 | 2013 | 2012 |
|---|---|---|
| Revenue | $ Nil | $Nil |
| Transfer agent and filing fees | $ | $ |
| General and administrative | $ 14,909 | $ 10,615 |
| Net loss | $( 14,909) | $(10,615) |
| Basic and diluted loss per share | $(0.007) | $(0.005) |
| Assets | $Nil | $Nil |
| Liabilities | $ 45,931 | $ 31,022 |

**Results of Operations**

**December 31, 2013 - 2012**

The Company is inactive. The Company has no revenues and the expenses incurred are all related to maintaining the Company's status as a public issuer Company. The above reflects the Company's liabilities at December 31 for the years indicated. The changes in the Company's liabilities are related mainly to accrued professional fees in order for the Company to maintain its status as a public issuer. For more detailed information see the Company's audited financial statements.

**Summary of Quarterly Results to December 31, 2012**

| Description | Dec **31/13** $ | Sept **30/13** $ | June **31/13** $ | Mar **31/13** $ | Dec **30/12** $ | Sept **30/12** $ | Jun **31/12** $ | Mar **31/12** $ |
|---|---|---|---|---|---|---|---|---|
| Revenue | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Net Loss | (9,936) | (3,470) | (1,052) | (451) | (8,515) | (1,200) | (600) | (300) |
| Loss per Share – Basic and Diluted | (0.005) | (0.002) | (0.000) | (0.000) | (.0004) | (.0001) | (0.000) | (0.000) |

**TWELVE MONTHS ENDED DECEMBER 31, 2013 COMPARED TO THE TWELVE MONTHS ENDED DECEMBER 31, 2012**

Revenues: The Company is inactive and has no revenues.

Expenses: Expenses for the twelve months ended December 31, 2013 are $ 14,909, an increase of $ 4,294 over the amount of $ 10,615 for the twelve months ended December 31, 2012. These amounts are for professional fees, consulting fees and transfer agent and filing fees.

Net loss: The Company has incurred a net loss of $ 14,909 for the twelve months ended December 31, 2013, a increase of $ 4,294 over the amount of $10,615 for the twelve months ended December 31, 2012.

**PROPOSED TRANSACTIONS**

There are no proposed transactions.

**FINANCIAL INSTRUMENTS**

The Company has classified its financial instruments as follows:

| Financial Instrument | Classification |
|---|---|
| Accounts payable and accrued liabilities | Other liabilities |
| Loans payable | Other liabilities |

The carrying values of accounts payable and accrued liabilities and loans payable approximate fair values due to the relatively short term maturities of these instruments.

**FINANCIAL RISK MANAGEMENT – LIQUIDITY RISK**

Risk management is the responsibility of management who is of the opinion that the Company is not exposed to financial risks by virtue of its inactivity. The Company is not exposed to currency risk, credit risk or interest rate risk.

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. As at December 31, 2013, the Company has current liabilities of $ 45,931 and no assets. As a result, the Company is dependent on obtaining additional financing to meet its current obligations.

**CAPITAL RISK MANAGEMENT**

The Company considers capital stock and deficit to represent capital. As at December 31, 2013, the Company has a negative capital balance and management's objective is to maintain its ability to continue as a going concern by identifying sources for additional financing for working capital and to fund the development of a business.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the year ended December 31, 2013.

**OFF BALANCE SHEET ACTIVITIES**

At December 31, 2013, the Company had no off balance sheet financial commitments and does not anticipate entering into any contracts of such nature other than the addition of new operating leases for equipment and premises as may be required in the normal course of business.

## RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members and entities which are controlled by these individuals as well as certain persons performing similar functions.

The loan payable described in Note 4 to the financial statements is a related party transaction as this loan is due to a Director. The loan payable is $28,592 (2012 - $18,069).

The loan payable described in Note 5 to the financial statement is a related party transaction as this loan is due to a corporation which shares a common director with the Company. The loan payable is $11,191 (2012 - $Nil).

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

Included in general and administration expense is interest expense of $ 1,807 (2012 - $ 1,326) incurred to a shareholder and director of the Company. The interest expense relates to amounts accrued on an interest bearing loan due to a shareholder and director of the Company.

### Loans payable

The loan payable in the amount of $ 28,592 (December 31, 2012 - $18,069) is due to a shareholder and director. The loan bears interest at 10% per annum, is unsecured and due on demand. Included in this loan payable amount is interest owing of $ 3,413 (December 31, 2012 - $1,606).

The loan payable in the amount of $11,191 (2012 - $Nil) is due to a corporation which shares a common director with the Company. The loan is non-interest bearing, unsecured and due on demand.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

As at the date of the MD&A, there have been no changes in the Company's accounting policies as disclosed in the financial statements for the years ended December 31, 2013 and 2012 and the Company has not provided any forward-looking statements or estimates related to future operations other than as described below.

There have been no significant judgements made by management in the application of IFRS that have a significant effect on the financial statements for the years ended December 31, 2013 and 2012.

## RECENT ACCOUNTING PRONOUNCEMENTS ISSUED AND NOT YET APPLIED

The following standard has been issued but is not yet effective.

IFRS 9 "Financial Instruments" ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The effective date of IFRS 9 is yet to be determined.

The Company is currently evaluating the impact of the above standard on its financial performance and financial statement disclosures but expects that such impact will not be material.

## CONTROLS AND PROCEDURES

Management is responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with IFRS. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures, for the nature and size of the entity, are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

Management is also responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, is made known to the Company's certifying officers. Management has evaluated the effectiveness of the Company's disclosure controls and procedures and has concluded that these controls and procedures are effective, for the nature and size of the entity, in providing reasonable assurance that material information relating to the Company is made known to them by others within the Company.

## OUTSTANDING SHARE DATA

### Common shares

As at December 31, 2013 the Company had 2,127,288 common shares issued and outstanding (2012 – 2,127,288).

### Stock options and share purchase warrants

As at December 31, 2013 and 2012, there were no issued and outstanding and stock options or warrants.

## OFFICERS AND DIRECTORS OF THE COMPANY

As at December 31, 2013 the officers and directors of the Company include:
Rob Saltsman - President and Director
Martin Bernholtz - CFO
Michael Frank - Director

### Additional Information

Additional information relating to the Company is available at:

- On the Internet at the SEDAR website at www.sedar.com or,
- By contacting Rob Saltsman at 416-402-2428