SURREY CAPITAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED MAY 31, 2012

DATED JULY 25, 2012

Disclosure Regarding Forward-Looking Statements

This Management's Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets. Other risks may be disclosed from time to time in Surrey Capital Corp.'s public disclosures.

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Unless otherwise indicated, in this Management's Discussion and Analysis ("**MD&A**") all references to "**dollar**" or the use of the symbol "**$**" are to the Canadian Dollar.

The preparation of the interim financial statements are in conformity with Canadian Generally Accepted Accounting Principles ("**CGAAP**") that have been revised to incorporate International Financial Reporting Standards ("**IFRS**") and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the interim financial statements and reporting amounts. Surrey Capital Corp. (the "**Corporation**") bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from those estimates.

ITEM 1 - **<u>Overview</u>**

Surrey Capital Corp. (the "**Corporation**") has its common shares listed on the TSX Venture Exchange (the "**Exchange**") for trading under the symbol SYC.P upon the completion of its initial public offering ("**IPO**") as disclosed in a prospectus filed with the regulators and dated December 10, 2010. The Corporation issued 4,928,000 common shares at $0.10 per common shares in conjunction with its IPO.

The Corporation is classified as a Capital Pool Company as described in the policies of the Exchange. As a result, the Corporation's current business is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction ("**QT**"), as described in the policies of the Exchange. Any proposed QT must be accepted by the Exchange and in the case of a non-arm's length QT must also receive majority of the minority approval in accordance with policies of the Exchange. The Corporation has not conducted commercial operations and will not until the completion of its QT.

Until completion of a QT, the Corporation will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential QT. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described in the Corporation's Prospectus, the funds raised pursuant to the IPO and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

On April 4, 2011, the Corporation entered into a Letter of Intent with CINS Technology Limited ("**CINS**"), a technology company focused on developing design and develop Massive MultiPlayer Online Role Playing Games ("**MMORPG**") in China for the Chinese linguistic market worldwide using proprietary game engine.

On June 21, 2011, the Corporation announced that it had terminated the proposed transaction with CINS.

Although the Corporation has commenced the process of identifying potential acquisitions with a view to completing a QT, the Corporation has not yet entered in to an Agreement in Principle ("**AiP**"), as that term is defined in the policies of the Exchange, for any particular transaction.

ITEM 2 - Selected Annual Information

Only one year is presented as the Corporation has only completed its first fiscal years as it was incorporated on September 13, 2010 and has an August 31 fiscal year end.

The following is selected annual information for the preceding fiscal years:

August 31	2011
Net revenues	$ nil
Net loss	55,331
Total assets	476,328
Long term liabilities	Nil
Loss per share	0.01
Cash dividends per share	0.00

For further audited financial information, please refer to the Corporation's audited financial statements that have been filed on SEDAR

ITEM 3 - Results of Operations

For the period ended August 31, 2011

For the period ended August 31, 2010, the Corporation had not yet commenced operations other then the identification, evaluation of assets or businesses that would constitute the QT. Therefore, the Corporation had not yet recorded any revenues.

For the period ended August 31, 2011, the Corporation had office and general expenditures of $31,223, with no comparative figure for the year earlier. Expenses related to general office expenses, premises and regulatory fees in addition to a charge for the granting of charitable stock options.

For the period ended August 31, 2011, the Corporation incurred $18,777 in stock-based compensation expense with no comparative figure for the year earlier. The Corporation does not anticipate having any further until it has successfully completed its Qualifying Transaction.

For the period ended August 31, 2011, the Corporation had an operating loss of $50,000 and no comparative figure for the year earlier.

For the period ended August 31, 2011, the Corporation had an interest income of $2,920, with no comparative figure for the year earlier.

For the period ended August 31, 2011, the Corporation had a project analysis expenditures expenditure of $8,251 and no comparative figure for the year earlier.

The net loss for the period ended August 31, 2011 was $55,331 for a loss per share of $0.01 based on 5,511,216 weighted average shares outstanding for the period.

During the period ended August 31, 2011, the Corporation issued 4,928,000 common shares via for gross proceeds of $492,800 as well as 2,500,000 common shares for gross proceeds of $125,000.

The Corporation's had a cash balance at the end as at August 31, 2011 was $475,036, with working capital of $469,328.

ITEM 4 - Summary of Quarter Results

The following table sets forth, for each quarter ended on the date indicated since incorporation, information relating to the Company's revenue, net loss and loss per common share as prepared under Canadian GAAP.

	Revenues	Net loss	Loss/share: basic and diluted
May 31, 2012	$ ---	$ 9,550	$ 0.00
February 29, 2012	---	7,659	0.00
November 30, 2011	---	7,337	0.00
August 31, 2011	---	6,231	0.00
May 31, 2011	---	16,620	0.00
February 28, 2011	---	26,405	0.01
November 30, 2010	---	6,075	0.00

For the nine months ended May 31, 2012

For the nine months ended May 31, 2012, the Corporation had office and general expenditures of $28,676 versus $23,623 the year earlier, an increase of $5,053 or 21.4%. These expenses related to general office expenses, premises and regulatory fees and future expenses are anticipated to be in line with the current fiscal year until such time as the Corporation completes its Qualifying Transaction.

For the nine months ended May 31, 2012, the Corporation did not have any stock-based compensation, and does not anticipate having any further until it has successfully completed its Qualifying Transaction. In the earlier period the Corporation recorded a stock-based compensation expense of $18,777.

For the nine months ended May 31, 2012, the Corporation had an operating loss of $24,546 versus $49,100 the year earlier, for a difference of $24,554 or 50.0%%. The main difference is due to the stock-based compensation granted by the Corporation the year earlier of $18,777 as previously mentioned.

For the nine months ended May 31, 2012, the Corporation has interest income of $4,130 versus 1,551 the year earlier. The Corporation had just closed its IPO at the end of the previous year's second quarter that provided cash for which the Corporation may use to seek, analyze and complete its Qualifying Transaction and in the mean time earns interest.

For the nine months ended May 31, 2012, the Corporation has no project analysis cost for the period versus $8,251 the year earlier.

The net loss for the nine months ended May 31, 2012 was $24,546 for a loss per share of $0.00 based on 7,428,000 weighted average shares outstanding for the period versus a net loss of $49,100 the previous year for a loss per share of $0.01 based on 4,832,969 weighted average shares outstanding for the period.

For the three months ended May 31, 2012

For the three months ended May 31, 2012, the Corporation had office and general expenditures of $10,900 versus $9,920 the year earlier, for an increase of $980 or 9.9%. These expenses related to general office expenses, premises and regulatory fees and future expenses are anticipated to be in line with the current fiscal year until such time as the Corporation completes its Qualifying Transaction.

For the three months ended May 31, 2012, the Corporation did not have any stock-based compensation, and does not anticipate having any further until it has successfully completed its Qualifying Transaction. In the earlier period the Corporation also did not recorded any stock-based compensation expense.

For the nine months ended May 31, 2012, the Corporation had an operating loss of $9,550 versus $9,920 the year earlier, for an increase of $370 or 3.7%. The Corporation anticipates future operating losses to be in line with the current quarter until such time as the Corporation completes its Qualifying Transaction.

For the three months ended May 31, 2012, the Corporation has interest income of $1,350 versus 1,551 the year earlier. The reduction in interest income is due to lower interest rates as well as a lower cash balance.

For the three months ended May 31, 2012, the Corporation has no project analysis cost for the period versus $8,251 the year earlier.

The net loss for the three months ended May 31, 2012 was $9,550 for a loss per share of $0.00 based on 7,428,000 weighted average shares outstanding for the period versus a net loss of $16,620 the previous year for a loss per share of $0.01 based on 7,428,000 weighted average shares outstanding for the period.

The Corporation's had a cash balance at the end of the period of $455,808 with working capital of $444,782.

ITEM 5 - Liquidity

As at may 31, 2012 the Corporation had a cash balance of $455,808 of which $353,921 was reserved for the identification, analysis and completion of a potential QT ("**Permitted Use Proceeds**" as defined by the Exchange Policy Manual**)**. The remainder, being $101,887 is available to the Corporation for administrative and general corporate expenses in addition to regulatory obligations of being a reporting issuer ("**Restricted Use Proceeds**" as defined by the Exchange Policy Manual).

In addition to its cash on hand at the end of the quarter, the Corporation has the following options and warrants issued and outstanding:

Quantity	Type	Exercise Price	Expiry Dates
742,800	Incentive Stock Options	$ 0.10	January 2021
74,280	Charitable Stock Options	0.10	January 2016
492,800	Broker Warrants	0.10	January 2013

ITEM 6 - Capital Resources

Upon the identification of a potential acquisition with a view to completing a QT, the Corporation may, in order to finance the Corporation's future development and expansion, seek to raise additional funds until such time as cash flow from its potential acquisition is sufficient to fund internal growth. The timing and ability of the Corporation to fulfill this objective will depend on the liquidity of the financial markets as well as the willingness of investors to finance such a business. Such future financing may be completed by the issuance of the Corporation's securities.

To date the following financings have been completed by the Corporation:

Date	Gross Proceeds	Number of Common Shares	Type of Transaction
September 2010	$ 125,000	2,500,000	Private Placement
January 2011	492,800	4,928,000	Initial Public Offering

ITEM 7 - Off-Balance Sheet Arrangements

As of the date of this MD&A, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

ITEM 8 - Transactions With Related Parties

Amounts due from and to the related parties, are a result of transactions with entities controlled by shareholders, officers or directors of the Corporation. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated.

During the period ended May 31, the Corporation recorded $15,750 (2010 - $15,000) in respect of the reimbursing of expenditures incurred on behalf of the Corporation by the directors of the Corporation or a company controlled by an officer of the Corporation with regards to office expenses, premises, regulatory fees, and project analysis costs.

These transactions are in the normal course of operations and have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

ITEM 9 - Proposed Transactions

Although the Corporation has commenced the process of identifying potential acquisitions with a view to completing a QT, the Corporation has not yet entered in to an AiP for any particular transaction.

ITEM 10 - Risk Factors

The Corporation has not yet commenced operations other than the process of identifying potential acquisitions with a view to complete a QT which process involves a high degree of risk, particularly when it is conducted in another country or in a sector of which the Corporation has little knowledge. The following is a brief description of some of the risks of which investors should be aware. This discussion should not be considered complete and, therefore, the Corporation, its directors and officers would like to recommend that shareholders, lenders, investors and readers of this MD&A, and other documents that the Corporation may disseminate, review their investments directly with their financial advisors.

(a) the Corporation has only recently been incorporated, has not yet commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after the completion of a QT;

(b) investment in the common shares of the Corporation is highly speculative given the unknown nature of the Corporation's business and its present stage of development;

(c) directors and officers of the Corporation will only devote a portion of their time to the business and affairs of the Corporation and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time;

(d) there can be no assurance that an active and liquid market for the Corporation's common shares will develop and an investor may find it difficult to resell its common shares;

(e) until completion of a QT, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential QT;

(f) the Corporation has only limited funds with which to identify and evaluate potential QT and there can be no assurance that the Corporation will be able to identify a suitable QT;

(g) even if a proposed QT is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction;

(h) completion of a QT is subject to a number of conditions including acceptance by the Exchange and, in the case of a non-arm's length QT, majority of the minority approval;

(i) unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed non-arm's length QT for which majority of the minority approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of the fair value for the shareholder's common shares;

(j) upon public announcement of a proposed QT, trading in the common shares of the Corporation will be halted and will remain halted for an indefinite period of time, typically until a Sponsor (as defined in the policies of the Exchange) has been retained and certain preliminary reviews have been conducted. The common shares of the Corporation will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed QT;

(k) trading in the common shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required;

(l) the Exchange will generally suspend trading in the Corporation's common shares or delist the Corporation in the event that the Exchange has not issued a Final Exchange Bulletin (as defined in the policies of the Exchange) within 24 months from the date of listing;

(m) neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;

(n) in the event that management of the Corporation resides outside of Canada or the Corporation identifies a foreign business or assets as a proposed QT, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada;

(o) the QT may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution of share value which dilution may be significant and which may also result in a change of control of the Corporation; and

(p) subject to prior Exchange acceptance, the Corporation may be permitted to loan and / or advance up to an aggregate of $250,000 of its proceeds to a targeted business without requiring shareholder approval and there can be no assurance that the Corporation will be able to recover that loan.

ITEM 11 - Critical Accounting Estimates

The Corporation's financial statements are impacted by the accounting policies used, and the estimates and assumptions made, by management during their preparation. The Corporation's accounting policies are described within the financial statements. The accounting estimates considered to be significant to the Corporation include the computations of agents' warrants value, charitable stock option and stock-based compensation expense and recovery of future income tax assets.

ITEM 12 - **Changes in Accounting Policies**

The Corporation would like to direct readers to its audited financial statements for the period ending August 31, 2011 and unaudited financial statements for the period ending February 29, 2012, which are incorporated by reference and can be found on the regulator's web site at www.sedar.com.

ITEM 13 - **Financial Instruments and Other Instruments**

The Corporation is not a party to any financial instruments and other instruments as defined in item 1.14 of National Instrument 51-102F1 – Management's Discussion and Analysis.

ITEM 14 - **Capital Structure**

The Corporation is authorized to issue an unlimited number of common shares, where each common share provides the holder with one vote. As of the date of this MD&A, there were 7,428,000 common shares issued and outstanding as well as the following securities:

Quantity	Type	Exercise Price	Expiry Dates
742,800	Incentive Options	$ 0.10	January 2021
74,280	Charitable Options	0.10	January 2016
492,800	Broker Warrants	0.10	January 2013

ITEM 15 - **Other MD&A Requirements**

As defined in National Instrument 52-109, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

The Corporation has evaluated the effectiveness of its disclosure controls and procedures, as defined, and has concluded that they were effective as of the end of the period covered by this MD&A as well as of the date of this MD&A.

The Corporation has evaluated its internal controls and financial reporting procedures and have found them to be effective with the objective of reporting the Corporation's financial transactions.

The Corporation is not required to file an Annual Information Form under current securities legislation and thus has not filed one; however, a prospectus in connection with the Corporation's IPO dated December 10, 2010 has been filed electronically on SEDAR at www.sedar.com.