SOUTHTECH CAPITAL CORPORATION

Management Discussion and Analysis

This Management Discussion and Analysis for Southtech Capital Corporation is for the year ended December 31, 2013 and should be read in conjunction with the financial statements for the year ended December 31, 2013.

DESCRIPTION OF BUSINESS

Southtech Capital Corporation the ("Corporation") was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on April 21, 2011. The Corporation is a Capital Pool Company ("CPC") as defined pursuant to Policy 2.4 of TSX Venture Exchange Inc. ("TSX Venture"). The Corporation's business is to identify and evaluate corporations, businesses or assets for acquisition and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval.

The Corporation now has 6,000,000 Common Shares outstanding, and the directors and officers of the Corporation own or control, directly or indirectly, 4,000,000 Common Shares.

The Common Shares of the Corporation commenced trading under the stock symbol "STU.P" on May 3, 2012.

OPERATIONAL REVIEW

General and Administrative

General and administrative expense ("G&A") for the year ended December 31, 2013 was $112, stock exchange filing fees totaled $14,622, legal fees from Burstall Winger totaled $8,368, and audit fees from BDO Canada LLP totaled $21,133.

Net Income and Cash Flow from Operations

The Corporation has not yet conducted any operations. A cumulative net loss of $121,738 resulted for the year ended December 31, 2013.

Financial Resources and Liquidity

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2013 the Corporation had a cash balance of $222,749 to settle current liabilities of $21,491. All of the Corporation's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

SHARE CAPITAL

(a) Issued

No shares were issued during the period ended December 31, 2013.

(b) Outstanding Stock Options

The Corporation has adopted an incentive stock option plan in accordance with the policies of the TSX Venture (the "Stock Option Plan") which provides that the Board of Directors of the Corporation may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation non transferable options to purchase common shares, provided that the number of Common Shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares. The options are exercisable for the period of up to ten (10) years. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding Common Shares. The Board of Directors determines the price per Common Share and the number of Common Shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX Venture.

No options have been issued during the period ended December 31, 2013.

(c) Escrow

Pursuant to an escrow agreement dated as of December 31, 2011 among the Corporation, CIBC Mellon Trust Company and certain shareholders of the Corporation, 4,000,000 of the issued and outstanding Common Shares have been deposited in escrow. Upon the Corporation completing a Qualifying Transaction, as defined in Policy 2.4 of the TSX Venture, the Common Shares held pursuant to the escrow agreement shall be released as to 10% immediately following the issuance of the bulletin of TSX Venture announcing final acceptance of the Qualifying Transaction (the "Initial Release") and an additional 15% every six months following the Initial Release. As at September 30, 2012 no Common Shares have been released from escrow.

RELATED PARTY TRANSACTIONS

During the year the Corporation incurred expenses totaling $8,368for legal fees and $3,914 for filing fees through Burstall Winger LLP.

SELECTED ANNUAL INFORMATION

Period Ended		December 31, 2013
Net revenue	$	-
Net loss	$	(40,009)
Net loss per share - basic & diluted	$	(0.00)

The Corporation has not yet conducted any operations.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

The Corporation is not a party to any industry contracts or obligations and there are no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

There are no critical or material accounting estimates.

BUSINESS RISKS

The Corporation is a Capital Pool Company under the policies of the TSX Venture. If the Corporation fails to complete a Qualifying Transactions within 24 months of listing, which has not yet occurred, the TSX Venture could suspend or delist the common shares of the Corporation. The Alberta Securities Commission may issue an interim cease trade order against the Corporation's securities and the common shares if the common shares of the Corporation are suspended from trading on the TSX Venture. In addition, certain of the currently issued and outstanding securities of the Corporation held by insiders may be cancelled.

Although management of the Corporation will work diligently to identify a Qualifying Transaction, there is no assurance that a Qualifying Transaction will be entered into or be completed.

The Corporation believes it has no significant credit risk.

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2013 the Corporation had cash on hand in excess of its liabilities. All of the Corporation's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

The Corporation has cash balances and no interest-bearing debt.

The Corporation does not have assets or liabilities in foreign currency.

NEW ACCOUNTING PRONOUNCEMENTS

Adoption of New Accounting Policies

These financial statements represent the Corporation's financial results of operations and financial position under IFRS for the period ended December 31, 2013.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). These are the Corporation's first financial statements prepared in accordance with IFRSs and IFRS 1, First-time Adoption of International Financial Reporting Standards, has been applied.

Estimates

Certain accounting policies are identified as critical accounting policies because they require management to make judgments and estimates based on conditions and assumptions that are inherently uncertain. These accounting policies could result in materially different results should the underlying assumptions or conditions change. Management assumptions are based on factors that, in management's opinion are relevant and appropriate at the time such assumptions are made, and may change over time as operating conditions change. There are no critical accounting estimates at this time.

FUTURE ACCOUNTING PRONOUNCEMENTS

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning after January 1, 2011 or later periods. The Corporation has not applied these within these financial statements.

- IFRS 9: Financial Instruments (Effective for periods beginning on or after July 1, 2015). This standard addresses the classification and measurement of financial assets and liabilities
- IFRS 10: Consolidation which replaces SIC-12, Consolidation - Special Purpose Entities and parts of IAS 27, Consolidated and Separate Financial Statements (Effective for periods beginning on or after January 1, 2013). This standard builds on existing principles by indentifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company, it provides additional guidance to assist in the determination of control where this is difficult to assess.
- IFRS 11: Joint Arrangements which supersedes IAS 31, Interest in Joint Ventures, and SIC-13, Jointly Controlled Entities - Non-monetary Contributions by Ventures (Effective for periods beginning on or after January 1, 2013). This standard describes the accounting treatment for arrangements in which there is joint control, proportionate consolidation is not permitted for joint ventures (as newly defined).
- IFRS 13: Fair Value Measurement (Effective for periods beginning on or after January 1, 2013). This standard defines fair value, sets out a single IFRS framework for measuring fair value and outlines disclosures requirements about fair value measurements. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity specific measurement, so assumptions that market participants would use should be applied in measuring fair value.

The Corporation has not yet assessed the impact of these standards or determined whether they will adopt the standards early.

CORPORATE INFORMATION

CONTACT

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DIRECTORS

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Forward Looking Statements

Except for historical financial information contained herein, certain of the matters discussed in this document may be considered forward- looking statements. Such statements include declarations regarding management's intent, belief or current expectations. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties; actual results could differ materially from those indicated by such forward-looking statements. Some of the important factors, but certainly not all, that could cause actual results to differ materially from those indicated by such forward-looking statements are: (i) that the information is of a preliminary nature and may be subject to further adjustment, (ii) the possible unavailability of financing, (iii) start-up risks, (iv) general operating risks, (v) dependence on third parties, (vi) changes in government regulation, (vii) the effects of competition, (viii) dependence on senior management, (ix), impact of the Canadian economic conditions, (x) fluctuations in currency exchange rates and interest rates.