

**Corporate Catalyst Acquisition Inc.**

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

**For the three months ended March 31, 2013**

**Date:**

This management discussion and analysis (“**MD&A**”) of the financial condition and results of operations of Corporate Catalyst Acquisition Inc. (the “**Company**”) is for the three month period ended March 31, 2013, and is provided as of May 29, 2013. The Company’s unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards. All amounts presented are stated in Canadian dollars, unless otherwise indicated.

**Cautionary Statements:**

Certain statements contained in this MD&A constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to our future outlook and anticipated events or results and may include statements regarding the future financial position, business strategy, budgets, projected costs, capital expenditures, financial results, taxes and plans and objectives of or involving the Company. Particularly, statements regarding our future operating results and economic performance are forward-looking statements. In some cases, forward-looking information can be identified by terms such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “predict”, “potential”, “continue” or other similar expressions concerning matters that are not historical facts. Examples of such statements include the Company’s intention to complete a “**Qualifying Transaction**” (as defined by policy 2.4 (the “**CPC Policy**”) of TSX Venture Exchange Inc. (the “**Exchange**”)) and to complete future financings, acquisitions or investments. Forward looking-information is subject to certain factors, including risks and uncertainties, which could cause actual results to differ materially from what we currently expect. These factors include the ability of the Company to obtain necessary financing, satisfaction of the conditions under any definitive agreement in connection with a Qualifying Transaction and satisfaction of Exchange requirements with respect to a Qualifying Transaction. For more exhaustive information on these risks and uncertainties, you should refer to the prospectus of the Company dated December 4, 2012 (the “**Prospectus**”), which is available at [www.sedar.com](http://www.sedar.com). Forward-looking information contained in this MD&A is based on our current estimates, expectations and projections, which we believe are reasonable as of the current date. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While we may elect to, we are under no obligation and do not undertake to update this information at any particular time.

**Company Overview:**

The Company was incorporated on March 19, 2012, under the *Business Corporations Act* (Ontario). On October 11, 2012, the Company filed Articles of Amendment removing the restrictions on the transfer of its common shares. The authorized capital of the Company consists

of an unlimited number of common shares without nominal or par value. On April 3, 2012 and October 10, 2012, the Company issued 4,600,000 and 400,000 common shares, respectively, for a total of 5,000,000 common shares (the “**Seed Shares**”) to seed shareholders for cash consideration of \$500,000. The Seed Shares are subject to escrow in accordance with Exchange requirements and will be released in accordance with the terms and conditions of an escrow agreement among the Company, Olympia Transfer Services Inc., as the escrow agent, and the holders of the Seed Shares. On December 28, 2012, the Company completed its initial public offering (the “**Offering**”) of 2,084,400 common shares at a purchase price of \$0.20 per share by way of a prospectus for gross proceeds of \$416,880. Canaccord Genuity Corp. (“**Canaccord**”) acted as agent in connection with the Offering. For its services, Canaccord received a cash commission equal to 10% of the gross proceeds of the Offering as well as non-transferable warrants to purchase up to 208,440 common shares at an exercise price of \$0.20 per common share, exercisable within twenty-four months from the listing of the common shares on the Exchange. Canaccord also received an administration fee for its services. The Company is a Capital Pool Company (a “**CPC**”), as defined in the CPC Policy. The principal business of the Company is the identification and evaluation of businesses and assets with a view to completing a Qualifying Transaction.

#### **Overall Performance:**

As stated above, the Company issued the Seed Shares in April 2012 and October 2012, for aggregate gross proceeds of \$500,000. In December 2012, the Company completed the Offering for aggregate gross proceeds of \$416,880. The CPC Policy sets out the permitted uses of proceeds realized from the sale of all securities issued by a CPC, which include fees for legal and accounting services, agents’ fees, costs and commissions and listing and filing fees. For the three months ended March 31, 2013, the Company had a net loss of \$23,931 consisting of professional fees (\$12,833), filing fees (\$11,075) and administrative and general expenses (\$23). These expenses relate to the ongoing cost of maintaining the Company’s listing on the Exchange and its reporting issuer status.

#### **Results of Operations:**

As at March 31, 2013, the Company had no business operations other than the identification and evaluation of businesses and assets with a view to completing a Qualifying Transaction. The net loss of \$23,931 for the three months ended March 31, 2013 was due to the expenses incurred in such period as set out above.

#### **Selected Interim Financial Information:**

A summary of selected financial information for the three month period ended is as follows:

**Statement of Loss and Comprehensive Loss:**

	<u>Three Months ended March 31, 2013</u>	<u>March 19, 2012 (date of incorporation) to December 31, 2012</u>
Net loss and comprehensive loss for the period	\$(23,931)	\$(158,133)
Loss per share – basic and diluted	\$(0.01)	\$(5.44)

**Statement of Financial Position:**

Working capital	\$741,347	\$765,278
Total assets	\$765,418	\$805,884
Long-term liabilities	\$Nil	\$Nil

The Company did not complete the Offering until December 28, 2012 and, as a result, the Company did not prepare nor publish any interim financial statements for any periods at or prior to December 31, 2012. As a result, no interim financial information is available for prior periods.

**Liquidity and Capital Resources:**

As at March 31, 2013, the Company had \$65,418 in cash and \$700,000 in short term investments as a result of net proceeds derived from the issuance of common shares, which management considers to be sufficient to meet the Company's ongoing obligations.

**Financial Instruments and Other Instruments:**

The Company's financial instruments, consisting of cash, short term investments and accounts payable and accrued liabilities, approximate fair values due to the relatively short term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

**Disclosure of Outstanding Share Data:**

As more specifically described above under "Company Overview", there are currently 7,084,400 issued and outstanding common shares in the capital of the Company. In accordance with Exchange requirements, 5,010,000 of these common shares (being the Seed Shares and common shares acquired by an associate of a director under the Offering) are being held in escrow. In addition, Canaccord holds warrants to acquire 208,440 common shares at an exercise price of \$0.20 per common share, exercisable within twenty-four months from the listing of the common shares on the Exchange. There are also 708,440 options issued and outstanding, which enable holders to acquire an aggregate of 708,440 common shares at an exercise price of \$0.20 per

common share and have an expiry date of December 28, 2022. Accordingly, as of the date hereof, there are 8,001,280 common shares issued and outstanding on a fully-diluted basis.

**Significant Accounting Policies:**

The Company's significant accounting policies are summarized in Note 2 to the Company's unaudited condensed interim financial statements for the three months ended March 31, 2013.

**Accounting standards issued but not yet applied:**

The following standards have been issued but are not yet effective:

- a) IFRS 9 "Financial Instruments" ("**IFRS 9**") was issued by the International Accounting Standards Board ("**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. IFRS 9 is effective for annual periods beginning on or after January 1, 2015.
- b) IFRS 10 "Consolidated Financial Statements" ("**IFRS 10**") was issued by the IASB in May 2011. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the consolidation requirements in SIC 12 Consolidation—Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements and is effective for annual periods beginning on or after January 1, 2013.
- c) IFRS 11 "Joint Arrangements" ("**IFRS 11**") was issued by the IASB in May 2011. IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities Non Monetary Contributions by Venturers", and is effective for annual periods beginning on or after January 1, 2013.
- d) IFRS 12 "Disclosure of Interests in Other Entities" ("**IFRS 12**") was issued by the IASB in May 2011. IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013.
- e) IFRS 13 "Fair Value Measurement" ("**IFRS 13**") was issued by the IASB in May 2011. IFRS 13 establishes new guidance on fair value measurement and disclosure

requirements for IFRSs and US generally accepted accounting principles (GAAP). The guidance, set out in IFRS 13 and an update to Topic 820 in the Financial Accounting Standards Board's Accounting Standards Codification (formerly referred to as SFAS 157), completes a major project of the boards' joint work to improve IFRSs and US GAAP and to bring about their convergence. The standard is effective for annual periods beginning on or after January 1, 2013.

- f) IAS 27 "Consolidated and Separate Financial Statements" is effective for the Company beginning on January 1, 2013, with earlier adoption permitted, has been revised and is limited to the accounting for investments in subsidiaries, joint ventures, and associates in separate financial statements.

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

**Off Balance Sheet Arrangements:**

The Company had no off balance sheet arrangements.

**Disclosure Controls and Procedures:**

Management of the Company, consisting of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, he has concluded that, as of the end of the period covered by this MD&A, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

**Internal Control Risks:**

The Chief Executive Officer and Chief Financial Officer is responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with International Financial Reporting Standards. The design of the Company's internal control over financial reporting was assessed as of the date of this MD&A.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management and specific audit committee monitoring, which exists. The Chief Executive Officer and Chief Financial Officer and the Chair of the audit committee will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas as required. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the Chief Executive Officer and Chief Financial Officer of the financial reports, the integrity and reputation of senior accounting personnel and candid discussion of those risks with the board of directors of the Company.

**Risk Factors:**

The Company's overall performance and results of operations are subject to a number of risks and uncertainties. Please refer to the risk factors outlined in the Prospectus.

**Additional Information:**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).