PROSPECT PARK CAPITAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED

MARCH 31, 2013

Introduction

This Management's Discussion and Analysis ("**MD&A**") is dated May 24, 2013, unless otherwise indicated and should be read in conjunction the unaudited condensed interim financial statements for the three and six months ended March 31, 2013 in addition to the audited financial statements of Prospect Park Capital Corp. (the "**Corporation**") for the period from September 7, 2012 (date of incorporation) to December 7, 2012, and the related notes thereto. This MD&A was written to comply 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. The results presented for three and six months ended March 31, 2013, are not necessarily indicative of the results that may be expected for any future period.

The Corporation applies International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations issued by the International Financial Reporting Interpretations Committee ("**IFRIC**"). The unaudited condensed interim financial statements for the three months and six ended March 31, 2013 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 issued by IASB and interpretations issued by IFRIC.

Further information about the Corporation and its operations can be obtained from the offices of the Corporation or from **www.sedar.com**.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the potential of the Corporation to complete a Qualifying Transaction (defined below); the ability of the Corporation to successfully merge its business with a potential Qualifying Transaction target company or asset, the Corporation's ability to meet its working capital needs at the current level for the next twelve-month period; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; and general business and economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Corporation's ability to predict or control. These risks, uncertainties and other factors include those risk factors listed herein and in the Corporation's prospectus dated March 6, 2013. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions that may prove to be incorrect.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Corporation's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Corporation undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Corporation does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

The Corporation was incorporated under the *Business Corporations Act* (Ontario) on September 7, 2012 and to date there have been limited operations. The registered office of the Corporation is located at 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9. The Corporation's financial year ends on September 30.

On March 28, 2013, the Corporation completed an initial public offering (the "**Offering**") pursuant to Policy 2.4 – *Capital Pool Companies* ("**Policy 2.4**") of the TSX Venture Exchange ("**Exchange**") and became classified as a Capital Pool Company (as such term is defined in Policy 2.4). The Corporation's common shares were listed on the Exchange on March 27, 2013 and commenced trading under the symbol "PPK.P" on March 28, 2013. The Corporation's principal business is the identification and evaluation of assets or businesses for the purpose of completing a Qualifying Transaction (as such term is defined in Policy 2.4).

The Corporation has not commenced commercial operations and has no assets other than cash. The Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange.

There is no assurance that the Corporation will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Corporation's shares from trading.

The Corporation has not conducted commercial operations and it is focused on the identification and evaluation of businesses or assets to acquire. Until Completion of the Qualifying Transaction (as such term is defined in Policy 2.4), the Corporation will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a Qualifying Transaction. Except as described in the Corporation's prospectus dated March 6, 2013 in connection with its Offering, funds raised pursuant to the issuance of shares by the Corporation will be utilized only for the identification and evaluation of potential Qualifying Transactions and, to the extent permitted by Policy 2.4, for general and administrative expenses.

Discussion of Operations

<u>Three months ended March 31, 2013</u>

The Corporation's net loss totaled $141,878 for the three months ended March 31, 2013, with basic and diluted loss per share of $0.04. Net loss principally related to share-based compensation of $131,957 and professional fees of $9,921. The Corporation has no comparative financial information as it was incorporated on September 7, 2012.

Six months ended March 31, 2013

The Corporation's net loss totaled $153,028 for the six months ended March 31, 2013, with basic and diluted loss per share of $0.05. Net loss principally related to share-based compensation of $131,957 and professional fees of $21,071. The Corporation has no comparative financial information as it was incorporated on September 7, 2012.

Selected Quarterly Information

A summary of selected information for the quarter presented below is as follows:

		Net Loss	
Three Months Ended	**Net Revenues ($)**	**Total ($)**	**Basic and Diluted Loss Per Share ($)**
March 31, 2013	-	(141,878)	(0.04)
December 31, 2012	-	(11,150)	(0.00)

Liquidity

At March 31, 2013, the Corporation had working capital of $1,071,683. The Corporation manages its capital structure and makes adjustments to it, based on available funds to the Corporation. Capital levels for Capital Pool Companies are regulated pursuant to guidelines issued by the Exchange. These guidelines state that proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation not related to the identification and evaluation of a Qualifying Transaction. These restrictions apply until Completion of the Qualifying Transaction by the Corporation. Management believes the Corporation's working capital is sufficient for the Corporation to meet its ongoing obligations and meet its objective of completing a Qualifying Transaction.

Capital Resources

The following financings have been completed by the Corporation:

Date	Gross Proceeds	Type of Transaction
October 18, 2012 to November 1, 2012 (1)	$500,000	Seed Financing
March 28, 2013 (2)	$727,000	Initial Public Offering

(1) Between October 18, 2012 and November 1, 2012, the Corporation issued 3,736,913 common shares for cash of $500,000 in its seed financing. Upon completion of the Offering, these shares are being held in escrow and will be released in future periods in accordance with the policies of the Exchange.

(2) On March 28, 2013, the Corporation completed the Offering by issuing 3,635,000 common shares at a price of $0.20 per share for gross proceeds of $727,000. Canaccord Genuity Corp. (the "Agent") acted as

agent for the Offering. The Corporation paid the Agent a commission of $72,700 (10% of the gross proceeds of the Offering) and a $10,000 corporate finance fee. In addition, the Corporation granted the Agent warrants to acquire 363,500 common shares at a price of $0.20 per share that may be exercised until March 28, 2015.

In addition, at the closing of the Offering on March 28, 2013, the Corporation granted incentive stock options to its four directors to acquire a total of 737,191 common shares. The incentive stock options may be exercised for a period of ten years at a price of $0.20 per share. The incentive stock options vested on the date of grant.

Off-Balance Sheet Arrangements

As of the date of this filing, 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.

Related Party Transactions

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

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).

(i) An amount of $131,957 was recognized as share-based compensation during the three and six months ended March 31, 2013 for the incentive stock options that were granted to the Corporation's four directors.

(ii) During the three and six months ended March 31, 2013, the Company also incurred expenses of $7,078 and $20,778, respectively to Garfinkle Biderman LLP for legal services (including taxes and disbursements), and part of this amount pertains to financing costs. Robbie Grossman is a partner of Garfinkle Biderman LLP and a director of the Corporation. Included in the March 31, 2013 accrued liabilities is $29,187 due to Garfinkle Biderman LLP.

(iii) The directors and officers of the Corporation beneficially own, directly or indirectly, or have control or direction over 2,747,839 or approximately 37.27% of the issued and outstanding common shares of the Corporation.

There were no other related party transactions for the three and six months ended March 31, 2013.

Risk Factors

An investment in the securities of the Corporation is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Corporation and its financial position. Please refer to the section entitled "Risks Factors" in the Corporation's final prospectus dated March 6, 2013, available on SEDAR at **www.sedar.com**.

Recent Accounting Pronouncements

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after December 31, 2012, or later periods. Many are not applicable to or do not have a significant impact on the Corporation and have been excluded from the table below. The following have not yet been adopted and are being evaluated to determine their impact on the Corporation.

(i) 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. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. Earlier adoption is permitted.

(ii) IFRS 13 – Fair value measurement ("**IFRS 13**") was issued by the IASB in May 2011. IFRS 13 is a new standard which provides a precise definition of fair value and a single source of fair value measurement considerations for use across IFRSs. The key points of IFRS 13 are as follows:

- fair value is measured using the price in a principal market for the asset or liability, or in the absence of a principal market, the most advantageous market;
- financial assets and liabilities with offsetting positions in market risks or counterparty credit risks can be measured on the basis of an entity's net risk exposure;
- disclosures regarding the fair value hierarchy has been moved from IFRS 7 to IFRS 13, and further guidance has been added to the determination of classes of assets and liabilities;
- a quantitative sensitivity analysis must be provided for financial instruments measured at fair value;
- a narrative must be provided discussing the sensitivity of fair value measurements categorized under Level 3 of the fair value hierarchy to significant unobservable inputs;
- and information must be provided on an entity's valuation processes for fair value measurements categorized under Level 3 of the fair value hierarchy.

IFRS 13 is effective for annual periods beginning on or after January 1, 2013.

(iii) IAS 32 – Financial instruments: presentation ("**IAS 32**") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. Earlier adoption is permitted.

Financial Instruments

Fair Values

At March 31, 2013, the Corporation's financial instruments consist of cash and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments. The Corporation classifies its cash as a financial asset at fair value through profit and loss, and its accrued liabilities as other financial liabilities.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risks consist principally of cash. All of the Corporation's cash is held in trust by the Corporation's legal counsel in which Management believes that the risk of loss is minimal but the Corporation is subject to concentration of credit risk.

Interest Rate Risk

The Corporation is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation currently settles its financial obligations out of cash. The ability to do this relies on the Corporation raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Capital Management

The Corporation's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Corporation's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Corporation does not have any externally imposed capital requirements to which it is subject. The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares.

Critical Accounting Estimates

The preparation of these unaudited condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited condensed interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, accrued liabilities.

Outlook

For the immediate future, the Corporation intends to evaluate direct or indirect acquisitions of assets to complete a Qualifying Transaction. The Corporation continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future.

Share Capital

As of the date of this MD&A, the Corporation had 7,371,913 issued and outstanding common shares. The Corporation had 363,500 warrants and 737,191 stock options. Therefore, the Corporation had 8,472,604 common shares on a fully diluted basis. The diluted loss per share did not include the effect of the warrants and the options outstanding as they are anti-dilutive.

Additional Disclosure for Venture Issuers without Significant Revenue

General and Administrative

	Three Months Ended March 31, 2013 ($)	Six Months Ended March 31, 2013 ($)
Share-based compensation	131,957	131,957
Professional fees	9,921	21,071
Total	**141,878**	**153,028**