

# **MOSAM CAPITAL CORP.**

MANAGEMENT DISCUSSION AND ANALYSIS  
Year ended January 31, 2007

# MOSAM CAPITAL CORP.

Management Discussion & Analysis  
Year ended January 31, 2007

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## 1.1 Date

This Management Discussion and Analysis (“MD&A”) of Mosam Capital Corp. (the “Company”) has been prepared by management as of May 24, 2007.

This MD&A may contain “forward-looking statements” which reflect the Company’s current expectations regarding the future results of operations, performance and achievements of the Issuer. The Issuer has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as “anticipate,” “believe,” “estimate,” “expect” and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

## 1.2 Over-all Performance

The Company was incorporated under the provisions of the Business Corporations Act (British Columbia) on February 1, 2006.

The Company is a capital pool company pursuant to the policies of the TSX Venture Exchange (“Exchange”). The Company is in the development stage and its principal business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction as defined by the rules of the Exchange. Such a transaction will be subject to shareholder and regulatory approvals.

On November 30, 2006, the Company completed its initial public offering (“IPO”) of 5,000,000 common shares at \$0.20 per share for gross proceeds of \$1,000,000. The agent received a commission of 10% of the gross proceeds of the offering or \$0.02 per share and an administration fee of \$10,000. The Company also granted the agent non-transferable options (“agent’s options”) to acquire up to 500,000 common shares at an exercise price of \$0.20 per common share exercisable for a period of 24 months expiring November 30, 2008. The agent was also reimbursed by the Company for other agent’s expenses incurred pursuant to the offering, including legal fees of \$9,906. Until completion of the Qualifying Transaction and except as otherwise allowed by regulations, a maximum of 30% of the gross proceeds realized may be used for purposes other than evaluating businesses or assets.

On December 1, 2006, the common shares of the Company commenced trading on the Exchange under the symbol “MOS.P”.

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## 1.3 Selected Annual Information

	Year ended 2005
Interest income	\$12,351
Net Income (Loss)	\$(136,700)
Income (Loss) per share	(\$0.03)
Total assets	\$1,332,037
Total long term liabilities	\$Nil
Cash dividends declared per share for each class of share	\$Nil

## 1.4 Results of Operations

For the year ended January 31, 2007, the Company reported a loss of \$136,700. The loss was primary attributable to stock based compensation of \$122,586 and general and administrative expenses of \$26,465 offset by interest income of \$12,351,

General and administrative expenses were comprised of bank charges and interest of \$239, rent and office expenses of \$3,072, professional fees of \$19,129, regulatory fees of \$945, transfer agent fees of \$1,619 and travel and promotion of \$1,461.

The Company recognizes compensation expense for all stock options granted using the fair value based method of accounting and recognized over the vesting period. Any cash paid on the exercise of stock options is added to the stated value of common shares. Stock-based compensation of \$122,586 recorded on the statement of operations and deficit relates to 875,000 stock options granted to directors and officers at a price of \$0.20 per share expiring November 30, 2011 and 87,000 stock options granted to 3 charitable organizations at a price of \$0.20 per share expiring November 30, 2016.

## 1.5 Summary of Quarterly Results

Quarter ended	Total Revenues	Income (Loss)	Earnings (Loss) per share
	\$	\$	\$
April 30, 2006	435	(561)	-
July 31, 2006	2,074	1,745	-
October 31, 2006	3,107	1,620	-
January 31, 2007	6,735	(139,504)	0.03

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## 1.6/1.7 Liquidity and Capital Resources

The Company reported a working capital of \$1,324,988 at January 31, 2007.

Pursuant to common share subscription agreements dated February 1, 2006 and June 30, 2006, 2,400,000 common shares at a price of \$0.10 per share were issued to directors and officers of the Company and 1,350,000 common shares at a price of \$0.20 per share were issued to associates of directors and officers of the Company for gross proceeds of \$510,000. Pursuant to an escrow agreement, all of the 2,400,000 common shares issued at a price of \$0.10 per share were held in escrow.

During the year, the Company completed an initial public offering of 5,000,000 common shares at \$0.20 per share for gross proceeds of \$1,000,000. See "1.2 Over-all Performance" for a full disclosure on the IPO.

The proceeds raised from the above financings will be used to provide the Company with a minimum of funds with which to identify and evaluate assets or businesses, for acquisition with a view to completing a Qualifying Transaction. The Company may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required.

## 1.8 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

## 1.9 Transactions with Related Parties

During the year ended January 31, 2007, the Company entered into the following transactions with related parties:

- (a) Paid or accrued \$23,273 for legal fees to a company controlled by an officer of the Company.
- (b) Paid or accrued \$1,500 for rent and office expenses to a company having directors and officers in common.

## 1.10 Fourth Quarter

During the fourth quarter, the Company completed an initial public offering of 5,000,000 common shares at \$0.20 per share for gross proceeds of \$1,000,000. See "1.2 Over-all Performance" for a full disclosure on the IPO.

## 1.11 Proposed Transactions

While the Company continues to seek out and review potential business opportunities, there are no transactions that are currently under negotiation or proposed to be entered into.

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## 1.12 Critical Accounting Estimates

Not applicable to Venture Issuers.

## 1.13 Changes in Accounting Policies including Initial Adoption

None.

## 1.14 Financial Instruments and Other Instruments

The carrying amounts of cash and cash equivalents, GST receivable, accounts payable and accrued liabilities and due to related parties approximate fair value because of the short-term maturity of these items.

## 1.15 Other Requirements

### Additional Disclosure Requirements:

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as at January 31, 2007 as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer, have concluded that, as of January 31, 2007, 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 Issuer's 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 of the Company, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow for accurate disclosure to be made on a timely basis.

### Summary of Outstanding Share Data

Authorized and issued common shares

(a) Authorized

Unlimited number of common shares without par value.

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(b) Issued and fully paid

	Number of Shares		Amount
	-	\$	-
Common shares issued for cash	3,750,000		510,000
Initial public offering	5,000,000		1,000,000
Share issue costs	-		(212,468)
<b>Balance, January 31, 2007 and May 24, 2007</b>	<b>8,750,000</b>	<b>\$</b>	<b>1,297,532</b>

(c) Stock options and charitable options

	Number of Shares	Exercise Price	Expiry Date
Stock options	875,000	\$0.20	November 30, 2011
Charitable options	87,000	\$0.20	November 30, 2016

Additional disclosures pertaining to the Company's prospectus, news release and other information are available on the SEDAR website at [www.sedar.com](http://www.sedar.com).