

# **MOSAM CAPITAL CORP.**

MANAGEMENT DISCUSSION AND ANALYSIS  
Nine months ended October 31, 2006

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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 December 18, 2006.

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 has applied to become 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.

Subsequent to October 31, 2006, the Company has closed 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 from the date the Company's common shares are listed for trading on the Exchange. The agent was also reimbursed by the Company for other agent's expenses incurred pursuant to the offering, including legal fees estimated at \$10,000. 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. If the minimum subscriptions are not raised, subject to certain criteria, all subscription funds may be returned to subscribers.

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Effective, December 1, 2006, the common shares of the Company commenced trading on the Exchange under the symbol "MOS.P".

## 1.3 Selected Annual Information

Not applicable.

## 1.4 Results of Operations

For the nine months ended October 31, 2006, the Company reported net earnings of \$2,839, comprising of interest income of \$5,617 less general and administrative expenses of \$2,778.

## 1.5 Summary of Quarterly Results

Quarter ended	Total Revenues	Income (Loss)	Earnings (Loss) per share
October 31, 2006	\$3,108	\$1,620	\$-

## 1.6/1.7 Liquidity and Capital Resources

The Company reported a working capital of \$458,158 at October 31, 2006.

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 will be held in escrow and will be deposited with a trustee under an escrow agreement.

Subsequent to October 31, 2006, the Company has closed its 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.

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## **1.9 Transactions with Related Parties**

Included in deferred finance costs is \$15,000 paid or accrued for legal fees to a company controlled by an officer of the Company.

## **1.10 Fourth Quarter**

Not applicable.

## **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.

## **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 recoverable and accounts payable and accrued liabilities 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 October 31, 2006 as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer, have concluded that, as of October 31, 2006, 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.

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## Summary of Outstanding Share Data

Authorized and issued common shares

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and fully paid

	Number of Shares		Amount
Balance, February 1, 2006	–	\$	–
Common shares issued for cash	3,750,000		510,000
Balance, October 31, 2006	3,750,000	\$	510,000

(c) Stock options and charitable options

Subsequent to October 31, 2006, the Company completed its Initial Public Offering. See “1.2 Over-all Performance” for a full disclosure on the IPO.

In conjunction with the closing of the IPO, the Company granted 875,000 incentive stock options to its directors and officers at a price of \$0.20 per share expiring December 1, 2011. In addition, the Company granted 87,000 incentive stock options to three charitable organizations at a price of \$0.20 per share expiring December 1, 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).