MOSAIC CAPITAL

Management's Discussion and Analysis

For the Year Ended December 31, 2014

Dated: April 22, 2015

"Growth through sustainable cash flow"

Mosaic Capital Corporation
400, 2424 – 4th Street SW, Calgary, Alberta T2S 2T4 | Telephone 403-218-6500 | Fax 403-266-1541

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FORWARD-LOOKING STATEMENTS

This management's discussion and analysis ("**MD&A**") contains forward-looking information and statements within the meaning of applicable Canadian securities laws (herein referred to as "forward-looking statements") that involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of Mosaic Capital Corporation ("**Mosaic**" or the "**Company**") to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Company cautions readers of this MD&A not to place undue reliance on Mosaic's forward-looking statements because a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements contained in this MD&A. Refer to the detailed disclosure concerning forward-looking statements under the heading "Forward-Looking Information" in this MD&A.

NON-IFRS FINANCIAL MEASURES

Mosaic has historically used various metrics when evaluating its operational and financial performance. Mosaic continually monitors, evaluates and updates these metrics as required to ensure they provide information considered most useful, in the opinion of Mosaic management, to any decision making based on Mosaic's performance. **This section defines, quantifies and analyzes the key performance indicators used by management of Mosaic, and referred to elsewhere in this MD&A, which are not recognized under International Financial Reporting Standards ("IFRS") and have no standardized meaning prescribed by IFRS. These indicators and measures are therefore unlikely to be comparable to similar measures presented by other issuers.**

<u>Adjusted EBITDA</u>: is defined as income from continuing operations before income taxes and before (i) gain (loss) on sale of equipment, (ii) non-cash income and expenses, (iii) finance income and expenses, (iv) securities-based compensation expense, and (v) any unusual non-operating one-time items such as acquisition and reorganization costs. Adjusted EBITDA is used by management to assess Mosaic's normalized cash generated on a consolidated basis and in its operating segments. Adjusted EBITDA is also a performance measure which may be utilized by investors to analyze the cash generated by Mosaic and its operating segments.

<u>Free Cash Flow</u>: is defined as Adjusted EBITDA less (i) non-controlling interests of Adjusted EBITDA, (ii) Mosaic's share of current income tax expense, and (iii) Mosaic's share of the Sustaining Capital Expenditures. Free Cash Flow is a performance measure used by management to summarize the funds available for (i) the payment of distributions to holders of preferred securities, series "A" shares and common shares, (ii) investment in capital expenditures made to grow the enterprise, and (iii) new acquisitions and working capital. Free Cash Flow is also a performance measure which may be utilized by investors to analyze the free cash available for preferred security distributions, common share dividends, acquisitions and additional investment into existing businesses.

<u>Sustaining Capital Expenditures</u>: is defined as capital expenditures required to sustain the operations of Mosaic at its current level of operations and is calculated by subtracting those capital expenditures which are, as determined in the discretion of management, made to grow the enterprise and expected to generate additional Adjusted EBITDA from total capital expenditures for the period. An example of Sustaining Capital Expenditures would be the replacement of vehicles that have completed their useful life.

<u>Adjusted Return on Common Equity</u>: means that number, expressed as a percentage, that is obtained by dividing (i) Free Cash Flow less distributions declared to holders of preferred securities and series "A" shares during the period indicated, by (ii) weighted average common shareholders' equity for the period. Management believes Adjusted Return on Common Equity is a key performance measure as it indicates the return generated by Mosaic on its common equity. Management believes that this measure is most useful and relevant when measured over a twelve-month period, as opposed to quarterly periods. As a result, in this MD&A, management is reporting on this financial metric over the trailing twelve-month period ended as of the last day of the most recently completed financial year, being December 31, 2014.

<u>Preferred Security Payout Ratio</u>: means that number, expressed as a percentage, which is the total amount declared (which includes cash paid as well as preferred securities distributed pursuant to the Mosaic distribution reinvestment plan ("**DRIP**")) to holders of preferred securities and series "A" shares during the period divided by Free Cash Flow for the period. Management believes that this measure may be useful to investors in assessing the likelihood that Mosaic will be able to continue to pay distributions on its preferred securities and series "A" shares.

<u>Combined Payout Ratio</u>: means that number, expressed as a percentage, which is the total amount declared (which includes cash paid as well as preferred securities distributed pursuant to the DRIP) to holders of preferred securities, series "A" shares and common shares during the period divided by Free Cash Flow for the period. Management believes that this measure may be useful to investors in assessing the likelihood that Mosaic will be able to continue to pay distributions on its preferred securities and pay dividends on its series "A" shares and common shares.

Investors are cautioned that the above non-IFRS measures should not be viewed as an alternative to measures that are recognized under IFRS such as net income or cash from operating activities. The distributions and dividends paid by Mosaic to its security holders are dependent on its cash flow from operating activities with consideration for changes in working capital requirements, investing activities and financing activities. Mosaic's method of calculating the above non-IFRS measures may differ from that of other entities and therefore may not be comparable to measures utilized by them. See "Reconciliations of Non-IFRS Financial Measures".

INTRODUCTION

This MD&A has been prepared by Mosaic as at April 22, 2015 and should be read in conjunction with the audited consolidated financial statements of Mosaic for the year ended December 31, 2014 and the Company's Annual Information Form ("**AIF**") for the year ended December 31, 2014. Results are reported in thousands of Canadian dollars, except for per share data, unless otherwise stated, and have been prepared in accordance with IFRS applicable to the preparation of financial statements.

Additional information relating to the Company, including the AIF, is available on SEDAR at www.sedar.com and on the company's website www.mosaiccapitalcorp.com.

FINANCIAL HIGHLIGHTS

The financial highlights for Mosaic for the periods indicated are as follows:

	2014	per common share (basic)	per common share (diluted)	2013	per common share (basic)	per common share (diluted)
For the three months ended December 31						
Revenue	$ 55,969	6.82	6.43	$ 23,758	2.99	2.83
Adjusted EBITDA[1]	7,723	0.94	0.89	3,239	0.41	0.39
Net income and comprehensive income attributable to shareholders [2]	3,945	0.18	0.18	2,386	0.06	0.06
Net income and comprehensive income before intangibles amortization attributable to shareholders[6]	4,931	0.30	0.28	2,860	0.12	0.12
Free Cash Flow[1]	5,972	0.73	0.69	3,392	0.43	0.40
Change in Free Cash Flow per common share		+70%	+73%			
Preferred distributions declared[3]	2,560			1,871		
Common share dividends declared	816	0.10	-	654	0.08	-
Preferred Security Payout Ratio[1]	43%			55%		
Combined Payout Ratio[1]	57%			74%		
For the year ended December 31						
Revenue	$ 161,820	19.73	18.60	$ 89,289	11.24	10.62
Adjusted EBITDA[1][4]	25,142	3.07	2.89	18,049	2.27	2.15
Net income and comprehensive income attributable to shareholders [2][4][5]	12,578	0.45	0.42	10,030	0.32	0.30
Net income and comprehensive income before intangibles amortization attributable to shareholders[6]	14,988	0.75	0.70	11,575	0.52	0.49
Free Cash Flow[1][4]	17,728	2.16	2.04	13,224	1.66	1.57
Change in Free Cash Flow per common share		+30%	+30%			
Preferred distributions declared[3]	9,035			7,473		
Common share dividends declared	2,501	0.30	-	1,376	0.17	-
Preferred Security Payout Ratio[1][4]	51%			57%		
Combined Payout Ratio[1][4]	65%			67%		
Rolling twelve-month Adjusted Return on Common Equity[1]	59%			42%		
FINANCIAL POSITION	December 31, 2014			December 31, 2013		
Cash and cash equivalents	$ 30,174			$ 17,866		
Working capital	39,830			34,096		
Property, plant and equipment	34,520			11,591		
Total assets	243,412			124,715		
Operating loans	26,624			907		
Shareholders' equity	156,583			98,751		
SHARE INFORMATION	December 31, 2014			December 31, 2013		
Common shares[7]	8,200,898			7,942,830		
Percentage change in common shares oustanding	+3.25%					
Preferred securities	10,578,572			7,441,572		
Percentage change in preferred securities oustanding	+42.16%					

Notes:

(1) Adjusted EBITDA, Free Cash Flow, Adjusted Return on Common Equity, Preferred Security Payout Ratio and Combined Payout Ratio are not recognized measures under IFRS and are defined under the heading "Non-IFRS Financial Measures". See also the disclosure under the heading "Reconciliations of Non-IFRS Financial Measures".

(2) Refer to Note 22 within the consolidated financial statements of Mosaic for the year ended December 31, 2014 for the per share amounts, both basic and diluted.

(3) Includes distributions on preferred securities and dividends on series "A" shares of Mosaic.

(4) On February 1, 2013, Mosaic announced that its wholly-owned subsidiary FWPLP completed the sale of its Decade warehouse located at 1820, 31st Street North and its Braman warehouse located at 2930, 9th Avenue North, both in Lethbridge, Alberta. The two warehouses were sold for aggregate consideration of $14,700 which resulted in a gain on sale of real estate of $2,249. This gain resulted in a positive impact on Adjusted EBITDA, net income and comprehensive income attributable to shareholders, Free Cash Flow, Preferred Security Ratio and Combined Payout Ratio in 2013. Gains of this nature within the Real Estate segment are unpredictable as to timing of occurrence and magnitude.

(5) On August 1, 2014, Mosaic's subsidiary FWDLP entered into a joint venture with Harbour Equity Capital Corp. which resulted in Mosaic recognizing, under IFRS, a non-cash gain of $1,414 on the disposition of a 50% interest in FWDLP to Harbour Equity Capital Corp.

(6) Refer to the heading "Amortization" on page 15 for more information.

(7) Additional information on the number of common shares outstanding is provided under the heading "Securities Data" found on page 25.

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

Adjusted EBITDA and Free Cash Flow:

The following tables reconcile both Adjusted EBITDA and Free Cash Flow to income from continuing operations before income taxes, which is the most directly comparable measure under IFRS to each of those non-IFRS financial measures:

	Three months ended Dec. 31, 2014	Three months ended Dec. 31, 2013	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Income from continuing operations before income taxes (1)	$ 4,027	$ 1,698	$ 16,683	$ 13,369
Amortization	3,389	1,175	7,934	3,275
Accretion	7	15	56	127
Securities-based compensation	306	271	1,000	1,116
Acquisition and financing costs	399	-	901	-
Share of joint venture income (2)	(701)	-	(615)	-
Non-operating items				
Loss on sale of equipment	6	-	15	30
Gain on partial disposition of interest in subsidiary (2)	-	-	(1,414)	-
Finance income	(53)	(50)	(181)	(274)
Finance expense	343	130	763	406
Adjusted EBITDA	$ 7,723	$ 3,239	$ 25,142	$ 18,049

	Three months ended Dec. 31, 2014	Three months ended Dec. 31, 2013	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Adjusted EBITDA	$ 7,723	$ 3,239	$ 25,142	$ 18,049
Non-controlling interests of Adjusted EBITDA (3)	(1,176)	458	(5,387)	(2,523)
Mosaic's share of current income tax expense	(477)	(69)	(1,631)	(1,355)
Mosaic's share of Sustaining Capital Expenditures	(98)	(236)	(396)	(947)
FREE CASH FLOW	$ 5,972	$ 3,392	$ 17,728	$ 13,224

Notes:

(1) On February 1, 2013, Mosaic announced that its wholly-owned subsidiary FWPLP completed the sale of its Decade warehouse located at 1820, 31st Street North and its Braman warehouse located at 2930, 9th Avenue North, both in Lethbridge, Alberta. The two warehouses were sold for aggregate consideration of $14,700 which resulted in a gain on sale of real estate of $2,249. This gain resulted in a positive impact on income from continuing operations before income taxes, Adjusted EBITDA and Free Cash Flow in 2013. Gains of this nature within the Real Estate segment are unpredictable as to timing of occurrence and magnitude.

(2) On August 1, 2014, Mosaic's subsidiary FWDLP entered into a joint venture with Harbour Equity Capital Corp. for the development of the Parker Industrial Park near Regina, Saskatchewan, which resulted in Mosaic recognizing, under IFRS, a non-cash gain of $1,414 on the disposition of a 50% interest in FWDLP to Harbour Equity Capital Corp.

(3) Refer to the heading "Non-controlling Interests" for more information.

Adjusted Return on Common Equity compared to IFRS measure:

There is no IFRS measure comparable to Adjusted Return on Common Equity. However, this ratio utilizes Free Cash Flow in its calculation and the most directly comparable measure under IFRS to Free Cash Flow is income from continuing operations before income taxes. Accordingly, dividing (i) income from continuing operations before income taxes less distributions/dividends declared to holders of Mosaic preferred securities and series "A" shares, in each case during the twelve-month rolling period ending December 31, 2014, by (ii) weighted average common shareholders' equity for the same period, yields a ratio of 52% (2013 - 43%).

Preferred Security Payout Ratio compared to IFRS measure:

There is no IFRS measure comparable to Preferred Security Payout Ratio. However, this ratio utilizes Free Cash Flow in its calculation and the most directly comparable measure under IFRS to Free Cash Flow is income from continuing operations before income taxes. Accordingly, dividing (i) the total amount of distributions/dividends declared to holders of Mosaic preferred securities and series "A" shares during the period by (ii) income from continuing operations before income taxes for the period, for each of the years ended December 31, 2014 and December 31, 2013, yields payout ratios of 54% and 56% respectively.

Combined Payout Ratio compared to IFRS measure:

There is no IFRS measure comparable to Combined Payout Ratio. However, this ratio utilizes Free Cash Flow in its calculation and the most directly comparable measure under IFRS to Free Cash Flow is income from continuing operations before income taxes. Accordingly, dividing (i) the total amount of distributions/dividends declared during the period to holders of Mosaic preferred securities, series "A" shares and common shares by (ii) income from continuing operations before income taxes for the period, for each of the years ended December 31, 2014 and December 31, 2013, yields payout ratios of 69% and 66% respectively.

BACKGROUND

MOSAIC OVERVIEW

Mosaic is an investment company based in western Canada that owns a portfolio of established businesses that have a history of generating cash flow from their operations. Mosaic's objective is to create long-term value for the Company's shareholders and business partners. The Company believes that this is achieved by growing Free Cash Flow per common share and retained earnings. Mosaic does this by acquiring businesses that management understands at attractive prices. Risk is managed through extensive due diligence, creative transaction structuring, and working closely with the operating subsidiaries after acquisition to improve business operations and implement growth opportunities. Mosaic operates in two reportable business segments: Industrial and Real Estate. Within the Industrial segment the current portfolio of businesses operates in printing, oil and gas services, technology, infrastructure, construction and industrial supply industries. Within the Real Estate segment, the Company owns three commercial properties, land held for development and has joint control (50%) of a joint venture with Harbour Equity Capital Corp. ("**Harbour Equity**") for the development of the Parker Industrial Park near Regina, Saskatchewan.

The common shares, preferred securities, and warrants of Mosaic are listed on the TSX Venture Exchange and trade under the symbols "M", "M.PR.A", and "M.WT" respectively.

Mosaic's registered office is located at 400, 2424 - 4th Street SW, Calgary, Alberta, T2S 2T4.

EXPERIENCED TEAM WITH VISION

Mosaic's management team has extensive breadth and depth of experience gained through many years of involvement in numerous aspects of business, including fund management, public and private mergers and acquisitions transactions, corporate restructurings, financings, venture capital and private equity investing, and corporate turnarounds. This experience allows Mosaic to acquire businesses with capable management teams who Mosaic works with to improve and grow their operations. Mosaic provides its operating subsidiaries with strategic, business, financial, human resource, accounting and legal expertise while at the same time giving the subsidiaries' management teams the autonomy to continue to operate their respective businesses.

Mosaic acquires a control position in its businesses, which enables management to exercise the rights of ownership in making strategic decisions, allocating investment capital and managing risk. Mosaic does not get involved in the daily operating decisions of the businesses.

In addition, the Company, along with the management teams of its operating subsidiary companies, continues to look for acquisitions that would facilitate entry into new markets or increase product or service offerings. Mosaic is actively looking for businesses in a variety of industries that fit the Company's investment model.

Acquisition criteria for such businesses include the following:

- Demonstrated history of growing sustainable cash flow and operating in an industry which Mosaic believes has good growth potential;
- A capable and experienced management team that is growth oriented;
- A business with a significant market share in its business area;
- A business with a competitive advantage; and
- Ability to grow the business.

STRONG ALIGNMENT OF INTERESTS

Mosaic's management believes in the alignment of interests among various stakeholders, including Mosaic, its shareholders and subsidiary company partners as well as Mosaic's management team and its employee group. Mosaic's management team and its employee group own approximately 48% and 2.6% of the outstanding common shares and preferred securities of Mosaic, respectively, as at December 31, 2014.

FINANCIAL RESOURCES FOR FUTURE GROWTH

A November 2012 report by a large Canadian investment bank indicates that within Canada there is the potential for approximately 550,000 business owners to exit their businesses over the next ten years. These businesses would account for approximately $3.7 trillion in asset value affecting approximately 3.5 million employees and representing approximately 27% of Canada's gross domestic product. This ongoing succession of aging business owners looking for liquidity, often in the form of an exit or a partnership, should provide many opportunities for Mosaic to acquire companies meeting its investment criteria.

Mosaic's strong financial position, with $39,830 in working capital (as at December 31, 2014) including cash and cash equivalents of $30,174 as well as Mosaic's management belief in its ability to access the capital markets, positions it to capitalize on future opportunities.

PORTFOLIO OF BUSINESSES

Mosaic has two reportable business segments: Industrial and Real Estate.

Industrial - a portfolio of established businesses with competitive advantages that have a history of generating cash flow from their operations:

- **Printing Unlimited L.P.** ("**Printing Unlimited**") (100% ownership) is based in Fort McMurray, Alberta and prints, among other things, marketing and promotional materials, annual reports, operation manuals and handbooks, safety tags, signs, stationary, carbonless forms and photocopies for customers which include most of the largest oil sands development and production companies. Additionally, Printing Unlimited provides graphic design and typesetting services and operates a sign manufacturing division.

- **Allied Cathodic Services L.P.** ("**Allied Cathodic**") (80% ownership) is based in Estevan, Saskatchewan and installs, maintains and replaces cathodic protection systems for oil and gas production facilities in southeast Saskatchewan and southwest Manitoba. Allied Cathodic's primary services include the design, installation, maintenance and inspection of cathodic protection systems for oilfield well casings and steel flow lines to protect them from the harmful effects of corrosion.

- **Polar Geomatic Solutions L.P.** ("**Polar**") (90% ownership) is based in Red Deer, Alberta and principally provides products and services to create, manage and maintain land related stakeholder information. This information is used primarily by pipeline companies to simplify compliance with stakeholder notification and emergency response planning requirements under applicable legislation.

- **Remote Waste L.P.** ("**Remote Waste**") (98% ownership) is based in Sexsmith, Alberta and manufactures and rents wastewater treatment systems ("**Remote Units**") used for remote work camps. Remote Units are designed for treatment of sewage in remote areas and are installed, maintained and removed from a customer's location by Remote Waste's field technicians. The majority of Remote Waste's business is related to supporting work camps used for oil and natural gas exploration.

- **Ambassador Mechanical Corp.** ("**Ambassador**") (75% ownership) is based in Winnipeg, Manitoba and provides mechanical equipment provisioning and installation services in areas ranging from plumbing and gas fitting to heating, ventilation and air conditioning. Ambassador presently focuses almost exclusively on mechanical contracting work for larger commercial and industrial projects in the Manitoba, Saskatchewan and southwest Ontario markets.

- **Kendall's Supply Ltd.** ("**Kendall's Supply**") (90% ownership) is based in Estevan, Saskatchewan, and is a supplier of parts and supplies to companies in the automotive, oil and gas, mining, power generation, construction and agriculture industries in southeast Saskatchewan. Kendall's Supply is a third-generation, family-run business with a reputation for excellent customer service and maintaining a large inventory of supplies.

- **Industrial Scaffold Services L.P.** ("**Industrial Scaffold**") (67.5% ownership) is based in Crofton, British Columbia, and has offices across western Canada. Industrial Scaffold is a provider of worksite surface and access scaffolding solutions and environmental containment systems to industrial and commercial customers in the pulp and paper, mining, marine, energy and utilities sectors in western Canada.

- **Streamline Mechanical L.P. & Streamline Projects L.P.** ("**Streamline**") (70% ownership) is based in Sherwood Park, Alberta and has an additional office in Fort McMurray, Alberta. Streamline is a provider of site maintenance and civil construction services to Alberta's energy sector, working primarily on oil sands projects of Canadian and international energy companies.

- **Place-Crete Systems L.P**. ("**Place-Crete**") (75% ownership) is based in St. Albert, Alberta and has additional offices in Calgary, Alberta and Abbotsford, British Columbia. Place-Crete supplies, applies and finishes a variety of cement based toppings in the residential and commercial construction markets and provides waterproofing solutions to the civil infrastructure market, predominantly within western Canada.

- **South East Construction L.P.** ("**SECON**") (75% ownership) is based in Esterhazy, Saskatchewan and is a multi-trade industrial and commercial construction company, primarily servicing the potash mining and milling industry in all phases of underground and surface construction and maintenance. SECON has also worked on construction and infrastructure projects related to power generation, coal mining and crushing, fertilizer production and oilseed crushing.

Real Estate - a portfolio of real estate assets in secondary markets throughout western Canada to which management can conduct activity to provide fundamental value growth:

- **First West Properties L.P.** ("**FWPLP**") (100% ownership) is based in Calgary, Alberta, and identifies and acquires real estate, directly or indirectly, having what management believes to be prospects for stable cash flow and short and medium-term price appreciation potential. FWPLP adds value to the properties it acquires through, among other things, leasing vacant space, re-leasing upon renewal at market rates, making capital improvements and moving land through the land use planning process. FWPLP currently consists of the business being carried on by itself directly and through its wholly-owned subsidiary First West Land Developments L.P., and through its 50% interest in First West Developments L.P. ("**FWDLP**").

RISK MANAGEMENT

Mosaic invests significant time to understand the risks associated with its portfolio companies. These risks range from macro-economic factors to industry-specific risks and individual business risks. It also includes risks that are largely beyond the Company's control such as weather and commodity prices. Based on the Company's assessment of the risks, management works on various risk mitigation strategies that may involve deployment of technology, business process improvement, individual business and market diversification and overall corporate portfolio diversification.

DEVELOPMENTS

The following sets forth certain developments that occurred in the business of Mosaic for the year ended December 31, 2014. Recent developments since December 31, 2014 are discussed under the heading "Subsequent Events" below.

Purchase of industrial land for development – On April 4, 2014, FWPLP completed the purchase of vacant industrial land for development in Estevan, Saskatchewan for a purchase price of $948. Development costs of $37 have since been incurred.

Credit Facilities – On May 20, 2014, Mosaic announced that it signed an agreement with an Alberta-based financial institution to provide a $25,000 acquisition line of credit to Mosaic (the "**Acquisition Line**"). The Acquisition Line is comprised of a $25,000 revolving committed operating loan for the purposes of financing business acquisitions, day-to-day operating requirements, and capital expenditures. The Acquisition Line is for a 3-year term, bearing interest at rates ranging from prime plus 0.50% - 1.25%.

Acquisition of Streamline – Effective June 1, 2014, Mosaic completed the acquisition of a 70% interest in the business now carried on by Streamline by acquiring the operating assets and liabilities of two related parties, Streamline Mechanical (1981) Ltd. and Streamline Projects Inc. (the "**Streamline Acquisition**"). The cost of the Streamline Acquisition was $13,240 of cash, comprised of the initial purchase price of $12,600 and the purchase of additional assets for $640. In addition, Streamline assumed $4,000 of debt. Up to $3,500 of contingent consideration may be paid over the next three years, the payment of which is dependent upon the business meeting or exceeding certain financial performance targets. Streamline is a provider of site maintenance services and civil construction services to Alberta's energy sector, principally within northern Alberta. Streamline has offices in Sherwood Park, and Fort McMurray, Alberta.

The Streamline Acquisition was accretive to the Company's key 2014 financial metrics, including Adjusted EBITDA, Free Cash Flow and Free Cash Flow per common share. Streamline is part of the Industrial segment. The Company's results include financial results of Streamline's operations from and after June 1, 2014. On June 1, 2014, Streamline put in place a revolving $10,000 credit facility and a $4,000 term loan facility with an Alberta-based financial institution.

Issue of Units – On June 20, 2014, Mosaic closed a public offering of 2,524,240 units ("**June Units**") at a price of $11.40 per unit for total gross proceeds of $28,776 (the "**June Offering**"). Transaction costs net of income taxes of $1,268 were incurred related to the June Offering and were netted against the proceeds. Each June Unit was comprised of one preferred security and one-quarter (0.25) of one common share purchase warrant. Each full warrant entitles the holder to purchase one common share at an exercise price of $15.50 for 18 months following completion of the June Offering. At any time that the 20-day volume weighted average price of Mosaic's common shares listed on the TSX Venture Exchange is equal to or above $18.00, the expiry date of the warrants may, at the election of the Company, be accelerated to a date that is 30 days after notice of acceleration is provided by Mosaic to holders of the warrants.

Joint Venture with Harbour Equity ("**Joint Venture**") – On August 1, 2014, Mosaic's subsidiaries FWPLP and FWDLP signed a partnership agreement with Harbour Equity for the development of the Parker Industrial Park near Regina, Saskatchewan. Under this financing arrangement, Harbour Equity contributed $6,000 for a 50% interest in the development project and Mosaic, through FWPLP, retained the remaining 50% interest. The Parker Industrial Park is located on 157.97 acres of raw land in the rural municipality of Sherwood No 159. It is located approximately one mile north of the Regina city limits.

Increase in quarterly common share dividend – On August 20, 2014, Mosaic announced a 33% increase in the quarterly dividend on Mosaic's common shares from $0.06 per share to $0.08 per share. A dividend at the new rate of $0.08 per share has been declared and was paid September 30, 2014 to holders of record as at August 29, 2014.

Acquisition of Place-Crete – Effective September 1, 2014, Mosaic completed the acquisition of a 75% interest in the business now carried on by Place-Crete by acquiring the operations of Place-Crete Systems Inc. and Floor-Tech Systems Inc. (the "**Place-Crete Acquisition**"). The cost of the Place-Crete Acquisition was $18,000 which was funded through a combination of $14,000 in cash and $4,000 in vendor take-back financing. Place-Crete is a provider of specialty contracting services that focuses on concrete restoration, traffic deck membranes, cement and gypsum floor underlayment, hydro demolition services, plaza and bridge deck waterproofing, polymer floor and wall systems, and various other specialty contracting services.

The Place-Crete Acquisition was accretive to the Company's key 2014 financial metrics, including Adjusted EBITDA, Free Cash Flow and Free Cash Flow per common share. Place-Crete is part of the Industrial segment. The Company's results include financial results of Place-Crete operations from and after September 1, 2014. On November 28, 2014, Place-Crete put in place a $4,000 revolving operating loan facility and a $500 hedging facility with a Canadian chartered bank.

Purchase of Commercial Building – On October 17, 2014, FWPLP purchased a commercial building in Estevan, Saskatchewan for $860. This purchase was funded by cash in an amount of $380 and a mortgage of $480.

Acquisition of SECON – Effective November 1, 2014, Mosaic, through a wholly-owned subsidiary, successfully completed the acquisition of a 75% interest in the business now carried on by SECON by acquiring the operations of WBD Holdings Ltd. (the "**SECON Acquisition**"). Mosaic's cost of the SECON Acquisition was $15,225, and was funded through a combination of $11,644 in cash and $3,581 in vendor take back financing. The transaction also includes provision for additional payments of up to an aggregate maximum of $3,800 to be made by Mosaic to WBD Holdings Ltd., conditional upon the acquired business achieving certain net income targets over the next three calendar years (2015-2017).

The SECON Acquisition was accretive to the Company's key 2014 financial metrics, including Adjusted EBITDA, Free Cash Flow and Free Cash Flow per common share. SECON is part of the Industrial segment. The Company's results include financial results of SECON operations from and after November 1, 2014. On December 17, 2014 SECON put in place a $5,000 operating loan credit facility and a $4,000 revolving term facility with a Canadian chartered bank.

Increase in quarterly common share dividend – On November 13, 2014, Mosaic announced a 25% increase in the quarterly dividend on Mosaic's common shares from $0.08 per share to $0.10 per share. A dividend at the new rate of $0.10 per share has been declared and was paid December 31, 2014 to holders of record as of November 28, 2014.

Issue of Units – On December 19, 2014, Mosaic closed a public offering of units ("**December Units**") priced at $34.00 per unit (the "**December Offering**"). Each December Unit was comprised of two preferred securities and one common share. Under the December Offering, 306,380 December Units have been issued for total gross proceeds of $10,417. Under the December Offering 612,760 preferred securities were issued at $10.80 per preferred security and 306,380 common shares were issued at $12.40 per common share. Transaction costs net of income taxes of $615 were incurred related to the December Offering and were netted against the proceeds.

DISTRIBUTIONS, DIVIDENDS AND PAYOUT RATIOS

Preferred Security Distributions

Information regarding the distributions declared and paid to holders of preferred securities during the year ended December 31, 2014 and the 2013 comparative period is set forth below.

Under the DRIP, holders of preferred securities who are residents of Canada and are participating in the DRIP will have distributions relating to their preferred securities reinvested into preferred securities. The difference between distributions declared and distributions paid in cash is related to securities that were purchased through the facilities of the TSX Venture Exchange to satisfy the DRIP. The DRIP allows Mosaic to elect to have the preferred securities purchased on the open market or issued from treasury.

	2014			2013		
Record Date	Distributions Declared	Distributions net of DRIP	DRIP Participation[2]	Distributions Declared	Distributions net of DRIP	DRIP Participation[2]
January[1]	$ 620	$ 460	26%	$ 620	$ 471	24%
February[1]	620	457	26%	620	472	24%
March[1]	637	477	25%	620	469	24%
April[1]	620	454	27%	620	468	25%
May[1]	620	451	27%	620	471	24%
June[1]	838	662	21%	620	472	24%
July[1]	833	654	21%	620	471	24%
August[1]	832	648	22%	620	470	24%
September[1]	824	649	21%	620	461	26%
October[1]	832	642	23%	620	463	25%
November[1]	833	641	23%	620	463	25%
December[1]	884	690	22%	620	463	25%
	$ 8,993	$ 6,885	23%	$ 7,440	$ 5,614	25%

Notes:

(1) Since listing on the TSX Venture Exchange in May 2011, Mosaic elected to satisfy its obligations under the DRIP by purchasing preferred securities through the facilities of the TSX Venture Exchange rather than issuing preferred securities from treasury.

(2) Percentage of distributions on preferred securities with respect to which the holders of securities have elected to participate in the DRIP.

For the three months ended December 31, 2014, Mosaic declared distributions on preferred securities of $2,549 (2013 - $1,860). The increase in distributions over the 2013 comparative period was as a result of increased distributions related to the preferred securities issued pursuant to June Offering, and increased distributions related to the preferred securities issued pursuant to December Offering.

For the year ended December 31, 2014, Mosaic declared distributions on preferred securities of $8,993 (2013 - $7,440). The increase in distributions over the 2013 comparative period was due to same reasons as were the case in the three-month period ended December 31, 2014.

For the three months ended December 31, 2014, Mosaic paid distributions to preferred security holders in the amount of $1,973 (2013 - $1,389) and purchased preferred securities with a value of $576 (2013 - $471) through the facilities of the TSX Venture Exchange to satisfy obligations pursuant to the DRIP.

For the year ended December 31, 2014, Mosaic paid distributions to preferred security holders in the amount of $6,621 (2013 - $5,614) and purchased preferred securities with a value of $2,108 (2013 - $1,826) through the facilities of the TSX Venture Exchange to satisfy obligations pursuant to the DRIP.

During the year ended December 31, 2014, holders of preferred securities representing approximately 25% of the outstanding preferred securities participated in the DRIP.

Common Share Dividends

In January 2012, Mosaic's board of directors adopted a policy regarding the payment of quarterly dividends on Mosaic's common shares in such amount as Mosaic's board of directors may from time to time determine. The objective of paying a dividend is to allow common shareholders of Mosaic to participate in its Free Cash Flow, while ensuring Mosaic retains sufficient capital to preserve its strong statement of financial position, continue its acquisition strategy and finance organic growth.

The amounts and record dates of the dividends declared during the years ended December 31, 2014 and the 2013 comparative period are as follows:

	2014 Dividends			2013 Dividends	
Record date	**Per Share**	**Amount**	**Record date**	**Per Share**	**Amount**
February 28, 2014	$ 0.06	$ 513	January 31, 2013	$ 0.03	$ 244
May 30,2014	0.06	501	April 30, 2013	0.03	233
August 29,2014	0.08	671	July 31, 2013	0.03	245
			October 31, 2013	0.06	490
November 28, 2014	0.10	816	November 29, 2013 (1)	0.02	164
	$ 0.30	$ 2,501		$ 0.17	$ 1,376

Note:

1) In November 2013 Mosaic declared a normalization dividend of $0.02 per common share which was paid on December 16, 2013, as a result of the Company changing the common share dividend declaration and payment dates.

For the three months and year ended December 31, 2014, common share dividends declared totaled $816 and $2,501 respectively as compared to $654 and $1,376 in the comparable periods during 2013. The increase in actual dividends was primarily due to the doubling of the quarterly dividend on Mosaic's common shares from $0.03 per share to $0.06 per share effective October 31, 2013, a 33% increase of the quarterly dividend on Mosaic's common shares from $0.06 per share to $0.08 per share effective August 29, 2014, and a 25% increase of the quarterly dividend on Mosaic's common shares from $0.08 per share to $0.10 per share effective November 28, 2014.

Series "A" Share Dividends

Dividends are also payable monthly on series "A" shares issued and outstanding. Each series "A" share has a right to a dividend equal to the distribution declared on each preferred security.

For the three months ended December 31, 2014, Mosaic declared dividends on series "A" shares of $11 (2013 - $10) and paid dividends on series "A" shares of $11 (2013 - $10).

For the year ended December 31, 2014, Mosaic declared dividends on series "A" shares of $42 (2013 - $33) and paid dividends on series "A" shares of $42 (2013 - $32). The increase was as a result of the exercise of 20,790 options to purchase series "A" shares which occurred in June 2013.

Payout Ratios

The Preferred Security Payout Ratio and Combined Payout Ratio with the corresponding distributions and dividends for the periods indicated are as follows:

	Three months ended Dec 31,				Year ended Dec 31,			
	2014	2014	2013	2013	2014	2014	2013	2013
Payout Ratios:								
Preferred Security Payout Ratio/distributions	43%	$ 2,560	55%	$ 1,871	51%	$ 9,035	57%	$ 7,473
Combined Payout Ratio/distributions and dividends	57%	$ 3,376	74%	$ 2,525	65%	$ 11,536	67%	$ 8,849
Share Information:		Dec. 31, 2014				Dec. 31, 2013		
Preferred Securities		10,578,572				7,441,572		
Common Shares		8,200,898				7,942,830		

The following factors impacted the payout ratios:

(i) Only seven months of Streamline, four months of Place-Crete, and two months of SECON's financial results are included as part of the Free Cash Flow calculated in the 2014 payout ratios.

(ii) On February 1, 2013, Mosaic announced that its wholly-owned subsidiary FWPLP completed the sale of its Decade warehouse located at 1820, 31st Street North and its Braman warehouse located at 2930, 9th Avenue North, both in Lethbridge, Alberta. The two warehouses were sold for aggregate consideration of $14,700 which resulted in a gain on sale of real estate of $2,249. This gain resulted in a positive impact on the Preferred Security Payout Ratio and Combined Payout Ratio for the year ended December 31, 2013. Gains of this nature within the Real Estate segment are unpredictable as to timing of occurrence and magnitude.

The Preferred Security Payout Ratio decreased for the three months ended December 31, 2014 as compared to the same period in 2013 primarily as a result of an increase in Free Cash Flow to $5,972 from $3,392, which more than offset the increase in distributions due to the 2,524,240 preferred units issued pursuant to June Offering and an increase in distributions due to the 612,760 preferred units issued pursuant to December Offering.

The Combined Payout Ratio decreased for the three months ended December 31, 2014 as compared to the same period in 2013 due to the increase in Free Cash Flow as mentioned above, which more than offset the following factors: (i) the issuance of preferred securities and common shares pursuant to the June Offering and December Offering resulting in the payment of additional distributions and dividends; (ii) the doubling of the quarterly dividend on Mosaic's common shares from $0.03 per share to $0.06 per share effective October 31, 2013; (iii) a 33% increase of the quarterly dividend on Mosaic's common shares from $0.06 per share to $0.08 per share effective August 29, 2014; and (iv) a 25% increase of the quarterly dividend on Mosaic's common shares from $0.08 per share to $0.10 per share effective November 28, 2014.

The Preferred Security Payout Ratio decreased for the year ended December 31, 2014 as compared to the same period in 2013 primarily due to the increase in Free Cash Flow to $17,728 from $13,224, which more than offset the increase in distributions pursuant to the June Offering and December Offering as mentioned above.

The Combined Payout Ratio decreased for the year ended December 31, 2014 as compared to the same period in 2013 primarily due to the increase in Free Cash Flow as mentioned above, which more than offset the increase in distributions pursuant to the June Offering and December Offering and the increase in common share dividends as mentioned above.

Management believes that as funds are deployed into accretive acquisitions and/or organic growth opportunities within Mosaic's existing subsidiaries the payout ratios should decline over time. The current payout ratios are considered by management to be at prudent levels and are reviewed by the Company's board of directors on a quarterly basis.

FINANCIAL REVIEW AND DISCUSSION OF OPERATIONS

Mosaic – Consolidated

Selected statement of financial position information	Dec. 31, 2014	Dec 31, 2013	Dec 31, 2012
Cash and cash equivalents	$ 30,174	$ 17,866	$ 30,818
Accounts receivable	75,573	24,199	22,248
Assets held for sale	-	7,560	19,524
Total current assets	113,755	53,257	76,845
Income-producing properties	11,782	3,255	-
Property held for development	985	2,781	2,726
Total non-current assets	129,657	71,458	45,560
Total assets	$243,412	$ 124,715	$ 122,405
Operating loans	$ 26,624	$ 907	$ 5,828
Current portion of notes payable	6,731	3,727	2,528
Current portion of mortgage payable	1,350	100	-
Total current liabilities	73,925	19,161	23,793
Notes payable	8,749	3,403	3,611
Total non-current liabilities	12,904	6,803	4,439
Total equity attributable to equity holders	156,583	98,751	94,173
Total liabilities and equity	243,412	124,715	122,405
Working capital	$ 39,830	$ 34,096	$ 53,052
Current ratio	1.5	2.8	3.2

Selected income and expense information	Three months ended Dec. 31,		Year ended Dec. 31,		
	2014	2013	2014	2013	2012
Revenue	$ 55,969	$ 23,758	$ 161,820	$ 89,289	$ 75,815
Operating expenses	48,645	20,519	137,579	73,489	59,051
Income from operations	7,324	3,239	24,241	15,800	16,764
Income from continuing operations before income taxes [2]	4,027	1,698	16,683	13,369	11,594
Net income from continuing operations [2]	4,625	1,705	15,702	11,594	10,587
Net income and comprehensive income [2]	4,625	1,705	15,702	11,594	10,929
Net income from continuing operations attributable to: [1][2]					
Shareholders	$ 3,945	2,386	$ 12,578	10,030	8,577
Non-controlling interests	680	(681)	3,124	1,564	2,010
	$ 4,625	$ 1,705	$ 15,702	$ 11,594	$ 10,587
Per share:					
Basic	$0.18	$0.06	$0.45	$0.32	$0.36
Diluted	$0.18	$0.06	$0.42	$0.30	$0.34
Net income and comprehensive income attributable to: [1][2]					
Shareholders	$ 3,945	$ 2,386	$ 12,578	$ 10,030	$ 8,919
Non-controlling interests	680	(681)	3,124	1,564	2,010
	$ 4,625	$ 1,705	$ 15,702	$ 11,594	$ 10,929
Per share:					
Basic	$0.18	$0.06	$0.45	$0.32	$0.40
Diluted	$0.18	$0.06	$0.42	$0.30	$0.38
Distributions and cash dividends declared:					
Common share dividends per share	$0.10	$0.08	$0.30	$0.17	$0.11
Series "A" share dividends per share	$0.25	$0.25	$1.00	$1.00	$1.00

Notes:

(1) Additional information on the number of common shares outstanding is provided under the heading "Securities Data". Refer to Note 22 within the consolidated financial statements of Mosaic for the year ended December 31, 2014 for the per share amounts, both basic and diluted. Refer to the consolidated financial statements of Mosaic for the years ended December 31, 2013 and 2012 for the per share amounts, both basic and diluted.

(2) On February 1, 2013, Mosaic announced that its wholly owned subsidiary FWPLP completed the sale of its Decade warehouse located at 1820, 31st Street North and its Braman warehouse located at 2930, 9th Avenue North, both in Lethbridge, Alberta. The two warehouses were sold for aggregate consideration of $14,700 which resulted in a gain on sale of real estate of $2,249. This gain resulted in a positive impact on income from continuing operations before income taxes, net income from continuing operations and net income and comprehensive income in 2013. Gains of this nature within the Real Estate segment are unpredictable as to timing of occurrence and magnitude.

For the three months and year ended December 31, 2014 the positive change in the financial condition of Mosaic over the 2013 comparative periods was primarily due to the Streamline Acquisition (effective June 1, 2014), the Place-Crete Acquisition (effective September 1, 2014) and the SECON Acquisition (effective November 1, 2014) as well as the June Offering for gross proceeds of $28,776 (completed June 20, 2014) and the December Offering for gross proceeds of $10,417 (completed December 19, 2014). To date, the proceeds of the June Offering and December Offering have been, and are still anticipated to be, utilized consistent with the disclosure of the use thereof as set forth in Mosaic's prospectus or prospectus supplement (as the case may be) in connection with the offerings and filed on SEDAR at www.sedar.com under Mosaic's profile. See also the discussion under the headings "Developments" and "Liquidity and Capital Resources".

Three-Month Financial Highlights

Revenue for the three months ended December 31, 2014 increased 136% or $32,211 to $55,969 when compared to the same period in 2013, primarily due to the addition of revenue from Streamline, Place-Crete, SECON, and growth in revenue from existing businesses within the Industrial segment.

Adjusted EBITDA for the three months ended December 31, 2014 increased 138% or $4,484 to $7,723 when compared to the same period in 2013. This can be primarily attributed to four factors:

- Adjusted EBITDA growth from existing businesses within the industrial segment;
- Three months of operations of Streamline that was not part of Mosaic in the 2013 comparative period;
- Three months of operations of Place-Crete that was not part of Mosaic in the 2013 comparative period and
- Two months of operations of SECON that was not part of Mosaic in the 2013 comparative period.

Free Cash Flow for the three months ended December 31, 2014 increased 76% or $2,580 to $5,972 when compared to the same period in 2013. The primary reasons for this increase are the factors discussed above.

Annual Financial Highlights

Revenue for 2014 increased 81% over 2013 to $161,820, due primarily to revenue attributable to the acquisitions consummated during 2014 and organic revenue growth of 8% within the Industrial segment.

Adjusted EBITDA for 2014 increased 39% over 2013 to $25,142. This increase was due primarily to incremental Adjusted EBITDA attributable to the acquisitions consummated during 2014 and organic Adjusted EBITDA growth of 2% within the Industrial segment.

Mosaic's Industrial segment experienced generally adverse weather conditions in the first three quarters of 2014, followed by more favourable conditions in the fourth quarter. These conditions were a leading factor in limiting organic growth in revenue and Adjusted EBITDA for calendar 2014 to 8% and 2% respectively.

Free Cash Flow for 2014 increased 34% over 2013 to $17,728 as a result of the factors discussed above.

INDUSTRIAL SEGMENT

	Three months ended Dec 31			Year ended Dec 31		
	2014	2013	Change	2014	2013	Change
Revenue	$ 55,466	$ 23,444	$ 32,022	$ 160,204	$ 88,184	$ 72,020
Operating expenses	46,971	19,303	27,668	131,805	69,181	62,624
Income from operations	8,495	4,141	4,354	28,399	19,003	9,396

Three-Month Financial Highlights

Revenue for the three months ended December 31, 2014 increased 137% or $32,022 to $55,466 (2013 - $23,444) which is primarily attributed to the addition of three months of revenue from Streamline, three months of revenue from Place-Crete, and two months of revenue from SECON.

Operating expenses for the three months ended December 31, 2014 increased 143% or $27,668 to $46,971 (2013 - $19,303) primarily as a result of the inclusion of operations from Streamline, Place-Crete and SECON during the period.

Income from operations for the three months ended December 31, 2014 increased 105% or $4,354 to $8,495 (2013 - $4,141) primarily as a result of the inclusion of operations from Streamline, Place-Crete and SECON during the period.

Annual Financial Highlights

Revenue for the year ended December 31, 2014 increased 82% or $72,020 to $160,204 (2013 - $88,184) which was primarily attributed to the addition of seven months of revenue from Streamline, four months of revenue from Place-Crete, and two months of revenue from SECON.

Operating expenses for the year ended December 31, 2014 increased 91% or $62,624 to $131,805 (2013 - $69,181) which was primarily attributed to same reasons as mentioned in the case for the three months ended December 31, 2014.

Income from operations for the year ended December 31, 2014 increased 49% or $9,396 to $28,399 (2013 - $19,003) which was primarily attributed to same reasons as mentioned in the case for the three months ended December 31, 2014.

REAL ESTATE SEGMENT

	Three months ended Dec. 31			Year ended Dec. 31		
	2014	2013	Change	2014	2013	Change
Revenue	$ 503	$ 314	$ 189	$ 1,616	$ 1,105	$ 511
Operating expenses	208	226	(18)	671	601	70
Income from operations	295	88	207	945	504	441
Net income from continuing operations	743	(252)	995	2,540	2,342	198

On August 1, 2014, Mosaic's subsidiaries FWPLP and FWDLP signed a Joint Venture agreement with Harbour Equity for the development of the Parker Industrial Park near Regina, Saskatchewan.

The Real Estate segment contains property held for development and income-producing properties with net book values of $985 and $11,782 respectively and an investment in a Joint Venture with a carrying value of $5,075 as at December 31, 2014. The property held for development is vacant industrial land located in Estevan, Saskatchewan. The income-producing properties are commercial property located in Saskatoon, Saskatchewan ("**Hanselman**"), an industrial building in Estevan, Saskatchewan and an industrial warehouse in Fort McMurray, Alberta ("**McMillan**").

The investment by Harbour Equity of $6,000 for a 50% interest in FWDLP resulted in the de-consolidation of FWDLP as at August 1, 2014. This resulted in an increase in the carrying value of Mosaic's investment in FWDLP and a non-cash gain of $1,414 on the deemed disposition of a partial interest in FWDLP.

The operating expenses primarily related to operating costs of the income-producing properties in the Real Estate segment.

Three-Month Financial Highlights

This segment's fourth quarter revenues increased 60% to $503 as compared to the fourth quarter of 2013 ($314) due primarily to inclusion of a full three months' revenue during the fourth quarter 2014 from the Hanselman property which was acquired in November 2013. Operating expenses were $208 for the three months ended December 31, 2014 as compared to $226 in the 2013 comparative period. The decrease was primarily due to a recovery during the quarter of previously-incurred Joint Venture completion expenditures. Income from operations was $295 for the three months ended December 31, 2014, as compared to $88 in the 2013 comparative period.

Net income from continuing operations was $743 for the three months ended December 31, 2014 as compared to ($252) in the 2013 comparative period. The increase of $995 is primarily due to inclusion of the company's share of the Joint Venture income for the three-month period of $701.

Annual Financial Highlights

Revenues were $1,616 for the year ended December 31, 2014 as compared to $1,105 generated in the 2013 comparative period. Operating expenses were $671 for the year ended December 31, 2014 as compared to $601 in the 2013 comparative period. This resulted in income from operations of $945 for the year ended December 31, 2014, an increase of $441 from $504 reported for the same period in 2013. All of these increases were primarily a result of the purchase of Hanselman which was acquired in November 2013.

Net income from continuing operations was $2,540 for the year ended December 31, 2014 as compared to $2,342 in the 2013 comparative period. Both the 2013 and 2014 fiscal periods included gains which are not regular and reoccurring in nature. For 2014 there was a non-cash gain of $1,414 on partial disposition by Mosaic of a 50% interest in FWDLP, and for 2013 there was a gain on sale of properties of $2,249 which resulted from the sale of two buildings for aggregate consideration of $14,700. Gains of this nature within the Real Estate segment are unpredictable as to timing of occurrence and magnitude. After adjusting for these gains, net income from continuing operations was approximately $1,000 greater in fiscal 2014 compared to fiscal 2013 largely attributable to income of $615 representing Mosaic's share of the Joint Venture income for the 2014 year.

CORPORATE

	Three months ended Dec. 31			Year ended Dec. 31		
	2014	2013	Change	2014	2013	Change
Revenue	$ -	$ -	$ -	$ -	$ -	$ -
Operating expenses	1,466	990	476	5,103	3,707	1,396
Income from operations	(1,466)	(990)	(476)	(5,103)	(3,707)	(1,396)

The "Corporate" information used in the table above is not a separate segment and is only presented to reconcile to the consolidated results. The corporate expenses were $1,466 (2013 - $990) for the three months ended December 31, 2014. The corporate expenses were $5,103 (2013 - $3,707) for the year ended December 31, 2014. The increase for both the three months and the year primarily relates to one-time acquisition and financing costs of $399 and $901 respectively, increased professional fees and increases in salaries and wages due to the addition of two new management positions as the Company continues to execute on its business plan.

Certain corporate expenses relate to Mosaic's involvement in the operational matters of its subsidiaries and are attributed to both the Industrial and Real Estate segments.

Securities-based Compensation

	Three months ended Dec. 31			Year ended Dec. 31		
	2014	2013	Change	2014	2013	Change
Securities-based compensation	$ 306	$ 271	$ 35	$ 1,000	$ 1,116	$ (116)

Securities-based compensation is recorded within the corporate expenses below income from operations. The decrease in securities-based compensation for the year ended December 31, 2014 is related to a decrease in the executive bonuses during 2014 as compared to 2013.

For the three months ended December 31, 2014, securities-based compensation had an impact on net income per common share of $0.04 per common share (2013 - $0.03) and for the year ended December 31, 2014 securities-based compensation had an impact of $0.12 per common share (2013 - $0.14).

Amortization

	Three months ended Dec. 31			Year ended Dec. 31		
	2014	2013	Change	2014	2013	Change
Amortization - Income producing properties	$ 300	$ 9	$ 291	$ 343	$ 9	$ 334
Amortization - Property plant & equipment	1,822	581	1,241	4,564	1,440	3,124
Amortization - Intangibles	1,267	585	682	3,027	1,826	1,201
Total	$ 3,389	$ 1,175	$ 2,214	$ 7,934	$ 3,275	$ 4,659

Amortization is recorded within the Industrial segment and the Real Estate segment as well as in corporate expenses and is shown below income from operations. The increase in amortization for the year ended December 31, 2014 is primarily due to the inclusion of Mosaic’s 2014 acquisitions.

For the three months ended December 31, 2014 total amortization had an impact on net income per common share of $0.41 (2013 - $0.15) and for the year ended December 31, 2014 of $0.97 per common share (2013 - $0.41).

Intangible assets (which include trade names, customer relationships, backlog, intellectual property, employments agreements, non-compete agreements and computer software) are significant at Mosaic and are for the most part not replaced. Intangibles amortization is a one-time expense and has a large impact on net income and comprehensive income attributable to shareholders. Below is a table outlining this impact:

	Three months ended Dec. 31			Year ended Dec. 31		
	2014	2013	Change	2014	2013	Change
Net income and comprehensive income attributable to shareholders	$3,945	$2,386	$ 1,559	$12,578	$10,030	$ 2,548
Mosaic's share of intangibles amortization	986	474	512	2,410	1,545	865
Net income and comprehensive income before intangibles amortization attributable to shareholders	$4,931	$2,860	$ 2,071	$14,988	$11,575	$ 3,413

For the three months ended December 31, 2014 Mosaic's share of intangibles amortization was $0.12 per common share (2013 - $0.06) which would increase the net income and comprehensive income attributable to shareholders per common share from $0.18 to $0.30 (2013 from $0.06 to $0.12).

For the year ended December 31, 2014 Mosaic's share of intangibles amortization was $0.30 per common share (2013 - $0.20) which would increase the net income and comprehensive income attributable to shareholders per common share from $0.45 to $0.75 (2013 from $0.32 to $0.52.)

ASSETS HELD FOR SALE

The McMillan property was reclassified to income producing properties in December 2014. This resulted in a retroactive addition of $278 of amortization in the financials for the year ended December 31, 2014. Refer to note 14 within the consolidated financial statements of Mosaic for the year ended December 31, 2014. On February 1, 2013, two buildings were sold for aggregate consideration of $14,700 resulting in a gain on sale of $2,249.

NOTES PAYABLE AND SUMMARY OF SCHEDULED PAYMENTS

Notes payable include vehicle financing, equipment loans, term loans, leasehold improvement loans, finance leases and notes payable to holders of non-controlling interests. Payments of principal amounts owing are scheduled as follows:

	Cash Payments
	$
2015	6,731
2016	5,512
2017	2,728
2018	101
2019	408
	15,480

MORTGAGE PAYABLE

The Company has assumed a first mortgage with an independently-owned mortgage service company. This mortgage relates to a commercial property that has been classified as an income-producing property as at December 31, 2014.

The mortgage matures in January 2015 and has a principal balance of $1,350 as at December 31, 2014. The mortgage bears interest at 5.39%, payable with fixed blended monthly payments of $15 and is secured by a mortgage and a general security agreement against the property.

NON-CONTROLLING INTERESTS

Non-controlling interests consist of the capital contributions and accumulated earnings of the minority partners in the operating subsidiaries of Mosaic less distributions to the minority partners in those subsidiaries.

During the three months ended December 31, 2014, $680 (2013 – ($681)) of Mosaic's net income was allocated to non-controlling interests and distributions of $859 (2013 - $2,350) were paid to holders of the non-controlling interests.

During the year ended December 31, 2014, $3,124 (2013 - $1,564) of Mosaic's net income was allocated to non-controlling interests and distributions of $2,279 (2013 - $3,480) were paid to holders of the non-controlling interests.

As at December 31, 2014, Mosaic owns and controls of the following significant subsidiaries:

Significant Subsidiaries	Dec 31, 2014	Dec. 31, 2013
Printing Unlimited	100.00%	100.00%
Allied Cathodic	80.00%	80.00%
Polar	90.00%	90.00%
Remote Waste	98.00%	100.00%
Ambassador	75.00%	75.00%
Kendall's Supply	90.00%	90.00%
Industrial Scaffold	67.50%	67.50%
Streamline	70.00%	NA
Place-Crete	75.00%	NA
SECON	75.00%	NA
FWPLP	100.00%	100.00%

SUMMARY OF QUARTERLY RESULTS

The following table provides selected financial information for the last eight quarters. Readers should note that the following information is unaudited. Quarter-to-quarter comparisons of Mosaic's financial results are not necessarily meaningful and should not be relied upon as an indication of future performance. See "Risk Factors".

	Dec 31, 2014	Sept 30, 2014	June 30, 2014	Mar 31, 2014	Dec 31, 2013	Sept 30, 2013	June 30, 2013	Mar 31, 2013
Revenue	$ 55,969	$ 47,992	$ 35,246	$ 22,613	$23,758	$25,318	$19,111	$21,102
Operating expenses	48,645	40,011	29,492	19,431	20,519	20,301	15,828	16,841
Income from operations	7,324	7,981	5,754	3,182	3,239	5,017	3,283	4,261
Net income from continuing operations	4,625	5,400	4,441	1,236	1,705	2,910	2,357	4,622
Net income attributable to shareholders	$ 3,945	$ 4,031	$ 3,383	$ 1,219	$ 2,386	$ 1,912	$ 1,854	$ 3,878
Net income (loss) per common share from continuing operations(1)								
Basic	$ 0.18	$ 0.19	$ 0.16	$ (0.08)	$ 0.06	$0.01	$0.00	$ 0.25
Diluted	$ 0.18	$ 0.17	$ 0.14	$ (0.08)	$ 0.06	$0.00	$0.00	$ 0.24
Net income (loss) per common share (1)								
Basic	$ 0.18	$ 0.19	$ 0.16	$ (0.08)	$ 0.06	$0.01	$0.00	$ 0.25
Diluted	$ 0.18	$ 0.17	$ 0.14	$ (0.08)	$ 0.06	$0.00	$0.00	$ 0.24

Notes:
(1) Net income (loss) from continuing operations and net income (loss) per common share are calculated after the declaration of distributions and dividends paid to the holders of preferred securities and series "A" shares.

The Company's quarterly results do not follow any specific trends due to the acquisitions of businesses by Mosaic and varying business activities and cycles at Mosaic's operating companies.

LIQUIDITY AND CAPITAL RESOURCES

Mosaic's primary capital resources for meeting its cash commitments are existing working capital and cash generated from the operations of its subsidiaries. From time to time Mosaic and its subsidiaries may obtain and draw down on credit facilities. On May 20, 2014, Mosaic put in place a $25,000 acquisition line of credit with an Alberta-based financial institution. The Acquisition Line is comprised of a $25,000 revolving committed operating loan for the primary purpose of financing acquisitions but with the ability for Mosaic to draw up to $5,000 to fund day to day operating requirements and capital expenditures. Ambassador, Industrial Scaffold, Streamline, Place-Crete, SECON and FWPLP are the only subsidiaries of Mosaic to have operating facilities in place, being a $3,000 credit facility in the case of Ambassador, credit facilities of $4,750 in the case of Industrial Scaffold, credit facilities of $14,000 in the case of Streamline, credit facilities of $4,500 in the case of Place-Crete, credit facilities of $9,000 in the case of SECON and credit facilities of $2,793 in the case of FWPLP. The facilities in the subsidiaries are to finance normal course operations and capital expenditures, and are described in further detail under the heading "Liquidity and Capital Resources - Credit Facilities".

As of December 31, 2014, Mosaic had cash of $30,174 (December 31, 2013 - $17,866) and net working capital of $39,830 (December 31, 2013 - $34,096) and a current ratio of 1.5:1 (December 31, 2013 - 2.8:1). This decrease in current ratio is primarily due to the net addition of operating loans of $25,717 during the year ended December 31, 2014 which were incurred largely to fund acquisitions and growth capital expenditures.

The primary uses of cash during the three months ended December 31, 2014 were $11,644 for the SECON Acquisition, $2,549 for distributions to preferred security holders and purchase of preferred securities for delivery pursuant to Mosaic's obligations pursuant to the DRIP, $2,033 for repayment of notes payable, and $816 paid to common shareholders as dividends. During the three months ended December 31, 2014, cash provided by the December Offering was $10,417, cash provided by operating activities was $12,446 and cash provided by operating activities, prior to changes in non-cash working capital, was $6,418.

The primary uses of cash during the year ended December 31, 2014 were $13,240 for the Streamline Acquisition, $14,000 for the Place-Crete Acquisition, $11,644 for the SECON Acquisition, $8,993 for distributions to preferred security holders and purchase of preferred securities for delivery pursuant to Mosaic's obligations under the DRIP,

$2,511 towards security issuance costs, $5,227 for repayment of notes payable, $2,501 paid to common shareholders as dividends and $2,279 paid to non-controlling interests as distributions. During the year ended December 31, 2014, net cash provided by the June Offering was $27,085, net cash provided by the December Offering was $9,597, cash provided by operating activities was $24,588 and cash provided by operating activities, prior to changes in non-cash working capital, was $21,572.

Total assets increased from $124,715 at December 31, 2013 to $243,412 at December 31, 2014. The increase in assets is primarily due to the acquisitions of Streamline, Place-Crete and SECON during the year as well as Mosaic receiving gross proceeds of $39,193 from the June and December Offerings. The significant increase in accounts receivable from $24,199 at December 31, 2013 to $75,573 at December 31, 2014 resulted from the Streamline, Place-Crete and SECON Acquisitions wherein all of the accounts receivable of Streamline, Place-Crete and SECON were acquired although only seven months of Streamline revenue, four months of Place-Crete revenue and two months of SECON revenue have been recognized during the year. Total liabilities increased from $25,964 at December 31, 2013 to $86,829 at December 31, 2014 primarily due to liabilities picked up through the Streamline, Place-Crete and SECON Acquisitions. The current portion of notes payable is $6,731 and consists of vendor take-back loans of $4,157 (2013 – $3,237) and amounts payable under finance leases and loans, while the current portion of the mortgage payable is $1,350 at December 31, 2014.

Additional discretionary capital expenditures will be required in order to continue to grow the Company's assets and revenues in the future. It is presently anticipated that future cash requirements for capital expenditures in respect to current operations will be met through funds generated from operations. However, additional funds may be raised through bank debt or other forms of debt (whether at Mosaic or at the subsidiary level), or the sale of assets, or the issue of equity.

Liquidity risk is the risk that Mosaic will not be able to meet its financial obligations as they are due. Mosaic's approach to managing liquidity is to manage its affairs and operations in such a manner so as to ensure it will have sufficient liquidity, through cash generated from its operating subsidiaries, to meet its liabilities when due. Mosaic's ongoing liquidity is impacted by various external events and conditions, including commodity price fluctuations and global economic conditions. Mosaic's financial liabilities principally consist of accounts payable and accrued liabilities, distributions and dividends payable, notes payable and amounts due under operating loans/credit facilities.

Management believes, assuming Mosaic generates positive cash flow from operating activities in the next twelve months (and management currently knows of no reason why this should not be the case), that its capital resources as at December 31, 2014 are sufficient to meet Mosaic's financial obligations and working capital requirements over the next 12 months, including paying its distributions on preferred securities and dividends on series "A" shares and common shares.

Acquisition Financing

Management is continually evaluating potential acquisitions and will consider new acquisitions over the next twelve months if they meet Mosaic's investment criteria. Such acquisitions, however, will be considered only if the acquisitions can be completed utilizing existing capital resources, or with debt or equity financing that is obtained, without impairing Mosaic's ability to meet its ongoing commitments.

During 2014 Mosaic utilized cash of $38,884, which included draws on the Acquisition Line, in respect of the acquisitions of Streamline, Place-Crete and SECON. Also during 2014, Mosaic raised gross proceeds of $39,193 through, collectively, the June Offering and December Offering. The net proceeds from these offerings were used for acquisitions and general corporate purposes.

Through closings on February 20 and March 4, 2015, Mosaic issued units for gross proceeds of $26,520. The units were issued on a private placement basis, with each unit consisting of one private yield security in the capital of Mosaic and one private yield security purchase warrant. The net proceeds are for use for acquisitions and general corporate purposes.

On February 23, 2015, Mosaic repaid, in full, the outstanding amount of $20,000 under the Acquisition Line which, as at April 22, 2015, remains fully available for drawdown primarily to fund acquisitions.

Credit Facilities

Mosaic

On May 20, 2014, Mosaic put in place the Acquisition Line which is comprised of a $25,000 revolving committed operating loan primarily for the purpose of financing acquisitions but with the right of Mosaic to draw up to $5,000 to fund day to day operating requirements and capital expenditures. The Acquisition Line is for a 3-year term, bearing interest at rates ranging from prime plus 0.50% - 1.25%. The Acquisition Line is secured by among other things, a general security agreement and the assignment of securities that Mosaic holds in certain subsidiaries. As at December 31, 2014 Mosaic had drawn $20,000 on the Acquisition Line. As at April 22, 2015, Mosaic's balance on the Acquisition Line is $nil. The Acquisition Line requires Mosaic to maintain (i) a net funded debt to EBITDA ratio not exceeding 2.5:1 for the first year (which ends June 30, 2015) and 2.00:1 thereafter, and (ii) a fixed charge coverage ratio at least 1.15:1.

Ambassador

Ambassador presently has in place a revolving demand credit facility which can be drawn to the lesser of $3,000 or the combined value of eligible assigned accounts receivable and inventories (as defined by the terms of the facility). As at December 31, 2014, Ambassador had not drawn on the facility. Borrowings under the facility are secured by a first charge on all assets of Ambassador. Interest is charged at a rate per annum equal to the prime rate charged by the lending institution plus 0.5%. Ambassador is subject to the following financial covenants with respect to this facility: (i) cash flow available for debt servicing is to be 1.25 or greater; and (ii) the debt to net worth ratio is to be 2.5:1 or less.

Industrial Scaffold

Industrial Scaffold presently has in place a $4,000 (increased from $2,000 on June 4, 2014) demand revolving credit facility ("**Revolving Facility**") and a $750 demand term loan facility with a Canadian chartered bank secured by a charge against the assets of Industrial Scaffold. The demand term loan facility is to be used for equipment purchases and the interest rate will be set at the time of the borrowing. As at December 31, 2014, Industrial Scaffold had drawn $476 on the demand term loan facility. The Revolving Facility is to finance day-to-day operations and can be drawn to the lesser of $4,000 or the value of eligible accounts receivable (as defined by the terms of the Revolving Facility). Interest is charged on the Revolving Facility at a rate per annum equal to the prime rate charged by the lending institution plus 1%. As at December 31, 2014, Industrial Scaffold had not drawn on the Revolving Facility. While these credit facilities are outstanding Industrial Scaffold must maintain, on a consolidated basis to be measured as at the end of each fiscal year, a ratio of total liabilities to tangible net worth of not greater than 1.50:1.

FWPLP

FWPLP has obtained two credit facilities with a Canadian chartered bank, namely (i) a non-revolving demand credit facility in the amount of $2,258 (the "**Demand Facility**") which, as at December 31, 2014 was drawn to the amount of $907 (2013 - $907), and (ii) a term loan in the amount of $535 (the "**Term Loan**") which, as at December 31, 2014 was drawn to the amount of $476. An additional advance on the Demand Facility of $1,350 occurred in January, 2015.

The Demand Facility relates to a commercial property in Saskatoon acquired by FWPLP and which is classified as income-producing as at December 31, 2014. This facility bears interest at prime plus 1.0% with interest payable monthly until January 2015 and thereafter principal and interest is payable together on a monthly basis (amortized over a 20-year period). Borrowings under the facility are secured, in part, by a general security agreement and a demand collateral mortgage both in respect to the Saskatoon property. The Term Loan is to provide term financing for a land development project based in Estevan, Saskatchewan. This loan bears interest at prime plus 1.0% with principal and interest payable monthly (amortized over a 20-year period). Borrowings under the Term Loan are secured, in part, by a general security agreement and a demand collateral mortgage both in respect to the Estevan property.

Commencing May 1, 2015 until December 1, 2015, FWPLP must maintain a debt service coverage ratio of not less than 1.30:1 (which, in general, is calculated based upon the net operating income generated by the Saskatoon property in relation to the principal and interest payments associated with the Demand Facility). After December 1, 2015, FWPLP must maintain a debt service coverage ratio of not less than 1.35:1 (which, in general, is calculated based upon the net operating income generated by both the Estevan and the Saskatoon properties in relation to the principal and interest payments associated both with the Demand Facility and the Term Loan).

Streamline

On May 28, 2014 Streamline put in place a $10,000 revolving operating loan facility and a $4,000 term line of credit facility with an Alberta-based financial institution secured by a general security agreement over all present and after acquired personal property of the assets of Streamline.

The revolving credit facility is a committed three-year term facility with the term date being June 30, 2017. Borrowings under the revolving facility must not exceed 75% of accounts receivable of Streamline, as defined by the credit facility agreement. The purpose of the revolving loan is to fund daily operations of Streamline. Borrowings under the credit facility bear interest at a rate per annum equal to prime rate of a Canadian chartered bank plus 0.75% to 1.25%. $3,350 has been drawn under this facility as of December 31, 2014.

The term line of credit facility is to help fund capital purchases of Streamline. $220 has been drawn under this facility as of December 31, 2014. Borrowings under this credit facility currently bear interest at a rate of 3.75%. Future borrowings under this credit facility will bear interest at a rate to be determined at the time of borrowing. Streamline is subject to the following financial covenants with respect to this facility: (i) maintain a current ratio of not less than 1.25:1; (ii) maintain a ratio of total debt to tangible net worth of not less than 2.50:1; and (iii) maintain a fixed charge coverage ratio of not less than 1.15:1.

Place-Crete

On November 28, 2014 Place-Crete put in place a $4,000 revolving operating loan facility and a $500 hedging facility with a Canadian chartered bank secured by a general security agreement over all present and after acquired personal property of the assets of Place-Crete. Borrowings under the revolving credit facility are due on demand and must not exceed 75% of accounts receivable, as defined by the credit facility agreement. The purpose of the revolving loan is to fund daily operations of Place-Crete. Borrowings under this credit facility bear interest at a rate per annum equal to prime rate of a Canadian chartered bank plus 0.75%. As at December 31, 2014, Place-Crete had not drawn on the facility. The purpose of the hedging facility is to mitigate business currency exchange risk. Borrowings under this credit facility are due on demand. As at December 31, 2014, Place-Crete had not drawn on the facility.

The facility requires Place-Crete to maintain a minimum effective equity, as defined in the facility agreement, of $4,000 or more.

SECON

On December 17, 2014 SECON put in place a $5,000 operating loan credit facility and a $4,000 revolving term facility with a Canadian chartered bank secured by a general security agreement and an assignment of assets in respect of the assets of SECON. The operating loan credit facility is a committed three-year term facility. Borrowings under the operating loan credit facility are due on demand and must not exceed 75% of accounts receivable, as defined by the credit facility agreement. The purpose of the operating loan is to fund daily operations of SECON. Borrowings under this credit facility bear interest at a rate per annum equal to prime rate of a Canadian chartered bank plus 0.50%. As at December 31, 2014, SECON had drawn $2,367 under this facility.

The purpose of the revolving credit facility is to fund ongoing asset acquisitions of SECON. As at December 31, 2014, SECON had not drawn on the facility. Borrowings under this credit facility will bear interest at a rate to be determined at the time of borrowing and repayment is over 60 months from the date of each drawdown.SECON is subject to the following financial covenants with respect to this facility: (i) debt to tangible net worth shall be no greater than 2.50:1; and (ii) debt service coverage of not less than 120% to be maintained on a rolling four quarter basis

Mosaic and its subsidiaries were in compliance with all applicable covenants as at December 31, 2014.

CAPITAL EXPENDITURES

	Three months ended Dec. 31						Year ended Dec. 31					
		2014		2013		Change		2014		2013		Change
Growth capital expenditures [1]												
Acquisitions	$	4,822	$	-	$	4,822	$	23,503	$	3,518		19,985
Additions		1,591		2,011	$	(420)		3,801	$	2,267		1,534
Total growth capital expenditures		6,413		2,011	$	4,402		27,304	$	5,785		21,519
Sustaining Capital Expenditures		118		193		(75)		482		999		(517)
Total capital expenditures	$	6,531	$	2,204	$	4,327	$	27,786	$	6,784	$	21,002

Note:

(1) The value of the tangible assets acquired in respect of acquisitions completed in the periods set forth in the table above are included as part of growth capital expenditures.

Management characterizes capital expenditures as either Sustaining Capital Expenditures or growth capital expenditures. Sustaining Capital Expenditures are those required to sustain the operations of Mosaic at its current level. Growth capital expenditures are made to grow the Company and are expected to generate additional Adjusted EBITDA. Growth capital expenditures are not considered by management in determining the cash flows required to sustain the current operations of the Company.

Sustaining Capital Expenditures

For the three months ended December 31, 2014 the Company spent $118 on Sustaining Capital Expenditures compared to $193 in the 2013 comparative period, a decrease of $75. Mainly, these expenditures were incurred in the Industrial segment and were primarily related to equipment and vehicles required to sustain operations. The Sustaining Capital Expenditures will vary from period to period based on the timing of events and needs of the Company's subsidiaries.

For the year ended December 31, 2014 the Company spent $482 on Sustaining Capital Expenditures compared to $999 in the comparable period, a decrease of $517. These expenditures related mostly to equipment and vehicles.

Growth Capital Expenditures

For the three months ended December 31, 2014 the Company spent $6,413 on growth capital expenditures compared to $2,011 in the comparable period, an increase of $4,402. All of the growth capital expenditures were in the Industrial segment and $4,822 were attributable to the value of tangible assets acquired as part of the SECON Acquisition.

Growth capital expenditures for the year ended December 31, 2014 totaled $27,304 compared to $5,785 in 2013, an increase of $21,519. All of the growth capital expenditures were in the Industrial segment and were largely attributable to the value of tangible assets acquired as part of the Streamline Acquisition, Place-Crete Acquisition and SECON Acquisition being $15,629, $3,052 and $4,822 respectively.

COMMITMENTS AND CONTINGENT LIABILITIES

Mosaic has commitments under operating leases for office and shop space and equipment. Amounts to be paid under these leases are approximately as follows:

Year	Amount
	$
2015	1,955
2016	1,861
2017	1,489
2018	756
2019	696
	6,757

Certain subsidiaries of Mosaic are contingently liable for contractor obligations relating to performance and completion of construction contracts. These include the subsidiaries contingent liability for the performance obligations of its subcontractors. Where possible and appropriate, the subsidiaries obtain performance bonds or alternative security from subcontractors. However, where this is not possible, the subsidiaries are exposed to the risk that subcontractors will fail to meet their performance obligations. In that eventuality, the subsidiaries would be obliged to complete the subcontractor's contract, generally by engaging another subcontractor, and the cost of completing the work could exceed the original subcontract price. Mosaic makes appropriate provisions in the financial statements for all known liabilities relating to subcontractor defaults.

Mosaic and its subsidiaries are involved in litigation and claims from time to time. Management is not presently aware of any litigation or claims where likelihood and quantum of liability can be reasonably estimated and which would materially affect the financial position or results of operations of Mosaic. In addition, Mosaic or its subsidiaries may provide indemnifications, in the normal course of business, that are often standard contractual terms to counterparties in certain transactions, such as purchase and sale agreements or service contracts. The terms of these indemnifications will vary based upon the contract, the nature of which prevents Mosaic from making a reasonable estimate of the maximum potential amounts that may likely be required to be paid.

OUTLOOK

The following is qualified in its entirety by the "Forward-Looking Information" at the end of the MD&A, and the risks and uncertainties referred to in the section titled "Risk Factors".

Acquisitions

The Company’s acquisition strategy remains founded on acquiring control positions in companies which are accretive to Mosaic, have strong management teams, have sustainable cash-flows and bring to Mosaic diversity of geographies and industrial sectors.

In 2014 Mosaic evaluated approximately 240 potential acquisitions and saw an increasing number of companies that fit its investment criteria as evidenced by the three transactions it closed during the year. The Company continues to see strong deal flow from across Canada. At any given time the Company may be party to one or more letters of intent which allow it an exclusive period for conducting due diligence on the potential acquisition targets, some of which may proceed to acquisition, however there can be no assurance the Company will consummate any transactions during 2015.

With Mosaic's strong balance sheet, access to capital markets and acquisition pipeline, management believes it will continue to grow through acquisition as it finds more businesses that meet its investment criteria. Recent acquisitions have increased the Company's diversification by industry, geography, revenue and cash-flow while potentially decreasing seasonality. Management strongly encourages investors to look at financial results annually or longer as opposed to quarterly.

Subsidiaries

Mosaic’s portfolio diversity provides a level of stability through the turbulent economic conditions now facing the Canadian energy sector. Mosaic’s strong financial position provides management with the capacity to capitalize on opportunities that arise from the market volatility.

The three acquisitions completed by Mosaic in 2014 spanned the potash (SECON), building construction (Place-Crete) and energy service (Streamline) sectors. Inclusion of their full-year results in 2015 will have a material impact on Mosaic’s operating results and overall sector diversity for the year. Current prospects are positive for the Company’s non-energy sector companies (SECON, Place-Crete, Ambassador, Industrial Scaffold and FWPLP) and we anticipate that as a group they will perform well in 2015, particularly due to continuing strong infrastructure capital spending across western Canada. Further, with respect to FWPLP, management continues to see opportunities in western Canada and is working diligently to uncover additional suitable opportunities for the development of both raw land and commercial properties.

Our companies which are exposed to the energy sector are currently experiencing a slowdown in overall activity and reduced visibility on future work volumes, particularly for the second half of 2015. Streamline is most noteworthy due to its reliance on oil sands activity levels. Although Streamline performed well in 2014, its prospects for 2015 are significantly diminished. As Mosaic acquired Streamline at a valuation approaching tangible net asset value, we believe most of our investment is backed by hard asset value. We are actively working with management to optimize its position. The remainder of our energy-related portfolio (Remote Waste, Polar, Allied Cathodic, Printing Unlimited and Kendall’s Supply) is being impacted, but we currently believe they are well positioned to weather the downturn.

We anticipate that Mosaic’s energy-related revenues will be approximately one-quarter of Mosaic’s overall consolidated revenue in 2015.

Mosaic’s recent addition of Operations Managers who have been tasked with the responsibility to work with our subsidiaries to ensure they have the support they need to execute on their business plans has begun to show positive results which we anticipate will continue. These include a focus on initiatives and opportunities to increase services and revenue through, among other things, capitalizing on geographic and product expansion opportunities as well as improved business processes and efficiencies.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity. Upon initial recognition all financial instruments, including derivatives, are recognized on the statement of financial position at fair value. Subsequent measurement is then based on the financial instruments being classified into one of four categories: held for trading, loans and receivables, available for sale, and financial liabilities. Mosaic has designated its financial instruments into the following categories applying the indicated measurement methods:

Financial Instrument	Measurement Method
Cash and cash equivalents, restricted cash	Fair value
Accounts receivable and deposits	Amortized cost
Contingent consideration	Fair value
Accounts payable and accrued liabilities, dividends payable, notes payable, income taxes payable, security deposits and operating loans	Amortized cost

Mosaic assesses at each reporting period whether there is a financial asset, other than those classified as held for trading, that is impaired. An impairment loss, other than temporary, is included in net earnings. Mosaic does not hold or use any derivative instruments.

The carrying values of the financial instruments are considered to approximate their fair values due to their short-term nature.

In addition to liquidity risk discussed above under the heading "Liquidity and Capital Resources", Mosaic has credit and interest rate risks associated with its financial instruments as follows:

Credit risk

Credit risk is the risk of financial loss to Mosaic if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Mosaic manages the credit exposure related to cash and cash equivalents by choosing to conduct business with Canadian financial institutions which have high credit ratings and by monitoring all short-term deposits to ensure an adequate rate of return. Currently management does not expect any counterparty, at the Mosaic level, to fail to meet its obligations.

Mosaic is exposed to credit risk as an owner of businesses that extend credit to customers and tenants. Mosaic's accounts receivable are due from a wide range of customers and tenants and are subject to normal credit risk. The credit quality of the trade receivables amount is considered adequate. Mosaic provides allowances for any customer accounts where collectability is doubtful. Mosaic offers a diverse variety of products and services to a wide range of customers across its subsidiaries. The majority of accounts receivable relate to trade receivables. Mosaic's management believes at this time that all receivables, net of allowances made for doubtful accounts, will be collected.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The notes payable bear a fixed interest rate, and are not exposed to interest rate risk. Mosaic is exposed to interest rate risk to the extent that some of its borrowings are at floating rates.

At December 31, 2014, the sensitivity in net income for each 1% change in interest rates would be approximately $266 and is not significant.

SECURITIES-BASED COMPENSATION PLAN

The Mosaic securities-based compensation plan is intended to afford persons who provide services to Mosaic with an opportunity to obtain a proprietary interest in Mosaic and to assist in attracting as well as retaining and encouraging the continued involvement of such persons with Mosaic. The Mosaic securities-based compensation plan permits the granting of equity incentive awards, including Mosaic options, stock appreciation rights, restricted stock, RSUs, performance awards and other securities-based awards to directors, officers, employees and consultants of Mosaic and its subsidiaries. The maximum number of common shares which may be reserved for issuance pursuant to exercise of securities issued under the securities-based compensation plan shall not exceed 10% of the then issued and outstanding common shares on a rolling basis, including common shares issuable pursuant to the outstanding Mosaic common share options (see "Stock Options", below). Subject to the rules and regulations of all applicable regulatory authorities to which Mosaic is subject, the number of preferred securities which can at any time be reserved for issuance pursuant to the exercise of securities issued under the securities-based compensation plan is unlimited. The number of series "A" shares issuable pursuant to the securities-based compensation plan is limited to the number issuable pursuant to the outstanding series "A" share options (see "Stock Options", below).

Restricted Securities Units

Mosaic from time to time issues RSUs in connection with its variable compensation program (the "**Incentive Program**") to executive officers, employees and consultants as well as to non-executive directors as part of their compensation. As part of the Incentive Program, RSUs are issued to participants based on achievement of annual corporate financial and personal objectives and are paid out as a combination of short-term and long-term incentives.

At the beginning of each calendar year, the maximum potential numbers of RSUs to which participants may become entitled are conditionally issued. The actual number of RSUs eventually allotted to participants depends on specified individual and corporate performance criteria being met, certain elections that may be made by the participant, and whether the participant remains an employee of Mosaic.

The RSUs are to be settled on a one-for-one basis for the underlying security, being common shares or preferred securities (as the case may be). The underlying securities to be delivered on settlement/exercise of the RSUs may be purchased in the market or issued from treasury as determined by the board of directors.

Market purchases of the underlying securities are conducted by a trustee who is independent of Mosaic. Mosaic provides funds to the trustee to enable such purchases. The purchased securities are then held in a pool to satisfy the obligation to deliver securities upon exercise of the RSUs issued under the Incentive Program. However, accounting treatment of the market purchases dictates that 100% of any purchased securities be removed from the reported number of Mosaic securities outstanding until the RSUs are exercised and the underlying securities are delivered to the participants.

As at April 22, 2015, (i) Mosaic has outstanding, as unconditionally issued and granted 346,481 common share RSUs (of which 303,497 are fully vested and 42,984 remain unvested) and 27,932 preferred security RSUs (of which 25,219 are fully vested and 2,713 remain unvested), and (ii) Mosaic has outstanding, as conditionally issued under the Incentive Program for the 2014 and 2015 fiscal years, the maximum potential number of RSUs to which participants in the Incentive Program may become entitled, being up to 279,930 common share RSUs or 310,197 preferred security RSUs, or a combination thereof. However, (a) in approximately the second quarter of 2015, all or a portion of the 2014 RSUs conditionally issued to any participant may be cancelled to the extent that specified individual and corporate performance criteria are not met as well as based upon certain elections that may be made by the participant, and (b) in approximately the second quarter of 2016, all or a portion of the 2015 RSUs conditionally issued to any participant may be cancelled to the extent that specified individual and corporate performance criteria are not met as well as based upon certain elections that may be made by the participant. Currently the maximum potential number of common shares and preferred securities to be delivered upon exercise of all outstanding RSUs is 626,411 common shares and 388,129 preferred securities.

During the three-month period ended December 31, 2014, $1,089 (2013 - $nil) was paid by Mosaic to the trustee under the Incentive Plan to purchase securities to fulfill the obligations to deliver securities on exercise of the RSUs and during the year ended December 31, 2014, $1,100 (2013 - $1,662) was paid by Mosaic in connection with the trustee's purchases of securities to fulfill the obligations to deliver securities on exercise of the RSUs. As at April 22, 2015, and after accounting for common shares delivered by the trustee to holders of common share RSUs upon exercise thereof, the trustee holds 261,242 common shares of Mosaic for the purpose of fulfilling obligations to deliver securities on exercise of common share RSUs. As at April 22, 2015, the trustee holds 24,123 preferred securities of Mosaic for the purpose of fulfilling obligations to deliver securities on exercise of preferred security RSUs.

Stock Options

In June 2013, 20,790 series "A" share options were exercised at an exercise price of $6.49 per share. As at April 22, 2015, there were outstanding Mosaic common share options and series "A" share options entitling the holders thereof to purchase, in aggregate, 221,760 common shares at a weighted average exercise price of $3.52 per share and 69,300 series "A" shares at a weighted average exercise price of $7.36 per share, respectively.

OFF-BALANCE SHEET ARRANGEMENTS

Mosaic has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Consulting fees of $nil for the year ended December 31, 2014 (2013 - $15) were paid to a company controlled by a former director and officer of Mosaic. These fees were incurred primarily in connection with business improvement initiatives within Mosaic's subsidiaries.

Rent of $759 for the year ended December 31, 2014 (2013 - $282) for space occupied by certain of Mosaic's subsidiaries was paid to entities being controlled by minority partners within Mosaic's subsidiaries. These leasing arrangements are ongoing.

Related party transactions are in the normal course of operations and are recorded at fair value.

There were no amounts outstanding as at December 31, 2014.

SECURITIES DATA

As at April 22, 2015, the following numbers of securities of Mosaic are issued and outstanding:

Designation of Class	Number Outstanding
Common shares	8,476,955 (1)
Preferred securities	10,531,155
Warrants	631,060
Series "A" shares	41,580 (2)
Private yield securities	26,520
Private yield securities purchase warrants	26,520

Notes:

(1) Common shares outstanding as at December 31, 2014 were also 8,476,955. The common shares outstanding as at December 31, 2014, as reported for accounting and financial statement purposes, is shown elsewhere in this MD&A as 8,200,898. This represents a reduction of 276,057 common shares and is a result of accounting treatment which arises due to the fact that, as at December 31, 2014, 276,057 common shares had been purchased and were being held by the trustee under the Mosaic securities-based compensation plan for the benefit of the plan participants. Such common shares will be delivered to such participants upon exercise of the securities issued to them

under the securities-based compensation plan. Due to exercises in early 2015, 261,242 common shares are being held by the trustee as at April 22, 2015.

(2) The series "A" shares are non-voting and each entitles the holder thereof to a dividend equal to the distribution payment made on a preferred security. Each series "A" share is exchangeable by the holder thereof for one preferred security. The maximum number of additional series "A" shares issuable by Mosaic is limited to the number issuable pursuant to the outstanding series "A" share options described under the heading "Securities-Based Compensation Plan".

As at April 22, 2015, Mosaic also has common share options, series "A" share options and RSUs which are issued and outstanding and which entitle the holders thereof to receive, on exercise, Mosaic common shares, Mosaic series "A" shares or Mosaic preferred securities, as the case be. Reference should be made to the disclosure under the heading "Securities-Based Compensation Plan" in this MD&A for particulars of these securities and numbers outstanding.

RISK FACTORS

An investment in, and the businesses and operations of, Mosaic, are subject to a number of risks and uncertainties in the normal course of business. Such risks and uncertainties could have a negative effect on the Company's financial condition or results of operations. Mosaic has identified significant risks that Mosaic is aware of in the most recent AIF under the heading "Risk Factors" therein. Mosaic's AIF is available under Mosaic's profile at www.sedar.com or under the investors section of Mosaic's website at www.mosaiccapitalcorp.com.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

This MD&A of the Company's financial condition and results of operations is based on the financial statements which are prepared in accordance with IFRS. The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgments, estimates and underlying assumptions are reviewed on a continuous basis and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although care has been taken, anticipating future events cannot be done with certainty, therefore actual results may vary from these estimates over time as more accurate information is available and as the Company's operating environment changes. The critical accounting estimates and judgments are described in detail in Note 2 of Mosaic's audited consolidated financial statements for the year ended December 31, 2014.

ACCOUNTING POLICIES

The accounting policies of Mosaic used in the determination of the results for the year ended December 31, 2014 are described in detail in Note 3 of Mosaic's audited consolidated financial statements for the year ended December 31, 2014. These policies have been applied in preparing the financial statements for the year ended December 31, 2014, and the comparative information presented in the financial statements for the year ended December 31, 2013. The adoption by the Company of certain new standards effective January 1, 2014 had no material impact on the consolidated financial statements.

On August 1, 2014, the acquisition by Harbour Equity of a 50% interest in FWDLP resulted in the Company determining that FWDLP is a joint arrangement of which two parties have joint control, all pursuant to IAS 11. It was further determined that the joint arrangement is a joint venture. IAS 11 requires a joint venture to recognize an investment and to account for that investment using the equity method in accordance with IAS 28. The disclosure requirements for parties with joint control of a joint arrangement are specified in IFRS 12.

The application of IAS 11, 12 and 28 resulted in the de-consolidation of FWDLP, a gain on the deemed disposition of part of FWDLP, equity accounting of FWDLP, an increase in the carrying value of FWDLP as a result of the deemed disposition, an increase in the carrying amount of FWDLP to reflect Mosaic’s share in FWDLP’s income after the date of acquisition, and significant disclosure requirements as evidenced in Note 8 of the Company's consolidated financial statements for the year ended December 31, 2014.

NEW ACCOUNTING PRONOUNCEMENTS

Effective January 1, 2014, the Company has adopted the following accounting standards or revisions thereto:

IFRIC 21 "Levies"

In May 2013, the International Accounting Standards Board ("**IASB**") issued IFRIC 21, "Levies" which clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation also clarifies that no liability should be recognized before the specified minimum threshold to trigger that levy is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014; accordingly, the Company has adopted this standard for the year ended December 31, 2014.

IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets" (amended)

The IASB issued Recoverable Amount Disclosures for Non-Financial Assets on May 29, 2013. The overall effect of the amendments is to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. The amendments are applicable to annual periods beginning on or after January 1, 2014; accordingly, the Company has adopted this standard for the year ended December 31, 2014.

IAS 39 "Financial Instruments: Recognition and Measurement" (amended)

On June 27, 2013 the IASB issued 'Novation of Derivatives and Continuation of Hedge Accounting' (Amendments to IAS 39 'Financial Instruments: Recognition and Measurement'). Under the amendments there would be no need to discontinue hedge accounting if a hedging derivative was noted, provided certain criteria are met. The amendments are effective for annual periods beginning on or after January 1, 2014, with earlier application being permitted. Accordingly, the Company has adopted this standard for the year ended December 31, 2014.

The adoption of these standards had no material impact on the consolidated financial statements.

On August 1, 2014, the acquisition by Harbour Equity of 50% of FWDLP resulted in the Company determining that FWDLP is a joint arrangement in which the Company and Harbour Equity have joint control pursuant to IFRS 11. It was further determined that the joint arrangement is a joint venture to be accounted by the Company using the equity method in accordance with IAS 28.

The application of IFRS 11 and 12 and IAS 28 resulted in the de-consolidation of FWDLP, a dilution gain on the deemed disposition of 50% of the Company's investment in FWDLP and the recording of the Company's equity investment in FWDLP.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2014 and have not been applied in the preparation of these consolidated financial statements. The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective, and determined that the following may have an impact on the Company:

IFRS 9, Financial Instruments – Disclosures

IFRS 9 represents the first phase of the IASB's replacement of IAS 39, Financial Instruments. IFRS 9 introduces new requirements for classifying and measuring financial assets and financial liabilities. The IASB also recently introduced amendments related to hedge accounting. The effective date for IFRS 9 for annual periods beginning on or after January 1, 2015 has been deferred.

IFRS 15, Revenue from Contracts with Customers

IFRS 15 provides guidance on revenue recognition and relevant disclosures. The standard provides a single, principle based five-step model to be applied to all contracts with customers. IFRS 15 applies to annual reporting periods beginning on or after January 1, 2017, with early adoption permitted under IFRS. The Company has not yet assessed the impact this standard will have on the financial statements.

IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associates or Joint Venture - Amended

The amendment clarifies the conflict between the requirements of IAS 28 'Investments in Associates and Joint Ventures' and IFRS 10 'Consolidated Financial Statements' and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

The Company early-adopted the amendment in determination of the treatment of its investment in Joint Venture which is discussed in Note 8.

SUBSEQUENT EVENTS

On February 20, 2015, Mosaic announced the closing of its initial private placement of units of Mosaic with each unit consisting of one private yield security and one private yield security purchase warrant. Under the offering 21,320 units have been issued for total gross proceeds of $21,320.

On February 23, 2015, Mosaic repaid in full the outstanding amount of $20,000 under the Acquisition Line with the Alberta-based financial institution.

On March 4, 2015, Mosaic announced the closing of an additional private placement of units of Mosaic with each unit consisting of one private yield security and one private yield security purchase warrant. Under the offering 5,200 units have been issued for total gross proceeds of $5,200.

Following the first anniversary of their issuance, each private yield security entitles the holder to exchange on redemption the private yield security into 92.5 Mosaic preferred securities or cash (being $1,000 together with all accrued and unpaid interest on such security), at the option of Mosaic. Each private yield security entitles the holder to receive a distribution of $7.7083 per month or $92.50 per year, representing a yield of 9.25%.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information and statements within the meaning of applicable Canadian securities laws (herein referred to as "forward-looking statements") that involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements or industry results to be materially different from any future results, performance or achievements or industry results expressed or implied by such forward-looking statements. All information and statements in this MD&A which are not statements of historical fact may be forward-looking statements. Such statements and information may be identified by looking for words such as "may", "believe", "could", "expect", "will", "intend", "should", "plan", "objective", "predict", "potential", "project", "anticipate", "estimate", "continuous" or similar words or the negative thereof or other comparable terminology, including references to assumptions. Such information may involve, but is not limited to, comments with respect to strategies, expectations, planned operations or future actions. Forward-looking statements included in this MD&A include, but are not limited to, statements with respect to: the intention and ability of Mosaic to make cash distributions on its preferred securities and pay quarterly dividends on its common shares; the outlook of Mosaic's and its subsidiaries' businesses; the competitive environment in which Mosaic and its business units operate; the business strategy and objectives of Mosaic; development plans, as well as acquisition and disposition plans, of Mosaic; the supply and demand for products and services; Mosaic's ability to fund the interest payable on its preferred securities as well as Mosaic's ability to meet its current and future obligations to lenders or otherwise; Mosaic's ability to execute its growth strategy; the impact of federal income tax changes on Mosaic and its subsidiaries; and management's assessment of future plans and operations.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, as well as known and unknown risks and uncertainties, both general and specific that contributes to the possibility that the predictions, forecasts, projections and other things contemplated by the forward-looking statements will not occur. Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect, including those assumptions listed below and those discussed elsewhere in this MD&A. Some of the assumptions made by Mosaic, upon which such forward-looking statements are based, include: the business operations of the operating businesses of Mosaic continuing on a basis consistent with prior years; the ability of Mosaic and its subsidiaries to access financing from time to time on favorable terms; the ability of Mosaic to continue to make acquisitions satisfying its criteria and to realize anticipated benefits of acquisitions; the continuation of executive and operating management or the non-disruptive replacement of them on competitive terms; the ability of Mosaic to maintain reasonably stable operating and general administrative expenses; the current economic environment in western Canada (including commodity prices, such as oil prices) stabilizing and showing signs of strengthening over the coming year; the economic condition in Canada not deteriorating due to the influence of international economic developments in the United States, Europe, Asia and elsewhere.

Forward-looking statements reflect current expectations of management regarding future events and operating performance as of the date of this MD&A. Such information: involves significant risks and uncertainties; should not be read as guarantees of future performance or results; and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the risks related to: general economic and political conditions; competition for acquisition candidates; the failure to identify, acquire and develop suitable acquisition targets; unknown liabilities within acquired businesses; insufficient cash flows from subsidiaries; the loss of key personnel; lack of diversification; changes in laws or regulations or the interpretation thereof; regulatory risk; the inability to generate sufficient cash flow from operations to meet current and future obligations; the inability to obtain required debt and/or equity capital on acceptable terms or at all; legal proceedings against Mosaic; potential conflicts of interest of directors and officers; changes in tax law or other adverse tax consequences; diversion of management to manage issues in Mosaic's operating subsidiaries; shift of management's focus to integration, administration or unforeseen business or operating issues; declining employee morale and employee retention issues; integration of subsidiary administrative systems; lack of sufficient business and financial controls or other procedures or policies within acquired entities; fluctuations in operating performance and seasonality; fluctuations in commodity prices; illiquidity of investments; the speculative nature of Mosaic's investments due to the small size of the acquired businesses; lack of diversity of customer base; adverse weather conditions; uninsured and underinsured losses; competition in industries in which Mosaic's subsidiaries operate; contractual risks, including indemnity obligations; failure to retain customers; damage to brand reputation; failure to attract qualified employees or interruption of the labour supply; competition for, among other things, capital, equipment, materials and personnel; risks inherent in Mosaic's ownership of real property; inability of tenants to fulfill lease obligations; difficulty in renewing leases as they expire and difficulty in leasing vacant space; fixed costs of ownership of real property; illiquidity of investments in real property; uncertainties relating to the ability to move development land through the development and regulatory approval process in a timely manner; weakness in the commercial property market in target markets; difficulty in enforcing rights upon default by tenants; and environmental liabilities. A description of these and other factors can be found under the heading "Risk Factors".

Although the forward-looking statements contained in this MD&A are based upon what Mosaic's management believes to be reasonable assumptions, Mosaic cannot assure investors that actual results will be consistent with such information. Forward-looking statements reflect management's current beliefs and are based on information currently available to Mosaic. Mosaic cautions readers of this MD&A not to place undue reliance on Mosaic's forward-looking statements because a number of factors, such as those referred to in the paragraph above, could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements contained in this MD&A. The forward-looking statements are made as of the date of this MD&A and Mosaic assumes no obligation to update or revise such information to reflect new events or circumstances, except as may be required by applicable law.