MOSAIC CAPITAL

Management's Discussion and Analysis

For the Nine Months Ended September 30, 2015

Dated: November 25, 2015

"Growth through sustainable cash flow"

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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, disposition 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' share of Adjusted EBITDA, (ii) Mosaic's share of current income tax expense and (iii) Mosaic's share of Sustaining Capital Expenditures. Free Cash Flow is a performance measure used by management, and which may be useful to investors, to assess the funds available for (i) the payment of distributions to holders of preferred securities and private yield securities, and dividends to holders of series "A" shares and common shares, (ii) investment in capital expenditures made to grow the enterprise and (iii) new acquisitions and working capital. This last sentence seems very repetitive.

<u>Sustaining Capital Expenditures</u>: is defined as capital expenditures required to sustain the operations of Mosaic at its current level of operations. It is calculated as total capital expenditures for the period minus growth capital expenditures (capital expenditures which are, as determined in the discretion of management, incurred to grow the enterprise and expected to generate additional Adjusted EBITDA). 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 the percentage that is obtained by dividing: (i) Free Cash Flow less distributions declared to holders of preferred securities and private yield securities, and dividends declared to holders of 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 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 period, being September 30, 2015.

<u>Preferred Distribution Payout Ratio</u>: is a measure that management believes may be useful to investors in assessing the likelihood that Mosaic will be able to continue to pay distributions on its preferred

securities and private yield securities and dividends on its series “A” shares. It is a percentage calculated as: (i) 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, private yield securities and series "A" shares during the period; divided by (ii) Free Cash Flow for the period.

Combined Payout Ratio: is a measure that management believes may be useful to investors in assessing the likelihood that Mosaic will be able to continue to pay distributions on its preferred securities and private yield securities, and pay dividends on its series "A" shares and common shares. It is a percentage calculated as: (i) total amount declared (which includes cash paid as well as preferred securities distributed pursuant to the DRIP) to holders of preferred securities, private yield securities, series "A" shares and common shares during the period; divided by (ii) Free Cash Flow for the period.

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 "Reconciliation of Non-IFRS Financial Measures".

INTRODUCTION

This MD&A has been prepared by Mosaic as at November 25, 2015 and should be read in conjunction with the unaudited condensed interim consolidated financial statements of Mosaic for the nine months ended September 30, 2015, the audited consolidated financial statements 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 security 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.

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FINANCIAL HIGHLIGHTS

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

	2015			2014		
		per common share (basic)	per common share (diluted)		per common share (basic)	per common share (diluted)
For the three months ended September 30						
Revenue	$ 55,182	6.68	5.91	$ 47,992	6.02	5.32
Adjusted EBITDA[1]	5,370	0.65	0.58	8,257	1.04	0.92
Net income and comprehensive income attributable to shareholders[2]	1,353	(0.23)	(0.23)	4,031	0.19	0.17
Net income and comprehensive income before intangibles amortization attributable to shareholders[4]	2,358	(0.11)	(0.11)	4,522	0.25	0.22
Free Cash Flow[1]	3,407	0.41	0.37	5,370	0.67	0.60
Change in Free Cash Flow per common share		-39%	-38%			
Preferred distributions declared[3]	3,260			2,499		
Common share dividends declared	858	0.10	-	671	0.08	-
Preferred Distribution Payout Ratio[1]	96%			47%		
Combined Payout Ratio[1]	121%			59%		
For the nine months ended September 30						
Revenue	$ 151,051	18.29	16.19	$ 105,851	13.28	11.73
Adjusted EBITDA[1]	15,398	1.86	1.65	17,419	2.19	1.93
Net income and comprehensive income attributable to shareholders[2]	2,031	(0.90)	(0.90)	8,633	0.27	0.24
Net income and comprehensive income before intangibles amortization attributable to shareholders[4]	5,241	(0.51)	(0.51)	10,061	0.45	0.40
Free Cash Flow[1]	10,195	1.23	1.09	11,756	1.48	1.30
Change in Free Cash Flow per common share		-17%	-16%			
Preferred distributions declared[3]	9,422			6,475		
Common share dividends declared	2,549	0.30	-	1,685	0.20	-
Preferred Distribution Payout Ratio[1]	92%			55%		
Combined Payout Ratio[1]	117%			69%		
Rolling twelve-month Adjusted Return on Common Equity[1]	31%			50%		
FINANCIAL POSITION	September 30			December 31		
Cash and cash equivalents	$ 22,375			$ 30,174		
Working capital	61,226			39,830		
Property, plant &equipment	29,220			34,520		
Total assets	221,228			243,412		
Operating loans	3,270			26,624		
Shareholders' equity	172,831			156,583		
SHARE INFORMATION	September 30			December 31		
Common shares[5]	8,256,879			8,200,898		
Preferred securities (face value per security $10)[5]	10,530,706			10,578,572		
Private yield securities (face value per security $1,000)	26,520			-		

Notes:

(1) Adjusted EBITDA, Free Cash Flow, Adjusted Return on Common Equity, Preferred Distribution 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 "Reconciliation of Non-IFRS Financial Measures".

(2) Pursuant to IFRS, earnings per share are calculated after giving effect to distributions on securities which rank in priority to common shares. Refer to Note 10 in the Q3 2015 condensed interim consolidated financial statements of Mosaic.

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

(4) Refer to the heading "Amortization" for more information.

(5) Additional information on the number of common shares and preferred securities outstanding is provided under the heading "Securities Data".

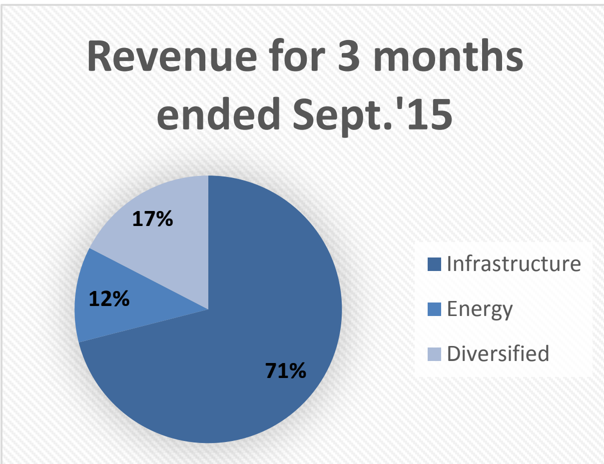
Q3 Consolidated Financial Highlights

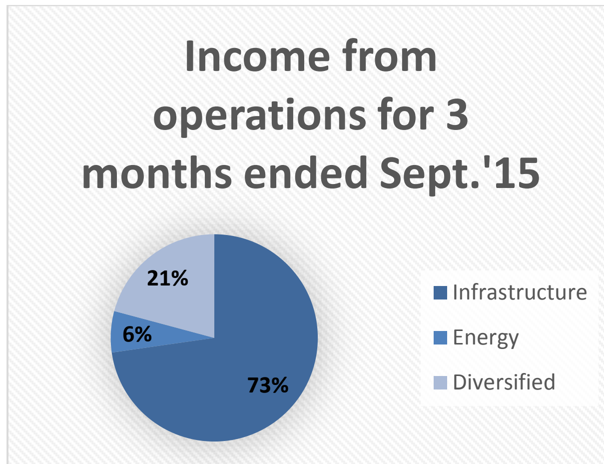
Revenue during Q3 2015 increased 15% or $7,190 to $55,182 when compared to Q3 2014, primarily due to the addition of two months of revenue from Place-Crete (purchased effective September 1, 2014) and three months of revenue from SECON (purchased effective November 1, 2014) in the Infrastructure segment, partially offset by decreased revenues from the Energy segment and the Diversified segment.

Adjusted EBITDA during Q3 2015 decreased 35% or $2,887 to $5,370 compared to Q3 2014, primarily due to declines in both revenue and operating margins in existing businesses in the Energy and Diversified segments plus provisions for bad debts of $778, partially offset by increased Adjusted EBITDA contribution of the acquisitions (noted above) in the Infrastructure segment. Operating margin declines occurred in the Infrastructure, Energy and Diversified segments due to the overall economic environment in western Canada.

Free Cash Flow during Q3 2015 decreased 37% or $1,963 to $3,407 compared to Q3 2014 due to these same factors.

The Q3 2015 revenue and income from operations breakdown by segment is as follows:





***Revenue and income from operations attributable to the Real Estate segment are immaterial.**

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Nine-Month Consolidated Financial Highlights

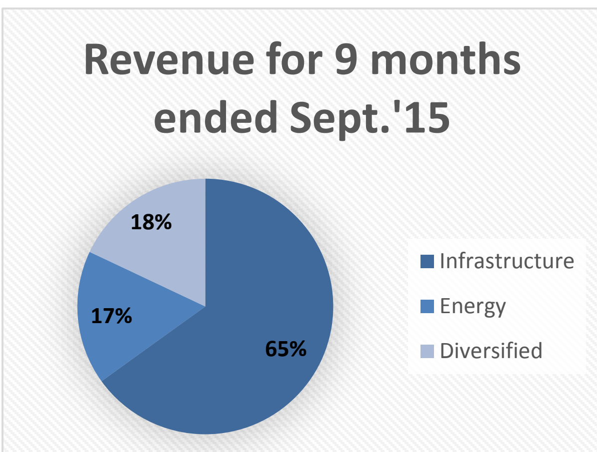
Revenue for the nine months ended September 30, 2015 increased 43% or $45,200 to $151,051 when compared to the nine months ended September 30, 2014, primarily due to the addition of eight months of revenue from Place-Crete and nine months of revenue from SECON in the Infrastructure segment, and the addition of five months of revenue from Streamline in the Energy segment, partially offset by decreased revenue from the Energy and Diversified segment.

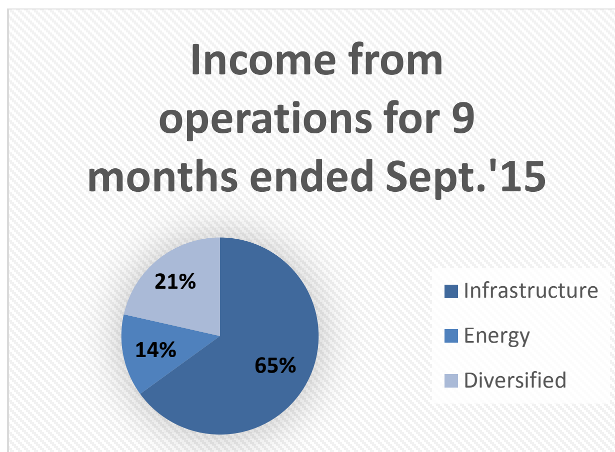
Adjusted EBITDA for the nine months ended September 30, 2015 decreased 12% or $2,021 to $15,398 compared to the nine months ended September 30, 2014. This is primarily attributed to the decline in Adjusted EBITDA within the Energy and Diversified segments due to declines in both revenues and operating margins plus provisions for bad debts of $1,176, partially offset by increased Adjusted EBITDA contribution from the acquisitions of Place-Crete and SECON (noted above). Operating margin declines occurred in the Infrastructure, Energy and Diversified segments due to the overall economic environment in western Canada.

Free Cash Flow for the nine months ended September 30, 2015 decreased 13% or $1,561 to $10,195 compared to the nine months ended September 30, 2014 due to these same factors.

All but two of Mosaic's eleven subsidiaries reported positive income from operations for the first nine months of 2015. The two exceptions, Polar and Streamline, reported negligible losses from operations.

The nine months ended September 30, 2015 revenue and income from operations breakdown by segment is as follows:





*Revenue and income from operations attributable to the Real Estate segment are immaterial.

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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 Sept. 30,		Nine months ended Sept. 30,	
	2015	2014	2015	2014
Income from continuing operations before income taxes	$ 1,369	$ 6,893	$ 3,121	$ 12,656
Amortization	3,195	2,115	9,862	4,545
Accretion	-	12	4	49
Securities-based compensation	176	182	870	694
Acquisition and financing costs	-	276	60	502
Share of joint venture loss (income)	(50)	86	100	86
Other (income) (1)	-	-	(1,167)	-
Impairment loss (2)	-	-	1,346	-
Non-operating items				
Loss (gain) on sale of equipment	500	15	620	9
(Gain) on partial disposition of interest in subsidiary	-	(1,414)	-	(1,414)
Finance income	(21)	(64)	(113)	(128)
Finance expense	201	156	695	420
Adjusted EBITDA	$ 5,370	$ 8,257	$ 15,398	$ 17,419

	Three months ended Sept. 30,		Nine months ended Sept. 30,	
	2015	2014	2015	2014
Adjusted EBITDA	$ 5,370	$ 8,257	$ 15,398	$ 17,419
Non-controlling interests' share of Adjusted EBITDA	(1,566)	(2,441)	(4,144)	(4,211)
Mosaic's share of current income tax expense	80	(359)	(326)	(1,154)
Mosaic's share of Sustaining Capital Expenditures	(477)	(87)	(733)	(298)
Free Cash Flow	$ 3,407	$ 5,370	$ 10,195	$ 11,756

Notes:

(1) Contingent consideration of $3,500 related to the Streamline acquisition was recognized at fair value as of the date of acquisition (June 1, 2014) and is associated with certain future results being attained by Streamline for each of three consecutive 12-month periods after the date of acquisition. Contingent consideration is classified as a liability and is re-measured to fair value at each reporting date until the contingency is resolved. Changes in fair value are recognized in income. The fair value of the contingent consideration was determined by using the targets from the purchase agreement and applying probability adjusted key scenarios. As of September 30, 2015, the Company re-measured the fair value of the contingent consideration based on actual results to date and as a result, $1,167 was recognized in income for the reduction of the liability as no amounts were payable for year one of the three consecutive 12-month periods after the date of acquisition.

(2) The Company recorded an impairment loss of $1,346 on Polar's intangible assets, an entity within the Energy Segment. The majority of the impairment loss relates to Polar's intellectual property and customer relationships. Management has concluded that the value of such intangible assets is $nil as of September 30, 2015 based on the long-term prospects for Polar and the fact that it is not currently profitable. Refer to Note 7 in the Q3 2015 condensed interim consolidated financial statements of Mosaic.

(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, private yield securities and series "A" shares, in each case during the twelve-month rolling period ending September 30, 2015, by (ii) weighted average common shareholders' equity for the same period, yields a ratio of (36%) (2014 - 44%).

Preferred Distribution Payout Ratio compared to IFRS measure:

There is no IFRS measure comparable to Preferred Distribution 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, private yield securities and series "A" shares during the period by (ii) income from continuing operations before income taxes for the period, for each of the three-months and nine-months periods ended September 30, 2015, yields payout ratios of 238% (2014 - 36%) and 302% (2014 - 51%) 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, private yield securities, series "A" shares and common shares by (ii) income from continuing operations before income taxes for the period, for each of the three-months and nine-months periods ended September 30, 2015, yields payout ratios of 301% (2014 - 46%) and 384% (2014 - 64%) 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 at attractive prices businesses that management understands. Risk is managed through extensive due diligence, creative transaction structuring, diversification, and working closely with the operating subsidiaries after acquisition to improve business operations and implement growth opportunities.

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 operates in four reportable business segments: Infrastructure, Energy, Diversified and Real Estate. Within the Infrastructure, Energy and Diversified segments the current portfolio of businesses operate in printing, oil and gas services, potash, 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. The Company's private yield securities and series "A" shares are not listed on a public exchange.

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 operations, 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 with whom Mosaic works 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 typically does not get involved in the daily operating decisions of the businesses.

Mosaic works with the management teams of its operating subsidiary companies to identify 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 its investment criteria.

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 2.9% of the outstanding common shares and preferred securities of Mosaic, respectively, as at September 30, 2015.

FINANCIAL RESOURCES FOR FUTURE GROWTH

At September 30, 2015, Mosaic has a strong financial position with cash and cash equivalents of $22,375, net working capital of $61,226 and an undrawn $25,000 acquisition facility. Further, Mosaic's management believes it has the ability to access the capital markets for funding acquisitions as and when required. Although a portion of Mosaic's cash balances will be designated for funding ongoing operations, its capital resources position Mosaic to be able to capitalize on future opportunities as they arise.

PORTFOLIO OF BUSINESSES

As a result of its ongoing acquisition activities, Mosaic reassessed its business segmentation in Q1 2015 and modified its reporting to the chief operating decision maker to recognize that there are now more operating entities which share common characteristics. Business units previously reported under the industrial segment are now reported under three new segments, namely Infrastructure, Energy and Diversified. As a result, Mosaic now has four reportable business segments:

Infrastructure

- **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 southwestern Ontario markets.

- **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.

Energy

- **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. See "Developments" on page 11.

- **Remote Waste L.P.** ("**Remote Waste**") (96% ownership) is based in Sexsmith, Alberta and manufactures and rents wastewater treatment systems and ancillary equipment ("**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.

- **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. See "Developments" on page 11.

Diversified

This segment is comprised of businesses which have a client base that participates in a diverse range of industries.

- **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.

- **Kendall's Supply Ltd.** ("**Kendall's Supply**") (89% 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 southeastern Saskatchewan.

- **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.

Real Estate

- **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. Refer to "Risk Factors" on page 24.

DEVELOPMENTS

The following sets forth certain developments in the year up to November 25, 2015:

Issue of Private Yield Security Units ("PYS Units") – In February and March, Mosaic announced the closing of private placements of PYS Units of Mosaic with each PYS Unit consisting of one private yield security and one private yield security purchase warrant. Under the offerings an aggregate of 26,520 PYS Units were issued for total gross proceeds of $26,520.

Repayment of credit facilities – On February 23, 2015, Mosaic repaid in full the outstanding amount of $20,000 under its acquisition credit facility.

Normal Course Issuer Bid – On September 4, 2015 Mosaic announced that it obtained the approval of the TSX Venture Exchange (the "TSXV") to initiate a normal course issuer bid (the "Bid") for its common shares. Mosaic received approval to acquire up to 423,847 common shares under the Bid, representing approximately 5% of the then issued and outstanding common shares. Subject to renewal of the Bid, the Bid for the common shares of Mosaic will terminate on the earlier of September 1, 2016 and the date on which Mosaic has acquired the maximum number of common shares permitted under the Bid. All common shares acquired under the Bid will be acquired at the market price of the securities at the time of acquisition. The common shares so acquired will be cancelled. Purchases pursuant to the Bid will be made by Mackie Research Capital Corporation ("Mackie"). Mosaic has entered into an automatic share purchase plan with Mackie to allow, within defined parameters, for the purchase by Mackie of common shares pursuant to the Bid at times when Mosaic ordinarily would not be active in the market due to its own internal trading blackout periods, insider trading rules or otherwise. By contacting Mosaic, a Mosaic shareholder may, without charge, obtain a copy of the notice filed by Mosaic with the TSXV in respect of Mosaic's intention to initiate the Bid.

Divestitures

Streamline

During the energy industry downturn, Streamline suffered significantly reduced business prospects and profitability from its oil sands-related client base. Effective November 1, 2015, Mosaic closed the sale of its 70% interest in Streamline for total consideration of $13,700, comprised of $10,000 in cash on closing and the balance to be paid December 1, 2015. Mosaic originally purchased its 70% interest in Streamline in June 2014 for cash of $13,240 and contingent consideration of $3,500. Prior to its sale, Streamline did not achieve the performance criteria required for any contingent consideration to be payable.

This divestiture reduces Mosaic's energy exposure. Mosaic acquired Streamline at a price Mosaic believed provided a margin of safety and this sale is evidence that this strategy helped preserve Mosaic's capital during a severe industry downturn.

Polar

On November 23, 2015, Mosaic closed the sale of substantially all of the assets of Polar for total consideration of $75. Mosaic originally purchased its 90% interest in Polar in May 2008 for $3,150. During Mosaic's ownership, Polar contributed $2,518 of income from operations to Mosaic. Mosaic's decision to exit its investment in Polar was based on its history of non-profitability and further reduced prospects in the current energy industry downturn.

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".

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

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.

The Company continues to see strong deal flow from across Canada spanning a wide range of industrial sectors. This diversity provides the Company an exceptional vantage point to assess which sectors it views as most attractive for investment. During the remainder of 2015, the majority of the company's focus will continue to be on the diversity of opportunities to invest in successful growing private enterprises not involved in the western Canadian energy sector. Mosaic is cautious regarding increased participation in the energy sector; however, the energy downturn may bring compelling opportunities to pursue deals that have attractive return potential with acceptable risk profiles.

With Mosaic's strong balance sheet, acquisition pipeline and access to capital markets and credit facilities, management believes it will continue to grow through acquisitions 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.

Subsidiaries

Infrastructure Segment

This segment includes Ambassador plus two of our latest acquisitions, Place-Crete and SECON. These companies are involved in the potash and construction industries throughout western Canada. Management anticipates that while the current energy industry volatility will not directly impact these companies in 2015, overcapacity in certain western Canada construction sectors is leading to increasing competition and some decline in margins. As at September 30, 2015, the Infrastructure Segment's backlog was approximately $93 million.

Energy Segment

This segment is being directly impacted by ongoing low oil and gas prices. Mosaic has responded by divesting Streamline and Polar. Remote Waste is acting aggressively in the downturn to gain market share and is targeting reasonable profitability. Allied Cathodic continues to represent a minor portion of the Company's portfolio. As a result of the industry downturn, the Energy segment's revenues and income from operations during Q3 2015 have declined as a percent of Mosaic's total portfolio to 12% and 6% respectively. With the divestitures (and absent further acquisitions into the Energy segment), the share of Mosaic's total portfolio represented by this segment will continue to decline.

Diversified Segment

This segment consists of Printing Unlimited, Kendall's Supply and Industrial Scaffold, all of which operate in western Canada. Printing Unlimited and Kendall's Supply are both situated in communities directly impacted by the energy industry downturn, causing their activity levels and profitability to be reduced.

Real Estate

FWPLP's portfolio of commercial real estate properties is situated in smaller urban markets in Alberta and Saskatchewan. These markets are being directly impacted by the energy industry downturn, however, the segment continues to produce positive operating cash flow from property rentals and development lot sales.

DISTRIBUTIONS, DIVIDENDS AND PAYOUT RATIOS

Preferred Security Distributions

Information regarding the distributions declared and paid to holders of preferred securities during the nine months ended September 30, 2015 and the 2014 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 in 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.

Record Date	2015 Distributions Declared	2015 Distributions net of DRIP	2015 DRIP Participation[2]	2014 Distributions Declared	2014 Distributions net of DRIP	2014 DRIP Participation[2]
January[1]	$ 883	$ 689	22%	$ 620	$ 460	26%
February[1]	879	695	21%	620	457	26%
March[1]	877	699	20%	637	477	25%
April[1]	880	702	20%	620	454	27%
May[1]	880	694	21%	620	451	27%
June[1]	879	680	23%	838	662	21%
July[1]	879	712	19%	833	654	21%
August[1]	879	711	19%	832	648	22%
September [1]	879	719	18%	824	649	21%
	$ 7,915	$ 6,301	20%	$ 6,444	$ 4,912	24%

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.

The increase in distributions over the nine-month period ended September 30, 2014 related to the preferred securities issued in June 2014 and December 2014.

Private Yield Security Distributions

The private yield securities issued in Q1 2015 are described in Note 9 of the Q3 2015 condensed interim consolidated financial statements and in the AIF.

Distributions are payable monthly on the private yield securities issued and outstanding. 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%.

For the three months and nine months ended September 30, 2015, Mosaic declared distributions on private yield securities of $613 and $1,476 respectively (2014 - $Nil).

Common Share Dividends

The amounts and record dates of the dividends declared during the nine months ended September 30, 2015 and the 2014 comparative period are as follows:

Record date	2015 Dividends Per Share	2015 Dividends Amount	Record date	2014 Dividends Per Share	2014 Dividends Amount
February 27, 2015	$ 0.10	$ 833	February 28, 2014	$ 0.06	$ 513
June 15, 2015	$ 0.10	$ 858	May 30, 2014	$ 0.06	$ 501
September 15, 2015	0.10	858	August 29, 2014	$ 0.08	$ 671
Total	$ 0.30	$ 2,549	Total	$ 0.20	$ 1,685

The increase in dividends paid was primarily due to 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 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 September 30, 2015, Mosaic declared dividends on series "A" shares of $10 (2014 - $10) and paid dividends on series "A" shares of $10 (2014 - $10).

For the nine months ended September 30, 2015, Mosaic declared dividends on series "A" shares of $31 (2014 - $31) and paid dividends on series "A" shares of $31 (2014 - $31).

Payout Ratios

Mosaic's payout ratios have historically fluctuated significantly quarter to quarter due to the seasonality of some of its businesses and the timing of raising and subsequently deploying capital. In 2014, Mosaic generated approximately 35% of revenue and Adjusted EBITDA in the first half of the year and approximately 65% in the second half of the year. Due to the current energy sector weakness, the second half of 2015 will likely not follow this trend. Consequently, management anticipates elevated payout ratios for 2015.

Management anticipates that as funds are deployed into accretive acquisitions and organic growth opportunities within Mosaic's existing businesses, the payout ratios should decline over time.

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

	Three months ended Sept. 30,				Nine months ended Sept. 30,			
	2015	2015	2014	2014	2015	2015	2014	2014
Payout Ratios:								
Preferred Distribution Payout Ratio/distributions	96%	$ 3,260	47%	$ 2,499	92%	$ 9,422	55%	$ 6,475
Combined Payout Ratio/distributions / dividends	121%	$ 4,118	59%	$ 3,170	117%	$ 11,971	69%	$ 8,160
Share Information:	Sept. 30, 2015				Sept. 30, 2014			
Preferred Securities (face value per security $10)	10,530,706				9,965,812			
Private Yield Securities (face value per security $1,000)	26,520				-			
Common Shares	8,256,879				7,969,601			

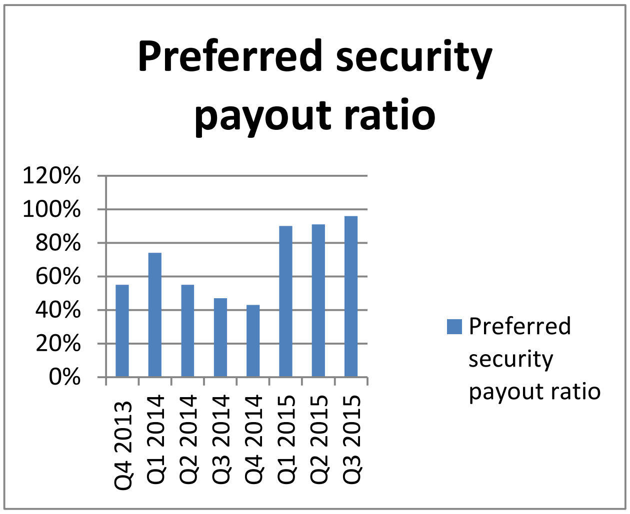
The Preferred Distribution Payout Ratio increased during the three and nine months ended September 30, 2015 as compared to 2014 comparative periods primarily as a result of significantly reduced operating performance in the Energy and Diversified segments combined with increased distributions related to the additional number of securities outstanding as a result of the following issuances:

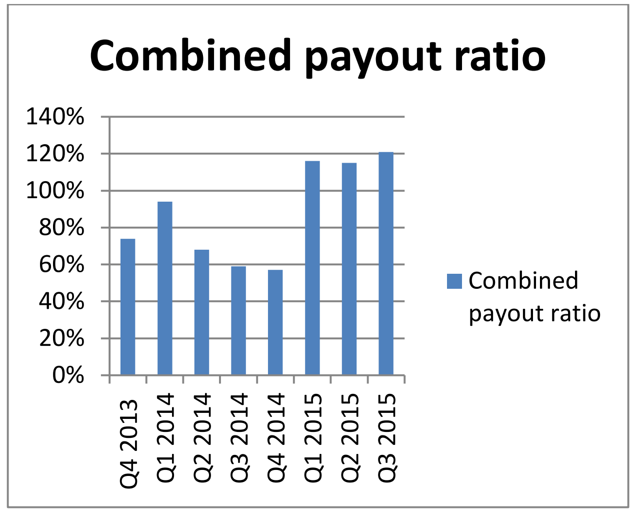
Preferred Securities issued in Q2 2014	2,524,240
Preferred Securities issued in Q4 2014	612,760
Private yield securities issued in Q1 2015	26,520

The Combined Payout Ratio increased during the three and nine months ended September 30, 2015 as compared to 2014 comparative periods due to the above noted unit issuances as well as 306,380 common shares issued in Q4 2014 and increases in quarterly common share dividends from $0.06 per share to $0.08 per share in Q3 2014 and to $0.10 per share in Q4 2014.

As Mosaic deploys its available capital into accretive acquisitions, this should have a positive effect on decreasing the payout ratios.

The following charts provide selected payout ratio information for the last eight quarters:





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FINANCIAL REVIEW AND DISCUSSION OF OPERATIONS

Mosaic – Consolidated

Selected statement of financial position information	Sept. 30, 2015	Dec. 31, 2014
Cash and cash equivalents	$ 22,375	$ 30,174
Accounts receivable	70,913	75,573
Total current assets	102,337	113,755
Income-producing properties	11,927	11,782
Property held for development	985	985
Total non-current assets	118,891	129,657
Total assets	$ 221,228	$ 243,412
Operating loans	$ 3,270	$ 26,624
Current portion of notes payable	5,894	6,731
Current portion of mortgage payable	-	1,350
Total current liabilities	41,111	73,925
Notes payable	5,065	8,749
Total non-current liabilities	7,286	12,904
Total equity attributable to equity holders	172,831	156,583
Total liabilities and equity	221,228	243,412
Working capital	$ 61,226	$ 39,830
Current ratio	2.5	1.5

Selected income and expense information	Three months ended Sept. 30,		Nine months ended Sept. 30,	
	2015	2014	2015	2014
Revenue	$ 55,182	$ 47,992	$ 151,051	$ 105,851
Operating expenses	49,812	40,011	135,713	88,934
Income from operations	5,370	7,981	15,338	16,917
Income from continuing operations before income taxes	1,369	6,893	3,121	12,656
Net income from continuing operations	1,968	5,400	3,210	11,077
Net income and comprehensive income	1,968	5,400	3,210	11,077
Net income from continuing operations attributable to:				
Shareholders	$ 1,353	$ 4,031	$ 2,031	$ 8,633
Non-controlling interests	615	1,369	1,179	2,444
	$ 1,968	$ 5,400	$ 3,210	$ 11,077
Per share:				
Basic	($0.23)	$0.19	($0.90)	$0.27
Diluted	($0.23)	$0.17	($0.90)	$0.24
Net income and comprehensive income attributable to:				
Shareholders	$ 1,353	$ 4,031	$ 2,031	$ 8,633
Non-controlling interests	615	1,369	1,179	2,444
	$ 1,968	$ 5,400	$ 3,210	$ 11,077
Per share:				
Basic	($0.23)	$0.19	($0.90)	$0.27
Diluted	($0.23)	$0.17	($0.90)	$0.24
Distributions and cash dividends declared:				
Common share dividends per share	$0.10	$0.08	$0.30	$0.20
Series "A" share dividends per share	$0.25	$0.25	$0.75	$0.75

INFRASTRUCTURE SEGMENT (Ambassador, Place-Crete and SECON)

Three and Nine-Month Financial Highlights

	Three months ended Sept. 30,				Nine months ended Sept. 30,			
	2015	**2014**	**Change**		**2015**	**2014**	**Change**	
Revenue	$ 39,012	$ 14,658	$ 24,354	+166%	$ 97,611	$ 38,434	$ 59,177	+154%
Operating expenses	34,381	12,737	21,644	+170%	85,743	33,034	52,709	+160%
Income from operations	4,631	1,921	2,710	+141%	11,868	5,400	6,468	+120%

The three and nine-month periods include Ambassador for both years, Place-Crete for 2015 and one month in 2014, and SECON only for 2015. The growth in income from operations for the three and nine months ended September 30, 2015 over 2014 comparative periods was primarily attributed to the addition of revenue from Place-Crete and SECON.

ENERGY SEGMENT (Allied Cathodic, Polar, Remote Waste and Streamline)

Three and Nine-Month Financial Highlights

	Three months ended Sept. 30,				Nine months ended Sept. 30,			
	2015	**2014**	**Change**		**2015**	**2014**	**Change**	
Revenue	$ 6,350	$ 21,771	$ (15,421)	-71%	$ 25,446	$ 37,426	$ (11,980)	-32%
Operating expenses	5,940	16,960	(11,020)	-65%	22,977	28,112	(5,135)	-18%
Income from operations	410	4,811	(4,401)	-91%	2,469	9,314	(6,845)	-73%

The three and nine-month periods include Allied Cathodic, Polar and Remote Waste for both years, and Streamline complete three month in the three-month period and only four months in the nine-month period for 2014 and complete three-month and nine-month periods for 2015.

The decrease in revenue, operating margins and income from operations in Q3 2015 and the nine months ended September 30, 2015 was as a result of the significant reduction in overall energy industry activity levels plus provisions for bad debts.

DIVERSIFIED SEGMENT (Kendall's Supply, Printing Unlimited and Industrial Scaffold)

Three and Nine-Month Financial Highlights

	Three months ended Sept. 30,				Nine months ended Sept. 30,			
	2015	**2014**	**Change**		**2015**	**2014**	**Change**	
Revenue	$ 9,564	$ 11,159	$ (1,595)	-14%	$ 26,969	$ 28,878	$ (1,909)	-7%
Operating expenses	8,238	8,982	(744)	-8%	23,051	23,688	(637)	-3%
Income from operations	1,326	2,177	(851)	-39%	3,918	5,190	(1,272)	-25%

The decrease in income from operations during the three and nine months ended September 30, 2015 over 2014 comparative periods was as a result of the negative effect on Kendall's Supply and Printing Unlimited of the overall reduction in energy industry activity, partially offset by 27% nine-month organic growth in income from operations by Industrial Scaffold.

REAL ESTATE SEGMENT (FWPLP and 50% of FWDLP)

The Real Estate segment contains property held for development, income-producing properties with aggregate net book values of $985 and $11,927 respectively and an investment in a joint venture with a carrying value of $4,973 as at September 30, 2015. 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**"). This joint venture is between FWPLP and Harbour Equity and is developing the Parker Industrial Park near Regina, Saskatchewan.

Three and Nine-Month Financial Highlights

	Three months ended Sept. 30,				Nine months ended Sept. 30,			
	2015	2014	Change		2015	2014	Change	
Revenue	$ 256	$ 404	$ (148)	-37%	$ 1,025	$1,113	$ (88)	-8%
Operating expenses	185	46	139	+302%	847	463	384	+83%
Income from operations	71	358	(287)	-80%	178	650	(472)	-73%

The decrease in revenue and income from operations during the three months ended September 30, 2015 over 2014 comparative period was a result of Hanselman being vacant as of November 30, 2014. Currently Hanselman is still vacant.

The decrease in income from operations during the nine months ended September 30, 2015 over 2014 comparative periods was as a result of out-of-period expenses in connection with the joint venture with Harbour Equity.

CORPORATE

Certain corporate expenses relate to Mosaic's involvement in the operational matters of its subsidiaries and are attributed to the Infrastructure, Energy, Diversified and Real Estate segments.

	Three months ended Sept. 30,				Nine months ended Sept. 30,			
	2015	2014	Change		2015	2014	Change	
Revenue	$ -	$ -	$ -	0%	$ -	$ -	$ -	0%
Operating expenses	$ 1,068	$ 1,286	$ (218)	-17%	$ 3,095	$ 3,637	$ (542)	-15%
Income from operations	$ (1,068)	$ (1,286)	$ 218	+17%	$ (3,095)	$ (3,637)	$ 542	+15%

The "Corporate" information used in the table above is not a separate segment and is only presented to reconcile to the consolidated results. The decrease in corporate expenses for the three and nine months ended September 30, 2015 was primarily related to a decrease in one-time acquisition and financing costs over the 2014 comparative periods.

Securities-based Compensation

Securities-based compensation was included in corporate expenses as reported in the Q3 2015 condensed interim financial statements.

	Three months ended Sept. 30,				Nine months ended Sept. 30,			
	2015	2014	Change		2015	2014	Change	
Securities-based compensation	$ 176	$ 182	$ (6)	-3%	$ 870	$ 694	$ 176	+25%
Total	$ 176	$ 182	$ (6)	-3%	$ 870	$ 694	$ 176	+25%

The increase in securities-based compensation during nine months ended September 30, 2015 was related to an increase in senior personnel participation in executive bonuses as compared to 2014 comparative periods. For the three months ended September 30, 2015, securities-based compensation had an impact on net income per common share of $0.02 (2014 - $0.02) per common share. For the nine months ended September 30, 2015, securities-based compensation had an impact on net income per common share of $0.11 (2014 - $0.09) per common share.

AMORTIZATION

Amortization is recorded within all the segments as well as in corporate expenses and is shown below income from operations.

	Three months ended Sept. 30,				Nine months ended Sept. 30,			
	2015	2014	Change		2015	2014	Change	
Amortization - income producing properties	$ 48	$ 15	$ 33	+220%	$ 146	$ 43	$ 103	+240%
Amortization - property plant and equipment	1,842	1,493	349	+23%	5,562	2,742	2,820	+103%
Amortization - intangibles	1,305	607	698	+115%	4,154	1,760	2,394	+136%
Total	$ 3,195	$2,115	$ 1,080	+51%	$9,862	$4,545	$ 5,317	+117%

The increase in amortization during the three and nine months ended September 30, 2015 was primarily due to amortization associated with Mosaic's three 2014 acquisitions. For the three months ended September 30, 2015, total amortization had an impact on net income per common share of $0.39 (2014 - $0.26) per common share. For the nine months ended September 30, 2015, total amortization had an impact on net income per common share of $1.19 (2014 - $0.57) per common share.

Intangible assets (which include trade names, customer relationships, backlog, intellectual property, employment agreements, non-compete agreements and computer software) are recorded in connection with Mosaic's acquisitions. Amortization of intangibles is a non-cash charge against earnings which has no effect on the Company's Free Cash Flow and Adjusted EBITDA. As previously noted, the Company recorded an impairment loss of $1,346 on Polar's intangible assets.

For the three months ended September 30, 2015, Mosaic's share of intangibles amortization was $0.12 per common share (2014 - $0.06). For the nine months ended September 30, 2015, Mosaic's share of intangibles amortization was $0.39 per common share (2014 - $0.18).

	Three months ended Sep. 30,				Nine months ended Sep. 30,			
	2015	2014	Change		2015	2014	Change	
Net income and comprehensive income attributable to shareholders	$ 1,353	$ 4,031	$(2,678)	-66%	$2,031	$ 8,633	$(6,602)	-76%
Mosaic's share of intangibles amortization	1,005	491	514	+105%	3,210	1,428	1,782	+125%
Net income and comprehensive income before intangibles amortization attributable to shareholders	$ 2,358	$ 4,522	$(2,164)	-48%	$5,241	$ 10,061	$(4,820)	-48%

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	1,537
2016	5,687
2017	2,919
2018	256
2019	560
	10,959

NON-CONTROLLING INTERESTS

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

During the three months ended September 30, 2015, $615 (2014 - $1,369) of Mosaic's net income was allocated to non-controlling interests and distributions of $767 (2014 - $nil) were paid to holders of the non-controlling interests.

During the nine months ended September 30, 2015, $1,179 (2014 - $2,444) of Mosaic's net income was allocated to non-controlling interests and distributions of $1,247 (2014 - $1,420) were paid to holders of the non-controlling interests.

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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".

	Sept. 30 2015	June 30, 2015	Mar 31, 2015	Dec 31, 2014	Sept 30, 2014	June 30, 2014	Mar 31, 2014	Dec 31, 2013
Revenue	$ 55,182	$ 50,065	$ 45,804	$ 55,969	$ 47,992	$ 35,246	$ 22,613	$23,758
Operating expenses	49,812	44,594	41,307	48,645	40,011	29,492	19,431	20,519
Income from operations	5,370	5,471	4,497	7,324	7,981	5,754	3,182	3,239
Net income from continuing operations	1,968	1,182	60	4,625	5,400	4,441	1,236	1,705
Net income attributable to shareholders	$ 1,353	$ 656	$ 22	$ 3,945	$ 4,031	$ 3,383	$ 1,219	$ 2,386
Net income (loss) per common share from continuing operations[1]								
Basic	$ (0.23)	$ (0.32)	$ (0.35)	$ 0.18	$ 0.19	$ 0.16	$ (0.08)	$ 0.06
Diluted	$ (0.23)	$ (0.32)	$ (0.35)	$ 0.18	$ 0.17	$ 0.14	$ (0.08)	$ 0.06
Net income (loss) per common share[1]								
Basic	$ (0.23)	$ (0.32)	$ (0.35)	$ 0.18	$ 0.19	$ 0.16	$ (0.08)	$ 0.06
Diluted	$ (0.23)	$ (0.32)	$ (0.35)	$ 0.18	$ 0.17	$ 0.14	$ (0.08)	$ 0.06

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, series "A" shares and private yield securities.

Certain of the Company's subsidiaries experience seasonal fluctuations in activity. For several of the subsidiaries, Q1 and Q2 of each calendar year tend to have lower activity than the other quarters. However, acquisitions may be completed in any quarter which may materially impact consolidated quarterly results following their acquisition.

Net income during Q2 was increased by a revaluation adjustment of $1,167 as the Company re-measured the fair value of the contingent consideration related to the Streamline acquisition. However, this increase to net income was offset by an impairment charge of $1,346 charged against Polar's intangible assets.

CAPITAL RESOURCES AND LIQUIDITY

Mosaic's primary capital resources available for financing its acquisitions and day-to-day operations are existing working capital, funds generated from the operations of its subsidiaries, and draws on its credit facilities.

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 risk is to prudently manage its financial position, cash generated from operations and credit facilities in such a manner so as to ensure it will have sufficient liquidity to pay its obligations when due. Mosaic's ongoing liquidity is impacted by various external events and conditions, including commodity price fluctuations and general economic conditions.

Management believes that Mosaic is presently able to meet its working capital requirements, including obligations as they become due, and currently knows of no reason why this should not continue to be the case.

Working Capital

As at September 30, 2015, Mosaic had net working capital of $61,226 (December 31, 2014 - $39,830) and a current ratio of 2.5:1 (December 31, 2014 – 1.5:1). This increase in net working capital and current ratio was primarily due to proceeds of $26,520 received from the PYS Units financing completed in Q1 2015. Included in the net working capital as of September 30, 2015 was cash of $22,375 (December 31, 2014 - $30,174).

Credit Facilities

Mosaic's available credit facilities are comprised of a committed revolving acquisition and operating facility as well as operating credit facilities within Mosaic's subsidiaries. These facilities are described in further detail in note 27 to the audited consolidated financial statements of Mosaic for the year ended December 31, 2014.

The purpose of Mosaic's $25,000 acquisition and operating facility (the "Acquisition Line") is primarily to provide funding of acquisitions, however Mosaic can draw up to $5,000 to fund ongoing working capital requirements. The Acquisition Line is a committed facility with a term to May 30, 2017, subject to renewal, and bears interest at rates ranging from prime plus 0.50% to 1.25%. It is secured by, among other things, a general security agreement and assignment of securities that Mosaic holds in certain of its subsidiaries. As at November 25, 2015 the Acquisition Line was undrawn.

As at September 30, 2015 Mosaic's subsidiaries had approximately $35,000 of aggregate credit facilities in place, subject to satisfying terms and conditions of the facilities at time of draw. The facilities were drawn $3,270 at September 30, 2015. The facilities are to finance normal course operations and capital expenditures of the subsidiaries. Management views the credit facilities as adequate for managing the current operating needs of its subsidiaries.

Mosaic and its subsidiaries were in compliance with all applicable loan covenants as at September 30, 2015.

Capital Requirements

Management continually evaluates potential acquisitions. Such acquisitions will be completed utilizing uncommitted internal capital resources and debt or equity financing as is available. Such funding will be structured with the intent of not impairing Mosaic's ability to fund ongoing operations.

Management anticipates that, based upon current operations, Sustaining Capital Expenditures for the remaining of 2015 will be approximately $0.5 million and are expected to be funded by working capital. Management may decide to incur additional discretionary capital expenditures in order to continue to grow Mosaic's businesses.

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 incurred to grow the Company and are expected to generate additional Adjusted EBITDA.

Sustaining Capital Expenditures

Sustaining Capital Expenditures for the period ended September 30, 2015 have been incurred primarily in the Infrastructure, Energy, and Diversified segments and consisted primarily of equipment and vehicle purchased for ongoing operations. The Sustaining Capital Expenditures will vary from period to period based on the timing of events and needs of the Company's subsidiaries.

Growth Capital Expenditures

All of the growth capital expenditures for the period ended September 30, 2015 have been incurred in the Infrastructure, Energy, and Diversified segments.

	Three months ended Sept. 30			Nine months ended Sept. 30		
	2015	2014	Change	2015	2014	Change
Growth capital expenditures						
Acquisitions	$ -	$ 3,052	$ (3,052)	$ -	$ 18,681	(18,681)
Additions	1,671	584	$ 1,087	3,699	2,210	1,489
	1,671	3,636	(1,965)	3,699	20,891	(17,192)
Sustaining Capital Expenditures	629	109	520	966	364	602
Total capital expenditures	$ 2,300	$ 3,745	$ (1,445)	$ 4,665	$ 21,255	$ (16,590)

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	522
2016	1,992
2017	1,619
2018	886
2019 and after	2,577
	7,596

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 may become 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.

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

Each reporting period, Mosaic assesses whether there are any impaired financial assets, other than those classified as held for trading. 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 "Capital Resources and Liquidity", 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 September 30, 2015, the sensitivity in net income for each 1% change in interest rates is immaterial.

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 Mosaic'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.

OFF-BALANCE SHEET ARRANGEMENTS

Mosaic has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Rent of $328 for the three months ended September 30, 2015 (2014 - $247) and $984 for the nine months ended September 30, 2015 (2014 - $431) for space occupied by certain of Mosaic's subsidiaries was paid to entities 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 of September 30, 2015.

SECURITIES DATA

As at November 25, 2015, the following numbers of securities of Mosaic are issued and outstanding:

Designation of Class	Number Outstanding
Common shares	8,602,465 (1)(2)
Warrants – common shares	631,060 (3)
Preferred securities	10,531,155 (4)(5)(7)
Private yield securities	26,520 (5)
Warrants – private yield securities	26,520 (6)
Series "A" shares	87,780 (7)
Restricted Securities Units – common shares (CS-RSUs)	325,952 (8)
Restricted Securities Units – preferred securities (PS-RSUs)	21,641 (9)

Notes:

(1) As at September 30, 2015, 220,076 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. Common shares reported under the heading "Financial Highlights" herein as 8,256,879 represents the total common shares outstanding (8,476,955 - as at September 30, 2015), less the common shares held in trust.

(2) An additional 96,250 common shares are issuable pursuant to the common share stock options described in the paragraph following this table, below.

(3) Each common share purchase warrant is exercisable for one common share.

(4) As at September 30, 2015, 449 preferred securities had been purchased and were being held by the trustee under the Mosaic securities-based compensation plan for the benefit of the plan participants. Preferred securities reported under the heading "Financial Highlights" herein as 10,530,706 represents the total preferred securities outstanding (10,531,155 - as at September 30, 2015) less these preferred securities held in trust.

(5) 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 preferred securities or cash (being one thousand dollars together with all accrued and unpaid interest on such security), at Mosaic's option.

(6) Each private yield security purchase warrant is exercisable for one private yield security.

(7) 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 in the paragraph following this table, below.

(8) Each CS-RSU may be settled for one underlying common share. The number of CS-RSUs set forth in the table does not include 144,868 CS-RSUs which were conditionally issued in January and September of 2015 and which are still currently subject to cancellation in whole or in part based upon the degree to which certain personal and corporate performance criteria in respect of the 2015 year are or are not satisfied. In the spring of 2016 Mosaic will make the necessary determinations as to the satisfaction of the performance criteria, and the CS-RSU grantees will make their various elections such that the number of 2015 CS-RSUs remaining outstanding to the benefit of each such grantee will then be determinable and the balance will be cancelled.

(9) Each PS-RSU may be settled for one underlying preferred security. The number of PS-RSUs set forth in the table does not include 165,004 PS-RSUs which were conditionally issued in January and September of 2015 and which are still currently subject to cancellation in whole or in part based upon the degree to which certain personal and corporate performance criteria in respect of the 2015 year are or are not satisfied. In the spring of 2016 Mosaic will make the necessary determinations as to the satisfaction

of the performance criteria, and the PS-RSU grantees will make their various elections such that the number of 2015 PS-RSUs remaining outstanding to the benefit of each such grantee will then be determinable and the balance will be cancelled.

In addition to the securities described in the table above, as at November 25, 2015 there were outstanding Mosaic common share options and series "A" share options entitling the holders thereof to purchase, in aggregate, 96,250 common shares at a weighted average exercise price of $3.77 per share and 23,100 series "A" shares at a weighted average exercise price of $9.10 per share, respectively.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The timely preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Accordingly, actual results may differ from these estimates, which are reviewed on an ongoing basis. A full discussion of Mosaic's critical judgements and accounting estimates is included in its 2014 annual audited consolidated financial statements.

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 Mosaic's audited consolidated financial statements for the year ended December 31, 2014 and in the condensed interim consolidated financial statements for the nine months ended September 30, 2015.

ACCOUNTING POLICIES

There have been no changes in accounting policies in the three and nine months ended September 30, 2015.

The accounting policies of Mosaic used in the determination of the results for the three and nine months ended September 30, 2015 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 three and nine months ended September 30, 2015, the comparative information presented in the financial statements for the year ended December 31, 2014, and the comparative information presented in the financial statements for the three and nine months ended September 30, 2014.

FUTURE ACCOUNTING STANDARDS

Standards that are issued but not yet effective and that the Company reasonably expects to be applicable at a future date are listed below.

Revenue from contracts with customers

In May 2014, the IASB issued IFRS 15 "Revenue from Contracts with Customers". It replaces existing revenue recognition guidance and provides a single, principles-based five-step model to be applied to all contracts with customers. Retrospective application of this standard was to be effective for fiscal years beginning on or after January 1, 2017, with earlier application permitted. On May 19, 2015, the IASB published the expected exposure draft aimed at deferring the effective date of IFRS 15 "Revenue from Contracts with Customers" to January 1, 2018. On July *22,* 2015, the IASB confirmed its proposal to defer the effective date to January 1, 2018. The Company is currently assessing the impact of this standard.

Financial instruments: recognition and measurement

In July 2014, IFRS 9 "Financial Instruments" was issued as a complete standard, including the requirements previously issued related to classification and measurement of financial assets and liabilities, and additional amendments to introduce a new expected loss impairment model for financial assets including credit losses. Retrospective application of this standard with certain exemptions is effective for fiscal years beginning on or after January 1, 2018, with earlier application permitted. The Company is currently assessing the impact of this standard.

SUBSEQUENT EVENTS

Effective November 1, 2015 Mosaic closed the sale of its 70% interest in Streamline for total consideration of $13,700, comprised of $10,000 in cash on closing and the balance to be paid December 1, 2015. Mosaic originally purchased its 70% interest in Streamline in June 2014 for cash of $13,240 and contingent consideration of $3,500.

On November 23, 2015, Mosaic closed the sale of substantially all of the assets of Polar for total consideration of $75. Mosaic originally purchased its 90% interest in Polar in May 2008 for $3,150.

Management has made a preliminary assessment on the disposition of the businesses and does not believe a significant gain/loss will be realized from the transactions.

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 private yield securities as well as to pay quarterly dividends on its common shares; the outlook of Mosaic's and its subsidiaries' businesses; management's expectations concerning future plans, operations and expenditures; 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 and private yield 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.

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, maintenance 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.