

Zorro Capital Inc.

THE ATTACHED UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND ARE HEREBY INCLUDED BY REFERENCE

Management Discussion and Analysis as of January 26, 2015

Certain statements in this report may constitute forward-looking statements that are subject to risks and uncertainties. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they were made. See notes to the financial statements regarding going concern, commitments, contingencies, legal matters, and other matters, which could materially affect the Company's future business, results of operations, financial position and liquidity.

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim financial statements for the period ended November 30, 2014 and the audited financial statements for the year ended August 31, 2014, and the notes contained therein, of Zorro Capital Inc. (the "Company"). This MD&A covers the period ended November 30, 2014 and the subsequent period up to January 26, 2015.

The unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") on a basis consistent with the significant accounting policies disclosed in note 2 of the audited financial statements of the Company for the year ended to August 31, 2014. The unaudited condensed interim financial statements do not include all of the information required for full annual financial statements. The accounting policies applied in these unaudited condensed interim financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as of January 26, 2015; the date the Board of Directors approved these unaudited condensed interim financial statements. All amounts are expressed in Canadian dollars unless otherwise noted. Readers are encouraged to read the Company's public information filings on SEDAR at www.sedar.com.

Corporate Overview

Zorro Capital Inc. was incorporated under the *Business Corporations Act* (Alberta) on June 18, 2012 and is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business, subject to receipt of shareholder approval and acceptance by regulatory authorities, which will meet the definition of a "Qualifying Transaction" ("QT") as defined in Policy 2.4 of the TSX-V. The head office of the Company is located at Suite 208 – 828 Harbourside Drive, North Vancouver, British Columbia V7P 3R9 and the registered office is located at Suite 1600, 333 – 7th Avenue SW, Calgary, Alberta T2P 2Z1.

Pursuant to a letter agreement dated as of August 31, 2012 and accepted on September 4, 2012 (the "Letter Agreement") with PI Financial Corp. (the "Agent"), on November 26, 2012 the Company filed a prospectus for an initial public offering ("IPO" or the "Offering"), pursuant to the policies of TSX-V governing CPCs, in British Columbia and Alberta to sell 3,000,000 common shares at \$0.10 per common share for gross proceeds of \$300,000. The Agent will receive a commission of 10% of the gross proceeds of this Offering, a corporate finance fee of \$10,000 (paid) and will be reimbursed for its expenses, including the Agent's legal fees. The Agent has been paid an initial retainer of \$10,000 towards these expenses. The Agent was also be granted a non-transferable option ("Agent's Warrants") to purchase 300,000 common shares equal to 10% of the total number of common shares sold under this Offering at an exercise price of \$0.10 per common share, exercisable for a period of 24 months from the date of listing of the common shares on TSX-V.

Effective November 27, 2012 the regulatory authorities issued a Receipt for the IPO prospectus. Effective February 25, 2013 the Offering was closed and the Company's shares became listed on the TSX-V under the symbol "ZOR.P".

Concurrent with the closing of the Company's IPO, the Company granted 525,000 stock options (the "Incentive Stock Options"), with an exercise price of \$0.10 per common share, exercisable for a period of 10 years.

Overall Performance

The ability of the Company to continue to operate as a going concern is dependent on its ability to ultimately operate its business at a profit. To date, the Company has not generated any revenues from operations and will require additional funds to meet its obligations and the costs of its operations. As a result, further losses are anticipated prior to the generation of any profits. As at August 31, 2014, the Company had an accumulated deficit of \$96,953 since inception.

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Trend Analysis

The business of the Company entails significant risks. Any analysis of the trend of the company's activities would reveal this. And there is nothing to suggest that these trends will change.

Until the completion of a QT, operations of the Company will be limited to the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business.

The Company's future capital requirements will depend on many factors, including its ability to complete a QT, competition and global market conditions. The Company's potential recurring operating losses and working capital needs may require that it obtain additional capital to operate its business. Such outside capital will include the sale of additional common shares.

There can be no assurance that capital will be available as necessary to meet these continuing development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in a significant dilution in the equity interests of its current shareholders.

Selected Financial Data [Annual]

The following table shows selected summary financial information which have been derived from the audited financial statements of the Company at August 31, 2014 and the year ended August 31, 2013, which has been prepared in accordance with IFRS.

	Year Ended August 31, 2014	Year Ended August 31, 2013	From Incorporation on June 18, 2012 to August 31, 2012
Total revenues	\$ -	\$ -	\$ -
Net loss	\$ (24,342)	\$ (54,851)	\$ (17,346)
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)	\$ (0.00)
Share capital	\$ 327,998	\$ 327,998	\$ 100,000
Common shares issued		3,550,000	2,000,000
Weighted average shares outstanding	5,550,000	4,040,000	-
Total assets	\$ 296,274	\$ 321,712	\$ 99,804
Shareholders' equity	\$ 288,859	\$ 313,201	\$ 82,654
Cash dividends declared per common shares	\$ -	\$ -	\$ -

Results of Operations

During the quarter ended November 30, 2014, the Company the Company continued working towards completing a qualifying transaction.

Fluctuations in Results

Period ended November 30, 2014

During the period ended November 30, 2014, the Company's efforts were limited to the pursuit of a QT. The management functions related to that pursuit are largely undertaken by the directors and officers of the Company without any compensation. In the period, \$2,698 (2013: \$2,249) was expended on corporate activities. Interest income remained relatively constant, \$832 in 2014 compared to \$830 in 2013.

Liquidity and Capital Resources

As at November 30, 2014, the Company had accumulated losses totaling \$98,405. The Company had working capital of \$286,992 at November 30, 2014, compared with \$288,858 as at the August 30, 2014 year-end. The continuation of the Company is dependent upon the continued financial support of shareholders, its ability to raise capital through the issuance of its securities, as well as obtaining long-term financing. As at November 30, 2014, the Company had cash and equivalents of \$295,082.

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During the year ended August 31, 2013 the Company raised gross proceeds of \$327,500 through the sale of common shares and incurred share issue costs of \$99,502. The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the TSX-V policy 2.4.

Selected Financial Data [Quarterly - unaudited]

(Expressed in Canadian Dollars)

		Quarter Ended							
		11/30/2014	8/31/2014	5/31/2014	2/28/2014	11/30/2013	8/31/2013	5/31/2013	2/28/2013
Total revenues	\$	-	-	-	-	-	-	-	-
Comprehensive loss	\$	(1,866)	(12,726)	(6,518)	(3,679)	(1,419)	(2,337)	(4,510)	(49,642)
Loss) per share – basic and diluted	\$	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.02)
Common shares issued		5,550,000	5,550,000	5,550,000	5,550,000	5,550,000	5,550,000	5,550,000	5,550,000
Weighted average Shares outstanding		5,550,000	5,550,000	5,550,000	5,550,000	5,550,000	5,500,000	5,500,000	2,457,500
Cash Dividends Declared per Common Shares	\$	-	-	-	-	-	-	-	-

Note: The above figures have been adjusted from previous filings of quarterly results to reflect adjustments arising from the August 31, 2014 and 2013 year end audits.

Additional Disclosure for Venture Issuers Without Significant Revenue

As the Company has no significant revenue from operations since incorporation on June 18, 2012, the following is a breakdown of the material costs:

	3-months ended Nov. 30, 2014	Year ended August 31, 2014	Year ended August 31, 2013
General and administration expenses	\$891	\$16,619	\$12,051
Stock-based Compensation	-	-	44,400
Any Material Costs (capitalized, deferred or expensed) not referred to above:	-	-	-
Share issue costs	-	-	\$99,502

The business of the Company entails significant risks, and an investment in the securities of the Company should be considered highly speculative. An investment in the securities of the Company should only be undertaken by persons who have sufficient financial resources to enable them to assume such risks. The following is a general description of all material risks, which can adversely affect the business and in turn the financial results, ultimately affecting the value of an investment the Company.

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The Company has no significant revenues.

The Company has limited funds.

There is no assurance that the Company can access additional capital.

There is no assurance that the Company will be successful in locating a QT, and once located completing a QT.

Certain of the Company's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest.

The Company has a history of operating losses and may have operating losses and a negative cash flow in the future.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Table of Contractual Obligations

None

Related Party Transactions

None to report.

Critical Accounting Estimates and Judgment

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

Estimates

Significant areas of estimation uncertainty considered by management in preparing the financial statements includes the inputs used in accounting for share-based payments in the statement of loss and comprehensive loss and the statement of changes in shareholders' equity (using the Black-Scholes model) including volatility, probable life of options granted, time of exercise of the options and forfeiture rate.

Judgment:

Significant areas requiring management judgment include the following:

- The assessment of the probability of future taxable income in which deferred tax assets can be used, based on the Company's estimates of future profits or losses, adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss.
- The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year. The factors considered by management are disclosed in Note 1 of the audited financial statements.

Accounting Standards Issued But Not Yet Effective

The Company has not early adopted the following new standards, amendments to standards and interpretations and is currently assessing the impact that these standards will have on its future financial statements.

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IFRS 9, Financial Instruments

This new standard is a partial replacement of IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015.

Financial Instruments

As at November 30, 2014, the Company’s financial instruments consists of cash and cash equivalents and accounts payable and accrued liabilities.

Cash and cash equivalents are carried at level 1 fair value measurement. The carrying value of accounts payable and accrued liabilities approximates their fair value due to the current nature of those financial instruments.

a. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company does not have any financial instruments with any credit risks.

b. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company’s financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year.

c. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing debt. The Company’s sensitivity to interest rates is minimal.

d. Foreign Currency Exchange Risk

The Company currently has no significant operations denominated in foreign currencies. Management believes there is no significant foreign currency exchange rate risk.

Disclosure Controls and Procedures

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and that (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings (NI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal controls over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing Venture Issuer Basic Certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

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The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of the Company to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Subsequent Events

None to report

Share Capital Data

The following table summarizes the maximum number of common outstanding as at January 26, 2015 if all outstanding options were converted to shares.

Common Shares -issued & outstanding	5,550,000		
Agent's Options	300,000	Expiry: Feb 25, 2015	Exercise price: \$0.10
Share Purchase Options	525,000	Expiry: Feb 25, 2023	Exercise price: \$0.10
	6,375,000		

Further Information

Additional information about the Company is available at www.zorrocapiatal.ca and at the Canadian disclosure website www.sedar.com