# MARCHING MOOSE CAPITAL CORP.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

## FOR THE YEAR ENDED MARCH 31, 2016

## Introduction

The following Management's Discussion and Analysis ("MD&A") is dated June 3, 2016 and should be read in conjunction with the financial statements of Marching Moose Capital Corp. ("Marching Moose" or the "Company") for the year ended March 31, 2016. Marching Moose prepares its financial statements in accordance with International Accounting Standards ("IAS"), under International Financial Reporting Standards ("IFRS").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Marching Moose common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from www.sedar.com.

## Cautionary Note Regarding Forward-Looking Information

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

## Description of Business

The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *British Columba Business Corporations Act* on September 24, 2013. It is classified as a Capital Pool Company ("CPC") in accordance with Policy 2.4 of the TSX Venture Exchange. The Company's common shares commenced trading on the TSX Venture under the symbol "MMC.P.".

The Company has not commenced commercial operations and has no assets other than cash and receivables. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a transaction where the Company acquires significant assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means (a "Qualifying Transaction"). Any proposed Qualifying Transaction must be accepted by the Exchange.

The Company's head office and registered records office address is Suite 2300, 1066 W Hastings Street, Vancouver, British Columbia, Canada.

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company, unless otherwise noted.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. The financial statements do not include any adjustments to assets or liabilities should the Company be unable to continue in existence.

**OVERALL PERFORMANCE**

**Performance Highlights**

| | Year ended March 31 2016 | Year ended March 31 2015 | For the period from September 24, 2013 to March 31, 2014 |
|---|---|---|---|
| Revenue | $ - | $ - | $ - |
| Net loss | (59,879) | (88,547) | (20,000) |
| Net loss per share – basic and diluted | (0.02) | (0.04) | (0.02) |
| Cash used in operations | (37,083) | (46,053) | - |
| Total assets | $ 248,054 | $ 283,947 | $ 50,000 |

The net loss for the year ended March 31, 2016 was $59,879 compared to $88,547 for the year ended March 31, 2015. The decrease in the net loss is attributed to the reduced cost of regulatory fees in this year and also the absence of share-based payment expenses linked to the Company's IPO which were prevalent in the year ended March 31, 2015.

Cash used in operations for the year ended March 31, 2016 decreased to $37,083 from $46,053 for the year ended March 31, 2015. The decrease in cash used in operations is the result of the timing of payments for general and administrative expenses, legal expenses, audit fees and regulatory fees.

At March 31, 2016, the Company had total assets of $248,054 compared to $283,947 at March 31, 2015. The decrease is primarily attributable to the fact that the Company is not revenue producing but incurs rental, administrative and legal expenses in seeking to complete a Qualifying Transaction.

**RESULTS OF OPERATIONS**

| | Year ended March 31, 2016 | Year ended March 31, 2015 | For the period from September 24, 2013 to March 31, 2014 |
|---|---|---|---|
| Professional fees | $ 40,738 | $ 13,915 | $ 20,000 |
| Share-based payments | $ - | $ 46,625 | $ - |
| Regulatory fees | $ 18,079 | $ 26,037 | $ - |

Professional fees for the year ended March 31, 2016 were $40,738 compared to $13,915 for the year ended March 31, 2015. Accruals for legal fees during the period ended March 31, 2014 were incurred in connection with the prospectus, and were classified as share issuance costs as a reduction to share capital during the year ended March 31, 2015. Professional fees for the year ended March 31, 2016 have been incurred as the Company seeks to complete its Qualifying Transaction and particularly in relation to its Agreement in Principle with Empower Environmental Solutions Ltd. as disclosed in "Proposed Transactions" below.

Regulatory fees for the year ended March 31, 2016 were $18,079 compared to $26,037 for the year ended March 31, 2015. The Company filed its preliminary prospectus and final prospectus in the year ended March 31, 2015 and the decrease in the current year is the result of the absence of the additional costs associated with this activity.

## LIQUIDITY AND CAPITAL RESOURCES

### Liquidity

The Company utilizes existing cash and the issuance of equity instruments to provide liquidity to the Company. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

As at March 31, 2016, the Company had working capital of $208,199 (March 31, 2015-$225,106). At this time, management believes that this is sufficient to meet anticipated expenses for the next fiscal year.

### Contractual Obligations

There are no significant contractual obligations.

### Proposed Transactions

The Company entered into an agreement in principle dated November 2, 2015 (the "LOI") for the acquisition of Empower Environmental Solutions Ltd ("Empower"), a private company (the "Proposed Qualifying Transaction").

Pursuant to the terms of the LOI, the Company ("MMCC") will acquire Empower in exchange for a maximum of 31,722,745 post-consolidated common shares of MMCC as set forth below. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Prior to the completion of the Proposed Transaction, MMCC will complete a share consolidation on a 2 to 1 basis (two pre-consolidated shares for one post-consolidated share) (the "Share Consolidation") and a name change, expected to be to "Empower Environmental Solutions Ltd." Under the terms of the LOI, MMCC will acquire all of the issued and outstanding common shares of Empower in exchange for the issuance of common shares of MMCC on the basis of one post-consolidated common share of MMCC for every one Empower share held.

The terms of the LOI provide for the completion, concurrent with closing of the Proposed Transaction, of a private placement financing for gross proceeds of not less than $2,500,000 at a price of $0.40 per common share.

MMCC will pay commission equal to 8% of all proceeds raised and warrants exercisable at $0.50 per share, equal to 7% of the common shares issued pursuant to the private placement. The warrants will expire two years from their issue.

## SELECTED QUARTERLY FINANCIAL INFORMATION

### Financial Quarter Ended (Unaudited)

| | | 2016 | | | | 2015 | | |
|---|---|---|---|---|---|---|---|---|
| | | Mar 31 | | Dec 31 | | Sept 30 | | June 30 |
| Revenue | $ | - | $ | - | $ | - | $ | - |
| Net loss | $ | (16,906) | $ | (35,367) | $ | (4,364) | $ | (3,242) |
| Basic and diluted loss per share | $ | (0.01) | $ | (0.01) | $ | (0.01) | $ | (0.01) |
| Total assets | $ | 248,054 | $ | 256,492 | $ | 274,647 | $ | 276,031 |

| | | 2015 | | | | 2014 | | |
|---|---|---|---|---|---|---|---|---|
| | | Mar 31 | | Dec 31 | | Sept 30 | | June 30 |
| Revenue | $ | - | - | | | - | | - |
| Net loss | $ | (25,025) | $ | (27,315) | $ | (27,650) | $ | (8,557) |
| Basic and diluted loss per share | $ | (0.01) | $ | (0.01) | $ | (0.01) | $ | (0.01) |
| Total assets | $ | 283,947 | $ | 288,319 | $ | 97,793 | $ | 103,943 |

For the quarter ended March 31, 2016 the Company incurred costs associated with rent, professional fees (legal and audit) and regulatory fees in respect of its continuing listing on the TSXV Exchange. For the quarter ended December 31, 2015, the Company entered into an Agreement in Principle as disclosed relating to its Proposed Qualifying Transaction. These circumstances resulted in an increase to the Company's net loss for the quarter ended December 31, 2015. During the quarters ended September 30, 2015, June 30, 2015 and March 31, 2015, the Company remained minimally active as the Proposed Qualifying Transaction remained pending.

## OFF-BALANCE SHEET ARRANGEMENTS

Disclosure is required of all off-balance sheet arrangements that are reasonably likely to have a current or future effect on the results of operations or financial condition of the Company. Marching Moose does not have such off-balance sheet arrangements.

### Risk Factors

Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline and prospective investors may lose part or all of their investment.

#### ***No Operating History***

The Company was incorporated on September 24, 2013, has not commenced commercial operations, and has no assets other than cash. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. Until Completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions.

The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction.

***Possible Trading Suspension or Delisting***

The Exchange may suspend from trading or delist the securities of the Company where the Company has failed to complete a Qualifying Transaction within the 24 months of the date of listing or if the Company fails to meet initial listing requirements of the Exchange upon Completion of the Qualifying Transaction. Suspension from trading of the common shares may, and delisting of the common shares will, result in the regulatory securities authorities issuing an interim cease trade order against the Company. In addition, delisting of the common shares will result in the cancellation of all of the currently issued and outstanding common shares of the Company held by Insiders. Trading in the common shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required.

***Halt of Trading***

Upon public announcement of a potential Qualifying Transaction, trading in the common shares of the Company will be halted and will remain halted until Completion of the Qualifying Transaction, or sooner pursuant to Policy 2.4. Neither the Exchange nor any securities regulatory authority passes upon the merits of the potential Qualifying Transaction.

***Exchange May Not Approve a Qualifying Transaction***

Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval as such terms are defined in Policy 2.4.

Notwithstanding that a transaction may meet the definition of a Qualifying Transaction; the Exchange may not approve a Qualifying Transaction:

(a) if the Company fails to meet the initial listing requirements prescribed by Policy 2.1 – Initial Listing Requirements of the Exchange upon Completion of the Qualifying Transaction;

(b) if, following Completion of the Qualifying Transaction, the Company will be a finance company or a mutual fund as defined under applicable securities laws;

(c) the consideration proposed to be paid by the Company in connection with the Qualifying Transaction is not acceptable to the Exchange; or

(d) for any other reason at the sole discretion of the Exchange.

***Approval by the Majority of the Minority***

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm’s Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares.

### *Dilution*

If the Company issues treasury shares to finance acquisition or participation opportunities, control of the Company may change and subscribers may suffer dilution of their investment.

### *Directors and Officers*

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company but will be devoting such time as required to effectively manage the Company. Some of the directors and officers of the Company are engaged and will continue to be engaged in the search for assets or businesses on their own behalf or on behalf of others such that conflicts may arise from time to time. As a consequence of such conflicts, the Company may be exposed to liability and its ability to achieve its business objectives may be impaired.

### *Reliance on Management*

The Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Company.

### *Foreign Acquisition*

In the event the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

### Critical Accounting Estimates

The preparation of financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements.

Significant estimates, judgments and assumptions relate to, but are not limited to, the recognition to deferred income taxes which includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected. Actual results could differ from these estimates.

## NEW STANDARDS ADOPTED

Effective April 1, 2015, the following standards were adopted but did not have a material impact on the financial statements.

- IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9.

## FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

For information about the Company's financial instruments and financial risk management refer to Note 8 within the audited financial statements for the year ended March 31, 2016.

## CONTROLS AND PROCEDURES

Disclosure controls and procedures ('DC&P') are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ('ICFR') are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

TSX Venture listed companies are not required to provide representations in filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument MI- 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) 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 (b) 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 financial reporting framework. The issuer'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 their certificates regarding absence of misrepresentations and fair disclosures of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 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.

## RELATED PARTY TRANSACTIONS

| | For the years ended | | | |
|---|---|---|---|---|
| | | March 31, 2016 | | March 31, 2015 |
| Professional fees[1] | $ | 29,056 | $ | 36,482 |
| Share-based payments | | - | $ | 46,625 |
| | $ | 29,056 | $ | 83,107 |

[1] These amounts were incurred to David Smalley Law Corporation ("DSLC"), a company which is controlled by David Smalley, a former director and officer of the Company.

Accounts payable and accrued liabilities includes $30,100 (2015 - $2,632) in amounts due to DSLC.

David Smalley is the President of Empower. The Company is working towards completion its Qualifying Transaction with Empower as discussed in the "Proposed Transactions" section.

## OUTSTANDING SHARE DATA

### Common shares

The following table sets forth the Company's outstanding share data:

| | |
|---|---|
| Total common shares at March 31, 2016 and June 3, 2016 | 3,640,004 |
| Total outstanding warrants | 200,000 |
| Total outstanding stock options | 346,650 |
| Fully diluted common shares at March 31, 2016 and June 3, 2016 | 4,186,654 |

As at March 31, 2016 and June 3, 2016, the Company has warrants outstanding and exercisable as follows:

| Number of Options | Number Exercisable | Exercise Price | Expiry Date |
|---|---|---|---|
| 200,000 | 200,000 | $ 0.15 | November 19, 2016 |

As at March 31, 2016 and June 3, 2016, the Company has stock options outstanding and exercisable as follows:

| Number of Options | Number Exercisable | Exercise Price | Expiry Date |
|---|---|---|---|
| 346,650 | 346,650 | $ 0.15 | November 19, 2024 |

### 2015 Share Consolidation

On November 25, 2015 the shareholders approved by special resolution that the authorized share structure of the Company be altered by consolidating all of the issued and outstanding common shares of the Company on the basis of two existing common shares for one new common share, or such lower ratio as the Board of Directors may determine. As of June 3, 2016 the directors have not initiated the share consolidation.