Gulfstream Acquisition 1 Corp.

Management's Discussion and Analysis

For the Three and Nine Months Ended September 30, 2013

1. Introduction

This Management's Discussion & Analysis ("MD&A") was prepared as of November 15, 2013 to assist readers in understanding Gulfstream Acquisition 1 Corp.'s (the "Corporation", "Gulfstream", "we", or "us") financial performance for the three and nine months ended September 30, 2013. This MD&A should be read together with the unaudited interim financial statements for the three and nine months ended September 30, 2013. Results are reported in Canadian dollars, unless otherwise noted. The unaudited interim financial statements have been prepared in accordance and compliance with International Accounting Standard 34 and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

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

2. Our Business

Gulfstream was incorporated on June 8, 2012 under the laws of Ontario. On March 28, 2013, the Company filed a final Initial Public Offering ("IPO") prospectus with the regulatory authorities in British Columbia, Alberta and Ontario. On June 14, 2013, the Company completed its IPO and commenced trading on Tier 2 of the TSX Venture Exchange ("TSX-V"). The Company is classified as a Capital Pool Company, as defined in the TSX-V Policy 2.4, and its sole business is to identify, evaluate and negotiate an acquisition or participation in a business or an asset, subject to receipt of shareholder approval and acceptance by regulatory authorities (the "Qualifying Transaction"). There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the TSX-V, at which time the TSX-V may suspend or delist the Company's shares from trading.

3. Initial Public Offering

On June 14, 2013, the Company completed its IPO of 2,500,000 common shares at a price of $0.10 per common share (the "Offering"), for gross proceeds of $250,000. The purpose of this Offering is to provide the Company with a minimum amount of funds with which to identify and evaluate potential acquisitions or businesses, and once identified and evaluated, to negotiate an acquisition.

Pursuant to an agency agreement between the Company and Canaccord Genuity Corp., (the "Agent") dated March 28, 2012 the Company paid the Agent a $25,000 cash commission equal to 10% of the gross proceeds of the Offering, an administration fee of $10,000, and $12,000 as reimbursement for reasonable expenses relating to the Offering. The Agent also received non-transferable warrants (the "Agent's Warrants") to purchase up to 250,000 Common Shares at a price of $0.10 per Common Share and which may be exercised on or before June 14, 2015.

On September 19, 2012, the Company agreed to grant to the Company's Directors and Officers 685,000 stock options exercisable at a price of $0.10 per Common Share for a period of 5 years from the date on which the Common Shares are listed on the Exchange. On March 12, 2013 the Company reduced the total number of stock options granted to 675,000 to comply with policies of the TSX-V Exchange as a result of the reduced Offering size. These stock options became effective upon closing of the Company's IPO.

4. Results of Operations

As at September 30, 2013, the Company had not completed a Qualifying Transaction.

The Company's expenditures mainly includes costs to maintain its public company status in good standing and expenses to identify and evaluate acquisitions of companies, businesses, assets or properties.

Three Months Ended September 30, 2013

The Company's net loss was $2,315 for the three months ended September 30, 2013, with basic and diluted loss per share of $0.00.

Nine Months Ended September 30, 2013

The Company's net loss was $181,873 for the nine months ended September 30, 2013, with basic and diluted loss per share of $0.04. Net loss principally related to share-based underwriting fees (the issuance of the Agent's Warrants) of $68,768, share-based compensation of $10,350, underwriting fees of $47,000, listing and regulatory fees of $32,485, legal fees of $20,079 and accounting fees of $3,190.

Selected Quarterly Information

	THREE MONTHS ENDED			PERIOD ENDED
	September 30, 2013	**June 30, 2013**	**March 31, 2013**	**June 8 to December 31, 2012**
Revenues	Nil	Nil	Nil	Nil
Expenses	2,315	141,171	38,387	27,177
Net loss	**(2,315)**	**(141,171)**	**(38,387)**	**(27,177)**
Net loss per share	(0.00)	(0.03)	(0.01)	(0.01)

During the period from June 8, 2012 to December 31, 2012 the Company recorded share-based compensation of $11,845 relating to the grant of 675,000 incentive stock options to directors and officers. During the quarter ended March 31, 2013, the company did not record any share-based compensation.

During the quarter ended June 30, 2013, the Company recorded share-based compensation of $10,350 for the unamortized fair value of the grant of 675,000 incentive stock options to directors and officers. During the quarter ended June 30, 2013, the company also recorded share-based underwriting fees (the agent's warrants) of $68,768. During the quarter ended September 30, 2013, the company did not record any share-based compensation.

Additional Disclosure for Venture Issuers without Significant Revenue

As the Company has no revenue from operations since inception, the following is a breakdown of the material costs incurred during the nine months ended September 30, 2013:

	September 30, 2013
Accounting fees	$ 3,190
Legal fees	20,079
Listing and regulatory fees	32,485
Underwriting fees	47,000
Share-based underwriting fees	68,768
Share-based compensation	10,350
Other expenses	-
	$ 181,873

5. Liquidity and Capital Resources

The Company's ability to meet its obligations and its ability to finance its operations depends on being able to complete the Company's Qualifying Transaction and to obtain additional funding in the future.

Since incorporation, we have funded our operations with the issuance of equity. The following private placements have been completed by the Company:

- On June 8, 2012, in connection with incorporation, the Company issued 1 share of common stock for gross proceeds of $0.05, to a director of the Company.
- On August 21, 2012, the Company completed a private placement of 3,099,999 shares of common stock for gross proceeds of $155,000, to directors and companies controlled by directors of the Company.
- On September 1, 2012 the Company completed a private placement of 100,000 shares of common stock for gross proceeds of $5,000 to a director.
- On November 5, 2012 the Company completed a private placement of 500,000 shares of common stock for gross proceeds of $25,000.
- On November 13, 2012 the Company completed a private placement of 50,000 shares of common stock for gross proceeds of $5,000.
- On February 26, 2012, the Company completed a private placement of 500,000 shares of common stock for gross proceeds of $25,000.

On June 14, 2013, the Company completed its IPO by issuing 2,500,000 common shares at $0.10 per common share for gross proceeds of $250,000.

The Company will require additional financing in the future. There can be no assurance that such financing will be available to the Company in the future or, if available, that it will be offered on terms acceptable to the Company.

Working Capital

At September 30, 2013, the Company had working capital of $346,912 compared with $164,668 working capital as of December 31, 2012. The $182,244 increase in working capital is mainly due to completion of the IPO on June 14, 2013 for net cash proceeds of $203,000. The Company's current working capital mainly consists of cash of $352,629. The Company has no long-term debt or bank facilities. The Company has no operating revenue and therefore must utilize its current cash reserves and rely on external financing to generate capital to maintain its capacity to meet working capital requirements.

Although the Company currently has sufficient working capital to meet its ongoing obligations to identify and evaluate possible Qualifying Transactions, there is no assurance that this amount of working capital will be sufficient to permit the completion of a Qualifying Transaction.

Cash and Cash Equivalents

As at September 30, 2013, the Company had cash of $352,629 compared with $180,075 of cash as at December 31, 2012. The $172,554 increase in cash position was mainly due to the completion of IPO which resulted in gross proceeds of $250,000 from the issuance of 2,500,000 common shares.

We expect to generate negative cash flow from operating activities in the future until at least our Qualifying Transaction is completed and we commence revenue generation.

Management intends to ensure that the operational and administrative costs are minimal prior to the completion of a Qualifying Transaction to preserve the Company's working capital.

6. Disclosure of Outstanding Share Data

The following table summarizes the number of common shares outstanding as at September 30, 2013 and as of the date of this MD&A if all outstanding options and warrants were converted to shares:

	September 30, 2013	As of the date of this MD&A
Common shares	6,750,000	6,750,000
Warrants to purchase common shares	250,000	250,000
Options to purchase common shares	675,000	675,000
	7,675,000	7,675,000

7. Off-Balance Sheet Arrangement

The Company does not have any off-balance sheet items.

8. Related Party Transactions

There was no remuneration provided to the directors or key management during the three and nine months ended September 30, 2013.

On September 19, 2012 the Company agreed to grant 675,000 incentive stock options to its directors and officers, which became effective on the IPO completion date. The options are exercisable at $0.10 per share until June 14, 2018.

As of the date of this MD&A, the Company had not completed a Qualifying Transaction. Accordingly, the officers and directors of the Company have not been paid any compensation since incorporation. The TSX-V prohibits directors and officers from receiving remuneration while the Company is a Capital Pool Company.

9. Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported years. Actual results could differ from those estimates.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant areas where estimates are applied in these interim financial statements include the determination of accrued liabilities, share-based compensation, and valuation of warrants. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future years could be significant.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Significant areas where management judgment is applied in these financial statements include the going concern assumption.

10. Recent accounting pronouncements

Accounting standards issued but not yet effective

The new accounting standards have no impact on these financial statements.

IFRS 9 "Financial Instruments"

IFRS 9, Financial Instruments, replaces the current standard IAS 39, Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value. This standard is effective for annual periods beginning on or after January 1, 2015.

IFRS 10 "Consolidated Financial Statements"

IFRS 10 Consolidated Financial Statements establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard (i) requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements; (ii) defines the principle of control, and establishes control as the basis for consolidation; (iii) sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee; and (iv) sets out the accounting requirements for the preparation of consolidated financial statements. IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation - Special Purpose Entities and is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

IFRS 11 "Joint Arrangements"

IFRS 11 Joint Arrangements establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

IFRS 12 "Disclosure of Involvements with Other Entities"

IFRS 12 Disclosure of Involvement with other Entities requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

IFRS 13 "Fair Value Measurement"

IFRS 13 Fair Value Measurement defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payment transactions within the scope of IFRS 2 Share-based Payment; leasing transactions within the scope of IAS 17 Leases; measurements that have some similarities to fair value but that are not fair value, such as net realizable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

11. Financial Instruments and Risk Management

The Company recognizes financial assets that are classified as fair value at profit or loss or available for sale, financial liabilities that are classified as fair value at profit or loss and all derivative financial instruments at fair value. Other financial assets, such as loans and receivables and investments that are held to maturity and other financial liabilities are measured at their carrying value. The Company is exposed to potential loss from various risks including credit risk, market risk and liquidity risk.

Credit risk

The Company's only significant financial asset is cash which is on deposit at a high credit-worthy financial institution.

Market risk

The Company is not subject to significant interest rate risk as none of its financial instruments are interest-bearing, except cash in the bank which is nominal.

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due, or can only do so at excessive cost. The Company expects to satisfy obligations under accounts payable and accrued liabilities. Management intends to continue to finance its activities by raising funds through equity investments.

12. Business Risks

The Company is subject to a number of risks and uncertainties that may significantly impact its financial conditions and future financial performance. 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.

No Operating History

The Company was incorporated on June 8, 2012 and has not commenced commercial operations. The Company has no history of earnings or has not paid any dividends, and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. The Company has no material asset other than cash, and has limited funds with which to identify and evaluate potential Qualifying Transactions. 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.

13. Cautionary Note Regarding Forward-Looking Information

Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, used by any of the Company’s management, are intended to identify forward-looking statements. Such statements reflect the Company’s forecasts, estimates and expectations, as they relate to the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

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Exchange - TSX-V

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