

## **MOONSHOOT CAPITAL CORP.**

### **Form 51-102F1 - Management's Discussion & Analysis For the First Quarter Ended March 31, 2006**

**Date: May 30, 2006**

*The following is the management's discussion and analysis ("MD&A") of Moonshoot Capital Corp. for the first quarter ended March 31, 2006. This MD&A should be read in conjunction with the unaudited financial statements of the Corporation for the first quarter ended March 31, 2006 and related notes thereto. The financial statements have been prepared in accordance with Canadian generally accepted accounting principals ("GAAP"). This document provides an update to the discussion and analysis provided for the period from March 22, 2005, date of incorporation to December 31, 2005. All dollar figures included therein and in this MD&A are in Canadian dollars. Additional information relevant to the Corporation's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).*

The Board of Directors of Moonshoot Capital Corp. have reviewed and approved the March 31, 2006 financial statements and related MD&A.

#### **Advisory Regarding Forward Looking Statements**

This MD&A contains forward-looking statements. Forward-looking statements are based on current expectations and assumptions that involve a number of risks and uncertainties, certain of which are beyond the Corporation's control and could cause actual events or results to differ materially from those reflected in the MD&A. Forward-looking statements are based on the estimates and opinions of the Corporation's management at the time the statements were made. The Corporation assumes no obligation to update forward-looking statements should circumstances or management's estimates change. In addition, the reader is cautioned that historical results are not necessarily indicative of future performance.

#### **Overall Performance**

Moonshoot Capital Corp. ("**Moonshoot**" or the "**Corporation**") was incorporated on March 22, 2005 under the *Business Corporations Act* (Alberta) and was classified as a "Capital Pool Company" under the policies of the TSX Venture Exchange Inc. (the "**Exchange**") up until April 21, 2006, when the Corporation completed its Qualifying Transaction (see Subsequent Events).

The Corporation's business had been to identify and evaluate businesses and assets with a view to completing a "Qualifying Transaction". As at March 31, 2006, the Corporation has not conducted commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions or interests.

On December 29, 2005, the Corporation entered into an amalgamation agreement with CEMATRIX (Canada) Inc. ("**CEMATRIX**") and 1203621 Alberta Ltd ("**Subco**") whereby the Corporation would acquire all of the issued and outstanding common shares of CEMATRIX by way of a "three-cornered amalgamation" (the "**Acquisition**"). It was intended that the Acquisition would constitute the Corporation's Qualifying Transaction.

CEMATRIX is an Alberta corporation with its head offices in Calgary, Alberta. CEMATRIX is a manufacturer and supplier of technologically advanced cellular concrete products with applications in a variety of markets, currently focusing on the oil and gas construction and infrastructure construction markets.

### Selected Financial Information

The Corporation was incorporated on March 22, 2005 and was not a “reporting issuer” pursuant to the applicable securities legislation until June 20, 2005, the date of the final receipt of the Corporation’s final prospectus dated June 17, 2005. For comparative purposes, the Corporation had no revenues or expenses reported for the period from incorporation on March 22, 2005 to March 31, 2005.

The following table summarizes certain selected financial information for the Corporation for the first quarter ended March 31, 2006:

	<u>First Quarter Ended March 31, 2006</u>
Total revenue	\$2,646
Net income (loss)	
- Total	(\$36,156)
- Per share	(\$0.12)
Total assets	\$629,783
Long-term financial liabilities	\$Nil
Dividends	\$Nil

For the first quarter ended March 31, 2006, the Corporation reported no discontinued operations, no changes in accounting policy and declared no cash dividends.

### Results of Operations

For the first quarter ended March 31, 2006, the Corporation had interest income of \$2,646 and total expenses of \$38,802 for a net loss of (\$36,156). The costs incurred by Moonshoot since incorporation to March 31, 2006 relate to establishing the Corporation as a CPC together with the identification of its completion of its Qualifying Transaction.

### Summary of Quarterly Results

The following table summarizes certain selected financial information for the Corporation for the following quarters ended as noted:

	<u>Quarter Ended March 31, 2006 (unaudited)</u>	<u>Quarter Ended December 31, 2005</u>	<u>Quarter Ended September 30, 2005</u>	<u>Quarter Ended June 30, 2005 (unaudited)</u>
Total revenue	\$2,646	\$4,057	\$2,055	\$554
Net income (loss)				
- Total	(\$36,156)	(\$104,358)	(\$93,747)	(\$26,358)
- Per share	(\$0.012)	(\$0.06)	(\$0.04)	Nil

### Liquidity and Capital Resources

As at March 31, 2006, the Corporation had working capital of \$542,043. This included \$604,783 in cash or cash equivalents, which is sufficient for the Corporation to meet its ongoing obligations.

### Transactions with Related Parties

There were no related party transactions during the quarter ended March 31, 2006 except for the accrual of legal fees to a law firm of which David Madsen and Michael R. Rempel, directors of the Corporation as at March 31, 2006, are partners.

During the quarter ended March 31, 2006 the Corporation advanced a loan in the amount of \$25,000 to CEMATRIX (Canada) Inc. as permitted under the policies of the TSX Venture Exchange Inc. in connection with the Corporation's Qualifying Transaction, whereby the Corporation has agreed to acquire all of the issued and outstanding common shares of CEMATRIX

### Changes in Accounting Policies including Initial Adoption

The Corporation has adopted the fair value based method for accounting for stock options and other stock-based awards. Compensation expense is determined using an option pricing model based on volatility, vesting periods, and risk-free interest rates.

### Financial Instruments

The Corporation's financial instruments consist of cash and savings/term deposits accounts payable and accrued liabilities. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximate their carrying values.

### Additional Disclosure for Venture Corporations without Significant Revenue

The following table sets forth a breakdown of material components of the general and administration costs including legal and professional fees of the Corporation for the three months ended March 31, 2006.

	<b>First Quarter Ended March 31, 2006</b>
	\$
Audit fees	\$6,350
Filing fees	11,182
Legal and professional fees	20,000
Office	Nil
Printing	1,270
Telephone and postage	Nil
Travel and promotion	Nil
Costs for Identification of Potential Qualifying Transaction	Nil
Rent, Administrative and Office Expenses	Nil

### Disclosure of Outstanding Share Data

As at March 31, 2006, the following is a description of the outstanding equity securities and convertible securities previously issued by the Corporation:

	<b>Authorized</b>	<b>Outstanding as at December 31, 2005</b>	<b>Outstanding as at April 28, 2006</b>
Voting or equity securities issued and outstanding	Unlimited Common Shares	3,095,000 Common Shares	26,376,162 Common Shares
Securities convertible or exercisable into voting or equity securities - stock options	Stock options to acquire up to 10% of outstanding Common Shares	Stock options to acquire 309,500 Common Shares	Stock options to acquire 2,049,500 Common Shares
Securities convertible or exercisable into voting or equity securities - agent's option	Agent's options to acquire up to 10% of the common shares issued	Agent's option to acquire up to 250,500 common shares	Agent's option to acquire up to 250,500 common shares

	during the Initial Public Offering		
Voting or equity securities issuable on conversion or exchange of outstanding securities	(as above)	(as above)	50,000 Common Shares

### Subsequent Events

Effective April 11, 2006, the Acquisition of CEMATRIX was completed. Pursuant to the terms of the Amalgamation Agreement, CEMATRIX and Subco amalgamated to form the amalgamated entity "CEMATRIX (Canada) Inc." ("**Amalco**"), of which the Corporation is the sole shareholder. Amalco will carry on the business operations of its predecessor CEMATRIX. To effect the Acquisition, the Corporation issued an aggregate of 23,281,162 common shares to the former holders of common shares of CEMATRIX. In addition, the Corporation granted options to purchase a total of 1,740,000 common shares to the directors, officers and employees of the Corporation and Amalco. Each option will entitle the holder to acquire one additional common share of the Corporation at a price of \$0.30 per share for a period of 5 years from the date of grant. As a result of the Acquisition, the Corporation has 26,376,162 common shares issued and outstanding, 2,049,500 options held by directors, officers and employees and 250,500 agents' options. The Final Exchange Bulletin approving the Acquisition as the Qualifying Transaction of the Corporation was issued by the Exchange on April 21, 2006. As a result, effective April 24, 2006, the Corporation is no longer classified as capital pool company.

In April 2006, after completion of the Qualifying Transaction, the Corporation advanced a loan in the amount of \$450,000 to CEMATRIX (Canada) Inc.

### Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information required to be disclosed is gathered and reported to senior management. As at March 31, 2006, the President and Chief Financial Officer of the Corporation have evaluated the effectiveness of the Corporation's disclosure controls and procedures and have concluded that such controls and procedures are adequate and effective.

### Outlook

Moonshoot will carry on its business operations through Amalco, which is CEMATRIX (Canada) Inc. The CEMATRIX vision is to be the leading supplier of cellular concrete and cellular concrete technologies throughout Canada and the Pacific Northwest, including Alaska, within five years.