

# DPVC INC.

## FORM 51-102F1

### MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2008

#### Date

This management discussion and analysis (“**MD&A**”) dated November 21, 2008 is in respect of the three month period ended September 30, 2008, and should be read in conjunction with the unaudited financial statements for the three month period ended September 30, 2008.

#### Forward-Looking Statements

This MD&A may contain forward-looking statements with respect to DPVC Inc. (“**DPVC**” or the “**Corporation**”). These forward-looking statements by their nature involve risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. The Corporation considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but cautions the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect.

#### Overall Performance

DPVC is classified as a Capital Pool Corporation for the purposes of the policies of the TSX Venture Exchange (the “**Exchange**”). As a result, the Corporation’s current business is to identify and evaluate businesses and assets with a view to completing a “qualifying transaction”. Any proposed qualifying transaction must be accepted by the Exchange and in the case of a non-arm’s length qualifying transaction is also subject to “majority of the minority approval” in accordance with Policy 2.4 of the Exchange. The Corporation has not conducted commercial operations other than to identify and pursue potential acquisitions or interests.

Until completion of the qualifying transaction, the Corporation will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential qualifying transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described in the Corporation’s final prospectus dated September 26, 2008, the funds raised pursuant to the Corporation’s initial public offering and any subsequent financing will be utilized only for the identification and evaluation of potential qualifying transactions and not for any deposit, loan or direct investment in a potential acquisition.

#### Selected Quarterly Financial Information

A summary of selected financial information for the three months ended September 30, 2008 and period from June 30, 2008 to September 30, 2008 is as follows:

	<b>Three Months Ended September 30, 2008</b>	<b>Period from date of incorporation (Jun 3, 2008) to Sept 30, 2008</b>
Total Revenue	\$ 1,288	\$ 1,288
Net Income and Comprehensive Income	\$ 869	\$ 869
Net Earnings Per Share, Basic and Diluted	\$ 0.00	\$ 0.00
Total Assets	\$ 234,931	234,931
Long-Term Financial Liabilities	\$ 0	\$ 0

For the three month fiscal period ended September 30, 2008 and from June 3, 2008 to September 30, 2008, the Corporation reported no discontinued operations and did not declare any cash dividends. As the Corporation was only incorporated on June 3, 2008, no comparative financial information for the period ended September 30, 2007 is available.

### **Results of Operations**

For the three month fiscal period ended September 30, 2008, and from June 3, 2008 to September 30, 2008, the Corporation had interest income of \$1,288, consisting of interest earned on cash held in bank accounts and filings fees expense of \$419.

### **Financings**

No financings occurred during the three month fiscal period ended September 30, 2008 and from June 3, 2008 to September 30, 2008.

### **Liquidity**

As at September 30, 2008, the Corporation had working capital of \$166,176. Management believes the Company currently has sufficient capital to carry on its current business.

### **Capital Resources**

The Company has filed a prospectus for the sale to the public of 1,000,000 common shares at a price of \$0.20 per common share, payable on closing for aggregate net proceeds of a maximum of \$200,000. On October 17, 2008, the company completed the initial public offering, receiving gross proceeds of \$200,000. In connection with the offering, the Company has agreed to a commission of \$20,000 for the agent, to reimburse the agent's legal fees and to grant the agent an option to purchase 100,000 common shares at \$0.20 per share. The option expires 24 months from the date of listing of the Company's common shares on the Exchange. No more than 50% of the common shares received on exercise of the agent's option may be sold by the agent prior to completion of the Qualifying Transaction. The remaining 50% may be sold after completion of the Qualifying Transaction.

## Transactions with Related Parties

For the three month fiscal period ended September 30, 2008, and from June 3, 2008 to September 30, 2008, the company had no transactions with related parties.

## Off Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements.

## Changes in Accounting Policies Including Initial Adoption

The Corporation has adopted the fair market 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 and Other Instruments

The Corporation's financial instruments consist of cash, 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 approximates their carrying values.

## Proposed Transactions

The Corporation does not have any proposed transactions, except as noted under the caption, *Capital Resources*.

## Additional Disclosure for Venture Issuers without Significant Revenue

As the Company has not had significant revenue from operations in the last two financial years, the following is a breakdown of the material costs incurred:

Material Components	For the 3 months ended September 30, 2008	From the date of incorporation (June 3, 2008) to September 30, 2008
Capitalized or expensed exploration and development costs	NIL	NIL
Expensed research and development costs	NIL	NIL
Deferred development costs	NIL	NIL
General and administrative expenses	\$419	\$419
Other material costs, whether capitalized, deferred or expensed, not referred to above	\$34,693	\$34,693

## Disclosure of Outstanding Share Data

As at September 30, 2008 and the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities previously issued by the Corporation:

	As at Sept 30, 2008	As at the Date of this MD&A
Voting or equity securities authorized	Unlimited	Unlimited
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 up to 10% of outstanding Common Shares
Voting or equity securities issued and outstanding	2,000,000 Common Shares	3,000,000 Common Shares
Securities convertible or exercisable into voting or equity securities – stock options	NIL	NIL
Securities convertible or exercisable into voting or equity securities – agent’s options	NIL	100,000
Voting or equity securities issuable on conversion or exchange of outstanding securities	As above	As above

## Risks and Uncertainties

As a Capital Pool Company, under the policies of the Exchange, the Corporation must identify and complete a “qualifying transaction” within 24 months from the date the Corporation’s common shares were listed on the Exchange, October 17, 2008. There is no assurance that the Corporation will be able to complete a qualifying transaction within 24 months of the date of listing or that it will be able to secure the necessary financing to complete a qualifying transaction. The Exchange may suspend or delist the Corporation’s shares from trading on the Exchange and move the shares to the NEX board should it not meet these requirements. The qualifying transaction will be subject to regulatory approval and may be subject to shareholder approval.

## Critical Accounting Estimates

The preparation of financial statements requires the Corporation to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is obtained, and are subject to change. The Company’s accounting policies and estimates used in preparation of the Financial Statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

## Other MD&A Requirements

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).