

Benz Capital Corp.

(A capital pool company)

Management Discussion and Analysis

Year Ending – March 31, 2022

The following management’s discussion and analysis of financial conditions and results of operations (the “MD&A”) has been prepared by management and provides a review of the activities, results of operations and financial condition of Benz Capital Corp. (the “Company” or “Benz Capital”). This discussion dated July 28, 2022, should be read in conjunction with the audited annual financial statements for the years ended March 31, 2022 and 2021 (the “Financial Statements”). Please also refer to the cautionary statement of forward-looking information at the end of this document.

All financial information in this MD&A is prepared in accordance with International Financial Reporting Standards (“IFRS”) and reported in Canadian dollars unless otherwise noted. Additional information about the Company is available under the Company’s profile on SEDAR at www.sedar.com.

1. COMPANY OVERVIEW

Benz Capital was incorporated under the laws of the Province of British Columbia on February 8, 2021. The Company has applied for status as a Capital Pool Company (“CPC”) as defined by the TSX Venture Exchange (the “Exchange”) Policy 2.4. The activities of the Company are initially limited to the efforts to identify and evaluate the acquisition of assets and business, which would represent a “Qualifying Transaction” for regulatory purpose. The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month from its proceeds may be used for general administrative expenses. Where an acquisition or participation (the “Qualifying Transaction”) is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. Such an acquisition will be subject to regulatory approval and, if required, shareholder approval.

2. INITIAL PUBLIC OFFERING

On October 4, 2021, the Company completed an initial public offering (“IPO”) of 3,444,000 common shares of the Company (the “Common Shares”) at a price of \$0.10 per Common Share for gross proceeds of \$344,400 and is now listed on the TSX Venture Exchange (the “Exchange”). The Common Shares were listed on the Exchange at the market open on October 4, 2021.

The net proceeds of the offering, together with the proceeds from prior sales, will be used by the Company to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction.

In connection with the IPO, the Company paid the agent a cash commission of 10% of gross proceeds raised in the IPO and an administration fee. In addition, the Company granted to the agent non-transferable options to acquire up to an aggregate of 344,400 Common Shares (the “Agent’s Options”). Each Agent’s Option is exercisable to acquire one Common Share at an exercise price of \$0.10 for a period of 2 years following the date of completing a Qualifying Transaction.

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3. RESULTS OF OPERATIONS

Overall Performance

During the year ended March 31, 2022, the Company operated as a CPC. As a CPC, the Company's principal business is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject to, in certain cases, shareholder approval and acceptance by the Exchange.

4. REVIEW OF FINANCIAL RESULTS

Summary of Annual Results

| | March 31, 2022 | March 31, 2021 |
|-------------------------------------|-------------------|-------------------|
| Net loss | \$121,885 | \$5,999 |
| Total assets | 554,828 | 299,092 |
| Basic and diluted loss per share | \$0.02 | - |

*Company was incorporated on February 8, 2021. First reported financial statements were on March 31, 2021

During the year ended March 31, 2022, the Company had a net loss of \$121,885 compared to a net loss of \$5,999 for the period of incorporation on February 8, 2021, to March 31, 2021. The loss resulted from increased general operations as the Company commenced its search for a qualifying transaction, including:

- Increase in transaction evaluation costs of \$27,567
- Increase in listing and filing fees of \$57,633
- Increase in office and miscellaneous of \$10,357
- Increase in professional fees of \$5,369
- Increase in share-based payments of \$14,960

Summary of Quarterly Results

| | March 31, 2022 | December 31, 2021 | September 30, 2021 | June 30, 2021 | March 31, 2021 |
|-------------------------------------|-------------------|----------------------|-----------------------|------------------|-------------------|
| Net loss | \$57,400 | \$33,473 | \$27,757 | \$3,255 | \$5,999 |
| Basic and diluted loss per share | \$0.01 | - | \$0.01 | - | - |

*Company was incorporated on February 8, 2021. First reported financial statements were on March 31, 2021

During the quarter ended March 31, 2022, the Company had a net loss of \$57,400 compared to a net loss of \$5,999 for the period of incorporation on February 8, 2021, to March 31, 2021. The increased loss primarily resulted from:

- an increase in transaction evaluation costs of \$7,261 as the Company commenced its search for a qualifying transaction
- an increase in listing and filing fees of \$35,680 resulting from the IPO

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Operations remained consistent with the previous quarter ended December 31, 2021, with the increase in net loss resulting primarily from increases in transaction evaluation costs and listing and filing fees.

5. LIQUIDITY AND CAPITAL RESOURCES

The Company does not have any externally imposed capital requirements to which it is subject other than the restriction on the use of cash as referred to in section 1, Company Overview. Current capital will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction. Additional funds may be required to finance the Company's Qualifying Transaction.

As at March 31, 2022 the Company had a cash balance of \$497,078, and working capital of \$529,862.

Investing Activities

During the year ended March 31, 2022, there were no investing activities.

Financing Activities

During the year ended March 31, 2022, the Company received net proceeds \$371,777 through the issuance of 4,544,000 common shares.

Off-Balance Sheet Arrangements

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

Related Party Transactions

During the year ended March 31, 2022, directors of the Company were granted options with a fair value of \$8,087 (2021: Nil).

At March 31, 2022, a Director and officer of the Company owed a total of \$57,750 (2021 - \$Nil) to the Company. Amounts due from related parties are unsecured, non-interest bearing and have no fixed terms of repayment. Subsequent to the year ended March 31, 2022, the Company received full repayment of \$57,750 for amounts receivable from the officer and Director of the Company.

Proposed Transactions

There are no proposed transactions.

Commitments

The Company did not have any commitments as at March 31, 2022 or as of the date of this report.

Changes in Accounting Policies

There are no changes in accounting policies

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Financial Instruments

The Company's financial instruments consist of cash, amounts receivable and trade and other payables. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Additional Disclosure for Venture Issuers without Significant Revenue

Detail regarding material items within general and administrative expenses has been provided throughout this document.

Outstanding Share Data

Common Shares:

As at the date of this MD&A, the Company had the following issued and outstanding common shares and unexercised stock options and agent's options:

| | Shares and Potential Shares |
|--|--|
| Common shares outstanding | 9,144,000 |
| Stock options (exercise price \$0.10) | 814,000 |
| Agent's options (exercise price \$0.10) | 344,400 |
| Total common shares and potential common shares | 10,302,400 |

Stock Options:

On June 25, 2021, the Company granted stock options to a technical consultant of the Company exercisable to acquire up to an aggregate of 140,000 common shares. The options are exercisable to acquire one Common Share at an exercise price of \$0.10 per Common Share for a period of three years from the date of issuance. The stock options vest at 25% every 6 months commencing on the date of grant.

On October 6, 2021, the Company granted an aggregate of 674,000 stock options to certain of its directors, officers and consultants, at an exercise price of \$0.10 per Common share for a period of 3 years from the date of issuance. The options will vest on the date the Company completes a Qualifying Transaction.

Agents Options:

Pursuant to the IPO, the granted to the agent non-transferable options to acquire up to an aggregate of 344,400 Common Shares. Each agent's option is exercisable to acquire one common share at an exercise price of \$0.10 per Common Share for a period of 2 years following the date of completing a Qualifying Transaction.

Subsequent Events:

Subsequent to the year ended March 31, 2022, the Company received full repayment of \$57,750 for amounts receivable from an officer and Director of the Company.

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6. RISKS AND UNCERTAINTIES

An investment in our Company involves a number of risks. You should carefully consider the following risks and uncertainties in addition to other information in this interim report in evaluating our Company and our business before making any investment decision in regard to the common shares of our Company. Our business, operating and financial condition could be harmed due to any of the following risks. The risks described below are not the only ones facing our Company. Additional risks not presently known to us may also impair our business operations.

- (a) The Company was only recently incorporated, has not commenced commercial operations, and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after completion of the Qualifying Transaction;
- (b) 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;
- (c) 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;
- (d) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction;
- (e) Completion of the 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;

Financing Risks

Our Company is limited in financial resources and has no assurance that additional funding will be available to us. There can be no assurance that we will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

Markets for Securities

There can be no assurance that an active trading market in our securities will be established and sustained. The market price for our securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of our peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of our Company.

Reliance on Key Individuals

Our success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in our growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on our Company.

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Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The Business Corporations Act of British Columbia (“BCBCA”) provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

7. INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company’s management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations and may not prevent or detect misstatements. Therefore, even those systems determined to be effective can only provide reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

8. CRITICAL JUDGEMENTS AND ESTIMATES

The financial statements are prepared in accordance with IFRS. 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 date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

The critical judgments that the Company’s management has made in the process of applying the Company’s accounting policies that has the most significant effect on the amounts recognized in the Company’s financial statements are related to the assumption that the Company will continue as a going concern and the valuation of share-based payments.

For a summary of significant accounting policies, please refer to Note 3 of the Financial Statements. Management believes it has made estimates that best reflect the facts and circumstances; however, actual results may differ from estimates.

9. FORWARD LOOKING INFORMATION

Certain statements contained in this MD&A constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to our future outlook and anticipated events or results and may include statements regarding the future financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, taxes and plans and objectives

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of or involving the Company. Particularly, statements regarding our future operating results and economic performance are forward-looking statements. In some cases, forward-looking information can be identified by terms such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “predict”, “potential”, “continue” or other similar expressions concerning matters that are not historical facts. Examples of such statements include the Company’s intention to complete a “Qualifying Transaction” (as defined by policy 2.4 (the “CPC Policy”) of TSX Venture Exchange Inc. (the “Exchange”)). Forward-looking information is subject to certain factors, including risks and uncertainties, which could cause actual results to differ materially from what we currently expect. These factors include the ability of the Company to obtain necessary financing and complete a Qualifying Transaction. Forward-looking information contained in this MD&A is based on our current estimates, expectations, and projections, which we believe are reasonable as of the current date. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information, except as required by law.