

BMGB CAPITAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended September 30, 2022

Dated November 29, 2022

BMGB CAPITAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

This Management's Discussion and Analysis ("MD&A") of the financial position and results of operations of BMGB Capital Corp. (the "**Company**" or "**BMGB**") should be read in conjunction with the condensed interim financial statements of the Company for the three months ended September 30, 2022 and the related notes contained therein. The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") using policies consistent with IFRS as issued by the IASB. All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company and its activities can be found on SEDAR at www.sedar.com.

This MD&A is current as at November 29, 2022.

This MD&A contains forward-looking statements and forward-looking information as further described under "Forward-Looking Statements and Forward-Looking Information" at the end of this MD&A.

The Company

BMGB Capital Corp. (the "**Company**") was incorporated in the Province of British Columbia on April 21, 2018. The Company's registered and records office is Suite 600 – 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7.

The Company was formed for the primary purpose of completing an Initial Public Offering ("**IPO**") on the TSX Venture Exchange ("**Exchange**") as a Capital Pool Company ("**CPC**") as defined in Policy 2.4 of the Exchange. As a CPC, the Company's principal business would be to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with Policy 2.4 of the Exchange ("**Qualifying Transaction**"). Such a transaction may be subject to shareholder approval and will be subject to regulatory approval. Until completion of the Qualifying Transaction, the Company 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.

As a CPC, subject to certain exceptions, the proceeds raised by the Company from the issuance of share capital may only be used to identify and evaluate assets of business for future investment. These restrictions apply until the completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange. At the Company's Extraordinary General Meeting of Shareholders held on May 25, 2021 the shareholders of the Company voted in favour of the following resolutions implementing the certain changes needed to transition to the TSX Venture Exchange's Policy 2.4 - Capital Pool Companies effective as at January 1, 2021: (i) removing the consequences associated with the Company not completing a Qualifying Transaction within 24 months of its listing date; and (ii) authorizing the Company to make certain amendments to the Company's escrow agreement.

On November 5, 2018, the Company completed its IPO by issuing an aggregate of 2,500,000 common shares at a price of \$0.10 per common share for gross proceeds of \$250,000. The Company's common shares were listed on the Exchange on November 5, 2018 under the symbol "BMGB.P". The IPO is further described in the Company's press release dated November 5, 2018.

On February 25, 2019, the Company announced that it had entered into a non-binding letter of intent (the "**LOI**") dated February 22, 2019 respecting the proposed acquisition by the Company of Hot Tomali

Communications Inc. (“**Hot Tomali**”) and Cientis Technologies Inc. (“**Cientis**”). Under the LOI, the Company, Hot Tomali and Cientis agreed to act in good faith to draft, negotiate and execute a definitive acquisition agreement and amalgamation agreement respecting the transaction. The transaction was intended to qualify as the Company’s “Qualifying Transaction” as defined by Policy 2.4 of the TSX Venture Exchange. The proposed transaction is further described in the Company’s press release dated February 25, 2019. On January 2, 2020, the Company announced that it had terminated the LOI. On January 13, 2020, Hot Tomali repaid the full amount of the secured loan that the Company had made to Hot Tomali in connection with the transaction, and accumulated interest.

On April 30, 2020, the Company announced that it had entered into a non-binding letter of intent (the “**NAVCO LOI**”) dated April 28, 2020, as amended October 28, 2020, respecting the proposed acquisition by the Company of NAVCO Pharmaceuticals Limited (“**NAVCO**”) (the “**Transaction**”). Under the NAVCO LOI, the Company and NAVCO agreed to act in good faith to draft, negotiate and execute a definitive share exchange agreement or other similar form of agreement respecting the Transaction, which will supersede the NAVCO LOI. The Transaction is intended to qualify as BMGB’s “Qualifying Transaction” as defined by Policy 2.4 of the TSX Venture Exchange. The proposed Transaction is further described in the Company’s press releases dated April 30, 2020, October 29, 2020, and January 18, 2021.

On November 4, 2020, 100,000 agents’ warrants were exercised at a price of \$0.10 for proceeds of \$10,000.

On January 18, 2021, the Company, NAVCO and the NAVCO shareholders executed a share exchange agreement (the “**Share Exchange Agreement**”), as amended. Under the Share Exchange Agreement, the Company will acquire all of the issued and outstanding common shares of NAVCO by issuing an aggregate of 21,340,000 common shares of the Company pro rata to the NAVCO shareholders at a deemed price of \$0.15 per share, representing an aggregate valuation for NAVCO of \$3,201,000 (the “**Share Exchange**”). Closing of the Share Exchange is subject to completion of certain conditions precedent, including without limitation: completion by the Company of a private placement (the “**Private Placement**”) for gross proceeds of no less than \$2,000,000; the preparation and filing of a Filing Statement with the Exchange; and receipt of all necessary regulatory and Exchange approvals.

Under the Private Placement, the Company will raise gross proceeds of no less than \$2,000,000 through the issuance of units at a price of \$0.15 per unit, with each unit comprised of one common share of the Company and one common share purchase warrant (each warrant exercisable for an additional common share of the Company for two years at an exercise price of \$0.25). The Share Exchange Agreement also contemplates the Company issuing 340,000 common shares as a finder's fee to an arm's length third party.

Overall Performance

The key factors pertaining to the Company’s overall performance for the three months ended September 30, 2022 are as follows:

- The Company had working capital of \$1,427 as at September 30, 2022, as compared to working capital of \$3,471 as at June 30, 2022. The decrease was mainly due to administrative expenses in the normal course of business.
- The Company incurred a net loss of \$2,045 for the three months ended September 30, 2022, as compared to a net loss of \$13,979 for the three months ended September 30, 2021. The decrease was mainly due to a decrease in filing fees.

Selected Annual Information

The following table sets forth summary financial information for the Company for the period from incorporation to June 30, 2018 and for the years ended June 30, 2019, 2020 and 2021. This information has been summarized from the Company's audited financial statements for the same periods and should only be read in conjunction with the Company's audited financial statements, including the notes thereto.

	Year ended June 30, 2022	Year ended June 30, 2021	Year ended June 30, 2020	Year ended June 30, 2019	Period from Incorporation to June 30, 2018
Total assets	112,171	116,027	181,277	231,443	100,000
Total revenues	6,412	5,460	1,140	339	-
Long-term debt	-	-	-	-	-
General and administrative expenses	100,093	79,542	50,704	185,115	-
Net loss	93,681	74,082	49,564	184,776	-
Basic and diluted loss per share ⁽²⁾	0.04	0.03	0.02	0.11	-

Discussion of Operations

For the three months ended September 30, 2022, the Company incurred a net loss of \$2,045 (2021: \$13,979). Total revenue for the three months was \$1,678 (2021: \$1,580), of which \$1,678 (2021: \$1,580) was interest income. Total expenses for the three months were \$3,723 (2021: \$15,559), of which \$3,150 (2021: \$2,224) was professional fees, \$315 (2021: \$13,077) was filing fees, and \$258 (2021: \$258) was office and miscellaneous. Professional fees consist of legal, accounting and audit fees.

Summary of Quarterly Results

The following financial data was derived from the Company's financial statements for each of the Company's last eight completed financial quarters:

	Q2 2021 (\$)	Q3 2021 (\$)	Q4 2021 (\$)	Q1 2022 (\$)	Q2 2022 (\$)	Q3 2022 (\$)	Q4 2022 (\$)	Q1 2023 (\$)
Revenues	1,511	1,500	1,540	1,580	1,604	1,593	1,635	1,678
Net income (loss) before other income/ expenses	(18,207)	(17,316)	(31,825)	(13,979)	(24,966)	(7,355)	(47,381)	(2,045)
Net income (loss) after other income / expenses	(18,207)	(17,316)	(31,825)	(13,979)	(24,966)	(7,355)	(47,381)	(2,045)
Net Income (loss) per share – basic and diluted	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.02)	(0.00)
Weighted average number of shares outstanding	2,562,000	2,562,000	2,566,667	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000

Liquidity and Capital Resources

The Company is in the evaluation stage and therefore has no cash flow from operations. The Company's only material source of funds since incorporation has been from the sale of common shares. From the date of incorporation on April 21, 2018, to September 30, 2022, it has raised \$360,000 from the sale of shares for cash through the issuance of 4,600,000 shares. In total, there are 4,600,000 shares outstanding as of the date of this MD&A.

As at September 30, 2022, current assets were \$113,591 (June 30, 2022 - \$112,171) and current liabilities were \$112,164 (June 30, 2022 - \$108,700), resulting in working capital of \$1,427 (June 30, 2022 - \$3,471), at that time. There are no known trends affecting liquidity or capital resources.

As at September 30, 2022, the Company had total assets of \$113,591 (June 30, 2022 - \$112,171) which are comprised of \$21,541 (June 30, 2022 - \$1,799) cash and \$92,050 (June 30, 2022 - \$110,372) loan receivable.

While the information in this MD&A has been prepared in accordance with IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Company is making its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

Disclosure of Outstanding Security Data

As of the date of this MD&A, the Company has the following securities issued and outstanding: 4,600,000 common shares; and 450,000 stock options, each of which are exercisable for one common share of the Company for \$0.10 until November 5, 2028. The Company has no other securities issued or outstanding that are convertible into, or exercisable or exchangeable for, voting or equity securities of the Company.

Off-Balance Sheet Arrangements

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

Transactions Between Related Parties

As at September 30, 2022, accounts payable included \$3,150 (2021: \$Nil) due to Patrick M. O'Flaherty Inc., a company controlled by Patrick O'Flaherty, the Chief Financial Officer of the Company.

During the three months ended September 30, 2022, \$3,150 (2021: \$Nil) was accrued to Patrick M. O'Flaherty Inc.

Trends

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from the novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows.

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. See "Forward-Looking Statements and Forward-Looking Information" at the end of this MD&A.

Outlook

The Company's priorities are to identify, evaluate and acquire assets, properties or businesses which would constitute a qualifying transaction in accordance with Policy 2.4 of the Exchange.

Changes in Accounting Policies Including Initial Adoption

A detailed summary of all of the Company's significant accounting policies is included in Note 2 to the condensed interim financial statements. The Company, in consultation with its auditor, periodically reviews accounting policy changes implemented within its industry.

Financial Instruments and Other Instruments

The carrying values of cash and cash equivalents and accounts payable approximate their fair values because of the short-term maturity of these financial instruments. The Company has no exposure to Asset Backed Commercial Paper.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of shares, it is uncertain as to whether it will be able to continue this form of financing due to uncertain economic conditions. There were no changes in the Company's approach to capital management during the three months.

The Company is not subject to externally imposed capital requirements.

- Categories of financial instruments

The fair values of cash and cash equivalents approximate their carrying values due to the short term to maturities of these financial instruments.

The Company's financial instruments are exposed to certain financial risks, including market risk, credit risk and liquidity risk. The Company's exposure to these risks and its methods of managing the risks remain consistent.

- Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other price risk.

- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Should the market interest rates increase/decrease by 1%, the impact on cash would be immaterial.

The Company monitors its exposure to interest rates and has not entered into any derivative financial instruments to manage this risk. The Company's exposure to interest rate risk is immaterial.

- Foreign currency risk

The Company is not exposed to foreign currency risk as all expenditures incurred by the Company are denominated in Canadian dollars.

- Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk on its financial instruments.

- Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and loan receivable. The Company manages its credit risk relating to cash through the use of a major financial institution which has a high credit quality as determined by rating. The Company's loan is secured against all of the present and after acquired property of NAVCO, pursuant to the general security agreement. The Company assessed credit risk as low.

- Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital markets are hindered. The Company has no source of revenue and has obligations to meet its administrative overheads and to settle amounts payable to its creditors. The Company has been successful in raising equity financing; however, there is no assurance that it will be able to do so in the future. The Company assesses liquidity risk as high.

There were no changes in the Company's approach to financial risk management during the three months.

Forward-Looking Statements and Forward-Looking Information

The information provided in this MD&A may contain forward-looking statements and forward-looking information about BMGB within the meaning of applicable securities laws. In addition, BMGB may make or approve certain statements or information in future filings with Canadian securities regulatory authorities, in news releases, or in oral or written presentations by representatives of BMGB that are not statements of historical fact and may also constitute forward-looking statements or forward-looking information. All statements and information, other than statements of historical fact, made by BMGB that address activities, events, or developments that BMGB expect or anticipate will or may occur in the future are forward-looking statements and information, including, but not limited to, statements and information preceded by, followed by, or that include words such as "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intends", "plan", "forecast", "budget", "schedule", "project",

“estimate”, “outlook”, or the negative of those words or other similar or comparable words. This forward-looking information and forward-looking statements include, without limitation, information about the Company’s opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company’s available cash resources and other statements about future events or results.

Forward-looking statements and information involve significant risks, assumptions, uncertainties and other factors that may cause actual future performance, achievement or other realities to differ materially from those expressed or implied in any forward-looking statements or information and, accordingly, should not be read as guarantees of future performance, achievement or realities.

Actual performance, achievement or other realities could differ materially from those expressed in, or implied by, any forward-looking statements or information in this MD&A and, accordingly, investors should not place undue reliance on any such forward-looking statements or information. Further, any forward-looking statement or information speaks only as of the date on which such statement is made, and BMGB does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements or information whether as a result of new information, future events or otherwise, except as required by applicable law. All forward-looking statements and information contained in this MD&A and other documents of BMGB are qualified by such cautionary statements.

In addition, forward-looking statements and information herein, including financial information, is based on certain assumptions relating to the business and operations of BMGB. Although BMGB has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and forward-looking information in this MD&A, and the documents incorporated by reference herein, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There is no assurance that such statements and information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information contained in this MD&A.