

ISRAEL CAPITAL CANADA CORP.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED JULY 31, 2021

ISRAEL CAPITAL CANADA CORP.

Management Discussion & Analysis
July 31, 2021

1.1 Date

This Management Discussion and Analysis (“MD&A”) of Israel Capital Canada Corp. (“Israel” or the “Company”) has been prepared by management as of September 29, 2021 and should be read in conjunction with the condensed interim financial statements and related notes thereto of the Company as at and for the nine months ended July 31, 2021 and 2020, and the audited financial statements and related notes thereto of the Company for the year ended October 31, 2020 and the period from August 15, 2019 (Date of Incorporation) to October 31, 2019, which was prepared in accordance with International Accounting Standards using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and International Financial Reporting Interpretations Committee (“IFRIC”).

This MD&A contains forward-looking information which reflects management's expectations regarding the Company's growth, results of operation, performance and business prospects and opportunities. The use of words such as “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe”, “outlook”, “forecast” and similar expressions are intended to identify forward-looking statements.

Forward-looking statements in this MD&A include, but not limited to, the Company's expectation of future activities and results, of its working capital needs and its ability to identify, evaluate and pursue suitable business opportunity. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results of events to differ materially from those anticipated in these forward-looking statements. Readers should not put undue reliance on forward-looking information.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

1.2 Over-all Performance

The Company was incorporated under the laws of the Province of British Columbia on August 15, 2019. The Company is a Capital Pool Company (“CPC”) as its principal business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”) in accordance with Policy 2.4 of the TSX Venture Exchange (“TSX-V”).

On May 8, 2020, the Company completed its Initial Public Offering (“IPO”) on the TSX-V raising \$200,000 through the issuance of 2,000,000 common shares of the Company at \$0.10 per share. The Company's common shares were approved for listing on the TSX-V on May 8, 2020 and commenced trading effective May 12, 2020 under the symbol “IL.P”.

On October 8, 2020, the Company entered into a letter of intent (“LOI”) with Waveforce Electronics Inc. (“Waveforce”) to acquire a consumer wellness enhancement membership program. On February 17, 2021, the LOI was mutually terminated by both parties.

On March 27, 2021, the Company entered into a letter of agreement (“Letter Agreement”) with FREmedica Technologies Inc. (“FREmedica”) pursuant to which the Company will acquire all of the issued and outstanding securities of the FREmedica Technologies (the “Transaction”), which could qualify as the Company's QT. See *1.11 Proposed Transactions* for details of the transaction.

FREmedica is a wholly-owned subsidiary of Waveforce, a developer of light pulse frequency emitter platforms for different industries to assist in improving performance in people, plants and products. FREmedica was

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founded on November 5, 2016 for the purpose of creating a frequency emitter that delivers a special package of frequencies designed for the health and wellness market, specifically to target Lyme disease within North America.

The Company has not commenced operations and has no assets other than cash. The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and in the case of a non-arms' length transaction, of the majority of the minority shareholders.

In March 2020, the World Health Organization declared the COVID-19 coronavirus outbreak a pandemic, which continues to spread globally. As a CPC with no commercial operations, the COVID-19 pandemic has not had a significant impact on the Company's routine operations or on the carrying value of its assets. However, the pandemic's effect on broader capital markets may hinder the Company's ability to complete a QT and to raise capital.

1.3 Selected Annual Information

	Year Ended October 31, 2020	Date of Incorporation (August 15, 2019) to October 31, 2019
Net Loss	\$ (116,581)	\$ (5,383)
Loss per share	\$ (0.08)	\$ (0.00)
Total assets	\$ 434,818	\$ 100,000
Total long-term liabilities	Nil	Nil
Cash dividends declared per share for each class of share	Nil	Nil

1.4 Results of Operations

Nine months ended July 30, 2021

During the nine months ended July 31, 2021, the Company reported a net loss of \$77,246 or \$0.02 per share compared to \$87,457 or \$0.11 per share in the comparative period ended July 31, 2020, a decrease in loss of \$13,886.

The decrease in loss of \$10,000 was primarily due to decreases in share based compensation expense of \$41,384 as no options were granted during the period and regulatory fees of \$8,168 as the Company had no additional listing fees for the current period. Offsetting the decrease in loss were increases in administrative fees of \$12,600 pursuant to the Administrative Services Agreement dated July 1, 2020 (See *1.9 Transactions with Related Parties*) and consulting and professional fees by \$7,324 and \$20,422, respectively, incurred in connection to the Company's terminated LOI with WaveForce.

Three months ended July 31, 2021

During the three months ended July 31, 2021, the Company reported a net loss of \$3,365 compared to a net loss of \$32,901 in Q3 of fiscal 2020, a decrease in loss of \$29,536. The decrease in loss was due to a decrease in share based compensation of \$41,384, offset by a reclassification of professional fees of \$10,915.

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1.5 Summary of Quarterly Results

The following is a summary of financial information concerning the Company for each of the reported quarters since its incorporation.

Quarter ended	Loss	Loss per share
July 31, 2021	\$ (3,365)	\$ (0.00)*
April 30, 2021	\$ (46,901)	\$ (0.02)*
January 31, 2021	\$ (26,981)	\$ (0.01)*
October 31, 2020	\$ (29,124)	\$ (0.01)*
July 31, 2020	\$ (32,901)	\$ (0.01)*
April 30, 2020	\$ (53,929)	\$ (0.00)
January 31, 2020	\$ (627)	\$ (0.00)
October 31, 2019	\$ (5,383)	\$ (0.00)

* 4,000,000 seed shares issued to directors and officers of the Company prior to the completion of the IPO were placed into an escrow. The escrow shares are not included in the calculation of the weighted average number of common shares outstanding during the reporting period for the purpose of computing the loss per share

July 31, 2021 – decreased loss as the Company did not incur any significant charges during the quarter.

April 30, 2021 – increased loss due to increased legal and regulatory costs.

January 31, 2021 – loss included legal fees related to the Company's terminated QT.

October 31, 2020 – loss included year-end accruals for audit fees and legal fees related to the Company's terminated QT.

July 31, 2020 – incurred a higher loss due to stock-based compensation in connection to the stock options granted upon the completion of the Company's IPO.

April 30, 2020 - incurred a higher loss due to costs incurred in connection to the Company's listing and IPO.

January 31, 2020 and October 31, 2019 - incurred a lower loss due to Company's inactivity prior to its IPO completion.

1.6 Liquidity and Capital Resources

As at July 31, 2021, the Company reported a working capital of \$311,947 (October 31, 2020 - \$412,818) consisting of cash of \$363,676 (October 31, 2020 - \$434,818) and prepaid expenses of \$2,275 (October 31, 2020 - \$Nil) less trade payables and accrued liabilities of \$6,250 (October 31, 2020 - \$22,000) due to related parties of \$12,754 (October 31, 2020 - \$Nil), and subscriptions of \$35,000 (October 31, 2020 - \$Nil).

During the nine months ended July 31, 2021, the Company utilized \$82,517 (2020 - \$47,679) in operating activities. Investing activities included use of \$23,625 on the Company's QT. The Company received \$35,000 in subscriptions in connection to the concurrent financing for its financing activities.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern with a view of completing its QT. The Company will have no revenue, and significant expenses are expected in the process of identification and acquisition of qualifying asset.

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The Company may continue to have capital requirements in excess of its currently available resources. The other sources of funds potentially available to the Company are through the exercise of outstanding stock options and share purchase warrants. *See item 1.15 – Other Requirements – Summary of outstanding share data.* In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing, subject to the TSX-V policies and approval.

There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

1.7 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

1.8 Risk and Uncertainties

The Company's financial performance is likely to be subject to the following risks:

- Although management of the Company is working diligently to complete the QT, there is no assurance that a QT will be entered into nor completed.
- The Company was incorporated on August 15, 2019, has not commenced commercial operations, has not generated any revenue and has no assets other than cash.
- Until completion of a QT, the Company is not permitted to carry on any business other than the identification and evaluation of potential QTs.
- The Company has limited funds, with which to identify, evaluate and complete a potential QT and continue its business operations.
- Completion of the QT is subject to a number of conditions including acceptance by the TSX-V, securities regulatory authorities and the shareholders' approval, if required.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss arising from a customer or third party to a financial instrument failing to meet its contractual obligations. The Company limits exposure to credit risk by maintaining its cash with a major Canadian financial institution.

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 objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and seeking equity financing when needed. As at July 31, 2021, the Company had cash of \$363,676 (October 31, 2020 – \$434,818) which is sufficient to settle its current liabilities of \$54,004 (October 31, 2020 - \$22,000).

Pursuant to the policies of the TSX-V, the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover

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prescribed costs of issuing the common shares or for administrative and general expenses. These restrictions apply until completion of the Company's Qualifying Transaction as defined by TSX-V Policy 2.4.

Effective January 1, 2021, the Exchange amended its Policy 2.4. Under the amended policy, a CPC may only incur expenses to operate its business to identify and evaluate assets or business for a proposed QT; reasonable expenses related to the CPC's IPO and prescribed costs of issuing the common shares and maintaining the CPC's regulatory requirements; and reasonable general and administrative expenses of the CPC not exceeding \$3,000 per month.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is not exposed to significant interest rate risk.

(b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

(c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potentially adverse impact on the Company's ability to obtain equity financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

1.9 Transactions with Related Parties

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers.

On July 1, 2020, the Company entered into an administrative services agreement with Varshney Capital Corp. ("VCC"), a company with a director in common, for administrative services provided to the Company for an initial term of 120 days or until the Company completes a QT in exchange for a monthly fee of \$1,500 plus taxes. Upon completion of a QT, the monthly fee will increase to \$5,000 plus taxes for a six month term with a renewal option for an additional six months at a monthly fee of \$7,500 plus taxes and thereafter on an annual basis until otherwise terminated.

During the period ended July 31, 2021, the Company paid \$14,175 (2020 - \$1,575) for administrative fees to VCC.

As at July 31, 2021, \$12,754 (October 31, 2020 - \$Nil) was owed to a director for reimbursement of regulatory fees paid on behalf of the Company.

During the year ended October 31, 2020, Dr. Keith Pyne, director of the Company, and Stephen Davis, Director, CEO and President of the Company, purchased 500,000 common shares at \$0.05 per common

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share each. In addition, an independent investor also purchased a total of 1,000,000 common shares at \$0.05 per common share.

1.10 Fourth Quarter

None.

1.11 Proposed Transactions

On March 27, 2021, the Company entered into a Letter Agreement with FREmedica Technologies Inc., which sets out the terms and conditions pursuant to which the Company will acquire 100% of the issued and outstanding shares of FREmedica in exchange for 18,000,000 common shares (the "Payment Shares") in the capital of the Company, which Payment Shares the Company will issue to Waveforce. The intention is for the Transaction to constitute the Company's Qualifying Transaction, as such term is defined under the TSX Venture Exchange (the "Exchange") *Policy 2.4 – Capital Pool Companies* (the "CPC Policy").

On completion of the Transaction, the Company intends to be listed on the Exchange as a Tier 2 technology issuer and will principally focus on continuing and developing the business of FREmedica. FREmedica is applying for a patent for the formulation of frequencies that they have captured and packaged to help manage the symptoms of Lyme disease. The frequency package is delivered by a frequency emitter which FREmedica has designed. The frequencies are downloaded from an app, which delivers the frequencies to an upgradeable wearable device called "Wave 1" that transmits the frequencies in a conformable pattern using light diodes onto the skin.

The directors and officers of the Company own approximately 19.49% of the issued and outstanding common shares of Waveforce. Stephen Davis, the CEO and a director of the Company, is the Chairman and a director of Waveforce. Dr. Keith Pyne - a director of the Company - is also a director of Waveforce. The Transaction, therefore, is considered a Non-Arm's Length Qualifying Transaction under the CPC Policy. In accordance with the rules of the Exchange, the Company will seek shareholder approval for the Qualifying Transaction by written consent of the "majority of the minority" or by holding a shareholders' meeting.

Terms of the Transaction

Under the terms of the Letter Agreement, the Company will acquire 100% of the issued and outstanding common shares of FREmedica from Waveforce in exchange for the Payment Shares and a 10% royalty payable to Waveforce in exchange for the frequency capture technology, secure storage of frequencies and the platform for the delivery of frequencies through the Wave 1 frequency emitter. In addition, the Company has agreed to settle outstanding shareholder loans provided by Waveforce to FREmedica in the approximate amount of \$1,245,000 through the issuance of 3,557,143 common shares in the capital of the Company at a deemed price of \$0.35 per common share (the "Debt Settlement"). The Debt Settlement is subject to acceptance by the Exchange and disinterested shareholder approval in accordance with the policies of the Exchange, which the Company will seek to obtain.

In addition, the Company has agreed to change its name to FREmedica Inc. or such another name as the parties may decide following completion of the Transaction. The current directors of the Company will have an option to remain on the board of directors of the Company (the "Board") for one year following completion of the Transaction. The Company will grant FREmedica a right to nominate one additional director for appointment to the Board, subject to acceptance by the Exchange and all required shareholder approvals. The Company has also agreed to advance up to \$25,000 to FREmedica, subject to Exchange approval, which FREmedica will use to pay for its audit and legal fees.

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The Letter Agreement provides that the parties will execute a comprehensive agreement (the “Formal Agreement”) to supersede the Letter Agreement by April 30, 2021. The Formal Agreement will contain all customary representation and warranties, covenants, provision of legal opinions, and other items that would normally appear in a comprehensive agreement covering such matters. The Letter Agreement remains binding and enforceable until the Formal Agreement is executed.

The Company does not anticipate paying any finder’s fees on the Transaction. Further details of the Transaction will follow in future news releases.

Proposed Business

The Company intends to develop and deliver frequency packages to purchasers and users of the Wave 1 device developed by Waveforce and FREmedica. The Company plans to develop other devices capable of delivering frequency packages in the future. The Company also expects to develop and sell annual memberships to access different frequency packages and a private live streaming network it plans to develop. The Wave 1 is intended to receive from the cloud software programming data and then emit layered frequency recordings tailored to the user. The Company intends to offer an increasing variety of light pulse frequency packages to members and clients. These frequency packages will be built by the Company or will be licensed by the Company from third parties.

The licenses and underlying technology being acquired were developed over a 5-year period. Waveforce and FREmedica spent approximately \$642,000 in development costs with third party consultants/engineers. This cost does not include the time and cost associated with inhouse development and testing of the device and software by Waveforce and FREmedica.

The Company expects to obtain immediate ongoing revenue from the transfer of the licensing agreement with FREmedica. Under this license agreement, the Company will be entitled to receive 30% of the gross revenue FREmedica earns pertaining to the sale of the Wave 1 device and any fees collected for the use of the frequency package for Lyme Disease. The Wave 1 device has generated approximately \$415,000 in income for Waveforce to date through the initial test markets.

The foregoing costs and revenue have not been audited.

The Management Team of Waveforce and FREmedica believes that all individuals could benefit from the use of the Wave1 device with different frequency packages aimed to address and support their personal health. Currently, FREmedica is focused on exclusively selling the Wave1 device and Lyme related frequency packages to those who have been diagnosed with Lyme Disease. Lyme Disease is the most common tick-borne disease affecting human and dog health in North America and Europe. If left untreated, it is believed the disease can progress to arthritic, cardiac, and neurological manifestations. According to the CDC, approximately, 30,000 people a year are diagnosed with Lyme Disease in the United States. However, recent estimates propose that in actuality, the infection rate is ten times that amount. It is suggested that approximately 300,000 people per year may get Lyme Disease in the United States alone. (<https://www.cdc.gov/lyme/stats/humancases.html>) The North American total addressable market of potential consumers for the Wave1 and Lyme related frequency packages is valued at approximately \$510 million annually.

Concurrent Financing

As a condition to the completion of the Transaction, the Company will undertake a non-brokered private placement financing to raise up to \$3,000,000 through the issuance of 8,571,428 units (the “Units”) at a price of \$0.35 per unit (the “Offering”). Each Unit will consist of one common share and one-half of one common share purchase warrant (each whole such warrant, a “Warrant”). Each Warrant shall be exercisable to acquire one common share in the capital of the Company for a period of 24 months at an exercise price equal to

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\$0.70 per share. The Company also anticipates issuing broker warrants (each, a “Broker’s Warrant”) equal to 7% of the number of units sold in connection with the Offering and paying finder’s commission equal to 7% of the gross proceeds received in connection with the Offering. Each Broker’s Warrant will entitle the holder hereof to acquire one common share of the Company at an exercise price of \$0.35 for a period of one year from the closing of the Offering. The Offering is subject to the approval of the Exchange. On completion of the Transaction, the proceeds of the Offering will be used to further develop the business of the Company and for general working capital purposes. Further details regarding the Offering will be included in a subsequent news release once additional details become available.

Capitalization of Company on Close of the Transaction and Offering

It is expected that following the completion of the Transaction, the Debt Settlement and the Offering there will be approximately 37,309,912 common shares of the Company, 460,000 options, 4,285,714 Warrants and 800,000 Agent Warrants issued and outstanding. The existing shareholders of the Company will hold approximately 7,181,341 (19.25%) of the common shares of the Company. In connection with the Offering, new shareholders of the Company will hold approximately 8,571,428 (22.97%) of the common shares of the Company. In connection with the Transaction and the Debt Settlement, Waveforce will hold approximately 21,557,143 (57.78%) of the common shares of the Company.

Conditions of Closing

Completion of the Transaction will be subject to certain conditions, including but not limited to: (a) the receipt of all necessary approvals of the boards of directors of the Company and FREmedica; (b) the receipt of all required consents and approvals, including without limitation, approval of the Transaction by the Exchange as the Company’s Qualifying Transaction; (c) the Company satisfying the initial listing requirements set by the Exchange for a Tier 2 technology issuer; (d) the completion by the Company of the Offering; and (e) the completion of satisfactory mutual due diligence.

Closing of the Transaction is expected to occur on or prior to November 30, 2021 or such other date as may be agreed upon by the Company and FREmedica. The Agreement may be terminated by either party if (a) the Company and FREmedica mutually agree; (b) the Transaction is not permitted to be the Company’s Qualifying Transaction by the Exchange; or (c) Exchange approval has not been received on or before November 30, 2021.

Sponsorship

Sponsorship of a Qualifying Transaction of a capital pool company is required by the Exchange unless exempt in accordance with Exchange policies or a waiver is granted by the Exchange. The Company intends to apply for an exemption from the sponsorship requirements under section 3.4 of the CPC Policy or a waiver of sponsorship if an exemption from sponsorship is unavailable. However, there can be no guarantee that a waiver will be granted if no exemption is available.

1.12 Critical Accounting Estimates

Not applicable to venture issuers.

1.13 Changes in Accounting Policies including Initial Adoption

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards. Our significant accounting policies are set out in Note 3 of the condensed interim financial statements of the Company, as at and for the nine months ended July 31, 2021.

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1.14 Financial Instruments and Other Instruments

The Company's financial instruments at July 31, 2021 are as follows:

		<i>FVTPL</i>	<i>Amortized cost</i>
Financial assets			
Cash	\$	363,676	\$ -
Financial liabilities			
Due to related parties		-	12,754
	\$	363,676	\$ 12,754

1.15 Other Requirements

Summary of Outstanding Share Data as of September 29, 2021:

Authorized: Unlimited number of common shares and preferred shares without par value.

Issued and outstanding: 7,181,341 (including 4,000,000 held in escrow)

Stock options outstanding: 460,000

Agent's warrants outstanding: 200,000

Additional disclosures pertaining to the Company's news releases, material change, prospectus, and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, thank you for your continued support.

"Stephen Davis"

Stephen Davis

President, CEO, and Director