

**Bold Capital Enterprises Ltd.**

Management's Discussion and Analysis  
For the 92-day period ended September 30, 2019  
(July 1, 2019, to September 30, 2019)

## Background

The following management's discussion and analysis ("**MD&A**") was prepared as of November 29, 2019, to assist readers in understanding Bold Capital Enterprises Ltd's (the "**Corporation**", "**we**", or "**us**") financial performance for the three-month period ended September 30, 2019 – third quarter (Q3) of fiscal 2019 ending December 31. This MD&A should be read in conjunction with the Corporation's unaudited financial statements and notes thereto for the three-month period ended September 30, 2019. Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).

This MD&A was prepared by management of the Corporation, and was approved by the Board of Directors on November 27, 2019. All amounts are in Canadian dollars unless otherwise stated. The financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"), and the interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**").

## Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Corporation's management, are intended to identify forward-looking statements. Such statements reflect the Corporation's forecasts, estimates and expectations, as they relate to the Corporation's current views based on their experience and expertise with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Corporation does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments unless required by law.

## Description of the Business

The Corporation was incorporated on May 16, 2018, under the *Canada Business Corporations Act* under the name "10785512 Canada Inc." to become a Capital Pool Company listed on the TSX Venture Exchange Inc. (the "**Exchange**"), according to the provisions of Policy 2.4 of the *TSX Venture Exchange Corporate Finance Manual* (the "**Manual**"). On June 18, 2018, the Corporation filed articles of amendment in order to change its name for "Bold Capital Enterprises Ltd."

The address of the Corporation's registered office is 70, Dalhousie Street, Suite 300, Québec, QC G1K 4B2, Canada.

After completing its initial public offering ("**IPO**"), the Corporation's Common Shares commenced trading on the Exchange on April 23, 2019, under the symbol "BOLD.P".

The principal business of the Corporation is the identification and evaluation of assets or business with a view to completing a Qualifying Transaction (as defined in Policy 2.4 of the Manual). The Corporation must complete a Qualifying Transaction, which is subject to the approval of the Exchange within the next 24 months of the listing of its shares. As of the date of this MD&A, the Corporation has not identified a business suitable for acquisition or participation.

## Overall Performance

The Corporation does not have any operations and, until it completes a Qualifying Transaction, will not conduct any business other than the identification and evaluation of businesses and assets for potential acquisition.

As at September 30, 2019, the Corporation has accumulated deficits of \$115,917. The Corporation's potential acquisition of a Qualifying Transaction and recurring operating losses and working capital needs may require that it obtain additional capital to continue its operation. Such outside capital may include the sale of additional common shares.

There can be no assurance that capital will be available as necessary to meet the Corporation's needs or, if the capital is available, that it will be on terms acceptable to the Corporation. The issuances of additional equity securities by the Corporation may result in a significant dilution in the equity interests of its current shareholders.

## Selected Financial Information

The following selected financial data is derived from the financial statements of the Corporation prepared within acceptable limits of materiality and are in accordance with IFRS. The Corporation's expenditures mainly include costs to maintain its public company status in good standing and expenses to identify and evaluate acquisitions of companies, businesses, assets or properties.

### Selected Financial Performance

	December 31, Year End		
	For the Three-Month Period Ended		For the Nine-Month Period Ended
	September 30, 2019 Q3 – unaudited	September 30, 2018 Q3 – unaudited	September 30, 2019
Revenues	\$0	N/A	\$0
Registration expenses	(\$267)	N/A	\$17,312
Professional and other fees	\$3,630	N/A	\$44,605
Stock-based compensation	\$0	N/A	\$54,000
Net profit (loss)	(\$3,363)	N/A	(\$115,917)
Net profit (loss) per share	(\$0,00)	N/A	(\$0,02)
Cash Dividend Declared	N/A	N/A	N/A
Weighted average number of common shares outstanding	7,264,500	N/A	7,264,500

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Expenses during the 92-day period of the year ended ending September 30, 2019, were principally composed of professional fees from our lawyers and accountants totalling \$3,630 and registration expenses totalling \$267.

**Selected Cash Flow Information**

December 31, Year End	For the Three-Month Period Ended	
	June 30, 2019 Q2 – unaudited	September 30, 2019 Q3 – unaudited
Net cash provided by operating activities	(\$63,440)	(\$5,881)
Net cash provided by financing activities	\$259,396	\$0
Net change in cash	\$195,957	(\$5,881)
Cash at the beginning of the period	\$129,630	\$325,586
Cash at the end of the period	\$325,587	\$319,705

The Corporation's ability to meet its obligations and its ability to finance its operations depends on being able to complete the Corporation's Qualifying Transaction and to obtain additional funding in the future. We expect to generate negative cash flow from operating activities in the future until at least our Qualifying Transaction is completed and we commence revenue generation.

Management intends to ensure that the operational and administrative costs are minimal prior to the completion of a Qualifying Transaction to preserve the Corporation's working capital.

**Summary of Assets and Liabilities**

	As At	
	September 30, 2019 Q3 – unaudited	December 31, 2018, Annual - Audited
Total Assets	\$319,705	\$173,385
Total Liabilities	\$8,248	\$59,407
Total Equity	\$311,457	\$113,978

At September 30, 2019, the Corporation had total assets of \$319,705. The assets at September 30, 2019, were only composed of \$319,705 of cash in trust with no prepaid expenses and no deposits. The Corporation had \$8,248 of current liabilities and no long-term financial liabilities.

## Summary of Quarterly Results

December 31, Year End	For the Three Month-Period Ended		
	March 31, 2019 Q1 – unaudited	June 30, 2019 Q2 – unaudited	September 30, 2019 Q3 - unaudited
Revenues	\$0	\$0	\$0
Net profit (loss)	(\$3,030)	(\$109,524)	(\$3,363)
Net profit (loss) per share	(\$0.01)	(\$0.02)	(\$0.00)

The Company does not have any operations and will not conduct any business other than the identification and evaluation of business and assets for potential acquisition.

## Capital Resources

The Corporation completed its IPO on April 16, 2019.

In accordance with Policy 2.4 of the Manual, the proceeds raised from the sale of securities may only be used to identify and evaluate assets or businesses, and obtain shareholder approval for a Qualifying Transaction, with the exception that up to the lesser of 30% of the gross proceeds realized by the Corporation in respect of the sale of its securities, or \$210,000, may be used for purposes other than such identification and evaluation of businesses or assets. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under Policy 2.4 of the Manual. The Corporation is required to complete its Qualifying Transaction on or before 24 months from the date the Corporation receives regulatory approval to list its shares on the Exchange.

There is no assurance that the Corporation will be able to identify a suitable business, asset or property as its Qualifying Transaction. Furthermore, even if a Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to complete the transaction.

If the Corporation identifies a Qualifying Transaction, it may be necessary for the Corporation to seek additional financing. Capital markets may not always be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings, under terms that would be acceptable for the Corporation.

## Off-Balance Sheet Arrangements

There is no off-balance sheet arrangement as of September 30, 2019.

## Proposed Transactions

The Corporation is seeking a Qualifying Transaction and currently has no proposed transactions.

## Related Party Transaction

There was no remuneration provided to the directors or key management during the three months ended September 30, 2019.

## Critical Accounting Estimates and Policies

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 dates of the financial statements and the reported amounts of revenues and expenses during the reported years. Actual results could differ from those estimates.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information related to critical judgments in applying accounting policies and estimates that have the most significant impact on the financial statements relates to deferred income taxes and fair value of stock options.

## Financial Instruments and Other Instruments

The Corporation's financial instruments consist of cash and account 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, as applicable.

## Disclosure of Outstanding Share Data

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

	Authorized	Outstanding
Voting or equity issued and outstanding	Unlimited Common Shares	7,264,500 Common Shares <sup>1</sup>
Securities convertible or exercisable into voting or equity securities – stock options and warrants	Directors' and officers' stock options to acquire up to 10% of the issued and outstanding common shares	726,450 <sup>1</sup>
	Agent's warrants to acquire up to 10% of the common shares issued in connection with the initial public offering	346,450 <sup>1</sup>
Voting or equity securities issuable on conversion or exchange of outstanding securities	As above	As above

<sup>1</sup> On April 16, 2019, the Corporation completed its IPO with the total amount of share outstanding now amounting to a total of 7,264,500 of which 3,800,000 Common Shares are held in escrow. As of April 16, 2019, a total 726,450 stock options were granted to directors and officers of the Corporation for a period of 5 years and 346,450 non-transferable options were granted to the agent for a period up to April 16, 2021, entitling the holders to acquire 726,450 and 346,450 Common Shares respectively at \$0.10 per Common Share.

Completion of a Qualified Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that any transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon.

The Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the content of the announcement and related press release.

## **Risks and Uncertainties**

The Corporation has a limited history of existence. There can be no assurance that a Qualifying Transaction will be completed. Equity or debt financing may be required to complete a Qualifying Transaction. There can be no assurance that the Corporation will be able to obtain adequate financing to continue. The securities of the Corporation should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Corporation's securities:

- a) until completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- b) the Corporation has had no business activity and has not acquired any material assets since its incorporation other than cash;
- c) the Corporation does not have a history of earnings, nor has paid any dividends and will not generate or pay dividends until at least after the completion of the Qualifying Transaction;
- d) the Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction;
- e) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction;
- f) the Qualifying Transaction may be financed in all or in part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation;
- g) there can be no assurance that an active and liquid market for the common shares will develop and an investor may find it difficult to resell its common shares;

- h) if the Corporation fails to complete a Qualifying Transaction within 24 months of listing, the Exchange could suspend or delist the Common shares and an interim cease trade order may be issued against the Corporation's securities by an applicable securities commission if its Common Shares are suspended from trading on or delisted from the Exchange or otherwise; and
- i) the Corporation competes with many Capital Pool Companies that are seeking suitable Qualifying Transactions. In addition, other Capital Pool Companies may have substantially greater financial and technical resources than the Corporation.

### **Management's Responsibility for Financial Information**

The Corporation's financial statements and the other financial information included in this management report are the responsibility of the Corporation's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Corporation's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Corporation's accounting and finances. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

### **Other Information**

The policies of the Exchange prohibit Capital Pool Companies from carrying on formal investor relations activities. Corporate communications and investor inquiries are handled by the Directors of the Corporation. Additional information about the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Corporate Directory**

Trading Symbol – BOLD.P

Exchange – TSX-V

### **Head Office**

Bold Capital Enterprises Ltd.  
300-70 Dalhousie Street  
Quebec, QC G1K 4B2  
T: 418-640-4427

### **Legal Counsel, Canada**

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300-70 Dalhousie Street  
Quebec, QC G1K 4B2  
T: 418-640-4427

### **Officers and Directors**

Peter Rona, Chief Executive Officer  
Nabil Ishak, Chief Financial Officer  
Octavio Soares  
John Paradias  
Denis Bouchard  
Jean-Robert Pronovost  
Richard Provencher, Corporate Secretary

### **Transfer Agent**

TSX Trust Company  
100 Adelaide Street, West, Suite 301  
Toronto, ON M5H 4H1  
T: 514-395-5964

### **Audit Committee**

John Paradias, Chairman  
Denis Bouchard  
Nabil Ishak