

Bold Capital Enterprises Ltd.
(Capital Pool Company)

Management's Discussion and Analysis
For the Year ended December 31, 2021

Background

The following management's discussion and analysis ("**MD&A**") should be read in conjunction with Bold Capital Enterprises Ltd.'s (the "**Corporation**") audited year ended December 31, 2021 financial statements and notes thereto for the same period. Additional information relating to the Corporation is available on SEDAR at www.sedar.com.

The effective date of this report is April 29, 2022.

This MD&A was prepared by management of the Corporation, and was approved by the Board of Directors on April 29, 2022. 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 (the "**Exchange**"), according to the provisions of Policy 2.4 - *Capital Pool Companies* of the *TSX Venture Exchange Corporate Finance Manual* ("**Policy 2.4**"). 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 800, rue du Square-Victoria, bureau 3500, Montreal, Québec, H4Z 1E9.

The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a "Qualifying Transaction" (as defined in Policy 2.4). The Corporation must complete a Qualifying Transaction, which is subject to the approval of the Exchange.

Financing Activities

During the period from the incorporation on May 16, 2018, to December 31, 2018, the Corporation issued 3,800,000 common shares of the capital of the Corporation (the "**Common Shares**") for an amount of \$190,000.

During the period ended December 31, 2019, the prospectus for the initial public offering ("**IPO**") of the Corporation's Common Shares was receipted by the regulatory authorities.

The IPO closed on April 16, 2019, and a total of 3,464,500 Common Shares were issued at a price of \$0.10 per Common share.

More precisely, on April 16, 2019, the Corporation completed its IPO with: (i) the issuance of 3,464,500 Common Shares, at a price of \$0.10 per Common Share, for gross proceeds of \$346,450; (ii) the grant of non-transferable options ("**Agents Options**") to Leede Jones Gable Inc. and PI Financial Corp. (the "**Agents**"), acting as agents for the IPO, entitling their holders to acquire 346,450 Common Shares at a price of \$0.10 per Common Share until April 16, 2021; and (iii) the grant of 726,450 stock options ("**Options**") to the directors and officers of the Corporation to purchase an aggregate of 726,450 Common Shares, at an exercise price of \$0.10 per Common Share until April 16, 2024.

The purpose of this IPO was to provide the Corporation with a minimum amount of funds with which to identify and evaluate potential acquisitions or businesses, and once identified and evaluated, to negotiate an acquisition that would qualify as a "Qualifying Transaction", as such term is defined under Policy 2.4.

The Corporation's Common Shares commenced trading on the Exchange on April 23, 2019, under the symbol "BOLD.P".

On December 31, 2021 the Corporation completed a non-brokered private placement by issuing an aggregate of 40,000,000 Common Shares, at a price of \$0.05 per Common Share, for gross proceeds of \$2,000,000 (the "**Private Placement**"). The Common Shares issued under the Private Placement are subject to a hold period expiring on May 1, 2022. Further details are provided in news releases dated November 16, 2021 and December 31, 2021, as approved by the Exchange and filed on SEDAR under the Corporation's profile.

Overall Performance

The Corporation was incorporated on May 16, 2018. 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 December 31, 2021, the Corporation has accumulated a deficit of \$508,282. The Corporation's potential acquisition of a Qualifying Transaction and recurring operating losses and working capital needs have been satisfied with the raise of additional capital of \$2,000,000 to continue its operation. Such outside capital was raised with the Private Placement described above.

Selected Financial Information

The Corporation's date of its fiscal year end is December 31. 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. As at the date of this MD&A, the Corporation was a Capital Pool Company. Accordingly, the Corporation has not recorded any revenues, and depends upon share issuances and its cash on hand to fund its administrative expenses. 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.

BOLD CAPITAL ENTERPRISES LTD.
Management's Discussion and Analysis
For the Year ended December 31, 2021

4 | Page

Selected Financial Performance

For the twelve-month period ended		
	Dec. 31, 2021 (audited)	Dec. 31, 2020 (audited)
Cash in trust	\$2,074,841	\$137,214
Total current assets	\$2,074,841	\$137,214
Total long-term assets	-	-
Total current liabilities	\$251,141	\$46,982
Total shareholders' equity	\$1,823,700	\$90,232

Selected Quarterly Information

	Q1 ended March 31, 2020	Q2 ended June 30, 2020	Q3 ended Sept. 30, 2020	Q4 ended Dec. 31, 2020	Q1 ended March 31 2021	Q2 ended June 30, 2021	Q3 ended Sept. 30, 2021	Q4 ended Dec. 31, 2021
Expenses	\$11,152	\$94,635	\$41,683	\$56,228	\$12,647	\$43,042	\$12,478	\$53,422
Stock-based compensation	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Net loss for the period	\$11,152	\$94,635	\$41,683	\$56,228	\$12,647	\$43,042	\$12,478	\$53,422
Basic loss per share	\$0.002	\$0.013	\$0.006	\$0.008	\$0.002	\$0.006	\$0.002	\$0.007
Average number of shares outstanding	7,264,500	7,264,500	7,264,500	7,264,500	7,264,500	7,264,500	7,264,500	7,374,089

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

BOLD CAPITAL ENTERPRISES LTD.
Management's Discussion and Analysis
For the Year ended December 31, 2021

5 | Page

Selected Statement of Operations Data

For the Years Ended		
	December 31, 2021 (audited)	December 31, 2020 (audited)
Expenses ¹		
Listing and maintenance expenses	\$29,320	\$19,399
Professional Fees	\$92,269	\$184,299
Stock-based compensation	\$-	\$-
Net loss for the year	(\$121,589)	(\$203,698)
Basic loss per Common Share	(\$0.016)	(\$0.03)
Average number of Common Shares outstanding	7,374,089 ²	7,264,500

Note:

- Expenses during the year ended December 31, 2021 were principally composed of professional fees from our lawyers and accountants and fees associated with listing and maintenance expenses totaling \$121,589.
- On December 31, 2021 the Corporation completed the Private Placement resulting in the issuance of an aggregate number of 40,000,000 Common Shares bringing the total issued and outstanding to of 47,264,500.

Liquidity, Capital Resources and Outlook

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.

Capital Resources

The Corporation completed its IPO on April 16, 2019. The Corporation completed a capital raise through the Private Placement of an additional \$2,000,000 on December 31, 2021.

In a subsequent event to the year ending December 31, 2021, the Corporation has concluded an agreement in principle with respect to a proposed Qualifying Transaction (see below under "Proposed Transaction"). There can be no assurance that the Corporation will be able to complete and close the Transaction (as defined below).

Furthermore, 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 are no off-balance sheet arrangements as of December 31, 2021.

Proposed Transaction

The Corporation is seeking a Qualifying Transaction.

On March 17, 2022, the Corporation announced a proposed arm's-length acquisition (the "**Transaction**") of SinuSafe Medical Ltd. ("**SinuSafe**"), a corporation formed under the laws of Israel. The Transaction, if completed, would constitute a Qualified Transaction. The Corporation has entered into a binding letter of intent with SinuSafe dated March 17, 2022 (the "**LOI**") pursuant to which the Corporation and SinuSafe intend to complete the Transaction, and whereby the Corporation (the "**Resulting Issuer**") will hold all of the issued and outstanding shares in the share capital of SinuSafe. It is currently anticipated that the Transaction will be structured as a share exchange, however the final structure of the Transaction is subject to receipt of tax, corporate and securities law advice for both the Corporation and SinuSafe, as well as the receipt of a tax ruling from the Israeli tax authorities for the Transaction. The LOI is expected to be superseded by a definitive share exchange agreement (the "**Definitive Agreement**") to be signed between the parties.

The LOI contemplates that the Corporation, SinuSafe and the shareholders of SinuSafe will complete a securities exchange, resulting in the issuance to the shareholders of SinuSafe of approximately 134,000,000 common shares of the Resulting Issuer, at a price of \$0.20, and valuing SinuSafe at \$26.8 million. Upon completion of the Transaction and the Private Placement (as defined below), the shareholders of SinuSafe will hold approximately 60% of the issued and outstanding common shares of the Resulting Issuer on a non-diluted basis.

In addition, up to an additional 84,000,000 common shares of the Resulting Issuer, at a price of \$0.20, may be issued to the shareholders of SinuSafe upon the Resulting Issuer achieving four performance milestones (the "Milestone Shares"). An aggregate of 21,000,000 Milestone Shares will be issued to the SinuSafe shareholders, on a pro rata basis, for each milestone to be determined in the Definitive Agreement. Upon completion of the Transaction, and giving effect to the minimum Private Placement described below, the Resulting Issuer is expected to have 220,627,000 common shares outstanding (undiluted). Assuming the issuance of all Milestone Shares, the Resulting Issuer will have 304,627,000 common shares outstanding (undiluted). If the maximum Private Placement is completed, then the Resulting Issuer is expected to have 233,127,000 common shares outstanding (undiluted), which would increase to 317,127,000 common shares outstanding (undiluted) if all of the Milestone Shares are issued.

Certain of the Resulting Issuer shares issued to the principals of SinuSafe who will become management of the Resulting Issuer, will be subject to escrow in accordance with Exchange policies. A finder's fee of up to 6,862,500 finder's shares, at a price of \$0.20, is expected to be payable to certain arm's length third parties in connection with the Transaction. The finder's fee will be paid to such arm's length parties for their role in introducing the parties and facilitating completion of the Transaction. The payment of any finder's fees is subject to prior approval by the Exchange.

Approval of the shareholders of the Corporation is not required with respect to the proposed Transaction because the Transaction does not constitute a "Non-Arm's Length Qualifying Transaction" pursuant to the policies of the Exchange. However, the structure of the Transaction is being finalized and, based on the final structure as reflected in the Definitive Agreement, shareholder approval may be required under applicable corporate law. Trading in the Common Shares has been halted and is not expected to resume until the Transaction is completed or until the Exchange receives the requisite documentation to resume trading.

It is expected that upon completion of the Transaction, the Resulting Issuer, to be renamed SinuSafe (SNS), will be listed as a Tier 2 Technology Issuer on the Exchange.

Completion of the Transaction will be subject to certain conditions, including but not limited to: (a) completion of due diligence by the parties; (b) completion of the minimum Private Placement; (c) receipt of all necessary approvals of the boards of directors of the Corporation and SinuSafe; (d) all required regulatory and third party approvals, including but not limited to, a tax ruling from the Israeli tax authority; (e) approval of the Transaction by the Exchange as the Corporation's "Qualifying Transaction"; (f) the parties' entry into a Definitive Agreement in furtherance to the LOI; and (g) closing of the Transaction on or before July 31, 2022, unless extended in writing by the Corporation and SinuSafe.

Overview of SinuSafe Medical

SinuSafe Medical is a privately-held Israeli corporation incorporated in 2014. SinuSafe develops, manufactures, and sells minimal invasive medical devices for otolaryngologists ("**ENT physicians**") to facilitate earlier surgical interventions for Sinusitis patients. Chronic Sinusitis is a debilitating disease that causes significant physical and emotional pain. Its US burden is estimated at \$30-60B.¹ Most chronic patients take ineffective medications and delay surgical intervention for years as sinus surgeries are associated with risks. However, delayed interventions are associated with disease deterioration, irreversible mucosal remodeling, development of comorbidities like Asthma, worsened surgical results, and higher costs. SinuSafe device enables ENT physicians to perform earlier, office-based interventions without applying force or changing the patient's anatomy. The device enables irrigation, sampling, and medications application through the natural sinuses' openings. It uses a 1 mm flexible composite cannula and a flexible 0.3 mm composite super-elastic nitinol wire that cleans the sinuses and enables medications activity. As the intervention does not require drilling, cutting, or crushing the patients' delicate bones, it aims to facilitate more and earlier interventions in appropriate patients.

SinuSafe has ISO 13485 certified manufacturing facilities in Israel. Its device is listed or approved by the U.S. Food and Drug Administration, CE, and AMAR authorities, allowing SinuSafe to sell it in the United States, in Europe, and Israel. Patents and patent applications protect SinuSafe's technology.

Completion of a Qualified Transaction

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.

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, account payable and amount due to the shareholders. 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	47,264,500 Common Shares ¹
Securities convertible or exercisable into voting or equity securities	Directors' and officers' stock options to acquire up to 10% of the issued and outstanding Common Shares as of the date of the IPO.	726,450 Options ²
Voting or equity securities issuable on conversion or exchange of outstanding securities	As above	As above

Note:

- On April 16, 2019, the Corporation completed its IPO for a total of 7,264,500 Common Shares of which 3,800,000 Common Shares are currently held in escrow under an escrow agreement with TSX Trust as escrow agent. The Corporation issued 40,000,000 Common Shares as part of the Private Placement.
- As part of the IPO, (i) a total 726,450 Options were granted to directors and officers of the Corporation for a period of 5 years and (ii) a total of 346,450 Agents' Options were granted to the agents for a period up to April 16, 2021. Each of the Options and Agents' Options entitles its holder to acquire one (1) Common Share at an exercise price of \$0.10 per Common Share. As of the date of this MD&A, the Agents' Options have expired unexercised.

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 adequate funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to close the 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) 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.

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.

Corporate Directory

Trading Symbol – BOLD.P
Exchange – TSX-V

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Nabil Ishak, Director and Chief Financial Officer
John Paradias, Director
Edward Ierfino, Director

Audit Committee

John Paradias
Chairman Nabil Ishak
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