

Bold Capital Enterprises Ltd.
(Capital Pool Company)

Management's Discussion and Analysis
For the Year ended Dec 31, 2022.

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 Dec 31, 2022 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, 2023.

This MD&A was prepared by management of the Corporation, and was approved by the Board of Directors on April 29, 2023. 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 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 Dec 31, 2022, the Corporation has accumulated a deficit of \$711,821. The Corporation's pursuit 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 in December 2021 to continue its operations. Such outside capital was raised with the Private Placement described above.

Selected Financial Information

The Corporation’s year end is Dec 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 pursue a Qualifying Transaction.

BOLD CAPITAL ENTERPRISES LTD.

Management Discussion and Analysis

For the year ended Dec 31, 2022

4 | Page

Selected Financial Performance

For the year ended		
	Dec 31, 2022 (audited)	Dec 31, 2021 (audited)
Cash in trust	\$1,270,768	\$2,074,841
Total current assets	\$1,631,706	\$2,074,841
Total long-term assets	NIL	NIL
Total current liabilities	\$16,545	\$251,141
Total shareholders' equity	\$1,615,161	\$1,823,700

Selected Quarterly Information

	Q1 ended March 31 2021	Q2 ended June 30, 2021	Q3 ended Sept. 30, 2021	Q4 Ended Dec. 31, 2021	Q1 ended March 31 2022	Q2 ended June 30 2022	Q3 ended Sept 30 2022	Q4 ended Dec 31 2022
Revenue	\$--	\$--	\$--	\$--	\$--	\$2,188	\$4,375	\$4,375
Expenses	\$12,647	\$43,042	\$12,478	\$53,422	\$27,464	\$87,777	\$71,808	\$27,428
Stock-based compensation	\$--	\$--	\$--	\$--	\$--	\$--	\$--	\$--
Net loss for the period	\$12,647	\$43,042	\$12,478	\$53,422	\$27,464	\$85,589	\$67,433	\$23,053
Basic loss per share	\$0.002	\$0.006	\$0.002	\$0.007	\$0.001	\$0.002	\$0.001	\$0.0001
Average number of shares outstanding	7,264,500	7,264,500	7,264,500	7,374,089	47,264,500	47,264,500	47,264,500	47,264,500

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.

Selected Statement of Operations Data

For the Year Ended		
	Dec 31, 2022 (audited)	Dec 31, 2021 (audited)
Expenses	\$214,477	\$121,589
Listing and maintenance expenses	\$11,685	\$29,320
Professional Fees	\$202,792	\$92,269
Stock-based compensation	Nil	Nil
Net loss for the year	\$203,539	\$121,589
Basic loss per Common Share	(0.004)	(0.016)
Average number of Common Shares outstanding	47,264,500	7,374,089 ¹

Note:

1. 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 identify and complete a Qualifying Transaction and to obtain additional funding in the future. Management expects to generate negative cash flow from operating activities in the future until at least a Qualifying Transaction is completed and the Corporation begins to generate revenue.

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"). The Proposed Transaction lapsed subsequent to the year ended December 31, 2022. There can be no assurance that the Corporation will be able to identify and complete a Qualifying Transaction.

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 Dec 31, 2022.

Qualifying Transaction Update

As at the date of this management discussion and analysis, the Corporation is still seeking a Qualifying Transaction.

As previously disclosed, in March 2022, the Corporation entered into an arm's length letter of intent with SinuSafe Medical Ltd. ("SinuSafe") pursuant to which the Corporation and SinuSafe intended to complete a transaction whereby the Corporation would acquire all of the issued and outstanding shares in the share capital of SinuSafe (the "Transaction"). The Transaction was intended to constitute the Corporation's "Qualifying Transaction" pursuant to Policy 2.4 of the TSX Venture Exchange. In connection with the proposed Transaction, in May 2022, the Corporation executed a secured loan agreement with SinuSafe pursuant to which it loaned SinuSafe the principal amount of \$350,000. The loan is secured against the core assets of SinuSafe, namely its patent and patent applications, has a term of 12 months, and bears interest at a rate of 5% payable at maturity. In November 2022, due to the significant changes in market conditions, the Corporation announced that the parties agreed to an extension for the negotiation and signature of a definitive agreement from October 31, 2022 to January 31, 2023. The Corporation and its financial and legal advisors had been working diligently to move toward the signature of a definitive agreement and had accommodated SinuSafe throughout the process. Unfortunately, SinuSafe did not secure additional financing nor, in the Corporation's view, did they demonstrate a good faith effort to come to an agreement on the final terms of the proposed Transaction, despite the sustained efforts of the Corporation and its financial and legal advisors. Subsequent to the year ended December 31, 2022, on March 31, 2023, the Corporation announced that it decided not to grant any further extensions for the consummation of the Transaction and, unfortunately, the proposed Transaction lapsed. As a consequence of the termination of the proposed Transaction, the Corporation demanded that SinuSafe repay the secured loan in the principal amount of \$350,000, as well as accrued and unpaid interest, the whole as contemplated in the loan agreement. The Corporation is continuing to work with its Canadian and Israeli legal advisors in connection with the foregoing demands against SinuSafe and to preserve its rights. The Corporation will provide further updates regarding the status of its claims against SinuSafe.

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, value of the advance to a company, and fair value of stock options.

Financial Instruments and Other Instruments

The Corporation's financial instruments consist of cash, interest receivable, advance to a company and accounts payable. 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 number of 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.	311,337 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 subsequently issued 40,000,000 Common Shares as part of the Private Placement which closed in December 2021.
- 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, 415,113 Options of former Directors and Offices have expired and all of 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 a 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

Head Office

Bold Capital Enterprises Ltd.
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Montreal, QC H4Z 1E9

Officers and Directors

Peter Rona, Director, Chief Executive Officer and Corporate Secretary
Nabil Ishak, Director and Chief Financial Officer
John Paradias, Director
Edward Ierfino, Director

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Chairman Nabil Ishak
Edward Ierfino

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