



STARDUST SOLAR ENERGY INC.
(Formerly Bold Capital Enterprises Ltd.)

Management Discussion and Analysis
For the three and nine months ended September 30, 2024
(Canadian Dollars)

ABOUT THIS MD&A

The following interim Management Discussion & Analysis ("Interim MD&A") of Stardust Solar Holdings Inc. ("Stardust" or the "Company"), formerly Sambuk Capital Limited, for the three and nine months ended September 30, 2024, is intended to assist readers in understanding Stardust's consolidated business, together with its business environment, strategies, performance, outlook and relevant risks, and it should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2024, and the Company's consolidated financial statements for the year ended December 31, 2023, (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A has been prepared as of November 29, 2024, pursuant to the disclosure requirements under National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators. Results are reported in Canadian dollars unless otherwise noted.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Interim MD&A contains certain statements which may constitute "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities law requirements (collectively, "forward-looking statements" or "FLS"). These forward-looking statements are made as of the date of this Interim MD&A and the Company does not intend, and does not assume any obligation, to update these FLS, except as required under applicable securities legislation. FLS relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events. In certain cases, FLS can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negate of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature FLS involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the FLS. The Company provides no assurance that FLS will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on FLS.

The Company's anticipated future operations are forward-looking in nature and, as a result, are subject to certain risks and uncertainties. Although the Company believes that the expectations reflected in these FLS are reasonable, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. Such FLS are estimates reflecting the Company's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-looking statements.

DESCRIPTION OF BUSINESS

Stardust Solar Energy Inc., formerly Bold Capital Enterprises Ltd., was incorporated on May 16, 2018, pursuant to the provisions of the Canada Business Corporations Act. The Company's head office is B101 – 9000 Bill Fox Way, Burnaby, British Columbia V5J 5J3, Canada, and its registered address is 1055 West Georgia Street, Suite 1500, Vancouver, BC, Canada, V6E 4N7.

Stardust is a franchisor of renewable energy installation services including Solar PV (panels) array installation, energy storage, and electric vehicle supply equipment. Stardust lends its brand and business management services to entrepreneurs looking to enter the industry of renewable energies. Our franchisees install and maintain these clean energy products for residential and commercial purposes. As a franchisor, Stardust supplies its franchisees with the following products: solar PV equipment, energy storage equipment, and electric vehicle supply equipment. As well Stardust supports its franchisees with many services from head office including marketing, sales, engineering, plan sets, customer service, and project management.

Stardust's competitive advantage is its industry leading certified training programs for the design and installation of renewable energies. Stardust offers certified training courses throughout North America which are approved by CSA and NABCEP as qualified training for people entering the industry. Stardust continues to offer these training programs to the public and industry professionals alike, creating a feeder system for its franchise business model. The Company is also a licensed and bonded electrical contractor who does the installation and maintenance of solar photovoltaic systems, energy storage banks and electric vehicle supply equipment.

Franchise Business

Primarily sold to renewable energy entrepreneurs and electricians. Franchising the Stardust brand allows the Company to scale up quickly and grow rapidly. Stardust sells products and services for the installation and maintenance of solar energy systems, energy storage banks, and electric vehicle supply equipment. Stardust franchisees pay an initial franchise fee and a sales royalty percentage payable quarterly in perpetuity of the franchise agreement. The franchise agreements are valid for an initial 5-year term renewable every 5 years afterwards for additional franchise renewal fee. Franchisees also agree to purchase all solar equipment and installation supplies from the Company. Stardust also offers its franchisees a wide range of services and supports systems to help them get started in the renewable energy installation industry. Those corporate head offices services include technical support; engineering and system design, permit plan sets and compliance drawings, and project management. As well the head office services include marketing and business development services of; lead generation, local and national marketing campaigns, branding materials printing, uniform distribution, and vehicle wrap printing. Stardust also offers its franchisees customer service and accounting professionals with experience in managing renewable energy clients. All these additional services and supports are available to the franchisees for a cost, if desired by the franchisee.

Education Business

Stardust Solar offers a wide range of renewable energy courses and certifications to the public and industry professionals alike. Including but not limited to: Solar PV Design and Installation, Energy Storage Design and Installation, EVSE Installation, Solar Hot Water Design and Installation. These courses have been developed and written by industry leading professionals with deep knowledge and experience in their respective fields. Our courses often get submitted to outside 3rd party regulatory bodies to review and approve the curriculums as qualified training for those wishing to learn about renewable energies. Our training courses commonly include theory covering the science behind the respective technologies, a day or two of real-world hands-on experience doing the installation of system being studied, exams and exercises to test the knowledge of the students and ensure they are grasping the key concepts, and detailed review sessions to reinforce and ensure the material was well absorbed. All Stardust training certifications expire 3 years after being earned, requiring the student to re-attend the most recent version of the respective training to maintain their credentials.

Our classes are delivered in-person offering in the following cities: Burnaby, BC, Regina, SK, Montreal, QC (French courses available), and Digby, NS. The in-person training is the most popular choice and offers our students the ability to interact and question our trainers as they learn the content. We also offer virtual training through ZOOM which has become a more popular option during the COVID-19 pandemic. This virtual training still allows students to work with an instructor live which learning the content, however the hands-on experience portion of our curriculum is often schedule for a future date which accommodates both the student and instructor. Finally, our students also have the option to complete our curriculum via pure online training. This consists of all our accredited course curriculum but is delivered via pre-recorded videos with exercises and does not offer the students the ability to question and interact with a live instructor.

Product Distributor

Stardust sells renewable energy products to its franchisees, its network of 2500+ trained installers and to the public alike. These products include but are not limited to; solar panels, inverters and optimizers, racking, energy storage (Lithium-ion batteries, absorbed glass mat batteries, lead acid batteries), and also electric vehicle supply equipment. Stardust currently works with distributors to offer these products to its clientele and plans to being buying directly from manufactures by the container load in 2024, which will bring cost savings and increased margins to the business. The Company plans to use its wide network of trainees and franchisee to increase its buying power, thus also reducing overall costs and increasing profit margins.

Installation Services

Stardust also does the installation and maintenance of renewable energy systems from head office. These systems include but are not limited to solar PV arrays, energy storage, and also electric vehicle supply equipment. The company continues to perform these services to drive revenues but also to ensure its team of professionals stay up to date on the latest products and technologies available on the market. Often solar PV systems are the entry point to a renewable energy customer who will then upgrade their system with energy storage or an electric vehicle charger. The addition of a battery bank (energy storage) will double the price of the installation and the addition of an electric vehicle charger will only increase the price by approximately 10%. All Stardust installation customers are offered a maintenance contract with their option of quarterly, bi-annual, or annual site visits. These visits will often consist of solar array cleaning of dust and debris, seasonal angle tilt correction for ground mount arrays, equalization of lead acid battery banks, and anything else the customer desires.

Along with the installation and maintenance of renewable energy systems, Stardust offers many complimentary services to its direct installation customers. These services often get sold in a bundle package by our business development team to make these projects seamless and ease to manage for the customers. Services include but are not limited to: System design and 3D rendering of project, engineering review of system and component compatibility, permit applications (building permits with municipalities, electrical permits with regulatory authorities, and utility permits with power corporations). Stardust also includes dedicated project managers for every installation contract, offering our clients step by step updates and progress reports on their renewable energy projects.

OVERALL PERFORMANCE

The Company experienced a pivotal period during the nine months ended September 30, 2024 and 2023 marked by significant milestones. The platform's franchisee base has been consistently growing, and the Company anticipates this trend to persist throughout 2024 and beyond.

In 2024 and in 2023, the Company expanded its franchisee network, growing from 16 franchise territories in the US and Canada on January 1, 2023, to 28 franchise territories on December 31, 2023, to 33 franchise territories on September 30, 2024. As of the date of this Interim MD&A, Stardust has a network of 38 franchise territories strategically located in Canada and the United States. This expansion highlights the Company's strategic market penetration and strengthens its presence in North America. This expansion not only resulted in a surge in franchise fees and royalties but also drove remarkable growth in total product sales and gross revenue. Consolidated gross revenues for the nine months ended September 30, 2024, was \$2,845,871, compared to \$1,869,700 for the nine months ended September 31, 2023, representing an increase of 52%. Management believes this upward trend will continue through 2024 with more projects and franchisees in Canada, and continued expansion in the US market.

Competitive Conditions

The renewable energy sector, particularly solar energy, is rapidly growing in North America. The U.S. Department of Energy (DOE) released the Solar Futures Study detailing the significant role solar will play in decarbonizing the nation's power grid. The study shows that by 2035, solar energy has the potential to power 40% of the nation's electricity, drive deep decarbonization of the grid, and employ as much as 1.5 million people—without raising electricity prices. Globally, solar electricity is now the fastest growing energy source in the world. In fact, the International Energy Agency (IEA) forecasts that by 2050, solar electricity could account for 27% of the world's electricity mix, making it the world's largest source of electricity, ahead of nuclear, fossil fuels, hydro and wind. This competitive landscape makes for very competitive landscape and the Company plans to stay ahead of the competition by leveraging its scalable franchise model to rapid growth and utilizing its combined buying power to reduce costs.

Industry Incentives

Canada: up to \$40,000 Greener Homes Loan.

As well in Canada, there is the federal Greener Homes Program, which provides up to \$40,000 in loans at 0% interest for 10 years, for solar and other energy efficiency improvements.

Canada: Solar Net-Metering.

Provincial net-metering programs in Canada offer credits to residents and businesses generating surplus electricity.

U.S.: 30% Incentive Tax Credit.

In the United States, there is the Incentive Tax Credit, which was just increased to a 30% ITC until 2033.

Specialized Skills and Knowledge

Solar energy installation demands specialised skills, encompassing roofing, electrical work, photovoltaic principles, and trigonometry for array angle optimization. This creates a new unique job market for workers with these specific skill sets. The Stardust team excels in both installing solar energy systems and training new solar installers.

Employees

As of the date hereof, the Company employs permanent employees, consultants, and contractors, comprising the full-time CEO, COO, CTO, CFO, Accounting Manager, Accountant, Sales Manager, two Project Managers, Solar System Designer, as well as contractors including four solar PV installation trainers and instructors for Canada, US, and Quebec, and red seal electrical solar technicians. This blend of permanent employees, consultants, and contractors enables the Company to control costs while delivering services to franchisees and customers. The Company intends to increase its staff in 2024 to support the

expansion in the North American renewable energy market. Staffing costs will be significant for Stardust and are pivotal to the success of its franchise model.

Intangible Properties

Stardust Solar's business model offers a distinct competitive advantage in the solar energy sector. Its role as a franchisor of solar installation services positions Stardust Solar for rapid growth and scalability during the years of the industry's significant expansion. Additionally, its leadership and expertise in the solar energy education enables the Company to efficiently train and develop its growing network of franchisees. These combined factors distinguish Stardust Solar from all other solar energy companies, uniquely positioning it as a leader in the solar franchise space.

Product Development

Stardust is currently exploring the recycling of solar panels, with over 96% of solar panel components recyclable into raw materials resale to manufacturers. Composed of aluminum, glass, silicon, and electrical parts, these solar panels present an opportunity for a Green circular economy. Stardust is looking to the future to solve the problems of tomorrow. Anticipating the replacement of any outdated solar panels will be discarded in favor of the with newer and more powerful technologies, Stardust aims to utilize its wide network of solar installers and franchisees for old solar panel collection and replacement. The collected solar panels will be transported via rail to a central recycling facility to be processed and returned back to their raw material state.

Stardust is also developing a mobile application for its students and trainees. The Company is developing a mobile certificate platform so installers can show encrypted proof of their training credentials. This mobile application will work directly with Android or iOS phone wallets to upload the certificate in the form of a wallet pass. The certificate will also be populated with a QR code reverting the individuals' proof of training and certification.

Company Overview

The Company has improved operational cash flows, and during the nine months ended September 30, 2024, Stardust Solar used \$174,717 in operating activities compared to \$250,020 used in operating activities in the same period of 2023. The Company also continued to be cash flow positive on an overall basis in the nine months of 2024 generating \$1,178,256 in net cash inflows and \$206,671 in the same period of 2023. The Company is also seeing improved gross profits from \$605,234 in the nine months of 2023 to \$821,590 in 2024, an increase of \$216,356 or 36%.

The Company believes the following non-GAAP financial measures provides meaningful insight to its shareholders in understanding the Company's performance, and may assist in the evaluation of the Company's business relative to that of its peers:

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Nine months ended September 30,	2024	2023	\$ Chg	% Chg
System assessment & installations	\$ 89,559	\$ 100,305	\$ (10,746)	(11)%
Product sales	2,179,702	1,206,147	973,555	81%
Training & exam administration	177,144	241,587	(64,443)	(27)%
Franchise fees	399,466	321,661	77,805	24%
Total revenue	\$ 2,845,871	\$ 1,869,700	\$ 976,171	52%

The Company has seen strong consolidated revenue growth during the nine months ended September 30 2024, primarily driven by the Product sales and Franchise Fees categories, as shown in the table above.

In the nine months of 2024, total revenue increased by \$976,171, a 52% growth compared to the corresponding period of 2023. This increase stemmed from the product sales by the franchise operations in the US and franchise fees in Canada and also from the head office operations, notably driven by product sales. These sales reflect the sustained strength and expansion of the Company's Canadian franchise network operations, as shown in the table below.

Nine months ended September 30, 2024	Head Office Operations	Canadian Franchise Operations	USA Franchise Operations	Total
System assessment & installations	\$ 63,910	\$ -	\$ 25,649	\$ 89,559
Product sales	1,110,575	-	1,069,127	2,179,702
Training & exam administration	177,144	-	-	177,144
Franchise fees	54,897	322,026	22,543	399,466
Total revenue	\$ 1,406,526	\$ 322,026	\$ 1,117,319	\$ 2,845,871

Nine months ended September 30, 2023	Head Office Operations	Canadian Franchise Operations	USA Franchise Operations	Total
System assessment & installations	\$ 100,305	\$ -	\$ -	\$ 100,305
Product sales	1,185,571	(184)	20,760	1,206,147
Training & exam administration	241,587	-	-	241,587
Franchise fees	27,059	262,095	32,507	321,661
Total revenue	\$ 1,554,522	\$ 261,911	\$ 53,267	\$ 1,869,700

In the nine months of 2024, the Head Office Operations contributed the most to the total revenue, followed by the USA Franchise Operations and Canadian Franchise Operations. The increase in the USA Franchise Operations and product sales in the U.S were pivotal in driving the overall revenue growth.

The USA Franchise Operations generated total revenue of \$1,117,319 during the nine months ended September 30, 2024, a substantial increase from \$53,267 in the corresponding period of 2023, representing an increase of \$1,064,052. This revenue growth was primarily driven by product sales.

The Head Office Operations generated a total revenue of \$1,406,526 during the nine-month period of 2024, compared to \$1,554,552 in the corresponding period of 2023. This decline was primarily attributable to some reduction in product sales due to the timing and completion of various solar installation projects.

The Canadian Franchise Operations reported total revenue of \$322,026 in the nine month period of 2024, up from \$261,911 for the nine months of 2023, representing an increase of 23%. The increase in franchise fees indicates a growth in the number of franchisees resulting in higher initial fees and royalties.

KEY DEVELOPMENTS

This is a summary of the Company's key developments during the nine months ended September 30, 2024:

- On February 5, 2024, Stardust signed an agreement with Tesla Inc. (USA) to purchase and resell the Tesla Powerwall energy storage systems across the USA.
- Feb 8, 2024, Stardust signed two new franchise units in Winnipeg, MB Central and Winnipeg, MB Suburbs.
- On March 19th, 2024, Stardust signed a contract agreement with Smith Franchise Consulting to sell and develop new franchise units in Canada and US.
- May 10th, 2024, Stardust signed a new franchise unit in Halton, ON.
- June 25th, 2024 Stardust signed a new franchise unit in Barrie, ON.
- June 27th, 2024 Stardust signed a new franchise unit for the region of Peel, ON.
- July 19th, 2024 Stardust signed a new franchise unit in Central Newfoundland, NL.
- September 11th, 2024 Stardust signed a new franchise unit in Hamilton, ON.
- September 25, 2024 Stardust completed the RTO transaction with Bold Capital Enterprises Ltd. Following the RTO transaction, Stardust closed the concurrent financings.

SUMMARY OF QUARTERLY RESULTS

The table below sets out a summary of certain financial results of the Company over the past eight quarters and is derived from the audited annual consolidated financial statements and unaudited quarterly consolidated financial statements of the Company.

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Quarter ended	Revenue	Net income (loss)	Net and comprehensive income (loss)	Basic and diluted net income (loss) per share
September 30, 2024	896,030	(4,354,057)	(4,354,057)	(0.20)
June 30, 2024	802,336	(158,309)	(158,528)	(0.20)
March 31, 2024	834,271	(389,269)	(389,112)	(0.01)
December 31, 2023	756,388	(370,360)	(338,543)	(0.01)
September 30, 2023	493,893	(378,498)	(378,782)	(0.02)
June 30, 2023	1,033,843	182,994	183,054	0.00
March 31, 2023	364,156	307,824	276,136	0.00
December 31, 2022	358,357	(155,248)	(152,305)	(0.01)
September 30, 2022	447,898	(12,946)	(114,693)	-

The Company has experienced continued growth over the past eight quarters as can be seen by the revenue growth. A significant contributor of the revenue growth trend was the increase in franchisee numbers, and the related increases in product sales to these franchisees. The Company added 7 new franchise territories before Q2 2022, nearly doubling the number from 8 franchise territories at the beginning 2022. Stardust further added 1 new franchise territory before the end of 2022 for a total of 16 franchise territories at the end of Q4 2022. The growth trend continued during 2023, with the Company adding 12 new franchise territories before the end of Q4 2023, for a total of 28 franchise territories. As of the date of this Interim MD&A, Stardust has a network of 33 franchise territories in Canada and the United States. This expansion highlights the Company's strategic market penetration and strengthens its presence in North America. This expansion brought additional franchise fees, as well as new product sales pipelines. Net loss has generally remained comparable from quarter to quarter when looking only at operating expenses, not including expenses related to the Bold's RTO transaction, which closed in the quarter ended September 30, 2023, and other transaction related expenses.

SELECTED FINANCIAL INFORMATION

The table below sets out selected financial results of the Company and is derived from the Financial Statements.

As at	September 30, 2024		September 30, 2023	
Current assets	\$	1,832,780	\$	875,143
Non-current assets		50,516		80,117
Total assets	\$	1,883,296	\$	875,143
Current liabilities	\$	2,022,183	\$	1,29,898
Non-current liabilities		232,187		34,844
Total liabilities	\$	2,254,370	\$	1,564,742

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Nine months ended	September 30, 2024		September 30, 2023	
Revenue	\$	896,030	\$	493,893
Net loss and comprehensive loss		(4,354,324)		(378,782)
Net loss per share, basic and diluted	\$	(0.20)	\$	(0.02)

Throughout its history, the Company has not declared any cash dividends. During the nine months ended September 30, 2024, the Company exhibited robust growth relative to the same period in the previous year, primarily attributable to an increase in revenue. This growth was achieved by transitioning from operating solely the Canadian Head Office Operations and the Canadian Franchise Operations as a proof-of-concept business model in 2021 to expanding sales and franchise opportunities in the US market. This expansion has led to an increase in product sales and the expansion of the franchisee base, accompanied by higher operational costs, including labor, marketing, and professional fees, to support this growth.

DISCUSSION OF OPERATIONS

Revenue

Revenue for the nine months ended September 30, 2024, was \$2,845,871 compared to \$1,869,700 for the nine months ended September 30, 2023. The increase in revenue was mostly due to the significant growth in new franchisees, product sales of existing and new franchisees, and expansion into the US market with the franchise model. This translates into higher product sales revenue and training and exam administration revenue.

Direct Cost

Direct costs for the nine months ended September 30, 2024, was \$2,024,281 compared to \$1,264,466 for the corresponding period in 2023. Direct costs consist of the primarily of the cost of product purchases (including related freight and duty), which accounted for approximately 94% of the total direct costs during the nine months ended 2024 (2023 – 56%). This figure also includes subcontractors and freight, and the increase in direct costs was mostly due to the increase in product sales (increased by 81%) by new and existing franchisees, particularly in the US market, where the Company's initial market penetration strategy has resulted in the predominantly small product sales gross margin offset by the overall increase in total revenue (increased by 52%).

Gross Profit

In the nine months ended September 30, 2024, the overall gross profit increased by 36% to \$821,590, up from \$605,234 in the nine months of 2023. This growth can be attributed to strong performances across multiple revenue streams including product sales and franchise fees.

Product sales: the gross profit from product sales, including freight and duty increased by \$150,459 from \$118,606 in the nine-month period of 2023 to \$269,065 in the corresponding period of 2024.

Training and exam administration: the gross profit from training and exam administration, which includes direct wages and subcontractors, remained mostly the same with \$63,500 in the nine months ended September 30, 2024, compared to \$64,662 in the corresponding period of 2023.

Franchise Fees: Gross profit from franchise fees increased by 24% to \$399,406 for the nine months ended September 30, 2024, compared to \$321,661 in the same period of 2023. This growth contributed significantly to the overall gross profit improvement during the period.

Expenses

For the nine months ended September 30, 2024, total operating expenses amounted to \$1,837,911, a significant increase from \$941,158 in the corresponding period of 2023. The substantial rise primarily attributed to the legal and professional fees incurred in connection with the corporate mergers and acquisitions (M&A) activity during the nine months of 2024. These expenses encompassed corporate transaction-related legal and professional services.

EBITDA and Adjusted EBITDA

For the nine months ended September 30, 2024, the total unadjusted operating loss was \$1,016,321, a substantial increase from \$337,816 in the corresponding period of 2023. The increase in operating loss can primarily be attributed to the substantial legal and professional fees incurred in connection with the corporate mergers and acquisitions (M&A) activity during the nine months of 2024. This operating loss included non-recurring corporate transaction-related legal and professional services. In the nine-month period of 2024, the total adjusted net operating loss (Adjusted EBITDA) was \$927,352 (nine-month period of 2023 – \$457,768), representing an increase of 103% and can be largely attributed to the 81% growth in product sales revenue in the nine months ended September 2024 compared to the same period in 2023. These material variances in individual accounts are discussed in detail below.

Salaries and Wages

Salaries and wages for the nine months of 2024 amounted to \$644,059, compared to \$505,256 for the corresponding period in 2023. This increase of \$151,432, or 30%, is primarily attributable to the hiring of additional employees in late 2023 and during the nine months of 2024. Furthermore, the increase reflects higher health and benefits insurance premiums paid by the Company.

Professional Fees

Professional fees in the nine months ended September 30, 2024 amounted to \$644,059, an increase from \$113,005 for the same period of 2023. This increase is primarily due to additional legal, audit, and

accounting costs associated with equity transactions, business combinations, and corporate activities, as well as the Company's expansion into the US solar market. The total includes \$531,054 for one-time legal and professional fees related to corporate asset and business acquisition transactions. Additionally, the increase is attributable to technical and operating consulting fees incurred to support expanded operations, sales growth, customer acquisition, and technical maintenance, support, and onboarding.

Advertising and Promotion

Advertising and promotion expenses incurred during the nine-month period of 2024 amounted to \$190,495, a significant increase from the corresponding period in 2023, where expenses were \$96,950. This substantial rise, representing a 96% growth, was directly attributable to the overall expansion of the business's revenue and the corresponding need for additional advertising and promotion support.

Interest and Bank Charges

Interest and bank charges for the nine months ended September 30, 2024, amounted to \$46,484, an increase from \$34,376 for the corresponding period of 2023. This increase is primarily attributed to an elevated volume of credit and debit card transactions and higher processing fees associated with customer payments. It is important to note that this figure also includes calculated interest from the lease of office premises and loans and borrowings, as disclosed in the interim consolidated financial statements for the three and nine months ended September 30, 2024.

Insurance

Insurance expenses amounted to \$33,939 for the nine months ended September 30, 2024, as compared to \$30,281 for the corresponding period in 2023. This increase was primarily due to various adjustments in premiums for the corporate insurance policies.

Travel

During the nine-month period of 2024, travel expenses remained relatively unchanged, totaling \$11,890. This figure is comparable to the \$11,681 incurred during the same period in 2023. The small reduction in travel expenses can be attributed to the implementation of cost-saving measures, which primarily involved the increase in the volume of virtual and online training sessions.

Business taxes, licenses, and memberships

For the nine months ended September 30, 2024, business taxes, licenses, and memberships expenses totaled \$59,942, compared to \$42,439 for the same period in 2023. This increase of \$17,503 or 41% is primarily attributed to the acquisition of additional software licenses, memberships, and online subscriptions, which were directly linked to the Company's substantial revenue growth experienced over the preceding several quarters.

Office Expenses

Office expenses for the nine months ended September 30, 2024, were \$47,072, compared to \$27,444 for the same period in the previous year, representing an increase of \$19,628. This increase of 72% was primarily due to higher business and accounting software expenses related to the Company's US growth strategy, as well as increased expenses associated with overall revenue growth. These increases were partially offset by lower programming and website maintenance costs and reduced expenses for show participation and Canadian renewable energy association fees.

Depreciation and amortization

Depreciation and amortization expense for the nine months ended September 30, 2024, was \$42,485, compared to \$48,154 for the corresponding period in 2023. This figure is primarily derived from the calculated amortization of the Right-of-Use Asset from the office premises lease, as detailed in the consolidated financial statements for the three and nine months ended September 30, 2024.

LIQUIDITY

As at September 30, 2024, the Company had total current assets of \$1,832,780, compared to \$795,026 at December 31, 2023. The current assets comprised of \$1,535,180 in cash, \$260,580 in accounts receivable, \$15,657 in prepaid expenses, and \$21,363 in inventory in-transit. The substantial increase in total current assets can be attributed to several factors. Firstly, the Company acquired cash of \$1,083,545 through the Bold RTO Transaction completed on September 25, 2024. Secondly, there were concurrent financings, including proceeds from loans and borrowings of \$280,000 and subscription receipts of \$39,000. The timely shipment and delivery dates also contributed to a reduction in the in-transit inventory compared to December 31, 2023.

As of September 30, 2024, the Company's total current liabilities amounted to \$2,022,183. This figure comprises \$1,577,117 in accounts payable and accrued liabilities, \$94,956 in Goods and Services Tax/Harmonized Sales Tax (GST/HST) payable, \$53,925 due to related parties, \$280,366 in deferred revenue, and \$15,819 in the current portion of loans and borrowings liability. The increase in accounts payable and accrued liabilities can be attributed to higher professional fees, particularly legal and audit fees incurred in connection with the corporate transactions. However, this increase was partially mitigated by a decrease of \$315,865 in subscription receipts that were converted to common shares upon the completion of the Bold RTO. Additionally, this decrease has been further offset by a reduction in deferred revenue, which was recognized without any cash outflows.

As at September 30, 2024, the Company reported a working capital deficiency of \$189,403, with current assets totaling \$1,832,780 and current liabilities amounting to \$2,022,183. This includes deferred revenue of \$280,366, representing deferred revenue, which will be earned over time and does not involve cash

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(Canadian Dollars)

outflow. In comparison, the working capital deficiency of \$189,403 at September 30, 2024, represents a substantial improvement over the deficiency of \$734,872 at December 31, 2023.

The Company's ability to meet its ongoing obligations and activities depends on its ability to generate cash flow through operations and the issuance of common shares of the Company pursuant to equity financings and short-term or long-term loans. Capital markets may not be receptive to future offerings of new equity from treasury or debt, whether by way of private placements or public offerings.

	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Accounts payable and accrued liabilities	\$ 1,577,117	\$ 1,577,117	\$ -	\$ -	\$ -
Goods and services tax payable	94,956	94,956	-	-	-
Due to related parties	53,925	53,925	-	-	-
Deferred revenue	280,366	280,366	-	-	-
Income tax liability	10,177	10,177	-	-	-
Convertible loans	111,050	-	111,050	-	-
Loans and borrowings	126,779	15,819	78,547	32,413	-
Total current obligations	\$ 2,254,370	\$ 2,032,360	\$ 189,597	\$ 32,413	\$ -

The Company collects cash in advance of recognizing revenue for upfront franchisee fees. It's core business model requires minimal working capital invested in inventory as the Company receives payment in advance of fulfilling orders from our customers. For installations performed by the Company, the customers are required to pay deposits sufficient to cover material costs with our suppliers, minimizing the impact to working capital. Additionally, for Franchisee installations and product sales to them (to then be billed by independent franchisees to their end customers), the Company similarly requires deposits ahead of major materials purchases. Policies such as these alleviate working capital pressures on the Company, and Management actively considers other such means to improve the working capital situation of the Company.

CAPITAL RESOURCES

As of the date of this Interim MD&A, the outstanding share data is presented on a post-consolidation basis, following the share consolidation on November 7, 2023.

	Common shares issued and outstanding (post-consolidation)	Warrants	Options	RSUs
Balance at September 30, 2024	70,394,035	155,600	500,000	3,539,474
Balance at the date of this Interim MD&A	70,394,035	155,600	1,325,000	3,789,474

The Company defines capital as shareholders' deficit and amounts due to related parties. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to pursue the development of its technology, products, and services and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

There were no changes in the Company's approach to capital management during the year.

The Company has several commitments for consulting services with related parties with commercial substance at a monthly rate comparable to an arm's length compensation level. The Company also has a contractual commitment for monthly software maintenance services.

There are no other sources of financing arranged but not yet used by the Company. There are no commitments for capital expenditures.

OFF-BALANCE SHEET TRANSACTIONS

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial performance or financial condition, including with respect to revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

RELATED PARTY TRANSACTIONS

Key Management

The Company's related parties consist of key management personnel and companies owned directly or indirectly by key management personnel.

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board of Directors and corporate officers.

During the three and nine months ended September 30, 2024, remuneration of key management included in salaries and wages was \$76,250 and 218,750 respectively (2023 - \$86,336 and 205,086 respectively) and as of September 30, 2024, no salaries or wages were owed to the Company's key management personnel (December 31, 2023 - \$Nil).

On September 25, 2024, the Company granted 500,000 stock options at an exercise price of \$0.40 per share pursuant to a consulting agreement with the Company's former director and officer. These stock options vest immediately and can be exercised until September 25, 2027. The fair value of these stock options was determined to be \$45,306. As at September 30, 2024, these stock options remain outstanding.

On February 10, 2023, the Company conditionally granted 3,289,474 RSUs to key management personnel. Of these RSUs, 657,895 will vest one year after the Company's common shares are listed on a recognized securities exchange, and 2,631,579 RSUs will conditionally vest one year after the Company's common shares are listed on a recognized securities exchange, if the Company achieves a minimum of \$5,000,000 in consolidated revenue in its fiscal year ended December 31, 2025.

On December 13, 2023, the Company conditionally granted 250,000 RSUs to its employees. These RSUs will vest within one year after the Company's common shares are listed on a recognized securities exchange.

All RSUs will expire two years after the date the Company's common shares are listed on a recognized securities exchange.

As at September 30, 2024, all 3,539,474 RSUs remain outstanding and subject to conditional approval by the exchange and issuance of the replacement RSUs under the Omnibus Plan. The Company previously assessed that probability of meeting all conditional grant and vesting terms was negligible. Accordingly, the fair value of these RSUs was previously determined to be \$nil. Subsequent to September 30, 2024, the Company will reassess the fair value of these replacement RSUs on the date of issuance of the replacement RSUs. On October 7, 2024, following the Company's listing on the TSXV, the original RSUs were canceled, and 3,289,474 replacement RSUs were granted to key management personnel. These replacement RSUs will vest as follows: 40% on October 7, 2025, 15% on April 7, 2026, 15% on October 7, 2026, 15% on April 7, 2027, and 15% on October 7, 2027. Additionally, 2,631,579 RSUs will start vesting after the Company meets the revenue milestone of \$5,000,000 in consolidated revenue for the fiscal year ending December 31, 2025. All RSUs will expire on October 7, 2028.

During the three and nine months ended September 30, 2024, a company controlled by a former director charged \$8,383 and \$18,499, respectively, for consulting services, including PV installation and design training (2023 – \$7,363 and \$13,023). No amounts were outstanding in accounts payable as of September 30, 2024 (December 31, 2023 - \$Nil).

During the three and nine months ended September 30, 2024, the Company incurred expenses of \$76,790 and \$100,866, respectively, for services provided by a company controlled by an officer and director (2023 - \$Nil). As of September 30, 2024, \$31,129 remained outstanding (December 31, 2023 - \$7,376).

As at September 30, 2024, the total amount due to related parties was \$53,925 payable to key management personnel (December 31, 2023 - \$36,430). Amounts due from/to related parties are unsecured, non-interest-bearing and are without fixed terms of repayment.

FIRST QUARTER INFORMATION

The Company's business is not heavily subject to seasonality as the demand for Solar installation services is relatively constant throughout the period. This is supported by review of the Company's quarterly

revenue figures, which shows no clear trend of seasonality during the overall growth in revenue over this period. Please refer to the Summary of Quarterly Results table earlier in this Interim MD&A for this table.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting estimates are presented in Note 5 in the notes to the interim consolidated financial statements for the nine months ended September 31, 2024, and in the notes to the consolidated financial statements for the year ended December 31, 2023. The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period presented and reported amounts of expenses during the same period. Actual outcomes could differ from these estimates. The Financial Statements include estimates, which, by their nature, are uncertain. The impact of such estimates may require accounting adjustments based on future occurrences. Any revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if the revision affects the future. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies for the Company during the nine months ended September 30, 2024 and the fiscal year ended December 31, 2023.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. Management approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Fair value

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. However, considerable judgment is required to develop certain of these estimates. Accordingly, these estimated values are not necessarily indicative of the amounts the Company could realize in a current market exchange. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies. The methods and assumptions used to estimate the fair value of each class of financial instruments are discussed below.

The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data.

The fair values of financial instruments, which includes cash, bank indebtedness, accounts payable and accrued liabilities, and amounts due to parent approximates their carrying values due to the relatively short-term maturity of these instruments.

b) 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 held in bank accounts. The cash is deposited in a bank account in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a bank that is a high credit quality financial institution as determined by rating agencies. Credit risk on cash is assessed as low.

c) 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 market interest rates. The Company is not exposed to significant interest rate risk.

d) 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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. The Company's accounts payable and accrued liabilities are contractually due within 12 months. The amount due to parent has no formal terms of repayment and will be settled in a manner agreeable to both parties working with the working capital needs of the Company.

The Company's access to financing is uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

e) Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The majority of the Company's operations and transactions are conducted in Canadian dollars (49% of consolidated revenue was conducted in Canadian Dollars during the nine months ended September 31, 2024, 92% for the year ended December 31, 2023). As at the date of this Interim MD&A, the Company does not hedge its exposure to fluctuations in foreign exchange rates. Therefore, Foreign exchange risk is assessed as moderate.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies in Note 5 of the Company's financial statements for the year ended December 31, 2023, have been consistently applied to all periods presented in the financial statements.

KEY DEVELOPMENTS SUBSEQUENT TO SEPTEMBER 30, 2024

This is a summary of the Company's key developments subsequent to September 30, 2024:

- On October 7, 2024, the Company's common shares commenced trading on the TSX Venture Exchange under the symbol "SUN".
- On October 17th, 2024 Stardust announced the signing of a Certified Installer Agreement with Tesla Inc. (USA) to become a certified installer of the Tesla Powerwall energy storage system across the USA.
- On October 30th, 2024 Stardust signed eight (8) new franchise units in West Virginia.
- On October 29th, 2024, the Company announced that its common shares have begun trading on the Frankfurt Stock Exchange under the symbol "6330".
- On November 4th, 2024, the Company announced that it has entered into an agreement with Rematek Energie Inc. to act as their exclusive Tesla Powerwall supplier for Quebec. This three-year agreement is an important milestone for Stardust as it is another step in the Company's growth and expansion strategy. The Company now has distribution in every province in Canada and will continue to focus on expansion.
- On November 6th, 2024, the Company granted a total of 825,000 stock options to certain directors, officers and service providers pursuant to the Omnibus Plan. Each option is exercisable for one common share of the company at an exercise price of 20 cents per share for a period of three years from the grant date. All options shall vest in quarterly instalments over a period of 12 months from the date of grant. Furthermore, the company granted 250,000 restricted share units (RSUs) to a director and officer of the company. All RSUs vest at 100 per cent after 12 months from the date of grant, expiring on Nov. 6, 2028. All options and RSUs are subject to the terms of the Omnibus Plan and applicable securities law hold periods.
- On November 21st, 2024, the Company announced that it has applied for Master Franchisor Permits ("Permits") in 42 U.S. states, setting the stage for growth across North America. The Company plans to add

approximately 15 to 25 new franchise locations across its network annually, with the goal of an approximate 80/20 growth split between the United States and Canada. Management expects Stardust Solar to surpass 100 franchise regions through organic growth and strategic acquisitions by the end of 2025.

- November 25th, 2024, Stardust has entered into a definitive agreement (the "Definitive Agreement") between, inter alia, the Company and Solar Grids Development LLC ("Solar Grids") to acquire 100% of the assets of Solar Grids, a U.S.-based solar energy company specializing in solar installations and franchise development (the "Acquisition"). The Company anticipates the Acquisition will close on or prior to November 30, 2024. Pursuant to the terms of the Definitive Agreement, Stardust Solar will acquire, among other things: all rights, titles, and interests in Solar Grids' assets, including franchise agreements, intellectual property, and goodwill, digital and physical assets contributing to the Solar Grids brand identity, websites, training curricula, and business management systems supporting franchise operations (collectively, the "Purchased Assets").

As consideration for the Purchased Assets, the Company will issue to Solar Grids an aggregate of 4,000,000 common shares in the capital of the Company (the "Consideration Shares") at a deemed price of \$0.25 per Consideration Share (subject to the policies of the TSXV). 85% of the Consideration Shares (the "Closing Shares") will be issued on the closing date of the Acquisition (the "Closing Date"), and the remaining 15% of the Consideration Shares will be issued on the date that is thirty-sixth months following the Closing Date. The Acquisition is an arm's length transaction for the purposes of the policies of the TSX Venture Exchange (the "TSXV") and no finder's fees are payable in connection with the Acquisition. The Acquisition is subject to the TSXV's final acceptance. All securities issuable in connection with the Acquisition will be subject to a hold period of four months and one day after the date of issuance. In addition, the Closing Shares will be subject to voluntary restrictions on transfer commencing on the date of issuance, with 400,000 of such Closing Shares being released from such voluntary restrictions on the Closing Date and an additional 600,000 of such Closing Shares being released from such voluntary restrictions every six (6) months thereafter for a period of thirty (30) months from the Closing Date.

- November 26, 2024, the Company entered into a settlement agreement (the "Settlement Agreement") with SinuSafe Medical Ltd. ("SinuSafe"). Pursuant to the Settlement Agreement, as full and final settlement of the amounts owed to the Company by SinuSafe under the Loan Agreement (as defined herein), SinuSafe agreed to pay to the Company the sum of \$395,208 (the "Settlement Amount") within 45 days of the date on which the judgment for the Settlement Agreement becomes effective, and in any case by no later than December 31, 2024.

RISK FACTORS

In addition to the other information included in this report, readers should carefully consider the following factors, which describe the risks, uncertainties and other factors that may materially and adversely affect the Company's business, products, financial condition and operating results. There are many factors that affect the Company's business and results of operations, some of which are beyond the Company's control. The following is a description of some, but not all, of the important factors that may cause the Company's actual results of operations in future periods to differ materially from those currently expected or discussed in the FLS set forth in this report relating to the Company's financial results, operations and business prospects. Except as required by law, the Company undertakes no obligation to update any such FLS to reflect events or circumstances after the date of this Interim MD&A.

For the purposes of this section, "**Material Adverse Change**" means any change of circumstances or any event which has, or would reasonably be expected to have, a material adverse effect in respect of the Company, any one or more changes, events or occurrences, and "**material adverse effect**" means, in respect of the Company, any change (or any condition, event or development involving a prospective change) in the business, operations, affairs (including the employment status of key employees), assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise) capitalization, financial condition, licenses, permits, rights or privileges of the Company or any of its subsidiaries which in the judgment of the Company, acting reasonably in the circumstances, could reasonably be expected to materially and adversely affect the Company and its subsidiaries taken as a whole or the value of the securities of the Company.

The Company is subject to a number of risks and uncertainties that may significantly impact its financial condition and future financial performance. Prospective investors should carefully consider the risks described below, together with all the other information included in this Interim MD&A, before making an investment decision.

No History of Profitable Operations

The Company has not achieved profitable operations or paid any cash dividends, and it is unlikely to produce profitable earnings or pay dividends in the immediate or foreseeable future.

Availability of Financing

The Company will be competing with other companies in the capital markets for available financing. There is no assurance that the Company will be able to obtain sufficient financing or financing on satisfactory terms, if at all.

On February 24, 2022, Russian troops started to invade Ukraine. In response to this military action, various countries, including Canada, issued broad-ranging economic sanctions against Russia. The ramifications of the sanctions may not be limited to Russia and Ukraine and may spill over to and negatively impact other regional and global economic markets, sectors, industries and markets for securities and commodities globally. The current circumstances are dynamic and the duration of the conflict and related impact of imposed sanctions on the business cannot be reasonably estimated at this time. While the company expects any direct impacts of the conflict in Ukraine to the business to be limited, the direct impacts on the economy may negatively affect the business and future operations.

Availability of Rebates, Tax Credits, and Other Financial Incentives

Certain municipalities, provinces, states and federal governments provide incentives to end users and purchasers of solar energy systems, electric vehicles, and other such renewable energy products and retrofits for homes and businesses.

These governmental rebates, tax credits and other financial incentives significantly lower the effective price of solar energy systems and related infrastructure to customers. Uncertainty about the introduction of, reduction in, or elimination of such incentives, or delays or interruptions in the implementation of favorable federal, provincial, state or municipal laws could substantially increase the cost of the Company's systems to some of its customers, resulting in significant reductions in demand for the Company's products from customers, which would negatively impact its sales. Such incentives take time to be disbursed and to affect actual expenditure decisions. Final grant approval timelines can vary greatly between agencies and projects which creates revenue flow risk to the Company. These incentives may also expire on specified dates, end when the allocated funding is no longer available, or be reduced or terminated as a matter of regulatory or legislative policy. Any reduction in rebates, tax credits or other financial incentives could reduce the demand for solar energy systems and related infrastructure, including infrastructure the Company offers.

Dependence on Key Personnel

The Company strongly depends on the business and technical expertise of its management, and it is unlikely that this dependence will decrease in the near term. Loss of the Company's key personnel could slow the Company's ability to innovate, although the effect on ongoing operations would be manageable as experienced key operations personnel could be put in place. As the Company's operations expand, additional general management resources will be required.

If the Company expands its operations, the ability of the Company to recruit, train, integrate and manage a large number of new employees is uncertain and failure to do so would have a negative impact on the Company's business plans.

Cancellation of underperforming franchisees

The Company may periodically terminate agreements with underperforming franchisees who fail to meet contractual obligations or minimum performance criteria. Upon termination, these franchise territories become available for resale to qualified franchisees who can then commence operations. Investors should be aware that there may be delays in re-establishing operations in these territories, potentially impacting regional performance temporarily.

Cancellation of Solar Projects

The Company may experience cancellations of some solar projects due to a variety of factors unrelated to the Company's performance. Such cancellations can be related to the financial constraints of a client, changes in financial incentives, or a variety of other external factors. While not frequent, these cancellations may affect both the Company's product sales and royalty revenues. Investors should consider these potential risks when evaluating the Company's future performance.