

Bow Lake Capital Corp.
(a Capital Pool Company)

Management's Discussion and Analysis

Introduction

This management's discussion and analysis ("MD&A") of Bow Lake Capital Corp. ("Bow Lake" the "Corporation" or the "Company") is prepared by management and should be read in conjunction with the Company's unaudited condensed interim financial statements as at June 30, 2022 and audited financial statements as at December 31, 2021 and the notes thereto. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included therein and in the following MD&A are quoted in Canadian dollars unless otherwise noted.

This MD&A is dated August 5, 2022 and is in respect of the three and six month periods ended June 30, 2022.

Forward-Looking Statements

This MD&A may contain "forward-looking statements" which reflect expectations regarding future results of operations, performance and achievements of the Company. All statements, other than a statement of historical fact, may be forward-looking statements. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. The risks include those outlined under the "Risk Factors" section of this MD&A and elsewhere in the Company's public disclosure documents. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. Readers are cautioned not to place undue reliance on these forward-looking statements. All forward-looking statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

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.

Nature of the Business and Incorporation

The Company was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on March 29, 2021 and is classified as a CPC, as such term is defined Policy 2.4 – Capital Pool Companies of the TSX Venture Exchange (the "Exchange"). The Corporation has no assets other than cash. The principal business of the Company is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction, as such term is defined in Policy 2.4 – Capital Pool Companies of the Exchange.

The Company's operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned, and if applicable, approval of the shareholders of the Corporation. As a

CPC, the proceeds raised by the Company from the issuance of common shares may only be used to identify and evaluate businesses and assets for future investment, and reasonable expenses relating to the Company's initial public offering, general and administrative expenses not exceeding in aggregate \$3,000 per month and relating to a proposed qualifying transaction. These restrictions apply until the completion of a Qualifying Transaction by the Company as defined under the policies of the TSXV.

The ability of the Company to complete a Qualifying Transaction may require additional funding and there is no assurance that the Company will be successful in obtaining any additional funding. In addition, there is no assurance the Company will identify a business or asset that warrants an acquisition.

On December 30, 2021, the Company received receipt for the final prospectus from the Alberta Securities Commission, British Columbia Securities Commission, and Ontario Securities Commission relating to the proposed issuance of 5,000,000 common shares at a price of \$0.10 per common share (the "Offering" or "IPO") for gross proceeds of \$500,000. Canaccord Genuity Corp. (the "Agent") was appointed as agent for the Offering pursuant to an agency agreement between the Company and the Agent.

On March 24, 2022, the Company completed its initial public offering (the "IPO") of 5,000,000 common shares at a price of \$0.10 per unit for gross proceeds of \$500,000. In connection with the IPO, the Company paid a cash commission of \$50,000, other share issuance costs of \$36,000, and granted 500,000 agent's compensation warrants. Each agent's compensation warrant entitles the holder to purchase one common share at a price of \$0.10 per common share until March 24, 2027.

Concurrently with the IPO the Company granted stock options to certain officers and directors to acquire, in aggregate, 780,000 common shares at a price of \$0.10 per share and expiring 5 years from the date of grant on March 24, 2027.

Pursuant to the terms of an amended escrow agreement, 3,260,000 of the issued and outstanding common shares were deposited in escrow.

The common shares of the Company were listed for trading on the Exchange on March 24, 2022 under the trading symbol BLCC.P.

Summary of Quarterly Results

The Company was incorporated on March 29, 2021 and was not a "reporting issuer" pursuant to applicable securities legislation until December 30, 2021, the date of the final receipt for the prospectus as issued by the Alberta Securities Commission, British Columbia Securities Commission and Ontario Securities Commission, thereby becoming a "reporting issuer" in each of the provinces of Alberta, British Columbia and Ontario.

The following table presents financial information of the most recently completed quarters.

	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Total assets	\$ 474,033	\$ 502,862	\$ 131,472	\$ 151,949	\$ 170,600
Total revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Total expenses	\$ 10,581	\$ 74,303	\$ 6,465	\$ 13,434	\$ -
Net loss	\$ 10,581	\$ 74,303	\$ 6,465	\$ 13,434	\$ -
Basic and diluted net loss per share	\$ 0.002	\$ 0.023	\$ -	\$ -	\$ -

Results of Operations

During the three and six months ended June 30 2022, the Company incurred a net loss of \$10,581 and \$84,885, respectively. The three month loss primarily relates to exchange regulatory costs. The six month loss primarily relates to share based compensation from the issuance of stock options to directors and officers of the Company, exchange regulatory costs and general corporate legal expenses.

There were no comparative operational results for the period from incorporation on March 29, 2021 to June 30, 2021.

The following table is a summary of the Company's annual financial results as at December 31, 2021 and for the period from March 29, 2021 to December 31:

	December 31, 2021
Net loss and comprehensive loss	\$ 19,899
Net loss per share	\$ 0.007
Working capital	\$ 120,101
Total assets	\$ 131,472
Cash flow from operating activities	\$ (8,528)
Net Cash flow from financing activities	\$ 97,963

Liquidity and Capital Resources

As of June 30, 2022, the Company had \$474,033 in cash and working capital of \$471,267. The net cash used in operating activities for the six months ended June 30, 2022 was \$34,899. Net cash flow from financing activities was \$419,497 related to the IPO gross proceeds of \$500,000 for common shares net of financing costs of \$80,503.

Management anticipates that ongoing costs relating to the identification, evaluation, due diligence, negotiation and completion of a Qualifying Transaction will be incurred in future periods. The timing and magnitude of these costs is not predictable. These costs may be significant and could possibly result in higher general and administrative expenses. To date, the Company has procured working capital through equity financing. The Company acknowledges that it may require additional funding to complete a Qualifying Transaction. As such, if needed, the Company will seek to raise additional capital and believes that it will be able to do so, but recognizes the uncertainty attached thereto. Funding requirements may vary from those planned due to a number of factors.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Related Party Transactions

During the three month and six month ended June 30, 2022, the Company incurred legal fees of \$Nil (2021: \$Nil) with \$9,503 (2021: \$Nil), respectively recorded as share issue costs and \$2,766 (2021: \$Nil) and \$6,857 (2021:\$Nil), respectively recorded as professional fees for services provided by a law firm a partner of which is a director of the Company. As at June 30, 2022, \$2,766 is included in accounts payable and accrued liabilities for these services.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, and accrued liabilities. Management does not believe these financial instruments expose the Company to any significant interest, currency or credit risks. Financial assets are required to be initially measured at fair value and subsequently classified at amortized costs or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are initially measured at fair value and subsequently classified as amortized cost.

Management of Capital

The Company's capital currently includes equity, comprised of issued common shares. The Company defines capital as total equity, which was \$471,267 at June 30, 2022. The Company's source of cash is from the issuance of common shares. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements. The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or business for future investment, , and reasonable expenses relating to the Company's initial public offering, general and administrative expenses not exceeding in aggregate \$3,000 per month and relating to a proposed qualifying transaction. These restrictions apply until the completion of a Qualifying Transaction by the Company as defined under the policies of the TSXV.

Share Capital

Common shares

On March 24, 2022, the Company completed its initial public offering (the "IPO") of 5,000,000 common shares at a price of \$0.10 per unit for gross proceeds of \$500,000.

As at June 30, 2022 and the date of this MD&A the Company had 7,800,000 common shares issued and outstanding.

Pursuant to an escrow agreement dated December 23, 2021 between the Company, Endeavor Trust Corporation and certain shareholders of the Company, 2,800,000 common shares, being issued and outstanding common shares prior to the completion of the Offering, have been deposited in escrow. Upon the Company completing its Qualifying Transaction, common shares held pursuant to the escrow agreement shall be released as to 25% immediately following the issuance of the bulletin of the Exchange announcing final acceptance of the Qualifying Transaction (the "Initial Release") and an additional 25% shall be release every six months commencing six months following the Initial Release. The escrow agreement was subsequently amended as part of the IPO to increase the number of escrowed shares to 3,260,000.

Options and Warrants

Concurrently with the IPO on March 24, 2022, the Company granted stock options to certain officers and directors to acquire, in aggregate, 780,000 common shares at a price of \$0.10 per share and expiring 5 years from the date of grant on March 24, 2027. As at June 30, 2022 and the date of this MD&A 780,000 stock options were outstanding.

In connection with the IPO, the Company granted 500,000 agent's compensation warrants. Each agent's compensation warrant entitles the holder to purchase one common share at a price of \$0.10 per common share until March 24, 2027. As at June 30, 2022 and the date of this MD&A 500,000 warrants were outstanding.

Risk Factors

There are a number of risks that may have a material adverse impact on the future operating and financial performance of the Company. These include risks that are widespread risks associated with any form of business. While most risk factors are largely beyond the control of the Company and its directors, the Company will seek to mitigate these risks where possible.

No Operating History

The Company was incorporated on March 29, 2021, has not commenced commercial operations, and has no assets other than cash. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future. Until completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions. The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction.

Possible Trading Suspension or Delisting

The Exchange may suspend from trading or delist the securities of the Company where the Company has failed to complete a Qualifying Transaction or if the Company fails to meet initial listing requirements of the Exchange upon completion of a Qualifying Transaction. Suspension from trading of the common shares may, and delisting of the common shares will, result in the regulatory securities authorities issuing an interim cease trade order against Company. In the event that the Common Shares of the Issuer are delisted by the Exchange, within 90 days from the date of such delisting, the Issuer shall wind up and shall make a pro rata distribution of its remaining assets to its shareholders, unless shareholders, pursuant to a majority vote exclusive of the votes of Non-Arm's Length Parties to the Issuer, determine to deal with the Issuer or its remaining assets in some other manner. Trading in the common shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required.

Halt of Trading

Upon public announcement of a potential Qualifying Transaction, trading in the common shares of the Company will be halted and will remain halted until completion of the Qualifying Transaction, or sooner pursuant to Policy 2.4 – Capital Pool Companies. Neither the Exchange nor any securities regulatory authority passes upon the merits of the potential Qualifying Transaction.

Foreign Acquisition

In the event the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

Exchange May Not Approve a Qualifying Transaction

Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval as such terms are defined in Policy 2.4 – Capital Pool Companies. Notwithstanding that a transaction may meet the definition of a Qualifying Transaction, the Exchange may not approve a Qualifying Transaction.

Approval by the Majority of the Minority

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares.

Dilution

If the Company issues treasury shares to finance acquisition or participation opportunities, control of the Company may change, and subscribers may suffer dilution of their investment.

Directors and Officers

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company but will be devoting such time as required to effectively manage the Company. Some of the directors and officers of the Company are engaged and will continue to be engaged in the search for assets or businesses on their own behalf or on behalf of others such that conflicts may arise from time to time. As a consequence of such conflicts, the Company may be exposed to liability and its ability to achieve its business objectives may be impaired.

Additionally, directors and officers of the Company may also serve as directors and/or officers of other reporting issuers from time to time.

The Company has not purchased "key-man" insurance, nor has it entered into non-competition and nondisclosure agreements with management and has no current plans to do so.

Reliance on Management

The Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Company.

Loans or Advances

Subject to prior acceptance from the Exchange, the Company may be permitted to loan or advance up to an aggregate of \$250,000 (\$25,000 without prior Exchange approval) of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover the loan or advance.

Volatile Financial Markets

The extreme volatility occurring in the financial markets is a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. Issuers like the Company are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for the Company to access the capital markets in order to raise the capital it will need to fund its current level of expenditures and identify, evaluate and close a Qualifying Transaction.

COVID-19

Since March 11, 2020, the outbreak of the novel strain of coronavirus, specifically identified as “COVID19”, was declared a global pandemic by the World Health Organization and governments worldwide have enacted emergency measures to combat the spread of the virus. These measures, which include public health measures to limit the time individuals spend in large crowds and crowded spaces, the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company.

Other Information Additional information relating to the Company is available under the Company’s profile on SEDAR at www.sedar.com.