

RIVERWALK ACQUISITION CORP.

**Management Discussion and Analysis of Financial Position and Results of Operations
for the nine-month period ended August 31, 2022**

This report is dated October 7, 2022.
(The "Report Date")

Introduction

The following information should be read in conjunction with the unaudited condensed interim financial statements for the nine-month period ended August 31, 2022 and the audited financial statements of Riverwalk Acquisition Corp. ("Riverwalk" or the "Company") for the year ended November 30, 2021.

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

Note 3 to the audited financial statements at November 30, 2021 describes the Company's significant accounting policies. During the period ended August 31, 2022, the Company's critical accounting estimates and significant accounting policies have remained substantially unchanged.

Readers are strongly encouraged to read the prospectus of the Company dated March 17, 2022 for further information regarding the Company and its securities. See Risk Factors below.

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

All amounts presented in this document are stated in Canadian dollars, except where otherwise noted.

Forward Looking Statements

Certain information contained in this MD&A constitutes forward-looking information, which is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic conditions and courses of action and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, without limitation, our expectations regarding anticipated investment activities and results and financing activities, the impact of changes in accounting policies and other factors on our operating results, and the performance of global capital markets and interest rates.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Selected forward-looking statements, assumptions, and risk factors are as follows:

Forward-looking statements	Assumptions	Risk factors
The Company proposes to work towards completing a Qualifying transaction.	The Company expects to identify an asset or business to acquire and close a Qualifying Transaction, on terms favorable to the Company.	The Company's inability to find a target, the inability to satisfy all of the conditions precedent (due diligence, shareholder and regulatory approval, financing) to complete a Qualifying Transaction, resulting in the Company remaining as a public shell.
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending November 30, 2022.	The operating activities of the Company for the twelve-month period ending November 30, 2022, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favorable to the Company.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; regulatory compliance and changes in regulatory compliance and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; ongoing uncertainties relating to the COVID-19 virus.

Corporate Overview and Description of Business

Riverwalk Acquisition Corp. was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on February 25, 2021.

The Company is a CPC pursuant to the TSX Venture Exchange (the "Exchange") Policy 2.4 Capital Pool Companies (the "CPC Policy"). The principal business of the Issuer will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Issuer has not commenced commercial operations and has no assets other than a minimum amount of cash.

Riverwalk Acquisition Corp. completed its initial public offering prospectus through its agent, Canaccord Genuity Corp. (the "Agent") on June 16, 2022. 3,000,000 common shares ("Common Shares") were sold to the public at a price of \$0.10 per Common Share (the "Offering") for gross proceeds of \$300,000.

On June 20, 2022, the Company's shares commenced trading on the TSX Venture Exchange under the symbol "RAC.P".

Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction, as hereafter defined, the Issuer will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be approved by the

Exchange and, in the case of a Non-Arm's Length Qualifying Transaction, must also receive Majority of the Minority Approval, as hereafter defined, in accordance with the CPC Policy.

The head office of the Issuer is located at 478-6647 Fraser Street, Vancouver, BC V5X 0K3 and the registered office of the Issuer is located at 10th Floor, 595 Howe Street, Vancouver, BC V6C 2T5.

Results of Operations

During the three and nine-month periods ended August 31, 2022, the Company incurred a loss of \$19,460 (Year to date: \$52,997).

The most significant elements of the Company's expenses are:

- Accounting and audit fees of \$4,500 (Year to date: \$17,893) (2021: \$nil) related to professional fees and audit fees paid;
- Bank charges of \$52 (YTD: \$170) (2021: \$54);
- Corporate development expenses of \$nil (YTD: \$1,809) (2021: \$nil) as a result of conducting research into possible qualifying transaction targets;
- Legal fees of \$243 (YTD: \$8,453) (2021: \$2,892) as a result of the preparation and closing of the IPO. The majority of legal and other related expenses were allocated to share issuance costs during the period;
- Office and administrative expenses of \$3,901 (YTD: \$10,004) (2021: \$nil) reflect the cost of operating the Company; and
- Transfer agent expenses of \$10,764 (YTD: \$14,668) (2021: \$nil), as a result of establishing transfer agent facilities to manage the share issuances of the Company. \$10,000 of the expense was the TSXV listing fee.

Summary of Quarterly Results (Unaudited)

	Fiscal 2022		
	Q3	Q2	Q1
	August 31,	May 31,	February 28,
	2021	2021	2021
	\$	\$	\$
Expenses	19,460	24,721	8,816
Net loss and Comprehensive loss	19,460	24,721	8,816
Total Assets	284,275	139,446	197,525
Total Liabilities	-	-	(33,358)
Shareholders Equity & Working Capital	284,275	139,446	164,167

Selected Annual Information

The following table summarizes selected audited financial information of the Company for the period from incorporation to the fiscal year end November 30, 2021. The information should be read in conjunction with the Company's audited annual financial statements and related notes.

	Period from incorporation to 11/30/2021 (audited)
Statement of operation	
Expenses	17,017
Net Loss & Comprehensive Loss	17,017
Financial Position	
Current Assets	185,244
Total Assets	185,244
Total Liabilities	(22,261)
Shareholders' Equity & Working Capital	162,983

Financing Activities

During the period ended November 30, 2021 the Company issued 3,600,001 common shares were issued at a price of \$0.05 per share for proceeds of \$180,000.

During the period ended August 31, 2022 the Company completed the following issuances:

- On February 22, 2022, the Company completed a private placement of 200,000 Common Shares at \$0.05 per share for proceeds of \$10,000.
- On June 16, 2022, the Company completed its initial public offering by way of the prospectus which was receipted March 22, 2022. 3,000,000 Common Shares were issued at a price of \$0.10 per Common Share for total gross proceeds to the Company of \$300,000. Offering costs of \$135,711 were recorded.

The Agent was granted Agent's Warrants to purchase 300,000 Common Shares at a price of \$0.10 per Common Share and expiring June 20, 2027.

Liquidity and Capital Resources

The Company's aggregate operating, investing and financing activities for the nine-month period ended August 31, 2022 resulted in a cash increase of \$115,871 (period ended November 30, 2021 an increase of \$164,923). As at August 31, 2022, the Company's cash balance was \$280,794 (November 30, 2021: \$164,923) and the Company had working capital of \$280,794 (November 30, 2021: \$162,983).

During the nine-month period ended August 31, 2022, the Company paid \$nil (period ended November 30, 2021 - \$nil) to acquire capital assets. No other capital expenditures were incurred.

Transactions with Related Parties

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and directors. Key management personnel compensation during the nine-month period ended August 31, 2022 was as follows:

	Three-months ended August 31,		Nine-months ended August 31,	
	2022	2021	2022	2021
Professional fees	\$ 4,500	\$ -	\$ 13,500	\$ -
	<u>\$ 4,500</u>	<u>\$ -</u>	<u>\$ 13,500</u>	<u>\$ -</u>

Professional fees were billed and accrued for services rendered by the Chief Financial Officer during the period. As of August 31, 2022, \$nil (November 28, 2021 - \$3,000) was included in trade and other payables.

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no other off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the company.

Critical Accounting Estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Note 3 to the audited financial statements at November 30, 2021 describes the Company's significant accounting policies. During the period ended August 31, 2022, the Company's critical accounting estimates and significant accounting policies have remained substantially unchanged.

Financial Instruments

The company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General Objectives, Policies, and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

The carrying values of the financial instruments, comprised of cash and trade and other payables, approximate their fair values due to the short-term nature of these financial instruments.

The Company is exposed to various financial risks resulting from its operations. The Company's management manages financial risks. The Company does not enter into financial instrument agreements, including derivative financial instruments, for speculative purposes. The Company's main financial risk exposures and its financial policies are as follows:

- a) **Credit risk**
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk, with the carrying value being the Company's maximum exposure. The Company's cash consists of funds held at a Canadian chartered bank. Management believes the Company's exposure to credit risk is not material.
- b) **Market risk**
The risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Management does not believe the Company is exposed to significant currency, interest or other price risk.
- c) **Liquidity risk**
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's trade and other payables are all current and due within 90 days of the statement of financial position date. The Company seeks to ensure that it has sufficient capital to meet short term financial obligations after taking into account its operating obligations and cash on hand.

Outstanding Share Data

As at August 31, 2022 and the date of this Report, the following table summarizes the outstanding share capital of the Company:

	August 31, 2022	Report Date
Common Shares	6,800,001	6,800,001
Total	6,800,001	6,800,001

The Company also granted an Agent's Warrant to purchase 300,000 Common Shares at a price of \$0.10 per Common Share and expiring June 20, 2027 as part of the IPO.

Risks and Uncertainties

An investment in the Company's shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. In evaluating the company and its business, the Reader should carefully consider the following risk factors in addition to the other information contained in this management discussion and analysis. These risk factors are not a definitive list of all risk factors associated with the Company. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Investors should not rely upon forward-looking statements as a prediction of future results.

The Issuer has a limited operating history, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and will not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction.

The business objective of the Issuer is to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction approved by the Exchange and, in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval; however, there can be no assurance that the Issuer will successfully complete a Qualifying Transaction. The Issuer has not commenced the process of identifying potential acquisitions. The Issuer may find that even if the terms of a potential acquisition are economic, the Issuer may not be able to finance such acquisition and additional funds may be required to meet such obligations. Since the Issuer has not placed any geographical restrictions on the location of a Qualifying Transaction, such Qualifying Transaction may involve the acquisition of a business located outside of Canada and, as such, purchasers should be aware that it may be difficult or may not be possible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and that it may not be possible to enforce against such persons or the Issuer, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada. Where the investment or acquisition is financed by the issuance of shares from the Issuer's treasury, control of the Issuer may change and shareholders may suffer further dilution of their investment. The Issuer will be in competition with other corporations with greater resources. The Issuer has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. See "*Risk Factors*".

Once listed, the Exchange may suspend from trading or delist the Common Shares where the Issuer has failed to complete a Qualifying Transaction within 24 months of the Listing Date. The Commissions may issue an interim cease trade order against the Issuer's securities if the Common Shares are suspended from trading on the Exchange and will issue an interim cease trade order if the Common Shares are delisted from the Exchange. In addition, delisting of the Common Shares may result in the cancellation of the Common Shares owned by Non-Arm's Length Parties issued prior to the Offering.

Upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained (if required) and certain preliminary reviews have been conducted. The Common Shares may be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Issuer completing the proposed Qualifying Transaction.

Purchasers must rely solely on the expertise of the Issuer's Promoter, directors and officers for any possible return on their investment. The Issuer's Promoter, directors, officers and Control Persons, and their Associates and Affiliates, as a group, beneficially own or control, directly or indirectly, 2,400,001 Common Shares, which represents 63.16% of the issued and outstanding Common Shares before giving effect to the Offering and 35.29% after giving effect to the Offering. It is not expected that the Issuer's directors or officers will purchase any Common Shares pursuant to the Offering. The directors and officers of the Issuer will only devote part of their time to the affairs of

the Issuer and there may be potential conflicts of interest to which some of the directors and officers of the Issuer will be subject in connection with the operations of the Issuer.

Other than the initial distribution of the Common Shares pursuant to the Company's prospectus and the grant of the Agent's Warrants, trading in all securities of the Issuer is prohibited during the period between the date a receipt for the preliminary prospectus is issued by the Commissions and the time the Common Shares are listed for trading except, subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable Commission(s) grant a discretionary order.

Unless a shareholder has the right to dissent and be paid fair value in accordance with 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 Issuer of fair value for the Common Shares;

Neither the Exchange nor any securities regulatory authority passes upon the merits of any proposed Qualifying Transaction.

The Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Issuer and this may result in further dilution to the purchaser, which dilution may be significant and which may also result in a change of control of the Issuer.

Subject to prior Exchange acceptance, the Issuer may be permitted to loan or advance up to the greater of \$250,000 and 20% of its working capital to a target business without shareholder approval and there can be no assurance that the Issuer will be able to recover that loan.