

SBD CAPITAL CORP.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

The following management discussion and analysis (“MD&A”) is management’s assessment of the results and financial condition of SBD Capital Corp. (“SBD” or the “Company”) and should be read in conjunction with the unaudited interim consolidated financial statements for the period ended September 30, 2023 and 2022, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All dollar amounts are in Canadian dollars, unless otherwise noted. The date of this MD&A is November 21, 2023. SBD’s most recent filings are available on the System for Electronic Document Analysis and Retrieval (“SEDAR”) and can be accessed through the Internet at www.sedarplus.ca.

1. DESCRIPTION OF BUSINESS

SBD acquires controlling interests in industrial companies in the manufacturing and distribution business. On October 17, 2017 the Company changed its name from White Pine Resources Inc. to SBD Capital Corp. The Company trades on CSE under the symbol SBD.

2. BUSINESS ACTIVITIES

The outbreak of the novel strain of coronavirus, specifically identified as “COVID 19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self imposed quarantine periods and social 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 and its operating subsidiaries in future periods.

3. SELECTED ANNUAL INFORMATION

The following chart summarizes selected annual information for the three most recently completed years. The information has been prepared in accordance with IFRS:

	2023	2022	2021
Operating expenses	\$ 194,053	\$ 164,982	\$ 205,802
Net loss and comprehensive loss	(195,897)	(885,827)	(187,553)
Loss per share	(0.04)	(0.20)	(0.01)
Total assets	102,254	67,911	90,434

4. RESULTS OF OPERATIONS

	Three months ended September 30,		Three months ended September 30,	
	2023	2022	2023	2022
Revenue	\$ 7,595	\$ 3,726	\$ 9,938	\$ 6,369
Cost of goods sold	1,117	2,639	2,202	3,827
Gross margin	6,478	1,087	7,736	2,542
EXPENSES				
Bank charges	143	64	330	190
Consulting fees	7,500	30,000	15,000	30,000
Office, general and administrative	-	-	-	-
Storage costs	6,327	7,538	14,769	7,923
Professional fees	10,590	30,301	19,388	35,301
Transfer agent and filing fees	4,635	22,117	8,052	27,117
	29,195	90,020	57,539	100,531
Other Items				
Unrealized foreign currency translation loss	1,181	-	104	-
	(21,536)	(88,933)	(49,699)	(97,989)
Weighted average number of common shares outstanding basic and diluted	4,723,668	4,575,972	4,723,668	4,723,668
Net loss per share - basic and diluted	\$ (0.00)	\$ (0.02)	\$ (0.01)	\$ (0.02)

4.1 Six months ended September 30, 2023

Operations for the six months ended September 30, 2023 resulted in a comprehensive loss of \$49,699 compared to a loss of \$97,989 in the prior year. The primary decrease in costs relates to lower professional fees, consulting fees, and transfer agent and filing fees.

The Company is in the process of developing its marketing strategy for growing the business and increasing sales.

4.2 Three months ended September 30, 2023

Operations for the three months ended September 30, 2023 resulted in a comprehensive loss of \$21,536 compared to a loss of \$88,933 in the prior year. The primary decrease in costs relates to lower professional fees, consulting fees, transfer agent and foiling fees, and storage costs.

The Company is in the process of developing its marketing strategy for growing the business and increasing sales.

5. QUARTERLY FINANCIAL INFORMATION

The following is selected financial data from the quarterly interim consolidated financial statements of SBD for the last eight completed fiscal quarters ending September 30, 2023. This information should be read in conjunction with SBD's audited annual and unaudited interim consolidated financial statements for the periods below.

OPERATIONS	30/09/2023	30/06/2023	31/03/2023	31/12/2022
Revenue	\$7,595	\$2,343	\$2,149	\$3,615
Cost of Sales	\$1,117	\$1,085	\$1,011	\$836
General, administrative & amortization expenses	29,195	28,344	15,030	\$78,492
Comprehensive loss	(\$21,536)	(\$28,163)	(\$22,194)	(\$75,714)
Loss per share – Basic and fully diluted	(0.00)	(0.01)	(0.00)	(0.02)
Cash	\$4,147	\$3,612	\$27,539	\$12,023
Other current assets	65,650	71,631	74,715	61,616
Total Assets	\$69,797	\$75,243	\$102,254	\$73,639

OPERATIONS	30/09/2022	30/06/2022	31/03/2022	31/12/2021
Revenue	\$3,726	\$2,643	\$3,751	\$2,512
Cost of Sales	\$2,639	\$1,188	\$10,837	\$616
General, administrative & amortization expenses	\$90,020	10,511	24,073	\$43,134
Comprehensive loss	(\$88,934)	(\$9,056)	(\$747,015)	(\$41,239)
Loss per share – Basic and fully diluted	(0.02)	(0.00)	(0.20)	(0.00)
Cash	\$14,288	\$14,684	\$13,740	\$60,968
Other current assets	60,414	54,171	54,171	63,747
Total Assets	\$74,702	\$68,855	\$67,911	\$124,715

6. FINANCIAL CONDITION

As at September 30, 2023, SBD's total assets were \$69,797 compared to \$102,254 at March 31, 2023.

When capital markets permit, SBD intends to obtain proceeds from additional equity financing to finance marketing and operational expenditures, as well as general and administrative expenditures; however, there can be no assurance that additional capital or other types of financing will be available or that, if available, the terms of such financing will be favourable to SBD.

During the period ended September 30, 2023, no warrants were exercised (2022 – nil).

LIQUIDITY AND CAPITAL RESOURCES

Presently, SBD is wholly dependent on equity financing to complete the development of its marketing and operational activities (see Section 12.6 – Risks Factors). SBD does not expect to generate any significant revenues from operations in its next fiscal year.

SBD is dependent on external financing to fund its marketing and operational activities. In order to carry out further marketing and pay for general and administrative costs, SBD may spend its existing working capital and attempt to raise additional funds as needed. SBD will continue to assess other companies and seek to acquire

interests in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

The ability of SBD to successfully acquire additional companies and proceed with marketing and operational activities on current companies is conditional on its ability to secure financing when required. SBD proposes to meet additional capital requirements through equity financing. In light of the continually changing financial markets, there is no assurance that new funding will be available at the times or in the amounts required or desired by SBD, or upon terms acceptable to SBD or at all.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of SBD, is reasonable. There were no changes in SBD's approach to capital management for the period ended September 30, 2023. SBD is not subject to externally imposed capital requirements.

RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel:

Key management personnel include those persons having 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 executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	September 30, 2023	September 30, 2022
Short-term benefits*	\$ 15,000	\$ 30,000
	\$ 15,000	\$ 30,000

*includes base salaries pursuant to contractual employment, or consultancy arrangements. These have been recorded in consulting fees and professional fees.

The Company owed a partnership in which a director is a partner in the amount of \$84,149 as at September 30, 2023. In addition, the Company owed a corporation owned by a director in the amount of \$15,420 as at September 30, 2023. As at September 30, 2023, the Company owed a corporation owned by an officer in the amount of \$39,550.

The Company owed \$142,517 in loans and advances, to a company owned by a director.

OFF-BALANCE SHEET ARRANGEMENTS

SBD had no off-balance sheet arrangements as at September 30, 2023.

7. OUTLOOK AND FUTURE WORK

Working capital from SBD's treasury, as available from time to time, may also be used to acquire other companies as opportunities and finances permit.

SBD intends to target, review and, if desirable, acquire and develop additional companies in order to augment and strengthen its current corporate portfolio. In conducting its search for additional companies, SBD may consider acquiring companies that it considers prospective based on criteria such as the sales history or location of the company, or a combination of these and other factors.

There is no assurance that SBD's funding initiatives will continue to be successful to fund its planned purchase,

operational and marketing activities.

An investment in SBD's securities is speculative; see Section 12.6 – Risk Factors.

8. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- (i) In a business combination, management makes estimates of the fair value of the assets acquired and liabilities assumed;
- (ii) Due to the nature of the Company's operations, various legal and tax matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. In the opinion of management, these matters did not have a material effect on the Company's financial position or results of operations as at and for the period ended September 30, 2023; and,
- (iii) Management's assessment of the going concern assumption requires judgment with respect to the funds to be available over the next twelve months.

9. SIGNIFICANT ACCOUNTING POLICIES

SBD's significant accounting policies are summarized in Note 3 of the audited annual consolidated financial statements for the year ended March 31, 2023. SBD is in early stage and is subject to risks and challenges similar to companies in a comparable stage. The policies described below, and estimates related to them, have the most significant effect in preparation and presentation of SBD's consolidated financial statements.

9.1 Share-Based Payment Transactions

The grant date fair value of share-based payment awards granted to employees is recognized as an employee. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Fair values of share-based payments (including stock options and warrants) are determined based on estimated fair values at the time of grant using the Black-Scholes option pricing model.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to payment. The liability is remeasured at each reporting date and at settlement

date. Any changes in the fair value of the liability are recognized as personnel expense in profit or loss.

Share-based payment arrangements in which SBD receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by SBD.

10. ACCOUNTING ISSUES

10.1 Management of Capital Risk

The objective when managing capital is to safeguard SBD's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders, benefits to other stakeholders and to have sufficient funds on hand to meet its exploration and development plans to ensure the ongoing growth of the business.

SBD considers as capital its shareholders' equity and cash and equivalents. SBD manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust capital structure, SBD may issue new common shares through private placements, repurchase shares, sell assets, incur debt, or return capital to shareholders. SBD had a working capital deficiency at September 30, 2023 of \$463,562 (March 31, 2023 – \$413,863). SBD will require additional funds to carry out the marketing and operational plans. Actual funding requirements may vary from those planned due to a number of factors, including the progress of marketing and operational activities. Due to the cyclical nature of the industry, there is no guarantee that when SBD needs to raise capital, there will be access to funds at that time.

10.2 Management of Financial Risk

SBD is exposed to various property and financial risks and assesses the impact and likelihood of this exposure. These risks include property risk, credit risk, liquidity risk, market risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors and they are more fully described in Note 8 of the interim financial statements for the period ended September 30, 2023.

11. OUTSTANDING SHARE DATA

11.1 Common Shares

Issued and Outstanding as at September 30, 2023 – 4,723,668

11.2 Warrants

	Number	Weighted-Average Exercise Price	Expiry Date
Balance at September 30, 2023 and Mach 31, 2023	2,650,000	\$0.60	

11.3 Stock Options

There were no outstanding options as at September 30, 2023.

SBD has a stock option plan (the "Plan") under which it is authorized to grant stock options to acquire common shares to Directors, officers, employees and consultants. The aggregate number of common shares which may be issued and sold under the Plan will not exceed 10% of the aggregate number of common shares issued and outstanding from time to time.

The current number of common shares reserved for issuance upon the exercise of options granted pursuant

to the Plan is 472,366. The number of common shares which may be reserved for issue to any one individual under the Plan within any given one-year period shall not exceed 5% of the outstanding issue. The Board of Directors shall determine the exercise price of stock options issued, as applicable, based on the market price. The stock options are non-assignable and may be granted for a term not exceeding five years. Stock options issued under the Plan may vest at the discretion of the Board of Directors.

12. OTHER INFORMATION

12.1 Contractual Commitments

SBD has no contractual commitments.

12.2 Disclosure Control and Procedures

SBD's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the design and operation of SBD's disclosure controls and procedures as at September 30, 2023. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that SBD's disclosure controls and procedures are effective to ensure that information required to be disclosed in reports filed or submitted by SBD under Canadian securities legislation is reported within the time periods specified in those rules.

12.3 Internal Control over Financial Reporting

SBD's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Chief Financial Officer, SBD's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There has been no change in SBD's internal control over financial reporting during the year period ended September 30, 2023 that has materially affected, or is reasonably likely to materially affect, SBD's internal control over financial reporting.

12.4 Limitations of Controls and Procedures

SBD's Chief Executive Officer and Chief Financial Officer believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within SBD have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

12.5 Corporate Governance

SBD's Board of Directors follows corporate governance policies to ensure transparency and accountability to shareholders.

The Audit Committee fulfills its role of ensuring the integrity of the reported information through its review of the unaudited interim and audited annual consolidated financial statements prior to their submission to the Board of Directors for approval.

12.6 Risk Factors

SBD is in an early stage and is subject to the risks and challenges similar to other companies in a comparable stage. The risk factors are set forth in SBD's MD&A and financial statements for the period ended September 30, 2023, a copy of which is filed at SEDAR+. These could materially affect SBD's future operating results, the successful development of SBD's companies and could cause actual events to differ materially from those described in forward-looking statements relating to SBD.

13. FORWARD-LOOKING STATEMENTS

This MD&A may contain forward-looking statements that are based on SBD's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of SBD are set out above under "Risk Factors". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

Certain information included in this MD&A may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by the use of terms such as "may", "will", "should", "expect", "believe", "plan", "scheduled", "intend", "estimate", "forecast", "predict", "potential", "continue", "anticipate" or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results and may include statements or information regarding the future plans or prospects of SBD. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Although SBD believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of SBD to be materially different from those expressed or implied by such forward-looking information, including but not limited to, risks related to SBD's goal of creating shareholder value; management's economic outlook regarding future trends; SBD's expected exploration budget and ability to meet its working capital needs at the current level in the short term (See "Liquidity and Capital Resources" and "Financial Conditions"); and expectations with respect to raising capital (See "Liquidity and Capital Resources").

Inherent in forward-looking statements are risks, uncertainties and other factors beyond SBD's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, changes in debt and equity markets, timing and availability of external financing on acceptable terms, increases in interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the liquor industry, as well as those risk factors listed in the "Risk Factors" section above. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for SBD's operations; operating and marketing; SBD's ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals; market competition; and general business and economic conditions.

For further discussion of certain risks and uncertainties that could contribute to a difference in results that those expressed in certain forward-looking statements contained herein, please review those risks listed under the heading "Risks Factors" in this MD&A. Although SBD has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Forward-looking statements are not guarantees of future performance and there can be no assurance that

forward-looking statements 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 forward-looking statements. These forward-looking statements are made as of the date hereof and SBD takes no responsibility to update them or to revise them to reflect new events or circumstances, except as required by law.

Chris Irwin, CEO
November 21, 2023