

CRYSTAL BRIDGE ENTERPRISES INC.
(A Capital Pool Company)

Management Discussion & Analysis

For the year ended July 31, 2020

This Management Discussion and Analysis (“**MD&A**”) of financial position and results of operation of Crystal Bridge Enterprises Inc. (the “**Company**”) is as at October 21, 2020 and should be read in conjunction with the Company’s audited financial statements for the years ended July 31, 2020 and 2019 and related notes (the “**Annual Financial Statements**”). The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis are quoted in Canadian dollars. Additional information can be found at the website www.sedar.com.

Certain sections of this MD&A may contain forward-looking statements.

All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. Readers are cautioned that these statements which describe the Company’s plans, objectives, and budgets may differ materially from actual results. See additional discussion under “Risks and Uncertainties” section.

CORPORATE PROFILE AND OVERALL PERFORMANCE

Crystal Bridge Enterprises Inc. was incorporated under the Business Corporations Act (British Columbia) on November 15, 2017. The principal business of the Company is the identification and evaluation of assets or a business and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. The Company’s common shares commenced trading on the TSX Venture Exchange (“**TSX-V**”) under the trading symbol “**CRYS**” on September 21, 2018. The Company is classified as a Capital Pool Company (“**CPC**”) as defined in the TSX-V Policy 2.4.

The Company’s head office, principal address and registered and records office is located at 439 Helmcken Street, Vancouver, British Columbia, Canada, V6B 2E6.

On September 18, 2018, the Company completed its Initial Public Offering (the “**IPO**”) of 2,000,000 common shares at a price of \$0.10 per common share for gross proceeds of \$200,000 pursuant to a prospectus dated August 31, 2018. The Company’s agent engaged in connection with the IPO was paid a commission of \$16,000, a corporate finance fee of \$10,500, and reimbursed for its expenses of \$13,929 incurred in connection with the IPO. The Company also granted 160,000 non-transferable warrants to its agents with an exercise price of \$0.10 per share for a period of 24 months.

On September 18, 2018, the Company completed a non-brokered private placement of 3,350,000 common shares at a price of \$0.10 per share for gross proceeds of \$335,000.

On September 21, 2018, the Company granted 850,000 stock options to directors and officers of the Company at an exercise price of \$0.10 per option for a period of five years, vesting as follows: 1/4 on the date of grant, 1/4 on the first anniversary, 1/4 on the second anniversary, and 1/4 on the third anniversary.

On November 5, 2018, the Company completed a private placement of 3,200,000 common shares at a price of \$0.11 per share for gross proceeds of \$352,000. The Company’s agent engaged in connection with the private placement was paid a commission of \$28,160 and reimbursed for its expenses of \$6,000 incurred in connection with the private placement.

On July 3, 2019, the Company appointed Pardeep Sangha as a director. In addition, the Company cancelled 200,000 options held by Rob Bakshi, the CEO of the Company, and re-issued 150,000 options to Pardeep Sangha and 50,000 options to Mark Kohler, an existing director.

On May 15, 2020, Kenneth Cawkell resigned as a director of the Company.

On July 9, 2020, the Company entered into a non-binding letter of intent (the “LOI”) with Alpha Cognition Inc. (“ACI”). Pursuant to the LOI, the Company and ACI propose to enter into a business combination, pursuant to which the Company will acquire all of the issued and outstanding shares of ACI (the “Transaction”).

The Transaction is intended to constitute the Company’s Qualifying Transaction as defined in the policies of the TSX Venture Exchange (the “Exchange”). The terms of the proposed Transaction were negotiated at arm’s length between the Company and ACI. ACI is a biopharmaceutical company headquartered in Vancouver, BC that is focused on developing therapies for the treatment of neurodegeneration. ACI’s management and advisory team consists of industry professionals who collectively have extensive experience in all aspects of drug development.

Pursuant to the terms proposed in the LOI, each ACI share outstanding at the time of closing of the Transaction will be exchanged for one post-consolidated share of the Company (the “Resulting Issuer Shares”), representing approximately 72.5 million Resulting Issuer Shares based on a valuation of ACI of approximately US\$88.5 million.

Concurrent with the closing of the Transaction, the Company and ACI will take commercially reasonable efforts to complete a private placement for gross proceeds of US\$4,000,000. The private placement is expected to be offered in part or in whole on a brokered basis. Immediately prior to closing of the Transaction, the Company will consolidate its issued and outstanding common shares on the basis of one post-consolidation common share for every existing 7.14 common shares of the Company, and change its name to Alpha Cognition Inc. or other name.

On closing of the Transaction, the board of directors of the Company will be reconstituted to include one nominee of the Company and 5 nominees of ACI. The nominee of the Company is expected to be Rob Bakshi, a current director and officer. The nominees of ACI will include Kenneth Cawkell and Frederick Sancillo, who will also serve as Chief Executive Officer and President respectively.

In accordance with Exchange policies, the common shares of the Company are currently halted from trading and will remain so until certain documentation required by the Exchange for the Transaction can be provided to the Exchange. The common shares of the Company may resume trading following the Exchange’s review of the required documentation or may remain halted until completion of the Transaction. The completion of the transaction is subject to regulatory and shareholder approval.

RESULTS OF OPERATIONS

As at the date of this report, the Company was a CPC. Accordingly, the Company has not recorded any revenues, and depends upon share issuances to fund its administrative expenses. See the summary of results, below:

Selected Financial Data

	For the year ended July 31, 2020	For the year ended July 31, 2019	For the period from inception on November 15, 2017 to July 31, 2018
	\$	\$	\$
General and administrative expenses	95,008	129,611	42,260
Net and comprehensive loss	(84,059)	(118,932)	(42,260)
Basic and diluted loss per share	(0.01)	(0.02)	-
Working capital	772,366	829,890	300,740
Total assets	810,635	874,062	333,715
Total shareholders’ equity	772,366	829,890	300,740

Net and comprehensive loss

At July 31, 2020, the Company had not yet achieved profitable operations and has accumulated losses of \$228,464 (2019 - \$144,405) since inception. During the years ended July 31, 2020 and 2019, the Company recorded net loss of \$84,059 and \$118,932, respectively, or \$(0.01) and \$(0.02) per share, respectively.

Results of Operations

The operating and administrative expenses for the year ended July 31, 2020 totalled \$95,008 (2019 – \$129,611).

The table below details the changes in major expenditures for the year ended July 31, 2020 as compared to the corresponding year in 2019.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Share-based compensation	Decrease of \$35,588	Decrease due to value of options vested being lower than the comparative period.

Fourth Quarter

During the fourth quarter ended July 31, 2020, the Company recorded net loss of \$42,912 or (\$0.01) per share as compared to a net loss of \$55,894 or (\$0.01) per share for the fourth quarter ended July 31, 2019.

The operating and administrative expenses for the quarters ended July 31, 2020 and 2019 totaled \$44,670 and \$59,236 respectively. The significant difference between the total operating expenses for the fourth quarters ended July 31, 2020 and 2019 was the decrease of \$22,498 in share-based compensation due to a lower value of options being vested in the current quarter.

Summary of quarterly results for the last consecutive 8 quarters

Historical quarterly financial information derived from the Company’s most recently completed quarters since inception is as follows:

	Quarters Ended			
	July 31, 2020	April 30, 2020	January 31, 2020	October 31, 2019
	\$	\$	\$	\$
Net and Comprehensive Loss	(42,912)	(13,612)	(8,659)	(18,876)
Basic and Diluted Loss Per Share	(0.00)	(0.00)	(0.00)	(0.00)

	Quarters Ended			
	July 31, 2019	April 30, 2019	January 31, 2019	October 31, 2018
	\$	\$	\$	\$
Net and Comprehensive Loss	(55,894)	(7,971)	(12,495)	(42,572)
Basic and Diluted Loss Per Share	(0.01)	(0.00)	(0.00)	(0.02)

Loss per share and weighted average shares calculation does not include 4,440,000 escrowed shares as they are contingently returnable.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity.

The Company's liquidity and capital resources are as follows:

	July 31, 2020	July 31, 2019
	\$	\$
Cash	800,480	871,332
Prepaid expenses	10,155	2,730
Total current assets	810,635	874,062
Accounts payables and accrued liabilities	38,269	44,172
Working capital	772,366	829,890

As at July 31, 2020, the Company had cash of \$800,480 (2019 – \$871,332) and had working capital of \$772,366 (2019 – \$829,890). The decrease in cash of \$70,852 during the year ended July 31, 2020 was mainly the result of the Company funding its operating activities. The increase in cash of \$544,367 during the year ended July 31, 2019 was mainly the result of the Company receiving proceeds of \$200,000 pursuant to its IPO, the proceeds of \$150,000 pursuant to the closing of the private placement concurrent with the IPO, and the proceeds of \$352,000 pursuant to the closing of the private placement in November 2018.

Management believes the Company has sufficient funds on hand to meet anticipated administrative and other related expenditures.

As of the date hereof, the Company did not have any commitments for capital expenditures.

As a CPC, the Company is subject to externally imposed capital requirements as outlined in the TSX-V Policy 2.4 and summarized below:

- (a) No salary, consulting, management fees or similar remuneration of any kind may be paid directly or indirectly to a related party of the Company or a related party of a Qualifying Transaction (“QT”);
- (b) Gross proceeds realized from the sale of all securities issued by a CPC may only be used to identify and evaluate assets or businesses and obtain shareholder approval for a QT;
- (c) No more than the lesser of \$210,000 and 30% of the gross proceeds from the sale of securities issued by a CPC may be used for purposes other than to identify and evaluate a QT;
- (d) After the completion of its IPO and until the completion of a QT, a CPC may not issue any securities unless written acceptance of the TSX-V is obtained before the issuance of the securities.

OFF-BALANCE SHEET TRANSACTIONS

The Company does not have any off-balance sheet arrangements as at July 31, 2020 or as of the date of this report.

RELATED PARTY TRANSACTIONS

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive and non-executive) of the Company. The Company considers its officers and directors to be its key management personnel.

Summary of key management personnel compensation:

	For the years ended July 31,	
	2020	2019
	\$	\$
Professional fees	6,299	22,617
Share based compensation	20,302	56,222
	26,601	78,839

During the year ended July 31, 2020, the following related party transactions occurred:

- Paid or incurred \$6,299 (2019 - \$22,617) in legal fees from a legal firm of which Kenneth Cawkell, a former director of the Company, is a partner. As at July 31, 2020, the Company owed \$4,978 (2019 – \$1,786) as a related party payable to the legal firm for legal fees and expense reimbursements which are included in accounts payable and accrued liabilities.

As at July 31, 2020, the Company owed \$295 (2019 – \$1,993) to Rob Bakshi, the President and CEO of the Company, for expense reimbursements which is included in accounts payable and accrued liabilities.

CRITICAL JUDGEMENTS AND ESTIMATES

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Significant Judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company’s financial statements include:

- The assessment of the Company’s ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.
- The valuation of share-based compensation, where the Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation and other equity based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company’s earnings and equity reserves.
- The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

CHANGES IN ACCOUNTING STANDARD

The Company has adopted the following accounting standard effective August 1, 2019, which had no significant impact on the financial statements:

- IFRIC 23 – Uncertainty Over Income Tax Treatments
- IFRS 16 - Leases

CHANGES IN ACCOUNTING POLICIES

Leases

On August 1, 2019, the Company adopted IFRS 16 – Leases (“IFRS 16”) which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets.

New accounting policy for leases under IFRS 16

The following is the accounting policy for leases as of August 1, 2019 upon adoption of IFRS 16:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

The adoption of IFRS 16 did not have a significant impact on the Company’s financial statements.

RISKS & UNCERTAINTIES

The Company is actively working to identify and evaluate assets or businesses in order to complete a QT and currently has no source of recurring income. The Company has not commenced commercial operations, and has no significant assets other than cash, has no history of earnings and shall not generate earnings or pay dividends until at least after the completion of a QT, if at all. Until the completion of a QT, the Company is not permitted to carry on any other business other than the identification and evaluation of significant assets in pursuit of a QT.

There can be no assurances that the Company will identify any assets or businesses in pursuit of a QT, or have the financial resources necessary to complete a QT. Nor can there be an assurance that the Company will be able to obtain additional financing in the future on terms acceptable to the Company or at all.

The Company's success depends to a certain degree upon key members for the management. It is expected that these individuals will be a significant factor in our growth and success. The loss of the service of members of the management team or certain key employees could have a material adverse effect on the Company.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's accounts payable approximate their carrying values. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors 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) **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 account. Cash accounts are held with major banks in Canada. The Company has deposited its cash with a bank from which management believes the risk of loss is low.

(b) **Liquidity risk:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable are due within the current operating period. The Company has a sufficient cash balance to settle current liabilities.

(c) **Market risk:**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

(d) **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 exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates.

Capital Management

The Company defines capital as the Company's shareholder's equity. The Company's objectives when managing capital is to safeguard its accumulated capital by maintaining a sufficient level of funds to complete the Company's QT while providing adequate returns to shareholders.

DISCLOSURE OF DATA FOR OUTSTANDING COMMON SHARES AND OPTIONS

The following table summarizes the outstanding common shares, stock options, and warrants of the Company:

	As at July 31, 2020	Date of this MD&A
Common shares	11,710,000	11,710,000
Stock options	850,000	775,000
Warrants	160,000	-

As at the date of this MD&A, the Company has 11,710,000 common shares issued and outstanding of which 4,440,000 shares of the Company are held in escrow and will be released from escrow in tranches over 36 months from the Company completing of a QT.

Details of the outstanding stock options as at date of this MD&A:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
575,000	412,500	\$ 0.10	September 21, 2023
200,000	145,833	0.10	September 21, 2023
<u>775,000</u>	<u>558,333</u>		

There are no warrants outstanding as at the date of this MD&A.

OTHER MD&A REQUIREMENTS

Additional information relating to the Company may be found on SEDAR at www.sedar.com including, but not limited to:

- the Company's audited financial statements for the the year ended July 31, 2020 and 2019.

This MD&A has been approved by the Board on October 21, 2020.