



**2022**

**Management's Discussion and Analysis**

for the year ended December 31, 2022

**Management’s Discussion and Analysis**

**Belgravia Hartford Capital Inc.**

**Hereinafter called “Belgravia” or the “Company”**

**(Containing information up to and including May 1, 2023)**

**Description of Management’s Discussion and Analysis**

This Management’s Discussion and Analysis (“MD&A”) should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2022 and 2021. This MD&A was prepared as at May 1, 2023. This MD&A contains forward-looking information and statements, which are based on the conclusions of management. The forward-looking information and statements are only made as of the date of this MD&A.

All financial information is presented in Canadian dollars unless otherwise stated. All references to a year refer to the year-ended on December 31 of that year, and all references to a quarter refer to the quarter ended on December 31 of that year. The Company is a reporting issuer in Alberta, British Columbia, Ontario, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and the Northwest Territories.

Unless otherwise noted, financial results are reported in accordance with International Financial Reporting Standards (“IFRS”). Further details are included in Note 2 of consolidated financial statements for the year ended December 31, 2022.

Additional information related to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.belgraviahartford.com](http://www.belgraviahartford.com).

**Company Overview**

Belgravia Hartford Capital Inc. (“Belgravia” or the “Company”) was incorporated under the Canada Business Corporations Act on November 8, 2002 and has continued into British Columbia from the jurisdiction of Canada on December 20, 2019. Belgravia focused on its three core business divisions: Incubation, Investments, and Royalty & Management Services. All three divisions are high risk and expose the Company’s shareholders to significant risk. Belgravia’s Incubation division will develop new companies in specific sectors. Belgravia Holdings, the Investments division, provides merchant banking services and invests in a portfolio of private and public companies with a focus on resources, technology, and healthcare. The Royalty and Management Services division has developed a targeted royalty and fee income model and will provide services to support the development of early-stage companies, while taking steps to ensure it receives the water royalties owned by the Company. Belgravia is a corporation governed by the Business Corporation Act (British Columbia). The shares of the Company are listed on the Canadian Securities Exchange (“CSE”) under the ticker symbol BLGV. The Company’s registered office is located at #3-3185 Via Centrale, Kelowna, BC V1V 2A7.

The Company may obtain financing through access to public and private equity markets, debt and partnerships or joint ventures.

Belgravia owns 100% of Belgravia Hartford Gold Assets Corp. (formerly Intercontinental Potash Corp.) (“ICP”), a Canadian company involved in resource exploration and mining development. On November 30, 2009, the Company completed a reverse-takeover (“RTO”) with ICP. Legally, Belgravia is the parent of ICP, but for financial reporting purposes, Belgravia is considered to be a continuation of ICP. Belgravia was consolidated commencing on December 1, 2009.

Belgravia owns 100% of Belgravia Hartford Estates Corp. (formerly Trigon Exploration Utah Inc.), a US company with main focus on mining development in the US and Real Estate development in the US, including commercial and residential properties.

### **Forward-Looking Statements**

This MD&A includes certain statements that may be deemed “forward-looking statements” as defined under applicable securities law. Other than statements of historical facts, statements in this discussion including, but not limited to, statements that address future research and investment plans and expected or anticipated events or developments are forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, market prices, continued availability of capital and financing, general economic, market or business conditions, statements regarding planned investment activities & related returns, trends in the markets, research and development activities, the potential value of royalties from water and other resources, technological advancement, competition, other statements that are not historical facts, and the risk factors identified herein. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company, including, but not limited to, changes in market trends, capital markets, the completion, results and timing of research undertaken by the Company, risks associated with natural resource assets and investments, commodity prices, industry conditions, dependence upon regulatory, environmental, and governmental approvals, the uncertainty of obtaining additional financing. Other risks that could impact the Company’s performance are described within this MD&A. These factors could also impact the Company’s performance in the future and cause variances from period to period. Although the Company believes the expectations expressed in any forward-looking statement are based on reasonable assumptions, investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements.

### **Management's Responsibility for Financial Statements**

The Company's management is responsible for the presentation and preparation of consolidated financial statements and the MD&A. The consolidated financial statements have been prepared in accordance with IFRS. The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

### **Summary of Quarterly Results**

Selected quarterly financial information of the Company for the quarters ended December 31, 2022 is as follows:

**Table of Results for the Quarters to December 31, 2022**

	<b>31-Dec 2022</b>	<b>30-Sep 2022</b>	<b>30-Jun 2022</b>	<b>31-Mar 2022</b>
Total assets	\$ 3,151,516	\$ 3,974,737	\$ 5,413,820	\$ 12,180,224
Equipment	\$ 2,372	\$ 2,857	\$ 3,342	\$ 3,827
Working capital	\$ 2,540,196	\$ 3,262,612	\$ 5,042,784	\$ 11,636,751
Equity	\$ 2,595,368	\$ 3,324,869	\$ 5,140,176	\$ 11,719,778
Interest income	\$ 8,449	\$ 6,613	\$ 5,088	\$ 4,196
Net loss	\$ (724,846)	\$ (1,829,893)	\$ (6,531,837)	\$ (781,703)
Basic loss per share	\$ (0.02)	\$ (0.04)	\$ (0.14)	\$ (0.02)
Fully diluted loss per share	\$ (0.02)	\$ (0.04)	\$ (0.14)	\$ (0.02)

Selected quarterly financial information of the Company for the quarters ended December 31, 2021 is as follows:

**Table of Results for the Quarters to December 31, 2021**

	<b>31-Dec 2021</b>	<b>30-Sep 2021</b>	<b>30-Jun 2021</b>	<b>31-Mar 2021</b>
Total assets	\$ 12,789,753	\$ 13,362,976	\$ 16,378,136	\$ 15,343,579
Equipment	\$ 4,312	\$ 61,211	\$ 61,338	\$ 57,800
Working capital	\$ 12,431,677	\$ 12,526,148	\$ 15,667,716	\$ 14,816,563
Shareholders' equity	\$ 12,510,239	\$ 13,056,057	\$ 16,053,829	\$ 15,218,466
Interest income	\$ 16,067	\$ 14,625	\$ 14,631	\$ 78,007
Net income (loss)	\$ (300,638)	\$ (2,891,556)	\$ (845,425)	\$ (55,884)
Basic income (loss) per share	\$ (0.01)	\$ (0.06)	\$ (0.02)	\$ (0.00)
Fully diluted income (loss) per share	\$ (0.01)	\$ (0.06)	\$ (0.02)	\$ (0.00)

**Results of Operations for the Quarter ended December 31, 2022**

The Company did not generate operating revenue during the quarter ended December 31, 2022 other than management services consulting fees. The Company also earned interest income.

**Office and Administration Expenses**

Administration costs for the quarter was (\$47,512) (2021 – \$87,081). This included director fees, annual general meeting, insurance, telephone, postage and courier, dues and subscriptions, stationery, repairs and maintenance, utilities and related costs. The negative amount is due to an adjustment of director fees accrued in last quarter but was not paid and adjustment to reclassify some items into different accounts.

Business and market development costs for the quarter was (\$57,008) (2021 - \$136,732). This included activities related to exploring new investment strategies. The negative amount is due to an adjustment to reclassify some items into different accounts.

Consulting fees for the quarter was (\$8,035) (2021 – \$131,891); this was mostly in respect of strategy, management and capital markets consulting. The negative amount is due to an adjustment to reclassify some items into different accounts.

Depreciation for the quarter was \$485 (2021 - \$578). This relates to depreciation of computer equipment.

Investor relations costs for the quarter was (\$32,990) (2021 – \$64,588). This included expenses related to offsite events, conferences and roadshows, meetings with shareholders and potential shareholders, and other investor relations activities. The negative amount is due to an adjustment to reclassify some items into different accounts.

Professional fees for the quarter was \$467,851 (2021 – \$143,663) in respect of auditing costs, other accounting costs, and legal costs.

Regulatory fees for the quarter was \$3,721 (2021 - \$5,270). This included transfer agent fees, CSE fees, other stock exchange listing fees and securities filings.

Rent for the quarter was \$31,680 (2021 - \$27,180). This is for rental offices in Toronto and Kelowna.

Travel costs for the quarter was (\$34,380) (2021 – \$26,442). This included such costs not specifically related to investor relations and business development. The negative amount is due to an adjustment to reclassify some items into different accounts.

Wages and benefits for the quarter was \$450,702 (2021 – \$300,824). This included the compensation and employment related costs of the President and Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Controller, management and administrative staff.

Management services revenue for the quarter was \$15,000 (2021 - \$10,000).

Interest income for the quarter was \$8,449 (2021 - \$16,067).

### **Selected Annual Information**

Selected audited financial information of the Company for the years ended December 31, 2019, 2020, 2021 and 2022 is as follows:

	<b>31-Dec 2022</b>	<b>31-Dec 2021</b>	<b>31-Dec 2020</b>	<b>31-Dec 2019</b>
Total assets	\$ 3,151,516	\$ 12,789,753	\$ 15,533,053	\$ 8,519,224
Equipment	\$ 2,372	\$ 4,312	\$ 4,151	\$ 4,333
Working capital	\$ 2,540,196	\$ 12,431,677	\$ 15,339,980	\$ 8,136,958
Equity	\$ 2,595,368	\$ 12,510,239	\$ 15,348,160	\$ 8,218,871
Interest income	\$ 24,346	\$ 123,330	\$ 5,456	\$ 3,228
Net income (loss)	\$ (9,868,279)	\$ (4,093,503)	\$ 6,203,162	\$ (238,655)
Basic income (loss) per share	\$ (0.21)	\$ (0.09)	\$ 0.15	\$ (0.01)
Fully diluted income (loss) per share	\$ (0.21)	\$ (0.09)	\$ 0.15	\$ (0.01)

### **Results of Operations for the Year ended December 31, 2022**

The Company did not generate operating revenue during the year ended December 31, 2022 other than management services consulting fees. The Company also earned investment and interest income.

### **Office and Administration Expenses**

Administration costs for the year was \$308,058 (2021 – \$461,248) for the year. This included director fees, annual general meeting, insurance, telephone, postage and courier, dues and subscriptions, stationery, repairs and maintenance, utilities and related costs.

Business and market development costs for the year was \$94,121 (2021 - \$302,992). Business developments costs include activities related to exploring new investment strategies.

Consulting fees for the year was \$100,338 (2021 – \$492,324); this was mostly in respect of strategy, management and capital markets consulting.

Depreciation for the year was \$1,940 (2021 - \$1,856). This relates to depreciation of computer equipment.

Investor relations costs for the year was \$36,345 (2021 – \$240,755). This amount is for expenses related to offsite events, conferences and roadshows, meetings with shareholders and potential shareholders, and other investor relations activities.

Professional fees for the year was \$1,475,424 (2021 – \$575,493) for the year were incurred in respect of auditing costs, other accounting costs, and legal costs.

Share-based compensation for the year was \$82,201 (2021 - \$nil) due to stock options granted to consultants.

Regulatory fees for the year was \$30,271 (2021 - \$246,736). This included transfer agent fees, CSE fees, other stock exchange listing fees and securities fees.

Rent for the year was \$118,245 (2021 - \$94,245). This is for rental offices in Toronto and Kelowna.

Travel costs for the year was \$56,798 (2021 – \$86,606). This included such costs not specifically related to investor relations and business development.

Wages and benefits for the year was \$1,191,298 (2021 – \$3,337,241). This amount included the compensation and employment related costs of the President and Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Controller, management and administrative staff.

Management services revenue for the year was \$60,000 (2021 - \$65,000).

Interest income for the year was \$24,346 (2021 - \$123,330).

### **Investment Portfolio**

The Company invests in a diversified portfolio of private and public companies and money market & bond funds with a focus on commodities and natural resources and, on an opportunistic basis, resources with a goal to provide a risk-appropriate return to its shareholders through capital gains in accordance with the Company's investment guidelines.

As at December 31, 2022, fair value of the investments was \$2,952,646 (2021 - \$12,550,737). This includes the value of equity investments of \$1,770,644 (2021 - \$9,648,136), debt instruments of \$630,788 (2021 - \$276,442), and value of warrants of \$551,214 (2021 - \$2,626,159).

During the year ended December 31, 2022, the Company exercised certain investment warrants and recorded a loss of \$265,386 (2021 – gain \$103,693).

During the year ended December 31, 2022, the Company sold certain of its investments for proceeds totalling \$7,487,159 (2021 - \$9,091,513) and recognized a loss of \$3,022,339 (2021 – gain \$407,680).

During the year ended December 31, 2022, the Company recorded an unrealized loss of \$1,859,845 (2021 – unrealized gain \$1,191,336) for equity investments and an unrealized loss of \$1,228,060 (2021 –unrealized gain \$307,029) for warrants.

As at May 1, 2023, Belgravia holds nine investments: four public and five private companies. The value of the investments in private companies might only be realized if those companies are sold or if they go public to create liquidity.

*Blackrock Silver Corp. (TSX-V:BRC):*

Belgravia owns 1,044,545 shares of Blackrock Silver Corp. (“Blackrock”) representing approximately 1% of the outstanding common shares. Blackrock’s main asset is the Silver Cloud and Tonopah West projects in Nevada.

**Royalty & Management Services Division:**

As at December 31, 2022, \$60,000 (2021 - \$65,000) has been recognized as management services revenue. These services are in respect to business strategy, capital markets, public disclosure, governance, accounting, finance, and corporate personnel. Belgravia generally offers these advisory services, mentoring, and access to the Belgravia’s network to its investees in order to help these companies succeed and develop, which results in increases to the value of Belgravia’s investment. The Company uses consultants as needed to provide services under these management services agreements.

There is no assurance that the Company will continue to earn management services revenue as each agreement is negotiated on a one-off basis and generally for a period of less than 12 months. These revenues come from high risk companies that may default on payments under the management services agreements.

The Company is entitled to receive USD\$12.2 million of anticipated water and mineral royalties from its previously-owned Ochoa project. Belgravia is actively pursuing these royalties through the retention of a legal advisor. No royalties have been received to date and there is no assurance that these royalties will ever be received.

**Financings**

During the year ended December 31, 2022, the Company issued nil common shares.

During the year ended December 31, 2021, the Company issued 8,910,000 common shares (the “Bonus Shares”) to members of Belgravia Hartford management for past services. The Bonus Shares was issued at a price of \$0.18 consistent with IFRS 2 which represent approximately 18.42% of the total issued and outstanding shares after completion of the issue.

During the year ended December 31, 2022, the Company granted 1,000,000 (2021 – nil) stock options to a consultant of the Company.

The fair value of the options granted during the year ended December 31, 2022, as determined by the Black-Scholes option pricing model, was \$82,201 (2021 - \$nil) or \$0.082 per option (2021 - \$nil).

Share-based compensation recognized during the year was \$82,201 (2021 - \$nil).

On February 23, 2021, the Company initiated its Normal Course Issuer Bid (“NCIB”) to repurchase up to 2,008,963 post-Consolidation shares, representing 5% of the issued and outstanding common shares. Between March 25, 2021, and February 1, 2022, the Company has purchased for cancellation the maximum number of common shares for a total of 2,008,963 common shares at a volume weighted average price of \$0.185 per Common Share, resulting in a total investment of \$371,168.

On February 3, 2022, the Company renewed its NCIB to acquire up to 2,354,014 of its Common Shares, representing 5% of its issued and outstanding common shares. As of November 25, 2022, under this new NCIB, the Company has purchased a total of 846,952 common shares at a volume weighted average price of \$0.125 per Common Share,

resulting in a total investment of \$105,842. The NCIB will be terminated on the earlier of February 23, 2023, and the date on which the maximum number of Common Shares that can be acquired pursuant to the NCIB have been purchased. Any common shares purchased pursuant to the NCIB will be cancelled by the Company.

### **Liquidity and Capital Resources**

At December 31, 2022, the Company's working capital was \$2,540,196 (2021 – \$12,431,677). Investments in private and junior public companies that are included in working capital may not be liquid in the short term and present greater risk to Belgravia and its shareholders. The sources of cash in the year included cash from the management services consulting fees, proceeds from the sale of investments, and interest earned on cash in the bank accounts.

The financial statements for the year ended December 31, 2022, have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. This MD&A does not give effect to any adjustment which would be necessary should the Company be unable to continue as a going concern and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in this MD&A.

### **Transactions with Related Parties**

During the year ended December 31, 2022, the Company entered into the following transactions with related parties:

- a) Paid or accrued short-term employee benefits, \$803,404 (2021 - \$1,185,000), of which \$476,404 (2021 - \$668,000) was for Mehdi Azodi, \$162,500 (2021 - \$285,000) was for Paul Kania, and \$164,500 (2021 - \$234,000) was for Deena Siblock.
- b) Paid or accrued directors' fees, included in administrative costs, of \$202,500 (2021 - \$305,000), of which \$50,000 (2021 - \$75,000) was for Ernest Angelo, \$50,000 (2021 - \$75,000) was for Knute Lee, \$50,000 (2021 - \$75,000) was for Pierre Pettigrew, and \$52,500 (2021 - \$80,000) was for John Stubbs.
- c) Included in accounts payable as at December 31, 2022 is \$234 (2021- \$9,222) due to key management personnel, which includes officers and directors and corporations controlled by officers and directors.

Key management personnel compensation (including senior officers and directors of the Company):

	Year ended	
	December 31, 2022	December 31, 2021
Short-term benefits *	\$ 803,404	\$ 1,185,000
Directors' fees **	202,500	305,000
Bonus shares	-	1,603,800
Total remuneration	\$ 1,005,904	\$ 3,093,800

\* Amounts are included within wages and benefits on the statement of loss and comprehensive loss.

\*\* Amounts are included within administration on the statement of loss and comprehensive loss.

### **Financial Instruments**

The Company uses a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and



Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include cash, investments, receivables, and accounts payable and accrued liabilities.

Cash is measured at fair value using level one as the basis for measurement in the fair value hierarchy. Investments in public companies, mutual funds, money market funds and fixed income funds are measured at level one while investments in warrants are measured at level two. The investments in private companies are categorized as level three. The carrying values of cash, and accounts payable and accrued liabilities approximate fair value because of the short-term nature of these instruments.

## **Other**

### **Outstanding Share data as May 1, 2023:**

- (a) Authorized and issued share capital at May 1, 2023 :

Class	Par Value	Authorized	Issued Number
Common	No Par Value	Unlimited	46,233,333

- (b) 1,926,000 stock options were cancelled in January 2023 and nil was outstanding as at May 1, 2023:

## **Accounting Principles**

The financial statements have been prepared in accordance with IFRS.

The policies and estimates are considered appropriate under the circumstances but are subject to judgments and uncertainties inherent in the financial reporting process. See also Note 2 in the audited consolidated financial statements for the year ended December 31, 2022 and 2021 for additional detail on accounting principles.

## **Foreign currency translation**

The consolidated financial statements are presented in Canadian dollars.

Transactions in foreign currencies are translated into the entity's functional currency at the exchange rates at the date of the transactions. Monetary assets and liabilities of the Company's operations denominated in a currency other than the Canadian dollar are translated using the exchange rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates in effect at the date of the underlying transaction, except for depreciation related to non-monetary assets, which is translated at historical exchange rates. Exchange differences are recognized in the statements of loss and comprehensive loss in the quarter in which they occur.

## **Risks and Uncertainties**

### **Credit risk**

The Company's credit risk is primarily attributable to cash, investment in loans and receivables. The Company has no significant concentration of credit risk arising from operations. Cash is held at reputable financial institutions, from which management believes the risk of loss to be remote. The Company has no significant credit risks from its loans, and expects to convert the balance of its loans to equity in its entirety.

**Liquidity risk**

As at December 31, 2022, the Company had a cash balance of \$22,233 to settle current liabilities of \$556,148. The Company also has \$2,899,846 in current investments that can be easily liquidated to cash. The Company is not subject to liquidity risk.

**Interest rate risk**

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest some of excess cash in investment-grade highly liquid demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes that interest rate risk is remote as cash deposits are payable on demand and the Company currently does not carry interest bearing debt at floating rates. Fluctuations in interest rates may impact the value of the Company's investments in publicly traded common shares. The Company has no significant interest rate risk on its loans, as all of its loans accrue interest at a fixed rate.

**Foreign currency risk**

The Company's functional currency is the Canadian dollar; however, there are few transactions and investments in U.S. dollars and the Company keeps some of its cash in U.S. currency. The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility in these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. A 10% change in the foreign exchange rate would have had an approximate \$35,000 impact on foreign exchange gain or loss.

**Market and Investment risk**

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices. The amounts at which the Company's publicly-traded investments could be disposed of currently may differ from their carrying values based on market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity. Additionally, current market prices may differ significantly from the historical prices used to calculate fair value for the purposes of the Company's financial statements. The Company's investments are accounted for at fair value and are sensitive to changes in market bid prices, such that market trends and changes in market prices result in a proportionate change in the carrying value of the Company's investments.

The Company's results of operations and financial condition are dependent upon the market value of the securities that comprise the Company's investment portfolio. Market value can be reflective of the actual or anticipated operating results of the Company's portfolio companies and/or the general market conditions that affect the sectors in which the Company invests. The Company's investments are primarily concentrated in the junior healthcare, natural resource, and technology industries, which results in exposure to higher volatility and risk than broader market investments and indexes. The value of any or all of the Company's investments could become zero in the future. There are various factors that could have a negative impact on investee companies and thereby have an adverse effect on the Company. Additionally, the Company's investments are mostly in small-cap businesses which the Company believes exhibit potential for growth and sustainable cash flows but which may not ever mature or generate the returns the Company expects or may require a number of years to do so. Technology and resource companies may never achieve success. This may create an irregular pattern in the Company's revenues (if any). Macro factors such as fluctuations in commodity prices and global political, economic and market conditions could have an adverse effect on one or more sectors to which the Company is exposed, thereby negatively impacting one or more of the portfolio companies concurrently. Company-specific risks could have an adverse effect on one or more of the Company's portfolio companies at any point in time. Company-specific and industry-specific risks which materially adversely affect the Company's investments may have a materially adverse impact on its operating results.

The Company holds investments in private and publicly-traded equity securities. Market prices for equity securities are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Investments in securities of public companies are subject to volatility in the share prices of the companies. There can be no assurance that an active trading market for any of the subject shares is sustainable. The trading prices of the subject securities could be subject to wide fluctuations in

response to various factors beyond the control of the Company, including quarterly variations in the subject entities' results of operations, changes in earnings (if any), estimates by analysts, conditions in the industry of the subject companies and general market or economic conditions. In recent years, equity markets have experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on market prices, often unrelated to the operating performance of the specific companies. Such market fluctuations could adversely affect the market price of the Company's investments and significantly negatively impact upon the Company's operating results.

Some investments may not be very liquid, and dispositions may take time or may be sold at less than market prices. The amounts at which the Company's private company investments could be disposed of currently may differ from their carrying values since there is no active market to dispose of these investments. Investments in private issuers cannot be resold without a prospectus, an available exemption or an appropriate ruling under relevant securities legislation and there may not be any market for such securities. These limitations may impair the Company's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in private issuers may offer relatively high potential returns but will also be subject to a relatively high degree of risk. There can be no assurance that a public market will develop for any of the Company's private company investments or that the Company will otherwise be able to realize a return on such investments. The Company also invests in illiquid securities of public issuers. A considerable period of time may elapse between the time a decision is made to sell such securities and the time the Company is able to do so, and the value of such securities could decline during such period. Illiquid investments are subject to various risks, particularly the risk that the Company will be unable to realize the Company's investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. In some cases, the Company may be prohibited by contract or by law from selling such securities for a period of time or otherwise be restricted from disposing of such securities. Furthermore, the types of investments made may require a substantial length of time to liquidate.

Investments may include debt instruments and equity securities of companies that Belgravia does not control. These instruments and securities may be acquired by the Company in the secondary market or through purchases of securities from the issuer. Any such investment is subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of investments could decrease and the Company's financial condition, results of operations and cash flow could suffer as a result.

A 10% change in the fair values of the Company's investments at December 31, 2022 would have an \$295,000 impact on results from operations.

### **Operating History and Expected Losses**

The Company has a limited history of operations and no material earnings to date and there can be no assurance that the business of the Company will be successful or profitable. No dividends have been paid to date. Payment of any future dividends, if any, will be at the discretion of the Company's board of directors.

The Company may need additional funding to complete its short and long-term objectives. The ability of the Company to raise such financing in the future will depend on the prevailing market conditions, as well as the business performance of the Company. Global financial conditions are subject to high volatility, thus access to public financing may be negatively impacted. There can be no assurances that the Company will be successful in its efforts to raise additional financing on terms satisfactory to the Company. The market price of the Company's shares at any given point in time may not accurately reflect the long-term value. If adequate funds are not available or not available on acceptable terms, the Company may not be able to take advantage of opportunities, to develop new projects or to otherwise respond to competitive pressures.

### **Growth Management**

In executing the Company's business plan for the future, there will be significant pressure on management, operations and technical resources. The Company anticipates that its operating and personnel costs will increase in the future. In order to manage its growth, the Company will have to increase the number of its technical and operational employees and efficiently manage its employees, while at the same time efficiently maintaining a large number of relationships with third parties.

## **Regulatory & Legal Risks**

The Company is subject to a number of technological challenges and requirements and can be subject to the regulations and standards imposed by applicable regulatory agencies.

Various federal, state or provincial and local laws govern the Company's business in the jurisdictions in which it operates or proposes to operate, or to which it exports or proposes to export our products, including laws and regulations relating to health and safety, conduct of operations and the production, management, transportation, storage and disposal of its products and of certain material used in its operations. Compliance with these laws and regulations requires concurrent compliance with complex federal, provincial or state and local laws. These laws change frequently and may be difficult to interpret and apply. Compliance with these laws and regulations requires the investment of significant financial and managerial resources, and a determination that it is not in compliance with these laws and regulations could harm its brand image and business. Moreover, it is impossible for the Company to predict the cost or effect of such laws, regulations or guidelines upon its future operations. Changes to these laws or regulations could negatively affect the Company's competitive position within our industry and the markets in which it operates.

## **Reliance on Key Personnel and Advisors**

The Company relies heavily on its officers and is dependent upon the services of key executives, including the Chief Executive Officer. The loss of their services may have a material adverse effect on the business of the Company. There can be no assurance that one or all of the employees of, and contractors engaged by, the Company will continue in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors. There is no guarantee that certain employees of, and contractors to, the Company who have access to confidential information will not disclose the confidential information.

## **Litigation**

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the value of the common shares of the Company and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant Company resources, including the time and attention of management and available working capital. Litigation may also create a negative perception of the Company's brand.

Belgravia continues its litigation against Tartisan Nickel Corp. ("Tartisan"), a company in which Belgravia currently holds nil common shares. In the lawsuit, Belgravia claims for damages in the amount of \$750,000 for negligent misrepresentation and breach of contract. Belgravia entered into a management services agreement with Tartisan (the "MSA") to provide services and for which Tartisan was required to pay Belgravia amounts totalling \$150,000. Tartisan has paid only \$50,000 of this amount in breach of the MSA. These services included, but were not limited to, adding one board member, capital markets advisory, digital marketing, and corporate governance. A statement of defence and counterclaim seeking \$1,050,000 in damages plus costs of the action was received by the Company on July 19, 2018. Currently, the Company has requested for the examination of the discovery. Based upon the answers received from Tartisan, the Company is confident that Tartisan's claims are without merit.

On June 20, 2019, Belgravia filed an Application for a Bankruptcy Order against Zonetail Inc. ("Zonetail") in the Ontario Superior Court of Justice (in Bankruptcy and Insolvency) on the basis that Zonetail has ceased to have met its liabilities as they become due including the promissory note in the amount of \$325,000 owed to Belgravia. Belgravia instructed its counsel to demand payment of the promissory note on November 1, 2019. Zonetail commenced an action against Belgravia alleging damages in excess of \$6 million. On December 18, 2019 Belgravia filed a Notice of Intent to Defend in the Ontario Superior Court of Justice (Commercial List). On September 28, 2020, Belgravia filed a Statement of Defence and Counterclaim against Zonetail Inc. seeking over \$2.83M CAD in damages alleging defamation, breach of contract and tortious interference. Belgravia seeks full payment of this promissory note with accrued 18% interest. On January 8, 2021, Belgravia's counsel provided notice to Zonetail that it would note Zonetail in default and seek a Default Judgment if Zonetail did not file a defence within 20 days. On January 28, 2021, Belgravia received the Zonetail Reply to Defence and Counterclaim and are reviewing same. On February 10, 2021, Belgravia served Zonetail with a Reply to the Defence to Counterclaim. On March 12, 2021, Belgravia served a motion for summary judgment to be heard in the Ontario Superior Court of Justice (Commercial List), seeking payment from Zonetail on its promissory note in the amount of \$325,000 plus accumulating interest of 18% annually. Belgravia's

legal position is that Zonetail has no right of set-off against amounts owed. On May 13, 2021, a judicial mediation was held in respect of the ongoing litigation with Zonetail, without resolution. Belgravia has since retained Osler Hoskin Harcourt in order to expedite and move towards trial. Case conference held October 12, 2021 in the Ontario Superior Court. Belgravia engaged in pre-trial discoveries in March 2022.

On September 20, 2021, Belgravia Hartford Capital Inc. and Belgravia Hartford Gold Assets Corp. filed a lawsuit against PolyNatura Corp. (“PolyNatura”), an affiliate of Cartesian Capital Group, in the United States District Court for the District of New Mexico to recover an outstanding settlement payment in the amount of USD \$12.2 million. In 2017, the parties entered into a settlement agreement pursuant to which Belgravia agreed to sell its interest in the Ochoa potash asset to Cartesian related investors for a total of USD \$15 million, comprised of two initial payments totaling USD \$2.8M and two royalty streams with a value of USD \$12.2 million. Through the lawsuit, Belgravia seeks a declaration from the court that the agreement governing the royalty streams is void and unenforceable because it grants Cartesian unfettered discretion to decide whether to perform. Belgravia further alleges that Cartesian has breached the settlement agreement by failing to deliver a valid and enforceable royalty agreement or, in the alternative, is liable for unjust enrichment and/or promissory estoppel for retaining Belgravia’s interest in the Ochoa potash asset without providing compensation for such interest. Belgravia seeks damages in the amount of USD \$12.2 million, which is the remaining amount owed for the sale of its interest in the Ochoa potash asset. To the extent the court finds that the agreement governing the royalty streams is in fact enforceable, however, Belgravia has alleged that PolyNatura has breached that agreement by failing to comply with its obligations thereunder and seeks damages in an amount to be determined at trial. PolyNatura has provided answers to the amended claim. Belgravia is preparing for trial and taking all the steps required. The claim is being contested by PolyNatura.

### **COVID-19 (Coronavirus) Risk**

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company’s business or ability to raise funds.

### **Global Political Conditions**

Macroeconomic and political factors including global wars can affect the securities markets and the holding values of Belgravia’s securities as well as create supply chain interruptions and economic fallout globally.

### **Other risks**

To the extent of the holdings of the Company through its subsidiaries, the Company will be dependent on the cash flows of these subsidiaries to meet its obligations, which cash flows may be constrained by applicable taxation and other restrictions.

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies and, consequently, there exists the possibility for such directors and officers to be in a position of conflict.

There are specific risks associated with some of the industries in which the Company invests, including healthcare, technology, blockchain and natural resources.

### **Corporate Governance Practices**

The disclosure required pursuant to National Instrument 58-101-Disclosure of Corporate Governance Practices was made by the Company in its Management Information Circular which was mailed to shareholders, if requested, and is accessible via the Internet for public viewing on the Company’s website [www.belgraviahartford.com](http://www.belgraviahartford.com) and on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com) under the Company’s profile.

### **Critical Accounting Estimates**

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities

at the date of the financial statements and the reported amount of revenues and expenses during the reported year. Actual results could differ from those estimates.

**Other Information**

The Company's website address is [www.belgraviahartford.com](http://www.belgraviahartford.com). Other information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com).