



AREV NanoTec Brands Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021

Dated as of May 28, 2021.

(All amounts expressed in CAD dollars, unless otherwise stated)

CAUTIONARY NOTE REGARDING FORWARDING LOOKING STATEMENTS

This Management's Discussion and Analysis ("MD&A") contains certain statements that may constitute "forward-looking statements". Forward-looking statements include, but are not limited to, statements regarding future expansion, business goals, anticipated business developments and the timing thereof, regulatory compliance, sufficiency of working capital, business and financing plans, and other forward-looking statements including, but not limited to, information concerning intentions, plans and future actions of the AREV NanoTec Brands Inc. ("AREV or the Company")

In connection with the forward-looking information contained in this MD&A, the Company has made assumptions about the Company's ability to expand operations; profitably license its technologies sell its products and formulations and operate in the future without any regulation or law imposed which would prevent the Company from operating its business. The Company has also assumed that no significant events occur outside of the Company's normal course of business.

The forward-looking information in this MD&A reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

BACKGROUND

This MD&A has been prepared as of May 28, 2021 and it presents an analysis of the consolidated financial position of the Company or "AREV" for the twelve months ended December 31, 2020. The following information should be read in conjunction with the audited financial statements of the Company for the years ended December 31, 2020 and 2019, including the notes contained therein. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

The consolidated financial statements are those of the Company only. The Company has one partially owned subsidiary based in Cambodia. It is not operational at the date of this MD&A. The Company is organized with divisions based upon the activities being undertaken.

Name	Jurisdiction	Ownership
AREV NanoTec Brands Inc.	BC, Canada	100%

AREV produces and sells functional ingredients produced via its proprietary extraction systems. These premium ingredients and products are targeted at the natural health, medical, functional food, nutraceutical, sport nutrition markets. AREV's business model has been to extract targeted essential and functional oils from target biomass including hemp, create formulations combining CBD with these extracted oils or powders offered in various delivery methods such as gel caps in branded formats for consumer markets. The Company will also license its formulations to third parties for similar consumer markets. The Company also utilizes toll processors in the US and foreign countries to encapsulate and package its formulations that can be sold in traditional distribution channels and online.

In addition to the Company's core business based on its extraction systems and product formulations, it has recently formed a scientific advisory board "(SAB)" comprised of highly referenced world class experts in virology, immunology and nutrition. The SAB is working closely with management to adapt its core competencies in extraction of agricultural biomass to identify target compounds found in plants that carry medicinal characteristics, establish efficacy protocols and identify development pathways for the creation of antiviral plant-based drugs, and nutritional foods, all originating from AREV's core extraction competencies.

The Company's growth strategies are three-fold. In the near term, the Company will use the first phase extracted ingredients in formulations to be toll processed via a manufacturing and distribution agreement with a large North American processor. Through this relationship and at the date of this MD&A, the Company has also been verified on a "grandfathering" basis to sell its current formulations in the EU and the UK pursuant to a Novel Foods Application.

In January 2021 the Company reported that it had achieved high capacity continuous thorough put with its ethanol system applications.

The Company's system consists of a custom industrial chiller unit that chills down to -55 centigrade and can be lowered using additional readily available chemistry. The coolant is plumbed directly into jacketed equipment that is integrated it into its proprietary extraction systems. Fluid extracted from plant material typically contains waxes which need to be removed by a winterization and filtration process. These waxes have previously been viewed as disposable. They can be used in cosmetics and food grade lubricants. The Company's extraction methods also separate targeted phyto-compounds into fractions of nano-particulates which are used in natural health products, medicinal formulations and to fortify foods. These particulates have increased bio-availability due to their minute size and ability for the body to uptake the ingredients. Certain washed biomass can be recycled by grinding the material and running through the Company's nanotechnology equipment.

The Company intends to design and develop a true Ready to Use Therapeutic Food ("RUTF") in collaboration with certain joint venture partners. There is an immediate and growing further need for more RUTF's and those being sold today are not effectively addressing the therapeutic needs of those who are suffer from malnutrition.

The Company's longer-term plan is to partner with a Pharmaceutical company to further develop the science associated with phytomedicinalization (**turning plants to medicine**) of materials required for characterization to identify small molecules suitable as candidates for the drug discovery process. One of the biomasses that the Company has been working with, Cucumaria frondosa (Orange footed Sea Cucumber), has been found to have several definitive chemistries that warrant further investigation. Target compounds indicate potential for a broad

spectrum anti-viral, anti-diabetic, mass anti-microbial and an anti-inflammatory and potential compounds for wounds and skin cancer.

AREV's BARE Brand of finished products include natural health products, including CBD-infused products such as Canna-Mulsion and NaturVax, an anti-viral supplement, NaturRelax, a natural Sleep Aid, Natur Relief, an anti-inflator and pain relief product, a line of THC products, white label cannabis products, a line of cannabis/CBD skincare products and medicinal oils and edibles. All formulations have a proprietary ingredient to differentiate each in the growing CBD market worldwide.

Potential application outlook in pharmaceuticals and dietary supplements due to technological advancement in food encapsulation should support the market penetration. Increasing lipid nutrition usage in processed food applications to enhance the nutrient content through fortification process will propel the industry growth.

AREV NanoTec Brands Inc. (formerly AREV Brands International Ltd.) was incorporated under the Business Corporations Act (Alberta) on November 22, 2005.

The registered address of the Company is Suite 440, 890 West Pender Street, Vancouver, BC, V6C 1J9. The principal place of business of the Company is 109 - 91 Golden Drive, Coquitlam, BC, V3K 6R2.

The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol "AREV" and on October 9, 2019, the common shares were called for quotation on the OTCQB Market ("OTCQB") under the symbol "AREVF".

The Company's shares are currently quoted on the Pink Sheet OTC market due to a failure to pay the annual sustaining fee due to OTC Capital Markets. The failure to pay was largely due to the impact of COVID-19 on capital formation and the Company's reliance upon outside capital which was affected by the pandemic.

On March 11, 2020, the World Health Organization declared the coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, as well as financial markets globally, potentially leading to an economic downturn. Efforts to contain the virus has severely limited the mobility of people and businesses. However, it is not possible for the Company at this time to predict the duration or magnitude of the impact towards the Company's business or results from its operations.

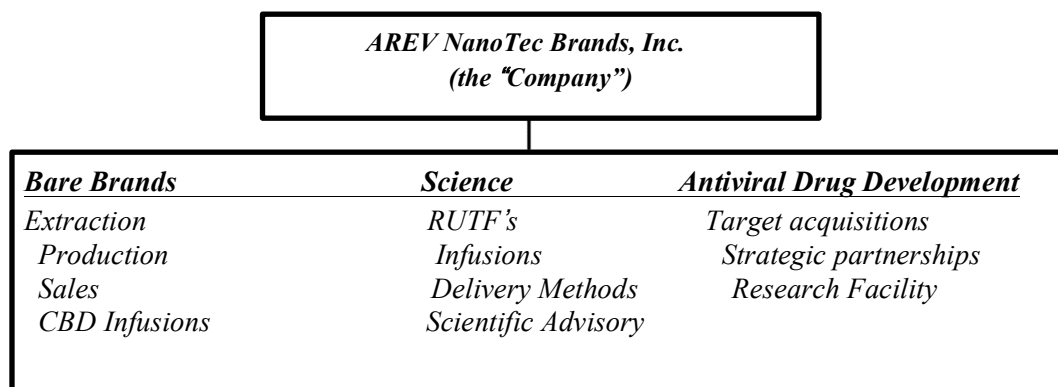
On March 19, 2020, the Company consolidated its share capital on a 6-for-1 basis.

As at December 31, 2020, the Company had a working capital deficiency of \$1,007,779 and an accumulated deficit of \$(641,234).

The consolidated financial statements as of December 31, 2020 do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

CORPORATE INTERRELATIONSHIPS

The following is a corporate organizational chart for the Company and its divisions:



MATERIAL TRANSACTIONS THAT OCCURRED DURING THE YEAR ENDED DECEMBER 31, 2020

On March 18, 2020, the Company announced a consolidation of the issued and outstanding common shares in its capital on the basis of one (1) post-consolidation Share for every six (6) pre-consolidation shares.

On March 24, 2020, the Company announced that it has arranged a private placement of up to 7,500,000 units (each, a "Unit"), at a price of \$0.06 per Unit, for gross proceeds of up to \$450,000. Each Unit comprised of one common share (the "Shares") of the Company and one common share purchase warrant (each whole one, the "Warrants") and with each Warrant being exercisable at \$0.08. The funds were used to secure key pieces of equipment, general working capital, product development and distribution. The first tranche totaling \$425,000 closed on April 3, 2020, and on April 7, 2020 the remaining balance closed.

On April 4, 2020 the Company completed an asset purchase and sale agreement with Chiron Capital Inc owned by Mike Withrow, CEO of the Company. The Company acquired certain intellectual property, engineering know-how, business models and trade secrets related to extraction technology of the equipment AREV had previously purchased from Alternative Extracts Inc. The rights title and interest to the Intellectual property were purchased for CAD \$200,000 free and clear of any encumbrances. As a result of the acquisition AREV owns advanced IP and technology and does not rely on a vendor to make custom changes to the equipment when innovating and developing its new nano particulate extraction products. The IP enabled the Company to develop proprietary process high value pharmaceutical grade compounds such as Fondoside -A, piperine, and curcumin. AREV has developed proprietary methods to extract and produce nano particulates from raw materials like astaxanthin, sea cucumber, hops, Moringa, Frankinsence, myrrh, ginseng, kampo pepper, turmeric and functional mushrooms.

On June 18, 2020 the Company entered into a Joint Venture Agreement with Absolem Mushroom Extraction Inc. ("Absolem"). The Transaction involved two stages. During the first stage, Absolem made cash and share payments to the Company and the Company undertook the development certain development work. In the second stage, Absolem and the Company will produce and sell mushroom extracts and mushroom-based products.

On November 30, 2020 the Company announced a non-brokered private placement of up to 1,000,000 units of the Company (the "Units") at a price of \$0.10 per Unit, for gross proceeds of up to \$100,000 (the "Financing"). Each Unit will consist of one common Share and one common share purchase warrant (each, a "Warrant"), with each Warrant entitling the holder thereof to purchase one additional Share at a price of \$0.15 per Share, for a period of 12 months from the closing of the Financing. The net proceeds from the Financing were used for general working capital, product development and distribution.

On December 3, 2020 the Company announced that it had completed the incorporation of its Cambodia Corporation. The Cambodian company, AREV Brands Cambodia Inc. has been established to import and distribute extracts, ingredients and finished pharma and nutraceutical products throughout the South East Asian market. The Company owns 51% of AREV Brands Cambodia Inc. in partnership with Furi Corporation (49%), one of the largest real estate developers in Cambodia. Mr. Michael Nen, has agreed to serve as President of AREV Brands Cambodia Inc. Mr. Nen has recently been working with the Company as South East Asia regional director. Mr. Nen is actively working with the Ministries of Economic Development and Health in Cambodia to obtain the necessary import licenses for the Company to export its nutraceutical and pharmaceutical products to Cambodia.

MATERIAL TRANSACTIONS THAT OCCURRED SUBSEQUENT TO DECEMBER 31, 2020 COMPANY OVERVIEW

On January 6, 2021, the Company completed a non-brokered private placement of 1,000,000 units at a price of CAD\$0.10 per unit, for \$100,000. Each unit consists of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.15 per share for a period of 12 months.

On January 25, 2021 the Company announced that it has agreed to enter into an operating agreement (the "Transaction") with Vapen Kentucky, LLC ("Vapen KY"), a Kentucky-based producer of CBD isolate and distillate, to supply extracted CBD oils from their local operation and provide production services to the AREV in Kentucky for AREV's BARE branded line of CBD infused nutraceutical products. The Company advanced USD\$30,000 to Vapen KY to be utilized to build out the production facilities, as necessary. The Company provided Vapen KY with the specifications for the processing and operating facilities, the equipment necessary to produce its products, and training for Vapen KY's employees. The Company will pay a service fee for production, staffing and occupancy services as well as purchase CBD extracted oils from Vapen KY at prices to be agreed upon in an operating agreement. The terms of the Transaction are subject to the negotiation and execution of an operating agreement.

On February 24, 2021 Kevin J. Phelps joined the Board of Directors. Mr. Phelps has a long history in the biotechnology and drug discovery industries, currently serving as the CEO of Immune Therapeutics, Inc. (IMUN), a publicly traded company focused on mid-stage immune-based therapies, and as Chairman of OyaGen, Inc., a privately-held early-stage drug development company dedicated to developing new therapeutics to address a variety of viral pathogens and oncological indications. Mr. Phelps began his career as a CPA with Price Waterhouse Coopers and the executive management team of Eastman Kodak Company and its affiliate, Genencor International, Inc., which Mr. Phelps served as CFO and EVP of Business Development. He has also served as CFO of Vaccinex, Inc., a vaccine development company. Mr. Phelps went on to join Trillium Group, LLC, a regional private equity firm where he focused on drug development and medical device companies.

On March 1, 2021, the Company appointed Chad S. Johnson, Esq., as Special Counsel for Corporate Development. Mr. Johnson and his staff will serve AREV in a variety of capacities, including media strategy development, government affairs and legislative advocacy, facilitation of scientific advisory appointments, coordination of trade organization memberships, organization of global scientific conference operations, and management of relationships with clinical societies and academies. Mr. Johnson will also assist in developing collaborations with academic research institutions and private sector partners to accelerate AREV's pre-clinical drug discovery platform. Mr. Johnson, a graduate of Harvard Law School, is an active member of the District of Columbia Bar and the Bar of the U.S. Supreme Court. Mr. Johnson has served as an executive officer, board member, or counsel for several for-profit and not-for-profit organizations in North America and Europe. He is a member of the International AIDS Society (IAS), NMAC, and the Infectious Disease Society of America (IDSA). Mr. Johnson has attended numerous scientific conferences internationally, including the IAS, the European Congress of Clinical Microbiology & Infectious Diseases (EECMID), the U.S Conference on AIDS, the IAS Conference on HIV Science, the International Symposium on HIV and Emerging Infectious Diseases (ISHEID), and the National HIV Prevention Conference (NHPC) of the U.S. Centers for Disease Control and Prevention (CDC), among others.

On March 23, 2021, the Company sold its land holding in Sorrento, B.C. The closing price was \$518,165. Funds received were utilized to repay related mortgage indebtedness of the property in addition to payment of other related accrued liabilities on the land. The net proceeds to AREV were approximately \$60,000.

On March 31, 2021, the Company closed \$670,000 of the previously announced \$725,000 private placement. The non-brokered private placement resulted in the issuance of 2,680,000 units at a price of CAD\$0.25 per unit, for \$670,000. Each unit consists of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of CAD\$0.28 per share for a period of 24 months from the date of this announcement.

On March 31, 2021, the Company signed, a Collaboration and Exclusivity Agreement (“the Collaboration Agreement”) with one of the world’s leading hemp-derived cannabinoid product developers and producers (“Collaboration Co”). Under the Collaboration Agreement, Collaboration Co. will be the Company’s exclusive supplier for bulk cannabinoid materials used in its products exported to the United Kingdom (UK) and the European Union (EU), subject to validation of Collaboration Co.’s Novel Foods Application. At such time as the Food Standards Agency publishes the list of validated applications, Collaboration Co. will be able to use AREV’s ingredients and proprietary formulations, which include Sea Cucumber, Moringa, Hops and Ginseng extracts in the production of products targeted at UK and EU markets. The Company paid USD\$10,000 to Collaboration Co. related to filing fees associated with the Novel Foods Application.

Subsequent to December 31, 2020, the Company issued 300,000 common shares from the exercise of stock options and 485,000 common shares from the exercise of common share purchase warrants for gross proceeds of \$51,000 and \$38,800 respectively.

DESCRIPTION OF BUSINESS AND OVERALL PERFORMANCE

Overview

The Company was incorporated under the Business Corporations Act (British Columbia) on November 22, 2005.

At the date of this MDA, the Company has generated limited gross revenues as it remains in a technology and product development status.

AREV EXTRACTION TECHNOLOGY and PRODUCTS.

The Company is a biotech enterprise that has through a series of transactions acquired and developed proprietary extraction technologies. The AREV system is an excellent front end processing system for stage one bulk ingredient processing into nano particulates.

The Company provides an integrated approach to legal functional foods and oils sector globally, with a focus on high quality, near pure, high quality, extractions. It can produce a variety of systems, including ethanol, carbon dioxide and both solvents on one system, and in a variety of sizes/configurations.

The Company extracts CBD oil and uses it as an active blended with full spectrum CBD oil or isolate adding other ingredients such as Sea Cucumber in a dry powder or oil extract format. The dry powder side has been formulated with CBD and vitamins and minerals known for immune modulation and is used to produce AREV product brands and indirectly for sale to other companies producing functional medicines. The Company has an agreement with GVB Biopharma, one of Americas largest integrated CBD processors. AREV will provide the ingredients to GVB for blending and formulation into products. AREV produces functional ingredients under strict formulation guidelines and branding requirements. These premium ingredients and the products themselves are targeted for at the natural health, medical, functional food, nutraceutical markets. AREV’s “BARE” brand is recognized for consistently high quality, reliability and functional superiority and are used to treat sleep deprivation, insomnia, anxiety, pain and inflammatory conditions as well as other specific ailments. Extracted oils such as sea cucumber and hops extracted using AREV’s proprietary extraction technology and infusing with CBD and CBG has evolved the Company into a Life Sciences enterprise that provides therapeutics derived from natural sources as opposed to traditional pharmaceutical products derived from petroleum based chemistry.

Additionally, the Company recently received its first trial run of its NaturVacs Immune Modulation. NaturVacs is the Company’s proprietary blended Sea Cucumber, CBD, Turmeric and Astaxanthin (known to Decrease oxidative stress on the heart and blood vessels), Vitamin D3 (known to help to maintain immune function) Zinc, (known to

help to maintain immune function) and B12 (known to help to form red blood cells). Sea cucumbers are rich in protein, Chondroitin sulphate niacin, and riboflavin and contain substances thought to influence human health, including: Coelomic fluid (a compound that functions similarly to white blood cells in humans), Palmitic, stearic, and linoleic acid (fatty acids with potent antioxidant effects), Squalene (a compound that acts the precursor to steroids) and Triterpenoids (a class of compounds thought to slow cancer growth). Naturvac has been formulated to provide pre-emptive approach to maintaining a healthy immune system. The trial run will be marketed under the company's "BARE - People" Brand in the US and Cambodia and Canada when CBD is licensed.

The Company has been working with several plant, fungi and marine biomass including functional mushrooms, hops, frankincense, myrrh, Kampot pepper, sea cucumber, ginseng and Moringa. Much of this work has been focused on the best way to extract actives and researching target compounds present in each of the natural phyto-materials. As a result, the Company has chosen Moringa to be the candidate for molecular screening for its antiviral properties. The Company has secured organic supply from Priceless Farms in Uganda, which is working with AREV's Cambodian subsidiary to establish Moringa as a permaculture crop on its 12 hectare parcel of land near Phnom Penh. The company will continue to update shareholders as progress is made on what is anticipated to be a fast moving initiative.

Fast Freeze Extraction Technology (FFE)

AREV's Fast Freeze Extraction Technology (FFE) is a proprietary extraction technology and integrated system that flash freezes active ingredients, oils and oleoresins for use as ingredients in food, nutraceuticals and other consumer products.

The FFE equipment and system allows for oils to be extracted from plants and feedstocks without the use of destructive high-temperature, pressure or aggressive solvents. FFE enables the extraction of fractions that are mostly lost when using common methods.

The FFE process uses food grade solvents that chill the biomass by adiabatic cooling while extracting at low pressures. The solution is passed into a collection chamber, which is held under vacuum. In this chamber the extraction agent evaporates and is recycled online after filtration and cleaning.

FFE Operating Conditions

Under normal operating pressure, the AREV units move 4.5 gallons per minute of liquid carbon dioxide at 2,250 psi. The carbon dioxide cylinders are stamped at 2,500 psi (providing a considerable engineering safety margin) and internationally registered. The existing design specifications and related engineering documents are currently being adapted to meet 5,000 and 10,000 psi ISO specifications.

FFE Versatility

AREV's extraction systems are able to do vacuum extraction conditions with alcohol, water, and supercritical and subcritical/liquid carbon dioxide, as well as alcohol extractions up to 2,250 psi pressure environments, enabling polar and non-polar extractions. Some extractions can be performed at below zero-degree temperatures.

The FFE technology and system is compact, scalable and economical compared to other methods. A fully functional plant with the capacity of processing 1,400 tons/annum of biomass can fit on 150 square meters of total floor space, compared with 1,000 square meters needed for similar capacity solvent or carbon dioxide plant.

AREV's process-scale extraction technology is ideally suited to production of exceptionally pure nutritional supplements, foods, and similar applications, as it leaves no solvent residue in the product following extraction. The process uses supercritical carbon dioxide at 1,100 to 2,250 psi pressure, alcohol (ethanol), other solvents and/or solvent mixtures at low temperatures to extract fractions from the biomass. The solvent is then trapped and re-used, eliminating waste and preventing loss into the environment. Pressure vessels on AREV's systems are certified to 2500 psi, and the design allows for extension to higher pressures as may be needed.

The Company's FFE system and technology can produce premium and proprietary ingredients for the products in the area of functional food, nutraceutical, bioceuticals and natural health products.

The company has recently engaged Voynich Biosciences Inc. to characterize Moringa and Sea Cucumber. Voynich is a company controlled by Dr. Jay Noller (an advisory to the Company) and Dr. Richard Van Breeman whose lab is at the Linus Pauling Institute at Oregon State University. This characterization work will identify target compounds in the two ingredients.

Scientific Advisory Board

Dr. Uma V. A. Dhanabalan

In early 2021 the Company retained the services of Dr. Uma V. A. Dhanabalan, MD MPH FAAFP MRO CMS to join the Advisory Board, consult on AREV product development sciences, act as a product ambassador on the function of the AREV formulations in events and consulting through clinics. Dr. Dhanabalan is a highly respected physician, graduated from UMDNJ, Newark, New Jersey and trained in Family Medicine at MUSC in Charleston, South Carolina, and earned her Master's in Public Health and trained in Occupational & Environmental Medicine, and Fellowship in Heavy Metals at Harvard School of Public Health in Boston, Massachusetts. She is a Fellow of the American Academy of Family Physicians, a Diplomat Certified in Cannabinoid Medicine and a Medical Review Officer. Dr. Dhanabalan is the Founder/CEO of Global Health & Hygiene Solutions, LLC whose mission is to promote wellness and prevent illness locally and globally. She runs an Independent practice at Uplifting Health & Wellness in Cambridge, MA where she provides tools to all ages from various backgrounds.

Dr. Robert Melamede

Advisor to the Bare People and Bare Pet & Vet product lines.

Dr. Melamede received his doctorate degree in molecular genetics and biochemistry from the University of the City of New York Graduate Center in 1980. His degree was in base excision repair of free radical damages in DNA. He led laboratory efforts in a world-class, federally funded lab where he discovered endonuclease VIII. Dr. Melamede did a sabbatical at the Scripps Institute. He established an in vitro monoclonal antibody facility at the University of Vermont, developing antibodies to free radical damages in DNA and to DNA repair enzymes.

Dr Roscoe Moore

Dr. Moore was appointed Chairman of the Scientific Advisory Board on February 4, 2021. Dr. Moore DVM, MPH, PhD, is the former Assistant United States Surgeon General and provides strategic planning for AREV drug discovery planning, as a Senior Scientific Advisor. Dr. Moore is a Board member of the Board of Advisors and the Board of Directors of the Global Virus Network at the Institute of Human Virology (IHV), University of Maryland Medical Center. Dr. Moore was a career officer within the Commissioned Corps of the United States Public Health Service entering with the U.S. National Institutes of Health and rising to the rank of Assistant United States Surgeon General within the Immediate Office of the Secretary, HHS. Dr. Moore served as an Epidemic Intelligence Service Officer with the U.S. Centers for Disease Control and Prevention ("CDC"). He was with the Center for Veterinary Medicine, U.S. Food and Drug Administration, before becoming Senior Epidemiologist within the National Institute for Occupational Safety and Health, CDC. Dr. Moore has conducted clinical research on infectious diseases, has evaluated the safety and effectiveness of medical devices, and has conducted relevant epidemiological research on the utilization experience and human health effects of medical devices and radiation. Dr. Moore served on the Fogarty International Center Advisory Board of Directors, NIH from 2009 to 2013. He served on the Alumni Board of Directors, School of Public Health, University of Michigan from 1987 to 1993. Dr. Moore served on the Dean's Alumni Council, Bloomberg School of Public Health, at Johns Hopkins University from 1998 to 2002. He has also served as an Affiliate Associate Professor of Environmental Health for the University of Washington, Seattle from 1994 to 2003 and as an Adjunct Professor of Epidemiology, for the Medical University of Southern Africa, Pretoria, South Africa from 1999 to 2002.

Dr. Jay Noller

Dr. Noller was appointed to the Scientific Advisory Board on February 19, 2021. Dr. Noller, PhD, is a globally recognized polymath in agriculture, environmental and earth sciences, archaeology, and visual arts. He has led organizations that provided diverse activities in education, research, extension, and public service relevant to seed production, soils and ecosystem services, small farms and community food systems, integrated pest management, and various approaches to natural resource management. He has served in numerous roles as leader or administrator of several enterprises that provide wheat, potatoes and other food commodities to the world at large as well as to food systems at community level. Prof. Noller is a Professor Emeritus and is the founding Director and lead researcher of Oregon State University's (OSU) Global Hemp Innovation Center. The Center is the world's most comprehensive research center devoted to the study of hemp providing the most comprehensive knowledge of hemp innovation to be found anywhere. The Center is advancing the research of hemp and its market potential across multiple diverse industries and research fields to serve the growing international demand for innovative approaches to food, health, and fiber. Prof. Noller has been Oregon's leader in hemp research and policy since 2014 and has developed research partnerships with over 40 institutions globally devoted to improving hemp genetics and modes of production and processing for fiber, grain essential oils, and advances in new classes of hemp varieties. He has directed hemp research and related industrial projects across North America, China, and Europe. Dr. Noller is Professor Emeritus, with career of research involving the disciplines of soil science, geomorphology, art, and archaeology. In addition to his hemp projects, his research principally focused on human interactions with soils in modern and ancient agricultural and forest landscapes of the Middle East, Europe and the Americas. His experience includes more than 50 large projects, spanning much of North and South America, southern Europe, southwest Asia, and Africa. He has published more than 200 papers and maps, six books and has made contributions to additional works.

HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2020

GENERAL COMMENT

The financial information reported herein reflects the operations of the Company as at December 31, 2020.

The Company has reviewed its financial position and results of operations for the year ended December 31, 2020 with a view to assessing an impact that the novel corona virus known more particularly as COVID-19 has had or will have on the business going forward. Although there can be no assurance that there will not be an impact on the Company's financial position or operations at the date of this MD&A, the following determinations have been made by management:

- a) The Company has no obligations to third parties which have or will require renegotiation at the date of this MD&A.
- b) Although there can be no assurances given with respect to future unknown events the Company's outlook for 2021 remains on target as described more particularly in this MD&A.
- c) The Company has funded the majority of its currently planned expansion programs in the markets referred to in this MD&A and accordingly the capital requirements to operate have been met. Management is particularly conservative with the application of its current liquid assets and therefore the 2021 technology development and commercialization plans are being funded from the proceeds of private placements conducted prior to the date of this MD&A and further anticipated private placements during 2021. Continued growth will of course be determined by market forces outside the control of the Company.

SELECTED ANNUAL INFORMATION

The following select financial data from the Company's financial statements was prepared in accordance with International Financial Reporting Standards (IFRS).

The following table sets forth the information of the Company.

	December 31, 2020	December 31, 2019	December 31, 2018
Total Revenue	\$ 190,577	\$ 194,686	\$ -
Operating Expenses	\$ (843,717)	\$ (3,262,283)	\$ (8,426,683)
Total Comprehensive Loss	\$ (1,048,999)	\$ (3,192,714)	\$ (8,426,683)
Total assets	\$ 1,277,091	\$ 879,424	\$ 646,308
Total liabilities	\$ 1,918,326	\$ 1,405,218	\$ 711,724
Net Income per share (basic and diluted)	\$	\$	\$
Total liabilities and shareholders' equity	\$ 1,277,092	\$ 879,424	\$ (879,424)

SELECTED QUARTERLY INFORMATION

The following table summarizes the results of operations for the most recent quarters, of which the Company has prepared financial statements for.

The following table sets forth the information of the Company.

	Three months ended			
	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Total Revenue	\$53,856	\$48,898	\$53,818	\$34,005

Operating Expenses	(201,258)	\$(193,913)	\$(315,261)	\$(133,285)
Net Income/(Loss)	\$(501,973)	\$(158,588)	\$(275,054)	\$(113,263)
Net Income (loss) per share (Basic and diluted)	\$(0.03)	\$(0.01)	\$(0.02)	\$(0.01)

Three months ended

	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Total Revenue	\$49,483	\$79,702	\$nil	\$65,501
Operating Expenses	\$(248,100)	\$(292,907)	\$(1,458,508)	\$(1,262,768)
Net Income/(Loss)	\$(183,370)	\$(253,633)	\$(1,509,715)	\$(1,242,118)
Net Income (loss) per share (Basic and diluted)	\$(0.01)	\$(0.03)	\$(0.17)	\$(0.15)

Financial Position as at December 31, 2020

The following discussion of the Company's financial position is based on the Company's consolidated statement of financial position as at December 31, 2020.

Current Assets

As at December 31, 2020 the Company had total current assets of \$858,247(2019 \$85,571). The current assets were made up of the following: cash of \$297,626(2019 \$29,681), accounts receivable of \$26,441(2019 - \$21,837), prepaid deposits \$14,172 (2019 -\$34,053, inventory \$4,629(2019- nil) and assets held for resale of \$515,379 (2019 – nil).

Non-current Assets

As at December 31, 2020, the Company's non-current assets were \$418,844 (2019 - \$793,853).

Current Liabilities

As at December 31, 2020, the Company's current liabilities were \$1,866,026 (2019 - \$1,405,218).

As at December 31, 2020, the Company had accounts payable and accrued liabilities of \$549,095(2019 \$370,815), amounts due to related parties \$633,195 (2019 -\$461,221), lease liability \$47,358 (2019 – nil), loan payable \$162,970 (2019 - \$100,000) and convertible debenture \$473,408 (2019 -\$473,182).

Non-current Liabilities

As at December 31, 2020, the Company's non-current liabilities were \$52,300 (2019 -\$ nil), which consisted of a lease liability.

Shareholders' Deficiency

As at December 31, 2020, the Company had shareholders' deficiency of \$641,234 (2019 - deficiency \$525,794).

Working Capital Deficiency

As at December 31, 2020, the Company's working capital deficiency was \$1,007,799 compared to \$(1,319,647) for the year ended December 31, 2019, a decrease of \$311,848 or 23.6%

The increase/decrease in working capital is primarily due to an increase in the net cash position as at December 31, 2020 and the recognition of assets held for resale of \$515,379.

Financial Results for the Year Ended December 31, 2020

The following discussion of the Company's results of operations is based on its condensed consolidated financial statements for the year ended December 31, 2020.

Revenue

For the year ended December 31, 2020, the Company recorded revenue of \$190,577 (2019 - \$194,686)

Operating Expenses

The Company's total operating expenses were \$843,717 for the year ended December 31, 2020 compared to \$3,262,283 for the year ended December 31, 2019, a decrease of \$2,418,566 or 74.1%. Accounting for these expenses were the following items:

Advertising and Marketing: Advertising and marketing costs for the year ended December 31, 2020 were \$5,293 compared to \$42,983 for the year ended December 31, 2019 a decrease of \$37,690 or 87.7%. Accounting for this decrease was the impact of COVID-19 on the ability for the Company to engage in marketing and advertising activities.

Amortization Costs: Amortization costs for the year ended December 31, 2020 were \$148,653 compared to \$65,560 for the year ended December 31, 2019 an increase of \$83,093 or 126.7% due to an increase in depreciable assets acquired during the year ended December 31, 2020.

Consulting Fees and Management Fees: Consulting fees and management fees for the year ended December 31, 2020 totaled \$143,281 compared to \$368,716 for the year ended December 31, 2019, a decrease of \$225,435 or 61.1%. Accounting for this reduction was reduced for management and periodic consulting services as the Company sought to control its expenditures during the COVID pandemic.

Office Administration: Office administration costs for the year ended December 31, 2020 totaled \$62,086 compared to \$119,985 for the year ended December 31, 2019, a decrease of \$57,899 or 48.3%. The decrease is due to reduced expenditures on office supplies during the year generally consistent with other categories as the Company

sought to conserve cash.

Professional Fees: Professional fees for the year ended December 31, 2020 totaled \$92,616 compared to \$136,146 for the year ended December 31, 2019 a decrease of \$43,530 or 31.9%. The decrease is due to lesser reliance on professionals including accountants and lawyers in the course of maintaining the public company and continuing with targeting technology transfers.

Property Expenses: Property expenses for the year ended December 31, 2020 were \$81,789 compared to 50,740 for the year ended December 31, 2019 an increase of \$31,049 or 61.2%. The increase is attributable to increased costs related to maintenance of property.

Rent: Rent expense for the year ended December 31, 2020 was \$20,939 compared to \$44,090 for the year ended December 31, 2019 a decrease of \$23,151 or 51.5%. The decrease is attributable to relocation of certain administrative occupancy to save on monthly cash burns.

Research and Development Costs: Research and development costs for the year ended December 31, 2020 were \$128,009 compared to \$1,148,664 for the year ended December 31, 2019 a decrease of \$1,020,655 or 88.9%. The decrease is due to the fact that most of the extraction technology research and development was completed in fiscal 2019.

Share-Based Compensation: Share-based compensation for the year ended December 31, 2020 was \$105,959 compared to \$1,193,046 for the year ended December 31, 2019 a decrease of \$1,087,087 or 91.12% resulting from the fact that the Company did not issue significant numbers of options in fiscal 2020.

Transfer Agent Costs: Transfer agent costs for the year ended December 31, 2020 were \$52,172 compared to \$46,540 for the year ended December 31, 2019 an increase of \$5,632 or 12% attributable to general increases service fees.

Travel: Travel costs for the year ended December 31, 2020 were \$2,920 compared to \$45,813 for the year ended December 31, 2019 a decrease of \$42,893 or 93.6% due entirely to the impact of COVID-19 on international travel in 2020.

CASH FROM ACTIVITIES

The following table summarizes the sources and uses of cash for the following years:

	December 31, 2020	December 31, 2019
Net cash used in operating activities	\$ (258,462)	\$ (455,962)
Net cash used in investing activities	(\$463,137)	(\$215,060)
Net cash provided by financing activities	\$962,544	\$692,207
Net increase in cash	\$ 267,945	\$ 21,307

Operating Activities: Contributing to the net cash used in operations was a loss for the year of \$1,048,878, non-cash charges for amortization and depreciation of \$148,653, a loss on the impairment of an asset totaling \$200,000, a loss on the impairment of an investment totaling \$79,999, a loss on the revaluation of an asset held for resale of

\$56,921, the payment of share-based compensation of \$105,959 and an increase in accounts payable of \$178,159.

Investing Activities: Contributing to the net use of cash from investing activities was the purchase of property for \$303,487, the purchase of intangible assets totaling \$100,000, lease payments on right of use assets totaling \$52,650 and payments received from the formation of a joint venture totaling \$20,000.

Financing Activities: Contributing to the net cash provided from financing activities was proceeds from the issuance of common shares totaling \$450,000, proceeds on the exercise of warrants totaling \$180,000, proceeds from a subscription receivable totaling \$97,600 and proceeds advanced from related parties totaling \$234,944.

LIQUIDITY AND CAPITAL RESOURCES

These consolidated financial statements have been prepared using International Financial Reporting Standards applicable to a going concern which assumes the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business. The continuing operations of the Company are dependent upon the Company's ability to continue to earn adequate revenues from operations, and to raise adequate financing. The Company intends to finance its future requirements through continued equity offerings and from operations once the Company commences generating gross revenues.

As at December 31, 2020, the Company had working capital deficiency of \$ 1,007,779 (December 31, 2019 - \$(1,319,648) and an accumulated deficit of \$ \$641,234(December 31, 2019 - \$525,794). There is uncertainty as the likely effects of the novel coronavirus ("COVID-19") outbreak which may, among other things, impact the Company's future operations and ability to raises further financing.

A summary of the Company's contractual obligations at December 31, 2020 is detailed in the table below.

Contractual Obligations	Payments Due by Period			
	Total	Less than 1 Year	1 – 5 Years	After 5 Years
Accounts payable and accrued liabilities	\$549,095	\$549,095	N/A	N/A
Due to Shareholder	\$633,195	\$633,195	N/A	N/A
Notes payable – current portion	\$162,970	\$162,970	\$	N/A
Lease Payable	\$47,358	\$47,358		N/A
Convertible Debenture	\$473,408	\$473,408		
Current income taxes	N/A	N/A		N/A
Notes payable – long term	N/A	N/A	N/A	N/A
				N/A
Lease Payable	\$52,300	N/A	\$52,300	N/A
Total			\$	N/A

RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the consolidated financial statements not disclosed elsewhere in these condensed consolidated 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 consists of members of the Company's Board of Directors and corporate officers, including the Company's Executive Chairman, Chief Executive Officer, Chief Operating Officer, and President and Chief Financial Officer.

As at December 31, 2020, the Company owed a Director of the Company \$101,561 (2019 \$ 64,616) for management fees as Corporate Secretary. The amount owing is non-interest bearing, unsecured, and due on demand. During the year ended December 31, 2020, the Company incurred \$72,000 (2019 - \$72,000) of consulting fees to the director.

As at December 31, 2020, the Company owed \$220,331 (2019 - \$71,995) to Companies controlled by the Chief Executive Officer of the Company. The amounts consists of \$189,369 (2019 - \$52,505) which is non-interest bearing, unsecured, and due on demand, and \$23,408 (2019 - 23,182) plus accrued interest of \$7,554 (2019 - \$3,693) from a convertible debenture (note 10). During the year ended December 31, 2020, the Company purchased equipment and intangible assets (notes 6 & 8) from a Company controlled by the Chief Executive Officer of the Company for proceeds of \$200,000. The assets were written down to \$nil during the year ended December 31, 2020

As at December 31, 2020, the Company owed \$242,265 (December 31, 2019 - \$291,531) to the Chief Executive Officer of the Company. The amount owing is non-interest bearing, unsecured, and due on demand. During the year ended December 31, 2020, the Company settled \$100,000 in debt owing to the Chief Executive Officer of the Company by the issuance of 1,000,000 common shares of the Company at \$0.10 per share.

As at December 31, 2020, the Company owed \$nil (2019 - \$52,531) to a company where the former Chief Financial Officer of the Company is a partner. The amount owing is non-interest bearing, unsecured, and due on demand and is included in accounts payable and accrued liabilities. During the year ended December 31, 2020, the Company incurred \$nil (2019 - \$60,000) of accounting fees to a company where the former Chief Financial Officer of the Company is a partner.

During the year ended December 31, 2020, the Company incurred \$nil (2019 - \$20,800) of consulting fees to Companies of former Directors of the Company.

As at December 31, 2020, the Company owes the joint venture formed with Absolem \$100,000 (2019 - \$ nil).

During the year ended December 31, 2020, the Company granted stock options with a fair value of \$40,980 (2019 - \$983,083) to key management personnel.

OUTSTANDING SHARE DATA

The following share capital data is current as of the date of this document:

Number Outstanding as at:	May 25, 2021	December 31, 2020
Common Shares	22,887,807	20,207,807
Warrants:	7,930,001	5,250,001

A summary of warrants outstanding at December 31, 2020 is as follows:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Warrants Outstanding
April 3, 2022	\$.08	\$.08	1,500,001
April 17, 2022	\$.08	\$.08	3,750,000

PROPOSED TRANSACTIONS

The Company does not have any other proposed transactions to discuss at this time.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company classifies its financial instruments as follows:

- Cash is classified as FVTPL;
- Amounts receivable is classified as amortized cost; and
- Accounts payable and accrued liabilities and due to related parties are classified as amortized cost.

The carrying values of these financial instruments approximate their fair values, due to the relative short term nature of the instruments

The Company's risk exposure and the impact on the Company's financial instruments is summarized below.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing at major Canadian financial institutions.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. All of the liabilities are due within 90 days.

OFF-BALANCE SHEET TRANSACTIONS

The Company has not entered into any significant off-balance sheet arrangements or commitments.

SUBSEQUENT EVENTS

On January 6, 2021, the Company completed a non-brokered private placement of 1,000,000 units at a price of CAD\$0.10 per unit, for \$100,000. Each unit consists of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.15 per share for a period of 12 months.

On January 25, 2021 the Company announced that it has agreed to enter into an operating agreement (the "Transaction") with Vapen Kentucky, LLC ("Vapen KY"), a Kentucky-based producer of CBD isolate and distillate, to supply extracted CBD oils from their local operation and provide production services to the AREV in Kentucky for AREV's BARE branded line of CBD infused nutraceutical products. The Company advanced USD\$30,000 to Vapen KY to be utilized to build out the production facilities, as necessary. The Company provided Vapen KY with the specifications for the processing and operating facilities, the equipment necessary to produce its products, and training for Vapen KY's employees. The Company will pay a service fee for production staffing and occupancy services as well as purchase CBD extracted oils from Vapen KY at prices to be agreed upon in the operating agreement. The terms of the Transaction are subject to the negotiation and execution of an operating agreement.

On February 24, 2021 Kevin J. Phelps joined the Board of Directors. Mr. Phelps has a long history in the biotechnology and drug discovery industries, currently serving as the CEO of Immune Therapeutics, Inc. (IMUN), a publicly traded company focused on mid-stage immune-based therapies, and as Chairman of OyaGen, Inc., a privately-held early-stage drug development company dedicated to developing new therapeutics to address a variety of viral pathogens and oncological indications. Mr. Phelps began his career as a CPA with Price Waterhouse Coopers and the executive management team of Eastman Kodak Company and its affiliate, Genencor International, Inc., which Mr. Phelps served as CFO and EVP of Business Development. He has also served as CFO of Vaccinex, Inc., a vaccine development company. Mr. Phelps went on to join Trillium Group, LLC, a regional private equity firm where he focused on drug development and medical device companies.

On March 1, 2021, the Company appointed Chad S. Johnson, Esq., as Special Counsel for Corporate Development. Mr. Johnson and his staff will serve AREV in a variety of capacities, including media strategy development, government affairs and legislative advocacy, facilitation of scientific advisory appointments, coordination of trade organization memberships, organization of global scientific conference operations, and management of relationships with clinical societies and academies. Mr. Johnson will also assist in developing collaborations with academic research institutions and private sector partners to accelerate AREV's pre-clinical drug discovery platform. Mr. Johnson, a graduate of Harvard Law School, is an active member of the District of Columbia Bar and the Bar of the U.S. Supreme Court. Mr. Johnson has served as an executive officer, board member, or counsel for several for-profit and not-for-profit organizations in North America and Europe. He is a member of the International AIDS Society (IAS), NMAC, and the Infectious Disease Society of America (IDSA). Mr. Johnson has attended numerous scientific conferences internationally, including the IAS, the European Congress of Clinical Microbiology & Infectious Diseases (ECCMID), the U.S Conference on AIDS, the IAS Conference on HIV Science, the International Symposium on HIV and Emerging Infectious Diseases (ISHEID), and the National HIV Prevention Conference (NHPC) of the U.S. Centers for Disease Control and Prevention (CDC), among others.

On March 23, 2021, the Company sold its land holding in Sorrento, B.C. The closing price was \$518,165. Funds received were utilized to repay related mortgage indebtedness of the property in addition to payment of other related accrued liabilities on the land. The net proceeds to AREV were approximately \$60,000.

On March 31, 2021, the Company closed \$670,000 of the previously announced \$725,000 private placement. The non-brokered private placement resulted in the issuance of 2,680,000 units at a price of CAD\$0.25 per unit, for \$670,000. Each unit consists of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of CAD\$0.28 per share for a period of 24 months from the date of this announcement. An insider has subscribed for 400,000 units the financing.

On March 31, 2021, the Company signed, a Collaboration and Exclusivity Agreement ("the Collaboration Agreement") with one of the world's leading hemp-derived cannabinoid product developers and producers

("Collaboration Co"). Under the Collaboration Agreement, Collaboration Co. will be the Company's exclusive supplier for bulk cannabinoid materials used in its products exported to the United Kingdom (UK) and the European Union (EU), subject to validation of Collaboration Co.'s Novel Foods Application. At such time as the Food Standards Agency publishes the list of validated applications, Collaboration Co. will be able to use AREV's ingredients and proprietary formulations, which include Sea Cucumber, Hops and Ginseng extracts in the production of products targeted at UK and EU markets. The Company paid USD\$10,000 to Collaboration Co. related to filing fees associated with the Novel Foods Application.

Subsequent to December 31, 2020, the Company issued 300,000 common shares from the exercise of stock options and 485,000 common shares from the exercise of common share purchase warrants for gross proceeds of \$51,000 and \$38,800 respectively.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to decide of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

RISK AND UNCERTAINTIES

UNSURED AND UNISURABLE RISK

The Company may become subject to liability for risks against which it cannot insure or against which it may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company's usual business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on its financial position and operations.

Risks related to the Company's Business and Industry

Competition

Competitors may be working on developing new products and technologies that are superior to the Company's extraction technologies. The development of a new and superior product by a competitor could affect the Company's ability to successfully exploit its products. The Company may be unable to develop further products or keep pace with developments in its market space and may lose market share to competitors. If the Company's competitors develop a more efficient product or undertake a more aggressive marketing campaign, it would likely adversely affect the Company's financial performance and marketing strategies. The Company is unable to influence or control the conduct of its competitors and such conduct may detrimentally affect the Company's financial and operating performance.

Customer Preferences

The Company's business is dependent upon consumer awareness and market acceptance of its product brands, its scientific research into new products applications and delivery systems.. New methods of consumption may

adversely affect demand for these types of consumable products, and therefore adversely impact demand for the Company's BARE brands. Failure to respond to changes in preferences or anticipate market trends may adversely affect the Company's future revenues and performance. Although the Company has strived to establish market recognition for its products in the industry, it is too early in the life cycle of the Company's brand to determine whether the Company's products will achieve and maintain satisfactory levels of acceptance and sustained take-up by others.

There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the market or any product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's products and services, and, correspondingly, on the Company's business, results of operations, financial condition and cash flows.

Commercialization risk

There can be no assurance that the Company will successfully commercialize the business model of noted in the MD&A.

The Company may be subject to risks related to its information technology systems, including cyber-attacks.

We have entered into agreements with third parties for hardware, software, telecommunications and other IT services in connection with its operations. Our operations depend, in part, on how well we and our suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. Our operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact our reputation and results of operations.

We have not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that we will not incur such losses in the future. Our risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, we may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Global Financial Conditions

Global financial conditions could suddenly and rapidly destabilize in response to the current pandemic or future events, as government authorities may have limited resources to respond to the current or future crisis. Future crises may be precipitated by any number of causes, including another pandemic, natural disaster, geopolitical instability, changes to energy prices or sovereign defaults. Any sudden or rapid destabilization of global economic conditions could negatively impact the Company's ability to obtain equity or debt financing or make other suitable arrangements to finance their projects. On the event of increased levels of volatility or a rapid destabilization of global economic conditions, the Company's profitability, results of operations and financial condition and the trading price of its securities could be adversely affected.

The Company's business may be affected by the current coronavirus pandemic, political and economic instability.

We may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism,

military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in medicine and agricultural development or investment policies or shifts in political attitude in certain countries may adversely affect our business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, distribution, price controls, export controls, income taxes, and expropriation of property, maintenance of assets, environmental legislation, land use, land claims of local people and water use. The effect of these factors cannot be accurately predicted.

Failure to comply with laws, regulations and standards

Any changes to the existing regulatory framework or the imposition of new legislation or regulations applicable to the industry sectors which the Company intends to operate within may adversely affect the financial and operating performance of the Company. This risk factor applies to government policy and legislative changes in Canada and North America, as well as the other countries in which the Company operates and intends to operate in the future.

The Company's extraction operations are subject to various environmental and employee health and safety regulations.

Our operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. We incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to obtain an environmental compliance approval under applicable regulations or otherwise comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to our operations or give rise to material liabilities, which could have a material adverse effect on our business, results of operations and financial condition.

Product liability risk

The Company's products may be subject to safety and or regulatory standards. If any component of the finished products are found to be non conforming to standards and or unsafe in anyway,, the Company may face product liability claims from clients, regulators or members of the public, which may affect brand reputation, revenue-earning potential and operating results. The Company may not be able to successfully secure or renew product liability insurance or defend itself against product liability claims. Any product liability claims may disrupt business operations and financial performance.

Uninsured or uninsurable risks.

The Company may be subject to liability for risks against which we cannot insure or against which we may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for our normal business activities. Payment of liabilities for which we do not carry insurance may have a material adverse effect on our financial position and operations.

Risks related to the Company's intellectual property

Intellectual property rights

The Company holds no patents at the date of this MD&A however patent applications are being prepared for filing on certain of the Company's processes. There is a material risk that a third party may find ways to nearly copy its extraction processes. Any event that would jeopardize the Company's proprietary rights or any claims of infringement by third parties could have an adverse effect on the Company's ability to market or exploit the Company's extractions technologies and processes.. There is no guarantee that the Company can secure any patents,

or that third parties will not infringe or misappropriate the Company's systems and technologies. In addition, there can be no assurance that the Company will not have to pursue litigation against other parties to assert its rights.

Risks related to the Company

The Company's success will depend on attracting and retaining key personnel.

The Company's success will depend on our directors' and officers' ability to develop and execute on our business strategies and manage our ongoing operations, and on our ability to attract and retain key personnel

Reliance on Key Members

The Company's research and development and its operational success will substantially depend on the continued employment of senior executives, technical staff and other key members. The loss of key management personnel may have a detrimental impact on the Company.

The Company may enter into strategic alliances or expand the scope of currently existing relationships with third parties that it believes compliment or augment the business, financial condition and results of operation and there are risks associated with such activities.

The Company may enter into agreements with strategic alliances, partners and or other third parties that we believe will complement or augment our existing business. Our ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen regulatory issues, integration obstacles or costs, may not enhance our business, and may involve risks that could adversely affect us, including significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that our existing strategic alliances will continue to achieve, the expected benefits to our business or that we will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Management discretion concerning use of proceeds

The Company currently intends to allocate its working capital as needed and determined appropriate by management.

Risks relating to business objectives and milestones

Interruptions

There is no assurance that the Company's anticipated milestones will be achieved within the time periods specified, or at all. The failure to achieve the milestones could negatively impact the financial viability of the Company.

Certain of the Company's directors and officers may have conflicts of interests due to other business relationships.

Certain of our directors and officers are also directors and officers of other companies. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from our interests. In accordance with the BCBCA, directors who have a material interest in any person who is a party to a material contract or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract.

Risks related to the Company's financial position and need for capital

Limited operating history

In addition to being subject to general business risks and to risks inherent for an early stage business, the Company will be exposed to risks inherent to participating in an early stage industry.

Potential dilution

The Company's articles of incorporation allow it to issue an unlimited number of common shares for such consideration and on such terms and conditions as established by the board of directors of the Company, in many cases, without the approval of the Company's shareholders. The Company may issue additional common shares in subsequent offerings (including through the sale of securities convertible into or exchangeable for Common Shares) and on the exercise of stock options or other securities exercisable for common shares. The Company cannot predict the size of future issuances of common shares or the effect that future issuances and sales of common shares will have on the market price of the common shares. Issuances of a substantial number of additional common shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the common shares. With any additional issuance of common shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

Costs of operating as a public company

As a public company whose securities are listed in Canada, the Company shall incur significant legal, accounting and other expenses that it did not incur as a private company. The Company shall be subject to the reporting requirements of the Canadian securities laws and the other rules and regulations, and the rules and regulations of the CSE, and provisions of securities laws that apply to public companies such as the Company. The expenses that will be required in order to adequately prepare for being a public company will be material, and compliance with the various reporting and other requirements applicable to public companies will require considerable expense, time and attention of management.

Potential need for additional financing

The Company may require additional financing in the future, including through the sale of assets and/or the issue and sale of equity or debt securities. The Company's activities do have scope for flexibility in terms of the amount and timing of expenditures and expenditures may be adjusted accordingly. However, further operations will require additional capital and will depend on the Company's ability to generate enough operating cash-flow or to obtain financing through debt, equity or other means. The Company's ability to meet its obligations and maintain operations may be contingent upon the generation of operating cash-flow or the successful completion of additional financing arrangements. There is no assurance that the Company will be successful in generating operating cash-flow or obtaining the required financing in the future or that such financing will be available on terms acceptable to the Company. In addition, any future financing may also be dilutive to existing shareholders of the Company.

Estimates and assumptions

Preparation of its financial statements requires the Company to use estimates and assumptions. Accounting for estimates requires the Company to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, the Company could be required to write down its recorded values. On an ongoing basis, the Company re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

Financial projections

The forecasts of the Company are based on each party management's best estimates as to future results and the

assumptions are drawn from its experience and market demographics. There can be no guarantee that the financial projections will be achieved by the Company..

Risks related to the Company's shares

Market for the common shares

There can be no assurance that an active trading market for the Company's common shares will be sustained. The Company cannot predict the prices at which their common shares will trade. Fluctuations in the market price of the Common Shares could cause an investor to lose all or part of its investment in the Company's common shares. Factors that could cause fluctuations in the trading price of the Common Shares include: (i) announcements of new offerings, products, services or technologies; commercial relationships, acquisitions or other events by the Company or its competitors; (ii) price and volume fluctuations in the overall stock market from time to time; (iii) significant volatility in the market price and trading volume of agriculture companies; (iv) fluctuations in the trading volume of the Company's common shares or the size of the Company's public float; (v) actual or anticipated changes or fluctuations in the Company's results of operations; (vi) whether the Company's results of operations meet the expectations of securities analysts or investors; (vii) actual or anticipated changes in the expectations of investors or securities analysts; (viii) litigation involving the Company, its industry, or both; (ix) regulatory developments in the Canada, and foreign countries; (x) general economic conditions and trends; (xi) major catastrophic events; (xii) escrow releases, sales of large blocks of the Common Shares; (xiii) departures of key employees or members of management; or (xiv) an adverse impact on the Company from any of the other risks cited herein or not yet known to the Company.

The Company may become a party to litigation, mediation and/or arbitration from time to time.

The Company may become a party to regulatory proceedings, litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect our business. Monitoring and defending against legal actions, whether or not meritorious, can be time-consuming, divert management's attention and resources and cause us to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant and we could, in the future, be subject to judgments or enter into settlements of claims for significant monetary damages. While we have insurance that may cover the costs and awards of certain types of litigation, the amount of insurance may not be sufficient to cover any costs or awards. Substantial litigation costs or an adverse result in any litigation may adversely impact our business, operating results or financial condition.

Analyst coverage

The trading market for the Common Shares will, to some extent, depend on the research and reports that securities or industry analysts publish about the Company or its business. The Company will not have any control over these analysts. If one or more of the analysts who covers the Company should downgrade the Common Shares or change their opinion of the Company's business prospects, the Company's share price would likely decline.

Risks related to the Company's dependence on third parties

Third parties with whom the Company does business may perceive themselves as being exposed to reputational risk by virtue of their relationship with us and may ultimately elect not to do business with us.

The parties with which we do business may perceive that they are exposed to reputational risk as a result of our business activities in certain industry sectors. Failure to establish or maintain business relationships could have a material adverse effect on us.

Risks related to pandemics

Pandemics or national health concerns, including the outbreak of pandemic or contagious diseases, such as COVID-19 (coronavirus), may adversely affect the Company. The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises. In December 2019, COVID-19, a novel strain of coronavirus, was reported to have surfaced in Wuhan, China. On January 30, 2020, the WHO declared the outbreak a global health emergency and on March 11, 2020, the WHO expanded its classification of COVID-19 to a worldwide pandemic following which federal, provincial and municipal governments in Canada began enacting measures to combat the spread of COVID-19. The Company expects to experience some short to medium term negative impacts from the COVID-19 outbreak; however, the extent of such impacts is currently unquantifiable, but may be significant. Such impacts include, with respect to its operations, its suppliers' operations and its customers' operations, forced closures, mandated social distancing, isolation and/or quarantines, impacts of declared states of emergency, public health emergency and similar declarations and could include other increased government regulations, a material reduction in demand for the Company's products and services, reduced sales, higher costs for new capital, licensing delays, increased operating expenses, delayed performance of contractual obligations, and potential supply and staff shortages, all of which are expected to negatively impact the business, financial condition and results of operations of the Company and thus may impact the ability of the Company to comply with financial covenants, and its ability to satisfy its obligations to its lenders and other parties, which may in turn may adversely impact, among other things, the ability the Company to access debt or equity capital on acceptable terms or at all. The risks to the Company of such public health crises also include risks to employee health and safety and a slowdown or temporary suspension of operations in the Company's facilities. Should an employee or visitor in any of the Company's facilities become infected with a serious illness that has the potential to spread rapidly, this could place the Company's workforce and operations at risk. The 2020 outbreak of COVID-19 is one example of such an illness.

OTHER INFORMATION

Additional information on the Company is available on SEDAR at www.sedar.com.