



AGRA VENTURES LTD.
(formerly AGRAFLORA ORGANICS INTERNATIONAL INC.)

Management's Discussion and Analysis

For the Nine Months Ended September 30, 2021 and 2020

(Expressed in Canadian Dollars)

AGRA VENTURES LTD. (formerly AGRAFLORA ORGANICS INTERNATIONAL INC.)
Management's Discussion and Analysis
(Expressed in Canadian Dollars)

Date: November 29, 2021

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of the operating results and financial condition of Agra Ventures Ltd. (formerly AgraFlora Organics International Inc.) ("AGRA" or the "Company") for the nine months ended September 30, 2021 and 2020 should be read in conjunction with the unaudited condensed interim consolidated financial statements and accompanying notes for the nine months ended September 30, 2021 and 2020, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). On July 26, 2021, the Company changed its name to Agra Ventures Ltd. from AgraFlora Organics International Inc..

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, are complete and reliable. The Company's board of directors (the "Board") follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's Audit Committee meets with management quarterly to review the financial statements, the MD&A and to discuss other financial, operating, and internal control matters. The reader is encouraged to review the Company's statutory filing on www.sedar.com.

This MD&A is prepared as at November 29, 2021. All dollar figures stated herein are expressed in Canadian dollars unless otherwise indicated.

Readers should use the information contained in this report in conjunction with all other disclosure documents including those filed on SEDAR at www.sedar.com.

Forward-Looking Statements

Information set forth in this MD&A may involve forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the Company's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology. Forward-looking statements in this MD&A include, but are not limited to: volatility of stock price and market conditions, regulatory risks, difficulty in forecasting, key personnel, limited operating history, competition, investment capital and market share, market uncertainty, additional capital requirements, management of growth, pricing policies, litigation, no dividend history. The risk factors described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company's forward-looking statements. In addition, any forward-looking statements represent the Company's estimates only as of the date of this MD&A and should not be relied upon as representing the Company's estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in MD&A include:

- the Company's use of proceeds and business objectives and milestones and the anticipated time of execution, see "Use of Proceeds";
- the performance of the Company's business and operations;
- the intention to expand the business, operations and potential activities of the Company;
- the methods used by the Company to deliver cannabis;
- the projected increase in production capacity;
- the competitive conditions of the cannabis industry;
- the competitive and business strategies of the Company;

INTRODUCTION (CONTINUED)

Forward-Looking Statements (continued)

- the Company's anticipated operating cash requirements and future financing needs;
- the anticipated future gross revenues and profit margins of the Company's operations;
- the Company's expectations regarding its revenue, expenses and operations;
- impacts of potential litigation;
- the Company's intention to build brands and develop cannabis products targeted to specific segments of the market;
- the ongoing and proposed expansion of the Company's facilities, products or services, including associated costs and any applicable Health Canada licensing;
- the current political, legal and regulatory landscape surrounding medical and recreational cannabis and expected developments in any jurisdiction in which the Company operates or may operate;
- the receipt of any regulatory and stock exchange approvals required at any given time;
- the applicable laws, regulations and any amendments thereof;
- medical benefits, viability, safety, efficacy and dosing of cannabis;
- the expected growth in the number of patients;
- the expected number of grams of medical cannabis used by each patient;
- expectations with respect to the advancement and adoption of new product lines and ingredients;
- the acceptance by customers and the marketplace of new products and solutions;
- the ability to attract new customers and develop and maintain existing customers;
- expectations with respect to future production costs and capacity;
- expectations with respect to the renewal and/or extension of the Company's permits and licenses;
- the ability to protect, maintain and enforce the Company's intellectual property rights;
- the ability to successfully leverage current and future strategic partnerships and alliances;
- the ability to attract and retain personnel;
- anticipated labour and materials costs;
- the Company's competitive condition and expectations regarding competition, including pricing and demand expectations and the regulatory environment in which the Company operates; and
- anticipated trends and challenges in the Company's business and the markets and jurisdictions in which the Company operates or may operate.

The preceding list is not exhaustive of all possible factors. All factors should be considered carefully when making decisions with respect to the Company. Readers should not place undue reliance on the Company's forward-looking statements, as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that such forward-looking statements will materialize. Unless required by applicable securities laws the Issuer disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, see "Risk Factors".

While the Company considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section titled "Risk Factors".

AGRA VENTURES LTD. (formerly AGRAFLORA ORGANICS INTERNATIONAL INC.)
Management's Discussion and Analysis
(Expressed in Canadian Dollars)

OVERVIEW

The Company was incorporated on June 24, 2004 under the laws of the Province of British Columbia.

The Company trades on the Canadian Stock Exchange (the "CSE") under the symbol "AGRA". The Company also trades on the OTC Pink Sheets ("OTCPK") under the symbol "AGFAF" and the Frankfurt Stock Exchange under the symbol "PU3".

The Company is a vertically integrated cannabis company equipped with a robust portfolio of licensed upstream, downstream and product formulation assets. The Company owns and operates an ACMPR licensed indoor cultivation operation in London, ON, and controls a 70% interest in Propagation Service Canada and its large-scale, 2.2 million square foot greenhouse complex in Delta, B.C. The Company's Delta Greenhouse Complex is equipped with 2.2 million square feet of dedicated cultivation area under glass and is widely considered to be one of the most technically advanced and environmentally efficient greenhouse operations in the world.

On September 17, 2021, the Company announced that it has changed its auditor from Dale Matheson Carr-Hilton Labonte LLP to Baker Tilly LLP effective September 17, 2021.

OVERALL PERFORMANCE

During the period ended September 30, 2021, the Company completed the acquisition of 1274744 BC Ltd., settled debts with creditors and amended its convertible debentures through issuance of shares. Also during the period, Agra Ventures Ltd. sold its ownership of SUHM Investments Inc. and AAA Heidelberg Inc. to third parties during the period. As a result of the sale of SUHM Investments Inc., the Company received shares of OrganiGram Holdings Inc. which the Company sold all of during the period. Additionally, the Company subscribed to units of Cult Food Sciences Corp..

Subsequent to the period end, effective on October 1, 2021, the Company entered into a Share Buyback Agreement with JJ Wolf Investments Ltd. ("JJ Wolf") where the Company sold its 50% ownership of JJ Wolf back to JJ Wolf for a purchase price of \$650,000.

Propagation Services Canada

As at September 30, 2021 and the date of this MD&A, the Company controls 70% of PSC's flagship Delta Greenhouse Complex (the "Delta Facility"). The Company's investment in the Delta Greenhouse is widely considered to be one of the most technically advanced and environmentally-friendly greenhouse operations in the World, which boasts industry leading cultivation infrastructure including:

- Fully integrated on-site natural gas-powered power plant;
 - Providing ample heat and electricity, while repurposing carbon dioxide emissions to benefit the plants.
- Proprietary energy efficient air exchange to maintain stable climate conditions;
- Advanced climate and humidity control management infrastructure;
- Ebb and flow watering systems to enhance complete irrigation recapture and water treatment; 1.5-million-gallon hot water storage tank configured to store energy produced during the day, for redistribution during non-peak hours, thereby increasing operational efficiencies and reducing associated energy costs;
- Multistage supplemental lighting augmented by natural sunlight to foster an optimized illumination equilibrium; and,
- Proprietary ERP system to allow for efficient resource management and cost tracking.

OVERALL PERFORMANCE (CONTINUED)

Propagation Services Canada (Continued)

On May 19, 2020, PSC secured a Standard Cultivation License from Health Canada and has commenced cultivation of a curated portfolio of elite live plant genetics. The Delta Facility's first phase represents 422,828 square feet of cultivation space.

During the period, PSC has commenced cultivation using a curated portfolio of live-plant genetics (the "Elite Genetics") with a focus on producing high potency cannabis with attractive strains, while maintaining a low cost. Management anticipates the combination of high potency and low cost will result in a product that is attractive to consumers in the retail and wholesale markets. The Delta facility expects to have the first product available for sale of low-cost high-potency cannabis strains expected this fiscal year on a wholesale basis.

The Elite Genetics at the Delta Facility have been tailored to go to work with PSC's infrastructure and cultivation program and are expected to yield up to 44 varieties of strains to offer the Company's wholesale clients a robust product offering while maintaining strong cannabinoid and terpene content plant yield and crops per year.

On November 23, 2020, the Company announced that the Delta Facility has received an Agriculture Loan (the "Loan") to bring its cannabis cultivation to market and continue Phase 1 of the Company's cultivation strategy. As part of the Loan, the Delta Facility will receive \$5,000,000 which will provide full funding to the licensed cultivation areas and will allow the PSC team to bring their first crop of low cost, high potency cannabis to market, on a wholesale basis, in Q1 2021. The curated portfolio of elite genetics at the Delta facility has been tailored to work with PSC's Delta based infrastructure and utilizing 422,828 sq. ft. of cultivation space with state-of-the-art semi pressurized, semi-open Venlo greenhouses.

On August 30, 2021, the Company announced that it has received the test result from the four successful batches that comprise the recent crop of cannabis grown and harvested at its Delta greenhouse complex. The Company submitted five strain samples – Mimosa, Motor Breath, Purple Punch, Rogue Gelato and Thrive – to an independent, Ontario-based laboratory to test each one for THC content, CBD content and moisture level. For the Mimosa strain, as an example, the THC level was reported to be 21.17%, with accompanying CBD and moisture levels appropriate for the sample. Subject to changing supply and demand dynamics in the market-based pricing environment, AGRA is in the process of determining which strains may be sold as dried bulk flower and which may be sold for use in extracts.

On August 30, 2021, the Company also announced that it has recently engaged Michael Chyczij as its Master Growing Consultant. Based in Vancouver, Mr. Chyczij has been engaged for an initial term of six months to assist AGRA with the development of Boundary Bay Cannabis products at the Delta greenhouse complex. Over his career to date, Michael has served several functions in the cannabis industry. He began experimenting with various cultivation methodologies and growing techniques 25 years ago. Mr. Chyczij's YouTube channel, Green Grow Spaces, focuses on empowering medical patients with the tools required to cultivate cannabis and has over 20,000 subscribers with over 1.5 million views.

On November 15, 2021, the Company announced that PSC has signed a Cannabis Purchase Agreement with an arms length party for the recurring monthly purchase of a defined minimum quantity of cannabis in dried flower form, with a minimum range of THC content, terpenes and other specifications.

AGRA VENTURES LTD. (formerly AGRAFLORA ORGANICS INTERNATIONAL INC.)
Management's Discussion and Analysis
(Expressed in Canadian Dollars)

OVERALL PERFORMANCE (CONTINUED)

The Edibles and Infusions Joint Venture

By way of an executed Asset Purchase Agreement (the "Agreement") with Organic Flower Investments Group Inc. ("Organic Flower") in the prior year, the Company controlled an 80% interest in The Edibles and Infusions Corp. ("Edibles and Infusions"), a joint venture ("JV") with one of North America's largest and most storied manufacturer and distributor of chocolate and sugar confectionary products. Edibles and Infusions was 100% owned by SUHM Investments Inc. ("SUHM").

Development of the Edibles facility was completed on June 3, 2020. On May 28, 2020, Edibles and Infusions submitted its Site Evidence Package for its Standard Processing and Cultivation License to Health Canada.

The Company has received a necessary CRA tax license and is now creating test cannabis edibles products through its Health Canada licensed Research and Development Lab ("R&D Lab") within its Facility.

During the period ended September 30, 2021, the Company's ownership of SUHM was diluted from 100% to 54.18% and ownership of Edibles was diluted from 80% to 43.34% pursuant to the transactions discussed below. On April 6, 2021, the Company sold its remaining ownership of SUHM to a third party.

On February 8, 2021, the Company issued 1,003,871 common shares pursuant to the third amending agreement (the "Third Amending Agreement") with Mulberry Capital Corp. ("Mulberry") related to the Share Purchase Agreement in the prior year. Pursuant to the Third Amending Agreement, the Company is obligated to pay the remaining unpaid portion of the purchase price of the Joint Venture Agreement between SUHM and Quality Confections Canada Ltd. of an aggregate maximum of \$27,500,000 which shall be forgone by Mulberry in consideration for the following:

- the Company transferred a 26.5% ownership interest in SUHM (transferred); and
- the Company issuing 10% of the issued and outstanding shares of the Company to Mulberry on the date that is the later of it issuing shares pursuant to the Joint Venture Agreement and the date it has satisfied its interest payment in common shares to holders of convertible debentures (issued).

On February 11, 2021, SUHM has completed a non-brokered private placement (the "Offering") of 3,270,000 common shares of SUHM ("Common Shares") at a price of \$0.50 per Common Share for gross proceeds of \$1,635,000.

On February 12, 2021, the Company transferred 7,420,875 shares of SUHM to Mulberry pursuant to the third amending agreement.

On March 26, 2021, the Company transferred 2,263,190 shares of SUHM to Mulberry pursuant to the third amending agreement.

Following the completion of the Offering and payment of the consideration under the Amending Agreement, the Company owns approximately 54% of the joint venture comprising the Winnipeg facilities.

On March 1, 2021, the Company acquired equipment for its Winnipeg Edibles Facility through the issuance of 10,000,000 common shares with a fair value of \$500,000 by the acquisition of 1274418 B.C. Ltd.

On April 6, 2021, the Company and the other owners of Edibles closed the transaction to sell Edibles to Organigram Holdings Inc. ("OGI") for consideration of \$22,000,000 in shares of OGI, plus up to \$13,000,000 in shares of OGI, receivable upon Edibles achieving certain earn-out milestones. The milestones include:

- \$3,500,000 to be received in common shares of OGI on first listing prior to December 31, 2021 in either the Ontario or Alberta recreational market of Edibles or Organigram branded product (which was manufactured at the Edibles facility) (received on September 9, 2021);
- \$7,000,000 to be received in common shares of OGI on the successful completion of \$15,000,000 in net revenue during the 12 months ended December 31, 2022;

AGRA VENTURES LTD. (formerly AGRAFLORA ORGANICS INTERNATIONAL INC.)
Management's Discussion and Analysis
(Expressed in Canadian Dollars)

OVERALL PERFORMANCE (CONTINUED)

The Edibles and Infusions Joint Venture (continued)

- \$2,500,000 to be received in common shares of OGI on the generation of \$7,000,000 in adjusted EBITDA for the 12 months ended December 31, 2022.

Pursuant to the terms of the transaction, the Company received 2,186,976 shares of OGI on April 6, 2021 with a fair value of \$9,054,081.

Pursuant to the terms of the transaction, the Company received 450,408 shares of OGI on September 9, 2021 with a fair value of \$1,445,810 for the first earn-out milestone.

During the period ended September 30, 2021, the Company sold all 2,637,384 shares of OGI for gross proceeds of \$9,224,417 and recorded a loss on sale of marketable securities of \$1,275,473.

Upon completion of the sale on April 6, 2021, the Company derecognized SUHM Investments Inc. and recorded a gain on sale of subsidiary of \$205,016.

AAA Heidelberg Inc.

AAA Heidelberg is a licensed cannabis cultivation facility under Health Canada's Access to Cannabis for Medical Purposes Regulations ("ACMPR"). The AAA Heidelberg facility is equipped with five partitioned flower rooms, affording the Company ample canopy earmarked for ultra-premium craft cannabis cultivation. The Company is presently working to import a catalogue of premium craft cannabis genetics into its AAA Heidelberg facility, under a one-time declaration from Health Canada. Upon completion of a test harvest, as well as the associated test crop submissions and approvals from Health Canada, the Company plans to apply for both sales and processing licences at its AAA Heidelberg craft cannabis facility; with the objective of producing finished cannabis form factors for domestic distribution including, soft gels, tinctures, distillates and THC oils.

On April 1, 2021, the Company signed a definitive agreement to sell its wholly-owned subsidiary, AAA Heidelberg Inc. for cash consideration of approximately \$1,000,000.

On May 20, 2021, the Company completed the transaction to sell 100% of the issued and outstanding shares of AAA Heidelberg Inc. to 2752260 Ontario Inc. ("2752260"). The Company received gross proceeds of \$948,168, of which \$25,000 was received in the prior year and recognized a loss on sale of the subsidiary of \$61,878.

The Good Company GmbH

The Company acquired 100% of the issued and outstanding shares of The Good Company GmbH ("The Good Company"). The Good Company is the parent company of German European Union good distribution practice medical cannabis distributor (EU-GDP) Farmako GmbH ("Farmako"). Farmako is a leading European medical cannabis distributor, headquartered in Frankfurt, Germany, with affiliated companies in the United Kingdom, Luxembourg and Denmark.

This acquisition expedited the Company's entrance into the European cannabis theatre by arming the Company with existing cannabis distribution infrastructure, supply and licenses/certifications, all while equipping the Company with experienced European cannabis operators. The combined AgraFlora-Farmako entity will function as a high-margin European distribution hub for the Company's medical cannabis flower and EU-GMP certified manufactured cannabis products produced from its Delta Greenhouse Facility, AAA Heidelberg craft cannabis facility and 27,000 square foot Scarborough, Ontario cultivation and processing facility.

In 2020, Farmako secured a special authorization from the German Federal Institute for Drugs and Medical Device for the distribution of medical cannabis flowers that have undergone an ionizing radiation treatment. Farmako can now import for sale in Germany medical cannabis that is EU-GMP certified.

OVERALL PERFORMANCE (CONTINUED)

The Good Company GmbH (Continued)

In 2020, Famako secured an additional supply of EU-GMP Cannabis by execution of the binding supply agreement with ZenPharm Ltd., a subsidiary of Zenabis Global Inc. (TSX: ZENA). Pursuant to the Supply Agreement, ZenPharm will supply EU-GMP quality medical cannabis flower cultivated by Zenabis to Farmako for distribution to medical cannabis patients in Germany. The agreement is intended to facilitate the distribution of 1,500 kilograms of cannabis flower by Farmako in Germany over a 3 year term. Farmako will distribute the products its established network of German pharmacies. The products will carry Farmako's branding, an important step in building brand awareness and loyalty with physicians, pharmacists and patients. The products initially include high potency THC flower and balanced THC and CBD flower, two product categories that management believes are in highest demand in Germany.

On April 12, 2021, Farmako has begun supplying STADAPHARM GmbH ("STADAPHARM") with its proprietary THC Testkits (the "THC Testkits"). The THC Testkits were developed and produced by Farmako in-house and will be supplied to STADAPHARM as a tool for pharmacists to detect THC and identify medical cannabis flowers and extracts in an easy, quick and cost-efficient way. STADAPHARM, which is responsible for the Specialty Pharmaceuticals business within the STADA Group, will be entering the medical cannabis market in the second quarter of 2021. The company will launch its own THC-containing cannabis flower products and extracts and will also offer the THC Testkits, developed and produced by Farmako, along with its own products to pharmacists for the identity testing of medical cannabis.

On October 14, 2021, Farmako has expanded its portfolio of cannabis identity testing kits to now offer a model (the "New Testkit") that tests for both tetrahydrocannabinol ("THC") and cannabidiol ("CBD"). The New Testkit is validated for a broad range of cannabis products, which differentiates it from other available tests, and facilitates the identity testing of different types of cannabis medicines and active pharmaceutical ingredients. It is also cheaper than obtaining test results via thin layer chromatography. Each unit combines the testing of both THC and CBD and contains all required material for testing the identity of cannabis in compliance with German pharmacy regulations. While waiting for the result of the THC test, which works with a test strip and a ready-to-use test solution, the CBD test can be conducted via a color test in a second ready-to-use test solution. This sequence saves pharmacists valuable time and each New Testkit also contains a test protocol that can be used by pharmacists for documentation purposes. The specificity of the New Testkit has been validated by an independent laboratory for THC dominant, CBD-dominant, THC/CBD balanced flowers, different cannabis extracts, Dronabinol and CBD isolate. This validation process makes Farmako's New Testkit the broadest applicable testkit in the German market.

On November 18, 2021, Farmako has conducted the first commercial import of cannabis extracts from Poland to Germany, which is the largest medical cannabis market in Europe. The cannabis is grown completely without the use of pesticides and is extracted according to highest industry standards under strict quality control at the EU GMP facility. Separately, Farmako has recently signed a large wholesale contract for its THC testkits with a cannabis producer that will offer the testkits together with their own cannabis products.

Health Canada Licensing

The Company and its associated principal subsidiaries have the following licenses:

- Standard cultivation and processing license at the Delta Greenhouse Facility;
- Industrial hemp license at its 2.2 million square foot Delta Greenhouse Facility;
- Standard cultivation license at its Sustainable Growth Strategic Facility (Sanna);
- Standard processing license at its Sustainable Growth Strategic Facility (Sanna); and,
- Medical sales license at its Sustainable Growth Strategic Facility (Sanna).
- Standard cultivation license at its Canutra Facility; and,

AGRA VENTURES LTD. (formerly AGRAFLORA ORGANICS INTERNATIONAL INC.)
Management's Discussion and Analysis
(Expressed in Canadian Dollars)

OUTLOOK

Agra's operating portfolio affords the company unmatched Cannabis 2.0 optionality as the industry continues to mature. As Propagation Services Canada engaged Mr. Chyczij as its Master Growing Consultant and signed the Cannabis Purchase Agreement during the year, it continues its momentum towards commercial sales. The first commercial crop for commercial sale included three proprietary strains: Mimosa 37, Kosher Kush and Gelato. These strains have been selected for their strong demand in Canada's dried flower market, as well as their growing attributes within the greenhouse environment which align with their low-cost high-THC cannabis attributes. PSC has gathered valuable data from crops grown to date and continues to develop and strategize to further aid in its positioning as a leader in low-cost product.

PSC will be optimizing its propagation operations by fine-tuning its climate strategy to produce healthy, rooted cuttings more quickly with high-success-rate monitoring irrigation mixtures to produce custom nutrient formulations for each stage of plant growth. By developing novel production strategies, PSC can maximize yield per square metre with minimal labour costs leveraging best growing practices and experience in vegetable cultivations and applying to them to its cannabis operation.

EQUITY TRANSACTIONS

On February 8, 2021, the Company issued 1,003,871 common shares with a fair value of \$6,023,229 pursuant to the third amending agreement with Mulberry.

On February 11, 2021, the Company issued 7,469 common shares with a fair value of \$84,032 to consultants to settle debt for prior services valued at \$56,021 and recorded a loss on debt settlement of \$28,011.

On February 11, 2021, the Company issued 133,333 common shares with a fair value of \$1,500,000 pursuant to a settlement agreement with Farmako GmbH to settle the floor protection derivative liability of \$10,138,772 and contingent consideration of \$5,000,000 resulting in a gain on settlement of \$13,638,772.

On February 11, 2021, the Company issued 331,119 common shares with a fair value of \$1,500,000 to 10026310 Manitoba Ltd. pursuant to the terms of a joint venture agreement among SUHM, Quality Confections Canada Ltd., the Edibles and Infusions Corporation, and 10026310 Manitoba Ltd. dated October 16, 2018. The Company offset this amount with obligation to issue shares.

On February 11, 2021, the company issued 360,000 common shares with a fair value of \$4,050,000 pursuant to the Term Sheet with debenture holders of convertible debentures pursuant to the Amended Debentures to satisfy the aggregate interest of \$2,700,000 owing on December 31, 2020. The Company recorded a loss on debt settlement of \$1,350,000.

On February 22, 2021, the Company issued 9,467 common shares with a fair value of \$92,301 to settle \$71,001 of debt with certain creditors, resulting in a loss on debt settlement of \$21,300.

On March 1, 2021, the Company issued 66,667 common shares with a fair value of \$500,000 to acquire the net assets of 1274418 B.C. Ltd..

On March 2, 2021, the Company issued 298,374 common shares on a debenture conversion pursuant to the Term Sheet of the Amended Debentures. The conversion settled a total of \$2,000,000 of the face value of the debenture, and interest of \$29,041. The shares were issued at a fair value of \$2,461,589 and the Company recorded a loss on debt settlement of \$432,548.

On March 10, 2021, the Company issued 298,374 common shares on a debenture conversion pursuant to the Term Sheet of the Amended Debentures. The conversion settled a total of \$2,000,000 of the face value of the debenture, and interest of \$35,616. The shares were issued at a fair value of \$2,014,027 and the Company recorded a gain on debt settlement of \$21,589.

AGRA VENTURES LTD. (formerly AGRAFLORA ORGANICS INTERNATIONAL INC.)
Management's Discussion and Analysis
(Expressed in Canadian Dollars)

EQUITY TRANSACTIONS (CONTINUED)

On March 25, 2021, the Company issued 298,374 common shares on a debenture conversion pursuant to the Term Sheet of the Amended Debentures. The conversion settled a total of \$2,000,000 of the face value of the debenture, and interest of \$43,836. The shares were issued at a fair value of \$1,790,247 and the Company recorded a gain on debt settlement of \$253,589.

On April 19, 2021, the Company issued 81,813 common shares with a fair value of \$368,160 to settle debt of \$1,525,500 pursuant to a mutual release agreement for past services performed. The Company settled \$200,000 by payment of cash, and recorded a gain on debt settlement of \$957,340.

On May 28, 2021, the Company settled debts to certain creditors of \$262,500 for consulting fees and other liabilities incurred by the Company for 35,000 common shares of the Company with a fair value of \$131,250. The Company recorded a gain on debt settlement of \$131,250.

On May 28, 2021, the Company settled debts of \$32,874 owing for services to a consultant through the issuance of 4,383 common shares of the Company with a fair value of \$16,437. The Company recorded a gain on debt settlement of \$16,437.

On May 28, 2021, the Company settled debts of \$146,900 for amounts owing for services to a consultant with respect to arranging the sale of AAA Heidelberg Inc. through the issuance of 11,587 common shares of the Company with a fair value of \$43,450 to pay for \$86,900 of the debt. The remaining amount of \$60,000 was paid in cash. The Company recorded a gain on debt settlement of \$43,450.

On July 20, 2021, the Company settled debts of \$40,190 owing for services to a consultant through the issuance of 5,359 common shares of the Company with a fair value of \$16,072. The Company recorded a gain on debt settlement of \$24,118.

SUMMARY OF QUARTERLY RESULTS

Quarter Ended	Total Assets (S)	Revenue (S)	Comprehensive Income (loss) for the period (S)	Income (loss) per Share (Basic & Diluted) (S)
December 31, 2019	107,616,669	3,888	(44,708,868)	(10.30)
March 31, 2020	137,144,917	365,035	(9,689,125)	(1.44)
June 30, 2020	140,005,787	457,344	(7,087,545)	(0.83)
September 30, 2020	138,813,735	420,732	(5,091,944)	(0.52)
December 31, 2020	61,732,883	248,567	(81,326,463)	(8.49)
March 31, 2021	63,699,380	306,220	2,242,443	0.21
June 30, 2021	49,726,879	285,638	(3,576,877)	(0.30)
September 30, 2021	47,675,400	775,175	(369,102)	(0.03)

Fluctuations in assets are mostly due to cash from financing activities and the acquisition of certain businesses and assets during a specific quarter. The amount and timing of expenses and availability of capital resources vary substantially from quarter to quarter, depending on the availability of funding from investors or collaboration partners. The Company's revenues continue to grow as it develop its products for commercial sale.

RESULTS OF OPERATIONS

The Company's loss for the nine months ended September 30, 2021 was \$1,690,536 compared to a loss of \$21,503,081 for the nine months ended September 30, 2020. In general, for the comparative period ending September 30, 2020, the Company incurred higher expenditures primarily attributable to costs related to acquisitions, production costs and share-based payments. Further, in the current period the Company recorded gains on debt settlement, gain on write-off of accounts payable, gains on disposal of property, plant and equipment, gains on loans payable, government grant revenue, and royalty revenues. The previous period is therefore not indicative of the current period and therefore does not provide the reader with an appropriate benchmark to evaluate performance year over year. Explanations of the nature of costs incurred, along with explanations for those changes in costs are discussed below for the period ended September 30, 2021.

- Professional fees decreased to \$1,381,287 from \$1,853,950. During the period ended September 30, 2020, the Company prepared to acquire two wholly owned subsidiaries resulting in increased professionals during the due diligence phase. The Company incurred legal, accounting, and other professional fees associated with the acquisitions. In the current period, the Company completed one acquisition and incurred costs relating to transactions for the sale of its subsidiaries.
- Consulting and management fees decreased to \$1,079,269 from \$4,511,115 as in the previous year, the Company hired consultants and various fees in connection with the acquisitions in 2020. The decrease reflects the completion of the acquisitions in the prior year. The Company relies heavily on Consultants to achieve its goals on all facets of business and these industry consultants bring a wide range of expertise and connections to the Company. Consultants include Management, Product Development Advisors, Technical Support and other support roles. The Company continues to receive unrivalled support from its best-in-class joint-venture partners and industry consultants. The Company owns a state of the art Cannabis production facility in Canada and a significant portion of the expenditures relates to consulting fees paid to various vendors on the development of the project as well as negotiations for the other downstream assets purchased during the period.
- Amortization decreased to \$211,025 from \$569,051 as the recorded impairment on its property, plant and equipment in the prior year. The Company incurred the vast majority of amortization due to accounting treatment under IFRS 16 – leases, and the Company amortized its right-of-use lease assets. The remainder of amortization expense is from amortization of property plant and equipment and intangible assets. Additionally, the Company sold one of its subsidiary during the current year which reduces the amortization expenditures of the right-of-use lease asset.
- Investor communications fees decreased to \$Nil from \$23,184 as the Company focused more efforts to raise investor awareness in the prior year during its various acquisitions in the prior year.
- Development and compliance expense decreased to \$36,401 from \$200,443. Development and compliance expenses incurred relate to the Company's costs to ensure it is compliant with the various jurisdictions of its operations. More compliance costs were incurred in the prior year related to the transactions that occurred.
- Corporate development expense decreased to \$179,886 from \$897,947. Corporate development consists of expenses incurred to increase the Company's global brand awareness and presence in the Cannabis industry in multiple countries. Fiscal year 2020 was a crucial year for the Company, with the Company completing numerous acquisitions during and subsequent to the period. During the period ended September 30, 2021, the Company has reduced its corporate development expense as a cost-cutting measure.
- Office and sundry expenses decreased to \$176,670 from \$488,713, the decrease is related to cost-cutting measures that the Company has employed.
- Wages and salary decreased to \$487,307 from \$1,115,163 as the Company recovered some costs of wages and salaries per the Supply Agreement with Farma C relating to the sale of SGSC in the prior year.
- Regulatory and transfer agent fees decreased to \$120,563 from \$183,846 as a result of the Company's preparations in the prior period to complete regulatory filings for its acquisitions.
- Rent recoveries increased to \$98,214 from rent expenses of \$72,180 in the prior period as a result of the Company's Supply Agreement with Farma C relating to the sale of SGSC in the prior year.

RESULTS OF OPERATIONS (CONTINUED)

- Share based compensation decreased to \$Nil from \$2,611,683 as the Company did not grant stock options to directors, officers and consultants and completed various acquisitions through share-based transactions during the period ended September 30, 2021. The Company uses share-based compensation as an alternative to incentivize the management team to return shareholder wealth and as an alternative form of payment to preserve cash.
- Transaction costs increased to \$6,023,229 from \$5,898,353 and consists of non-cash transaction paid for costs of prior year acquisitions of Organic Flower. In the prior year, the Company's costs of acquisitions related to Sanna and TGC.
- Other general and operating costs decreased to \$176,779 from \$273,291 and consist mostly of operating activities in Europe.
- Research and development costs decreased to \$Nil from \$389,075 as the Company completed several acquisitions and continued to develop its products to be ready for sale in the prior year but only completed one acquisition in the current period.
- The Company incurred decreased production costs of \$28,193 from \$272,559 mostly related to its manufacturing facility in Winnipeg for edible productions during the prior period. In the current period, these costs were not incurred and the Company sold its subsidiary.
- The Company incurred property taxes and fees of \$304,882, and increase from \$112,792 in the prior period which are related to the properties owned by its subsidiaries during the period ended September 30, 2021.
- The Company recognized a fair value movement gain on convertible loan receivable of \$Nil compared to a gain of \$4,553,743 in the prior period. The decrease relates to the write-off of the loan receivable in the prior year.
- Loss on equity accounted investments increased to \$3,919,711 from \$1,821,447 as a result of equity accounted investments reporting higher losses.
- The Company recorded \$15,141,049 gain on debt settlement (2020: \$404,690) as a result of settling debts with certain creditors during the period ended September 30, 2021 and convertible debenture holders converting their debentures to shares of the Company.
- The Company earned revenues of \$775,175 from \$1,243,111 from sale of consumer cannabis products, which had costs of \$420,817 and \$772,409 respectively. In the current period, the Company has been able to reduce costs and improve its profit margin despite lower revenues.
- The Company wrote-off accounts receivable of \$19,180 (2020: \$875,011) primarily due to the CRA denying the Company of GST/HST claims.
- The Company recorded \$537,264 for write-off of accounts payable (2020: \$29,039) as a result of the Company deeming that certain amounts will not be paid.
- The Company recorded interest income of \$473,375 (2020: \$6,312) as a result of interest earned on its loan receivables during the year.
- The Company recorded a gain on loan payable of \$19,546 (2020: \$Nil) related to a gain on the loans received from JJ Wolf.
- The Company recorded government grant revenue of \$68,282 (2020: \$Nil) as a result of the Company receiving government CEBA loans during the year ended December 31, 2020 and recording the revenue earned during the period. Additionally, the Company repaid one of its loans and recognized the government grant revenue on repayment in the current period.
- The Company recorded royalty revenues of \$128,356 (2020: \$Nil) as a result of the Royalty Agreement with Farma C relating to the sale of SGSC in the prior year.
- The Company recorded a loss on sale of marketable securities of \$1,275,473 (2020: \$Nil) as a result of selling the OGI shares received for the sale of SUHM Investments Inc.
- The Company recorded a loss on dilution of ownership in subsidiary of \$210,494 (2020: \$Nil) as a result of partial sale of its ownership in SUHM Investments Inc. to 54.18% during the period.
- The Company recorded a gain on sale of subsidiary of \$1,638,948 (2020: \$Nil) as a result of the sale of its remaining ownership in SUHM Investments Inc. to OGI and the sale of 100% of its shares of AAA Heidelberg Inc. to a third party in the current period.

AGRA VENTURES LTD. (formerly AGRAFLORA ORGANICS INTERNATIONAL INC.)
Management's Discussion and Analysis
(Expressed in Canadian Dollars)

RESULTS OF OPERATIONS (CONTINUED)

For the three month period ending September 30, 2021, the Company had a loss of \$358,970 compared to a loss of \$5,091,944 in the comparative period. The difference is attributable to higher finance and other costs, higher professional fees, and losses related to the write-off of accounts receivable, write-off of prepaid expenses and write-down of assets in the prior year comparative period. In the current year, the Company had gains on disposal of property, plant and equipment, and gain on sale of subsidiaries and lower operating expenditures.

Below is a break-down of the various consulting fees incurred by the Company:

	Nine-month period ended September 30,	
	2021	2020
	\$	\$
Management fees	426,258	1,696,712
Research and development consulting fees	-	208,388
Advisory and business development consulting fees	599,850	2,282,284
Marketing consulting fees	53,161	313,581
Security consulting fees	-	10,150
Total	1,079,269	4,511,115

REVENUE AND COST OF SALES ANALYSIS

	Nine-month period ending September 30	
	2021	2020
	\$	\$
Sales	775,175	1,243,111
Cost of goods sold	(420,817)	(772,409)
Gross profit	354,358	470,702
Gross profit %	46%	38%

- The Company sales include various hemp health products and cannabis to pharmacies, medical and recreational customers. The majority of the sales were earned in the Company's subsidiary, The Good Company GmbH.
- Cost of goods sold include all expenditures related to the products. This includes ingredients and manufacturing costs, as well as cost of purchasing the products.
- The Company's revenues decreased to \$775,175 from \$1,243,111 in the prior period. The Company has a gross profit of 46% which reflects the Company's growth and initiation of sales during the current fiscal year. The increase indicates that the Company was able to reduce its costs in the current period and improved its overall profits.

LIQUIDITY

Liquidity and Capital Resources

The financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to execute the Company's business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise the Company's business programs depending on its working capital position.

AGRA VENTURES LTD. (formerly AGRAFLORA ORGANICS INTERNATIONAL INC.)
Management's Discussion and Analysis
(Expressed in Canadian Dollars)

LIQUIDITY (CONTINUED)

Liquidity and Capital Resources (Continued)

The Company has financed its operations to date through the issuance of common shares.

	September 30, 2021	December 31, 2020
	\$	\$
Working capital (deficit)	3,064,509	(24,519,416)
Total liabilities	25,706,459	58,004,320
Deficit	(202,872,015)	(207,377,315)

Other than the above-mentioned current liabilities, the Company has no short-term capital spending requirements and future plans and expectations are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company's future revenues, if any, are expected to be from the sale of hemp and cannabis and their related derivatives. The economics of developing and producing cannabis are affected by many factors including the cost of operations, variations in the quality of cannabis, and the price of cannabis and related derivatives. There is no guarantee that the Company will be able to successfully develop its production facilities and distribution channels.

Liquidity and Capital Resources – Cash Flow

Operating Activities:

During the period ended September 30, 2021, \$10,764,300 (2020 - \$4,817,459) cash was used in operating activities. This consisted mainly of cash paid for consulting, corporate development, and day to day expenditures related to the various transactions and acquisitions completed during the period. In the comparative period, extensive due diligence was performed for the acquisitions completed in the prior year. The Company spent more cash in the current period to pay vendors, repay creditors and also incurred costs for completion of its subsidiary sales.

Financing Activities:

During the period ended September 30, 2021, \$1,010,039 cash was provided by financing activities (2020 - \$12,043,885). The Company repaid lease liabilities of \$246,129 and received loan proceeds of \$308,000, and received cash of \$948,168 for the sale of AAA. In the prior year the Company acquired an additional lease through its acquisition of Sanna. In the comparative period, the Company issued convertible loans for gross proceeds of \$9,770,000, received government loans of \$120,000, received loans of \$95,000 of which \$80,000 was repaid during the period, issued shares for gross proceeds of \$2,420,250 and repaid lease liability of \$281,365 as a result of implementation of IFRS 16.

AGRA VENTURES LTD. (formerly AGRAFLORA ORGANICS INTERNATIONAL INC.)
Management's Discussion and Analysis
(Expressed in Canadian Dollars)

Liquidity and Capital Resources – Cash Flow (Continued)

Investing Activities:

During the period ended September 30, 2021, \$13,853,160 was received from investment activities (2020 - \$11,076,413 used in). This primarily consists of equipment recoveries of \$5,171,877, purchase of patents of \$46,000, purchase of marketable securities of \$500,000, sale of OGI shares received from the sale of SUHM of \$9,224,417, and receipt of corporate tax refunds of \$2,866. The Company is working on funding the needs of the Company's subsidiaries. In the Comparative period, the Company made payments on investments made in PSC of \$5,005,136, and property plant and equipment of \$6,421,277 and received a dividend payment of \$350,000.

Management's current strategy is to continue vertical integration through acquisition and partnership with different companies. The Organic Flower acquisition in Q2 and Q3 2019 and the Sanna and The Good Company acquisitions in 2020 has made the company truly vertically integrated and will allow the Company to achieve high margins on the sales of cannabis as well as expand the company's distribution capabilities. Edible prices generate extremely attractive margins and this market segment will allow the company to be very profitable. The edibles industry in the US and Canada is expected to double in the next 3 years and the Company through the Organic Flower acquisition now has assets in every part of the value chain. The Company will also issue shares to raise funds as necessary.

In the event that proceeds from any future financings are insufficient to cover planned expenditures, Management will allocate available resources in such manner as deemed to be in the Company's best interest. This may result in a significant reduction in the scope of existing and planned operations.

These financial statements do not reflect any adjustments related to the recoverability and classification of assets or the amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

PROPOSED TRANSACTIONS

The Company does not currently have any proposed transactions approved by the Board of Directors. All current transactions are fully disclosed in the consolidated financial statements for the period ended September 30, 2021.

INVESTOR RELATIONS

The Company has not entered into any investor relations contracts and all investor relation activity is carried out by directors and officers of the Company.

COMMITMENTS

During the year ended December 31, 2019, the Company entered into Supply Agreement with Vendure Genetics Labs Inc. ("Vendure") to purchase from Vendure certain plants, plant matter, related plant-based products and Vendure's right, title and interest, including the intellectual property rights in the products for a purchase price of \$200,000 (paid) and 281,690 common shares (issued with a fair value of \$146,478). Under the agreement, the Company is committed to issue a further \$200,000 worth of common shares at the time of awarding Cannabis Cultivation license, and a further number of shares equal to \$150,000 per year on each of March 31, 2020, March 31, 2021, March 31, 2022, and March 31, 2023. During the year ended December 31, 2020, the Company terminated the agreement with Vendure and settled \$220,000 of debt with the issuance of 4,000,000 common shares and recorded a gain on debt settlement of \$10,000.

During the year ended December 31, 2019, the Company entered into a Lease Agreement for a leased facility in Manitoba. On April 6, 2021, the Company sold its subsidiary and no longer has commitments for lease amounts subsequent to the sale.

AGRA VENTURES LTD. (formerly AGRAFLORA ORGANICS INTERNATIONAL INC.)
Management's Discussion and Analysis
(Expressed in Canadian Dollars)

COMMITMENTS (CONTINUED)

During the year ended December 31, 2020, the Company acquired from Sanna a right-of-use asset for a leased manufacturing facility in Ontario. The lease expires on December 31, 2029 with option to extend the lease term of two additional terms of five years each and has the following estimated annual payments:

April 2021 – December 2022	\$225,000 per annum
January 2023 – December 2024	\$240,000 per annum
January 2025 – December 2026	\$255,000 per annum
January 2027 – December 2029	\$270,000 per annum

Legal Claims

The Company has legal claims related to Sanna Health Corp.'s past termination of its former President and CEO who was terminated before Sanna was acquired by the Company for cause due to dereliction of duties. The former President and CEO is claiming accrued and unpaid amounts of \$137,976, total damages of \$1,300,000, and entitlement of 6,000,000 restricted share units and 6,800,000 fully-vested shares (with strike price of \$0.16) in Sanna Health Corp., and punitive damages of \$250,000. The Company believes these claims are without merit and will vigorously defend itself.

Release of Claims

On March 17, 2021, an arm's length consultant (the "Consultant") acknowledges receipt and sufficiency of the payment of \$27,500 ("settlement amount") from the Company and/or AAA, and the issuance of 370,106 common shares of the Company (issued in the prior year). The Consultant hereby irrevocably release the Company and AAA and their respective officers, directors, shareholders, agents from any and all claims, liens, demands, contracts, debts, actions, and causes of action that the Consultant has, shall, or may have in connection with:

- i) the design and construction of a medical marijuana facility;
- ii) the agreement for consulting, construction and design services and;
- iii) the Claim for Lien registered by the Consultant against the Project Lands on April 16, 2020

Mortgages Payable

During the period ended September 30, 2021, the lender of the Company's mortgages payable has called the mortgages by way of Power of Sale, in which the lender will sell the property, repay themselves and send any amounts in excess of the loan and fees to the Company. The lender may also Foreclose on the property, in which the Company would not receive any excess. The property was listed for sale by the lender, and the Company has filed a legal claim against the lender. On June 4, 2021, the Company sold its property in Ontario for a discharge of its mortgage to the lender of the mortgage for \$1,871,242 paid by the purchaser and recorded a gain on sale of assets of \$931,722. Additionally, pursuant to the sale, the Company's promissory note of \$350,000 was cancelled on closing of the sale of the property. On July 15, 2021, the Company's legal action against the lender was discontinued.

AGRA VENTURES LTD. (formerly AGRAFLORA ORGANICS INTERNATIONAL INC.)
Management's Discussion and Analysis
(Expressed in Canadian Dollars)

CONTINGENT LIABILITY

On May 18, 2011, the Company received an order granted by a court in Lima, Peru indicating that the Company is responsible for a debt of US\$209,403 incurred by a former subsidiary of the Company. The Company did not receive notice of the Peruvian legal proceedings and is seeking advice concerning an application to set aside the order. The Company retained Peruvian legal counsel who advised that the Company is not responsible for this obligation.

The most recent contact from Peru indicates that the order has been dropped but the Company has not received formal notice of such release. No amounts have been recorded in the Company's books and records regarding this issue.

RELATED PARTY TRANSACTIONS

The Directors and Executive Officers of the Company as of the date of this report are as follows:

Elise Coppens	CEO, Director
Fiona Fitzmaurice	CFO, Director
Brandon Boddy	Former CEO and Chairman and Corporate Secretary
Peter Nguyen	Former CFO
Brian O'Neill	Director
Jerry Habuda	Director
Joseph Perino	Director
Christopher Hornung	Former Director

On May 1, 2021, the Company appointed Fiona Fitzmaurice as the new Chief Financial Officer and on October 26, 2021, the Company also appointed Fiona Fitzmaurice as a Director.

The Company has identified the directors and senior officers as key management personnel. The following table lists the compensation costs paid directly or to companies controlled by key management personnel for the periods ended September 30, 2020 and 2021:

	Period ended September 30, 2021	
	Consulting and Management Fees	Share-based Compensation
	\$	\$
Consulting fees paid/accrued to a private company controlled by the former CFO	42,500	-
Consulting fees paid/accrued to a private company controlled by the CFO	22,600	-
Consulting fees paid/accrued to a private company controlled by the CEO	158,200	-
	223,300	-

AGRA VENTURES LTD. (formerly AGRAFLORA ORGANICS INTERNATIONAL INC.)
Management's Discussion and Analysis
(Expressed in Canadian Dollars)

RELATED PARTY TRANSACTIONS (CONTINUED)

	Period ended September 30, 2020	
	Consulting and Management Fees	Share-based compensation
	\$	\$
Legal fees paid/accrued to a private company controlled by a director	7,950	56,433
Directors	-	112,866
Consulting fees paid/accrued to a former director	66,000	-
Consulting fees paid/accrued to a company controlled by the former Corporate Secretary	34,978	-
Consulting fees paid/accrued to a private company controlled by the former CFO	56,000	-
Consulting fees paid/accrued to a private company controlled by the former CEO	180,000	135,440
	365,428	304,739

Amounts due to and due from related parties are unsecured, non-interest bearing and due on demand. At September 30, 2021, \$84,878 (December 31, 2020 - \$165,778) is owing to related parties for unpaid fees which are included in accounts payable and accrued liabilities.

CONFLICTS OF INTEREST

The Company's directors and officers may serve as directors or officers, or may be associated with other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (BC) ("Corporations Act") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and in the best interest of the Company.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value of financial instruments

The carrying values of cash, amounts receivable, advances to related parties, loans receivable, accounts payable and accrued liabilities, and advances from related parties approximate their carrying values due to the immediate or short-term nature of these instruments.

IFRS 13, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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 cash, marketable securities and accounts payable and accrued liabilities are measured using level 1 inputs.

AGRA VENTURES LTD. (formerly AGRAFLORA ORGANICS INTERNATIONAL INC.)
Management's Discussion and Analysis
(Expressed in Canadian Dollars)

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Fair value of financial instruments (Continued)

The following is an analysis of the Company's financial assets measured at fair value as at and December 31, 2020 and September 30, 2021:

	As at September 30, 2021		
	Level 1	Level 2	Level 3
Cash	\$ 4,365,102	-	-
Marketable securities	\$ 500,000	-	-
Derivative liabilities	-	-	\$ 28

	As at December 31, 2020		
	Level 1	Level 2	Level 3
Cash	\$ 274,390	-	-
Derivative liabilities	-	-	\$ 10,138,800
Contingent consideration	-	-	\$ 5,000,000

Financial risk management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist primarily of cash, convertible debentures receivable and loans receivable. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada.

The loans receivable and convertible debentures receivable expose the Company to credit risk and the Company has limited this exposure by securing one of the loans with collateral; the other loan is unsecured. The convertible debentures receivable is convertible into shares of the entity.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments and with the construction of its cannabis facilities in Ontario and British Columbia. The Company manages liquidity risk by maintaining adequate cash balances.

The Company's expected source of cash flow in the upcoming year will be through equity financing. Cash on hand at September 30, 2021 and expected cash flows for the next 12 months are sufficient to fund the Company's ongoing operational needs. The Company will need additional funding through equity or debt financing, or a combination thereof, to complete its facilities.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial risk management (Continued)

Interest rate risk

Interest rate risk consists of two components: to the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates. The Company is exposed to interest rate cash flow risk; and to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is not exposed to interest rate risk as its agreements are all done with fixed interest rates.

Current financial assets and current financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency. One of the Company's subsidiary's business is conducted in Euro. As such, the Company is exposed to foreign currency risk in fluctuations among the Canadian dollar, the Euro. Fluctuations in the exchange rate among the Canadian dollar and the Euro may have an adverse effect on the Company's business and financial condition. Fluctuations do not have a significant impact on operating results.

The Company has not entered into any foreign currency contracts to mitigate foreign currency risk.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through a suitable debt and equity balance appropriate for an entity of the Company's size and status. The Company's overall strategy remains unchanged from last year.

The capital structure of the Company consists of equity attributable to common shareholders. The availability of new capital will depend on many factors including positive stock market conditions, and the experience of management. The Company is not subject to any external covenants on its capital.

ADDITIONAL SHARE INFORMATION

On August 27, 2021, the Company completed a share consolidation where all of its issued and outstanding share capital were consolidated on the basis of one (1) post-consolidation share for each one hundred and fifty (150) pre-consolidation common shares of the Company.

As at the date of this MD&A, the Company had 13,388,503 common shares outstanding, 2,329,154 warrants outstanding with exercise prices ranging from \$7.50 to \$75.00 and expiring at various dates to July 8, 2025 and 816,601 stock options outstanding with exercise prices ranging from \$11.25 to \$82.50 and expiring at various dates to April 30, 2025.

On October 15, 2021, the Company issued 203,636 common shares with a fair value of \$159,427 to settle debt of \$162,909 with a consultant of the Company.

On October 21, 2021 the Company issued 189,750 common shares with a fair value of \$166,980 to settle debt of \$151,800 with a consultant of the Company.

On November 22, 2021 the Company issued 8,744 common shares with a fair value of \$5,684 to settle partial debt of \$7,345 with a creditor of the Company for interest payments.

NEW SIGNIFICANT ACCOUNTING POLICIES

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendment clarifies the requirements relating to determining if a liability should be presented as current or non-current in the statement of financial position. Under the new requirement, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing of recognition. The amendment applies retrospectively for annual reporting periods beginning on or after January 1, 2022. The Company is currently evaluating the potential impact of these amendments on the Company's consolidated financial statements.

OTHER RISKS AND UNCERTAINTIES

In conducting its business, the Company is subject to a number of other risks and uncertainties that could have a material adverse effect on the Company's business prospects or financial condition that could result in a delay or indefinite postponement in the development of the Company's interests.

Going concern

The Company's financial statements 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. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its on-going commitments.

Risks Related to the Company's Business

This section discusses factors relating to the business of Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

Reliance on Licensing

The ability of the Company to continue its business of growth, storage and distribution of medical marijuana is dependent on the good standing of all licenses, including the licenses to produce and sell cannabis and hemp derivatives, and adherence to all regulatory requirements related to such activities. Any failure to comply with the terms of the licenses, or to renew the licenses after their expiry dates, would have a material adverse impact on the financial condition and operations of the business of the Company.

Although the Company believes that it will meet the requirements of future extensions or renewals of the licenses, there can be no assurance that the regulating bodies will extend or renew the licenses, or if extended or renewed, that they will be extended or renewed on the same or similar terms. Should the regulatory bodies not extend or renew the licenses, or should they renew the licenses on different terms, the business, financial condition and operating results of the Company would be materially adversely affected.

OTHER RISKS AND UNCERTAINTIES (CONTINUED)

Change in Law, Regulations and Guidelines

The Company's business is subject to a variety of laws, regulations and guidelines relating to marketing, distribution, cultivation, management and sale and disposal of medical marijuana but also laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines may cause adverse effects to the Company's operations. The Liberal Party of Canada, which has formed the current federal Government of Canada, has made electoral commitments to legalize, regulate and tax recreational cannabis use in Canada. On April 13, 2017, the Government of Canada introduced the Cannabis Act. On June 19, 2018, Prime Minister Justin Trudeau announced that the Cannabis Act and its regulations will come into force in Canada on October 17, 2018, in order to provide the provinces and territories time to prepare for retail sales. The Cannabis Act passed its final legislative step and received Royal Assent on June 21, 2018. The legislative framework pertaining to the Canadian recreational cannabis market will be subject to significant provincial and territorial regulation.

Regulatory Risk

Achievement of the Company's business objectives are contingent, in part, upon compliance with the regulatory requirements, enacted by these government authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by government authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Company's business, results of operation and financial condition.

Realization of Growth Targets

The Company's ability to produce marijuana is affected by a number of factors, including plant design errors, non-performance by third party contractors, increases in materials or labour costs, construction performance falling below expected levels of output or efficiency, environmental pollution, contractor or operator errors, breakdowns, aging or failure of equipment or processes, labour disputes, as well as factors specifically related to indoor agricultural practices, such as reliance on provision of energy and utilities to the facility, and potential impacts of major incidents or catastrophic events on the facility, such as fires, explosions, earthquakes or storms.

Limited Operating History and No Assurance of Profitability

The Company is subject to all of the business risks and uncertainties associated with any early-stage enterprise, including under-capitalization, cash shortages, limitation with respect to personnel, financial and other resources, and lack of revenues. The Company has incurred operating losses in recent periods. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future.

In addition, the Company expects to continue to increase operating expenses as it implements initiatives to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of the early stage of operations.

Unfavorable Publicity or Consumer Perception

The success of the medical marijuana industry may be significantly influenced by the public's perception of marijuana's medicinal applications. Medical marijuana is a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to medical marijuana will be favorable. The medical marijuana industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical marijuana is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of medical marijuana may have a material adverse effect on our operational results, consumer base and financial results.

OTHER RISKS AND UNCERTAINTIES (CONTINUED)

Additional Financing

There is no guarantee that the Company will be able to execute on its strategy. The continued development of the Company may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business strategy or the Company ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other Companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may contain provisions, which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Company's ability to pursue its business objectives.

Uninsured or Uninsurable Risk

The Company may be subject to liability for risks against which it cannot insure or against which the Company 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 normal business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position and operations.

Key Personnel

The Company's success will depend on its directors' and officers' ability to develop and execute on the Company's business strategies and manage its ongoing operations, and on the Company's ability to attract and retain key quality assurance, scientific, sales, public relations and marketing staff or consultants now that production and selling operations have begun. The loss of any key personnel or the inability to find and retain new key persons could have a material adverse effect on the Company's business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense, and no assurance can be provided that the Company will be able to attract or retain key personnel in the future, which may adversely impact the Company's operations.

Strategic Alliances

The Company currently has, and may in the future enter into, strategic alliances with third parties that the Company believes will complement or augment its existing business. The Company's 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 integration obstacles or costs, may not enhance our business, and may involve risks that could adversely affect the Company, 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 the Company's existing strategic alliances will continue to achieve, the expected benefits to the Company's business or that the Company 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 the Company's business, financial condition and results of operations.

OTHER RISKS AND UNCERTAINTIES (CONTINUED)

New Product Development

The medical cannabis industry is, and the recreational cannabis industry will be, in its early stages of development and it is likely that the Company, and its competitors, will seek to introduce new products in the future. In attempting to keep pace with any new market developments, the Company may need to expend significant amounts of capital in order to successfully develop and generate revenues from new products introduced by the Company. As well, the Company may be required to obtain additional regulatory approvals from Health Canada and any other applicable regulatory authority, which may take significant amounts of time. The Company may not be successful in developing effective and safe new products, bringing such products to market in time to be effectively commercialized, or obtaining any required regulatory approvals, which, together with any capital expenditures made in the course of such product development and regulatory approval processes, may have a material adverse effect on the Company's business, financial condition and results of operations.

Litigation

The Company may become party to litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect its business. Monitoring and defending against legal actions, whether or not meritorious, can be time-consuming, divert management's attention and resources and cause the Company 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 the Company has 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 the Company's business, operating results or financial condition.

Agricultural Operations

Since the Company's business will revolve mainly around the growth of medical marijuana, an agricultural product, the risks inherent with agricultural businesses will apply. Such risks may include disease and insect pests, among others. Although the Company expects to grow its product in a climate controlled, monitored, indoor location, there is no guarantee that changes in outside weather and climate will not adversely affect production. Further, any rise in energy costs may have a material adverse effect on the Company's ability to produce medical marijuana.

Transportation Disruptions

The Company will depend on fast, cost-effective and efficient courier services to distribute its product. Any prolonged disruption of this courier service could have an adverse effect on the financial condition and results of operations of the Company. Rising costs associated with the courier service used by the Company to ship its products may also adversely impact the business of the Company and its ability to operate profitably.

Fluctuating Prices of Raw Materials

The Company's revenues will be derived from the production, sale and distribution of marijuana. The price of production, sale and distribution of marijuana will fluctuate widely due to how young the marijuana industry is and is affected by numerous factors beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new production and distribution developments and improved production and distribution methods. The effect of these factors on the price of product produced by the Company and, therefore, the economic viability of any of the Company's business, cannot accurately be predicted.

OTHER RISKS AND UNCERTAINTIES (CONTINUED)

Political and Economic Instability

The Company 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 agriculture development or investment policies or shifts in political attitude in certain countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, distribution, price controls, export controls, income taxes, 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.

Growth Expansion Efforts

There is no guarantee that the Company's intentions to acquire and/or construct additional cannabis production and manufacturing facilities in Canada and in other jurisdictions with federal legal cannabis markets, and to expand the Company's marketing and sales initiatives will be successful. Any such activities will require, among other things, various regulatory approvals, licenses and permits and there is no guarantee that all required approvals, licenses and permits will be obtained in a timely fashion or at all. There is also no guarantee that the Company will be able to complete any of the foregoing activities as anticipated or at all. The failure of the Company to successfully execute its expansion strategy (including receiving required regulatory approvals and permits) could adversely affect the Company's business, financial condition and results of operations and may result in the Company failing to meet anticipated or future demand for its cannabis-based pharmaceutical products, when and if it arises. Moreover, actual costs for construction may exceed the Company's budgets. As a result of construction delays, cost overruns, changes in market circumstances or other factors, the Company may not be able to achieve the intended economic benefits from the construction of the new facilities, which in turn may materially and adversely affect its business, prospects, financial condition and results of operations.

Execution of Future Acquisitions or Dispositions

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of the Company's ongoing business; (ii) distraction of management; (iii) the Company may become more financially leveraged; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; (v) increasing the scope and complexity of the Company's operations, and (vi) loss or reduction of control over certain of the Company's assets. The presence of one or more material liabilities of an acquired company that are unknown to the Company at the time of acquisition could have a material adverse effect on the results of operations, business prospects and financial condition of the Company. A strategic transaction may result in a significant change in the nature of the Company's business, operations and strategy. In addition, the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Company's operations.

OTHER RISKS AND UNCERTAINTIES (CONTINUED)

Market Risk for Securities

The market price for the Common Shares of the Company could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Company. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Competition

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

Because of the early stage of the industry in which the Company intends to operate, the Company expects to face additional competition from new entrants. If the number of users of medical marijuana in Canada increases, the demand for products will increase and the Company expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To be competitive, the Company will require a continued high level of investment in research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially affect the business, financial condition and results of operations of the Company.

Global Economy

An economic downturn of global capital markets has been shown to make the raising of capital by equity or debt financing more difficult. The Company will be dependent upon the capital markets to raise additional financing in the future, while it establishes a user base for its products. As such, the Company is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to the Company and its management. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized, which could have an adverse impact on the Company's operations and the trading price of the Company's shares on the Exchange.

ADDITIONAL INFORMATION

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