Notice to Reader

This Listing Statement of Emergence Global Enterprises Inc. (the "Company") replaces the version filed on SEDAR on January 25, 2021 (the "Original Filing") to correct a clerical error. The Original Filing was compiled using an incorrect version of the unaudited financial statements for the Company for the nine month interim period ended July 31, 2020 (the "Q3 Interim Financial Statements") and corresponding Management Discussion & Analysis (the "Q3 MD&A"). The audited financial statements for the Company for the fiscal years ended October 31, 2018 and 2017 (which were included in error in the Original Filing) have also been removed from the Listing Statement. No changes were required to the body of the Listing Statement as a result of these corrections.

EMERGENCE GLOBAL ENTERPRISES INC.

(FORMERLY: VELOCITY DATA INC.)

CSE FORM 2A LISTING STATEMENT
(the "Listing Statement")

DATED AS AT JANUARY 25, 2021

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1 General

1.1 Effective Date of Information

All information in this Listing Statement is as of January 25, 2021 (the "**Effective Date**" or "**Effective Time**", as applicable), unless otherwise indicated.

1.2 Forward-Looking Information

This Listing Statement contains forward-looking statements that relate to our current expectations and views of future events. The forward-looking statements are contained principally in the sections entitled "Our Business", "Use of Available Funds", "Management's Discussion and Analysis" and "Risk Factors".

In some cases, these forward-looking statements can be identified by words or phrases such as "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict" or "likely", or the negative of these terms, or other similar expressions intended to identify forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events and financial trends that we believe might affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the terms, conditions and completion of the Proposed Transaction;
- obtaining all applicable regulatory approvals in connection with the Proposed Transaction including the Exchange Approval;
- the potential benefits of the Proposed Transaction;
- estimates of our future revenues and profits;
- treatment under government regulatory and taxation regimes;
- the timing of the listing of the Common Shares on the CSE;
- expectations regarding our revenue, expenses and operations;
- anticipated cash needs and our needs for additional financing;
- our intention to grow our business and operations;
- expectations with respect to future production costs and capacity;
- competitive position and the regulatory environment in which we operate;
- expectations regarding production costs and capacity of our products and growth thereof;
- estimates of the size of the potential markets for our products and the rate and degree of market acceptance of such products and their competitive positions in relation thereto;
- projections of market prices and costs and the future market for products and conditions affecting same;
- estimates of our future revenues and profits;
- our anticipated cash needs, needs for additional financing and the use of funds;
- liquidity of the Common Shares following the Effective Time;
- expectation that revenues derived from our operations will be sufficient to cover our expenses during 2020 and over the next twelve months;
- expected business objectives for the next twelve months; and
- our ability to obtain additional funds through the sale of equity or debt commitments.

Forward-looking statements are based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions, and expected future developments and other factors we believe are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this Listing Statement, we have made various material assumptions, including but not limited to:

- the Issuer and the Target's ability to satisfy the conditions to the Proposed Transaction;
- the legislative and regulatory environment;
- obtaining the necessary regulatory approvals;
- that regulatory requirements will be maintained;
- general business and economic conditions;
- our ability to successfully execute our plans and intentions;
- the availability of financing on reasonable terms;
- our ability to attract and retain skilled staff;
- our availability to secure necessary equipment and services;
- that the tax regimes will remain largely unaltered;
- market competition;
- foreign currency and exchange rates;
- the products and technology offered by our competitors;
- that our current good relationships with our suppliers, service providers, and other third parties will be maintained; and
- the global economic environment.

Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties, and assumptions, prospective purchasers of Common Shares should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to our expectations and predictions is subject to several known and unknown risks, uncertainties, assumptions and other factors, including those listed under "Risk Factors", which include:

- the impact of and risks associated with the ongoing COVID-19 pandemic;
- reliance on outside suppliers for raw materials and third-party manufacturers, shipping companies and fulfillment centers;
- the growth rate of the vitamin, mineral and supplement market;.
- consumer perception of our brand and our branded products;
- consumers' perception of the safety and quality of our products as well as similar products distributed by other companies in our industry;
- competitive challenges, changing consumer preferences and demand for new products;
- customer retention and recruitment;
- potential product recalls;
- cyber-attacks of our website;
- competition from existing and new competitors;
- intellectual property right breaches and litigation;
- possible product liability claims/litigation;
- need for additional capital and the availability and terms of such capital;
- actual financial position and results of operations differing materially from the expectations;
- taxation in multiple jurisdictions;
- fluctuations in currency exchange rates;
- large ownership of our Common Shares by our officers and directors may provide them the ability to control matters affecting our and our business;

- our officers and directors may be engaged in a range of business activities resulting in conflicts of interest;
- an acquisition in the future could disrupt our operations and harm our operating results;
- Shareholders may experience dilution in their ownership if we issue additional shares in the future;
- our Board and majority Shareholders have the power to amend our constating documents which may further dilute our existing Shareholders;
- it is unlikely we will ever pay dividends;
- future sales of Common Shares by existing Shareholders could reduce the market price of our Common Shares;
- there is no guarantee on the use of available funds by us; and
- the market price for our Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements.

Information contained in forward-looking statements in this Listing Statement is provided as of Effective Date and we disclaim any obligation to update any forward-looking statements, whether because of new information or future events or results, except to the extent required by applicable securities laws. Accordingly, potential investors should not place undue reliance on forward-looking statements or the information contained in those statements.

1.3 Currency

Unless otherwise indicated, all references to "$" in this Listing Statement are to Canadian dollars and all references to "US $" in this Listing Statement are to United States dollars.

1.4 Accounting Principles

All financial information in this Listing Statement is prepared in accordance with International Financial Reporting Standards.

1.5 Information Concerning the Target

The information contained or referred to in this Listing Statement relating to the Target has been furnished by the Target. In preparing this Listing Statement, the Issuer has relied on the Target to ensure that the Listing Statement contains full, true, and plain disclosure of all material facts relating to the Target. Although the Issuer has no knowledge that would indicate that any statements contained herein concerning the Target are untrue or incomplete, neither the Issuer nor any of its principals assumes any responsibility for the accuracy or completeness of such information or for any failure by the Target to ensure disclosure of events or facts that may have occurred which may affect the significance or accuracy of any such information.

1.6 Market and Industry Data

Unless otherwise indicated, information contained in this Listing Statement concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunities and market share, is based on information from independent industry organizations, other third-party sources (including industry publications, surveys, and forecasts) and management studies and estimates.

Unless otherwise indicated, our estimates are derived from publicly available information released by independent industry analysts and third-party sources as well as data from our internal research, and include assumptions made by us which we believe to be reasonable based on our knowledge of our industry and markets. Our internal research and assumptions have not been verified by any independent source, and we have not independently verified any third-party information. Accordingly, the accuracy and completeness of this data are not guaranteed. While we believe the market position, market opportunity and market share information included in this Listing Statement is generally reliable, such information is inherently imprecise. In addition, projections, assumptions, and estimates of our future performance and the future performance of the industry and markets in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors including those described under the heading "Forward-Looking Statements" and "Risk Factors".

1.7 Trademarks and Trade Names

This Listing Statement includes trademarks and trade names, such as "Emergence", which is protected under applicable intellectual property laws and are the property of the Issuer or the Target, as applicable. Solely for convenience, trade-marks and trade names referred to in this Listing Statement may appear without the ® symbol, but such references are not intended to indicate in any way that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and trade names.

1.8 Glossary of Terms

The following is a glossary of certain terms used in this Listing Statement. Words below importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

"**ACL**" has the meaning set out in *Section 3.1 – General Development of the Business– Three Year History of the Company*.

"**ACL Share Purchase Agreement**" has the meaning set out in *Section 3.1 – General Development of the Business– Business of the Company*.

"**Affiliate**" means a corporation that is affiliated with another corporation as described below. A corporation is an "Affiliate" of another corporation if:

(a) one of them is the subsidiary of the other; or

(b) each of them is controlled by the same Person.

"**BCBCA**" means the *Business Corporations Act* (British Columbia) S.B.C. 2002 c.57, as amended, including the regulations promulgated thereunder.

A Person "**beneficially owns**" securities that are beneficially owned by:

(a) a corporation controlled by that Person; or

(b) an Affiliate of that Person or an Affiliate of any corporation controlled by that Person.

"**Board**" means the board of directors of the Issuer.

"**CBP**" has the meaning set out in S*ection 4.1 – Narrative Description of the Business– Regulatory Matters*.

"**cGMP**" has the meaning set out in *Section 4.1 – Narrative Description of the Business– Production and Sales*.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**Close**" or "**Closing**" means the completion of the Proposed Transaction.

“**Code**” has the meaning set out in *Section 13.10 – Conflicts of Interest.*

"**Common Shares**" means the class A voting common shares in the capital of the Company.

"**Company**" or "**Emergence**" or the "**Issuer**" means Emergence Global Enterprises Inc., a company incorporated May 10, 2011, under the BCBCA.

"**Consideration Shares**" means an aggregate of 1,000,000 Common Shares to be issued to the Target Shareholder as the total consideration payable for the acquisition of the Target Shares by the Issuer pursuant to the Target Acquisition Agreement.

A corporation is "**controlled**" by a Person if:

(a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person; and

(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

"**CPSC**" has the meaning set out in *Section 4.1 – Narrative Description of the Business– Regulatory Matters*.

"**CPSIA**" has the meaning set out in *Section 4.1 – Narrative Description of the Business– Regulatory Matters*.

"**DOT**" has the meaning set out in *Section 4.1 – Narrative Description of the Business– Regulatory Matters*.

"**DSHEA**" has the meaning set out in *Section 4.1 – Narrative Description of the Business– Regulatory Matters*.

“**Effective Date**” has the meaning set out in *Section 1.1 – Effective Date of Information.*

"**Effective Time**" has the meaning set out in *Section 1.1 – Effective Date of Information*.

"**Escrow Agent**" has the meaning set out in *Section 11 – Escrowed Securities.*

"**EPA**" has the meaning set out in *Section 4.1 – Narrative Description of the Business– Regulatory Matters*.

"**Exchange**" or "**CSE**" means the Canadian Securities Exchange.

"**Exchange Approval**" means any consent, approval, waiver or confirmation for the Proposed Transaction required by the Exchange.

"**FDA**" has the meaning set out in *Section 4.1 – Narrative Description of the Business– Regulatory Matters*.

"**FDCA**" has the meaning set out in *Section 4.1 – Narrative Description of the Business– Regulatory Matters*.

"**FSMA**" has the meaning set out in *Section 4.1 – Narrative Description of the Business– Regulatory Matters*.

"**FTC**" has the meaning set out in *Section 4.1 – Narrative Description of the Business– Regulatory Matters*.

"**GMP**" has the meaning set out in *Section 4.1 – Narrative Description of the Business– Regulatory Matters*.

"**Issuer**" means Emergence Global Enterprises Inc., a company incorporated May 10, 2011, under the BCBCA.

"**Listing Statement**" this Listing Statement dated as of the Effective Date.

"**MD&A**" means management's discussion and analysis as such term is defined in *National Instrument 51- 102 – Continuous Disclosure Obligations*.

"**NEO**" means a "Named Executive Officer" as such term is defined in *Form 51-102F6 – Statement of Executive Compensation* under *National Instrument 51-102 Continuous Disclosure*.

"**NI 52-110**" means *National Instrument 52-110 – Audit Committees*, and the companion policies and forms thereto, as amended from time to time.

"**NLEA**" has the meaning set out in *Section 4.1 – Narrative Description of the Business– Regulatory Matters*.

"**Non-Resident Directors**" has the meaning set out in *Section 19.2– Service of Process and Enforceability of Civil Liabilities.*

"**NPN**" has the meaning set out in *Section 4.1 – Narrative Description of the Business– Regulatory Matters*.

"**Option Plan**" means the option plan of the Company.

"**OSHA**" has the meaning set out in *Section 4.1 – Narrative Description of the Business– Regulatory Matters*.

"**OTC**" has the meaning set out in *Section 4.1 – Narrative Description of the Business– Regulatory Matters*.

"**Participants**" has the meaning set out in *Section 9 – Options to Purchase Securities*.

"**Person**" includes any natural person, partnership, limited partnership, joint venture, syndicate, sole proprietorship, body corporate with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative.

"**Personal Use Importation Exemption**" has the meaning set out in *Section 4.1 – Narrative Description of the Business– Regulatory Matters*.

"**Preferred Shares**" has the meaning set out in *Section 10.1 – Description of the Securities*.

"**Proposed Transaction**" means the Target Acquisition which transaction will change the nature of the Issuer's business from being a distributor of computer systems and related components to a builder of reputable consumer brands using leading innovation, integrated platforms and full traceability for the health food marketplace.

"***Proposition 65***" has the meaning set out in *Section 4.1 – Narrative Description of the Business– Regulatory Matters*.

"**Prime Rate**" means the average of the annual rates of interest established by the Royal Bank of Canada and Toronto-Dominion Bank as the reference rate they use to determine the rate of interest charged on Canadian dollar loans to customers in Canada and designated as their "Prime Rate", in accordance with the terms of the Shareholder Promissory Note.

"**Resulting Issuer**" means the Issuer following the Proposed Transaction.

"**SEDAR**" means System for Electronic Document Analysis and Retrieval being the official website that provides access to most public securities documents and information filed by Issuers and investment funds with the Canadian Securities Administrators at www.sedar.com.

"**Shareholder Promissory Note**" has the meaning set out in *Section 3.1 – General Development of the Business– Three Year History of the Company*.

"**Shareholders**" means holders of one or more Common Share.

"**Target**" means Nubreed Nutrition, Inc., a company incorporated on February 21, 2013, under the laws of the State of Michigan.

"**Target Acquisition**" means the acquisition of all of the issued and outstanding Target Shares by the Issuer pursuant to the Target Acquisition Agreement.

"**Target Acquisition Agreement**" means the share purchase agreement, dated July 31, 2020 between the Issuer and the Target.

"**Target Shareholder**" means the holder of the Target Shares prior to the Target Acquisition.

"**Target Shares**" means all of the issued and outstanding common shares in the capital of the Target.

"**Transfer Agent**" has the meaning set out in *Section 21.2 – Transfer Agent.*

"**USDA**" has the meaning set out in *Section 4.1 – Narrative Description of the Business– Regulatory Matters*.

"**we**", "**us**", "**our**", or "**the Issuer**" means Emergence and any of its subsidiaries.

2 Corporate Structure

This Listing Statement has been prepared in connection with the Proposed Transaction. All references within this Listing Statement to the Resulting Issuer, refer to the Resulting Issuer immediately following the completion of the Target Acquisition and include the Target, unless otherwise indicated.

2.1 Corporate Name and Head and Registered Office

The full corporate name of the Issuer is "Emergence Global Enterprises Inc." (formerly Velocity Data Inc.). The head office of the Issuer is located at 14 Centre Street, Essex, Ontario N8M 1N9. Our record and registered office is located at 1285 West Broadway, Suite 600, Vancouver, British Columbia V6H 3X8.

The full corporate name of the Target is "Nubreed Nutrition, Inc." The head office of the Target is located at 318 John R. Road, Suite 310, Troy, Michigan 48083. Its record and registered office is located at 318 John R Road, Suite 310, Troy, Michigan 48083.

The Resulting Issuer is expected to maintain the same name, head office and record and registered office as the Issuer following the Proposed Transaction.

2.2 Jurisdiction of Incorporation

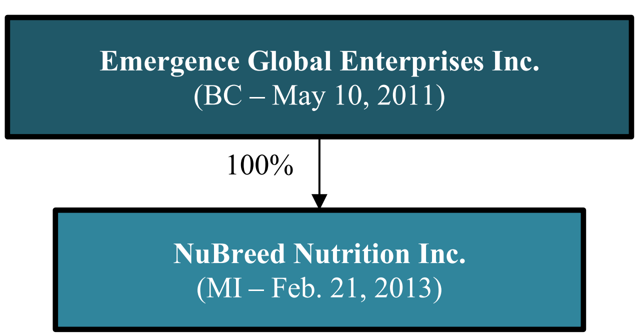
The Issuer was incorporated under the BCBCA on May 10, 2011 under the name "GTO Resources Inc.". On August 7, 2014, we changed our name to "Velocity Data Inc.". On February 15, 2020, we changed our name from "Velocity Data Inc." to "Emergence Global Enterprises Inc.".

The Target was incorporated under the Michigan Business Corporations Act on February 21, 2013. Since the date of its incorporation the Target has not materially amended its constating documents.

2.3 Inter-Corporate Relationships

The Issuer does not currently have any subsidiaries.

On July 31, 2020, the Issuer, the Target and the Target Shareholder entered into the Target Acquisition Agreement in respect of the Proposed Transaction pursuant to which the Issuer agreed to acquire all of the Target Shares, subject to the terms and conditions set out therein. The chart below represents the proposed corporate structure of the Resulting Issuer upon completion of the Proposed Transaction:



2.4 Change of Business

The Resulting Issuer is requalifying for listing on the CSE following the Proposed Transaction, which constitutes a "Change of Business" under CSE *Policy 8 Fundamental Changes & Changes of Business*. See *Section 3.1 – General Development of the Business – The Proposed Transaction*. Following the Target Acquisition, the Resulting Issuer will have re-classified itself from being a distributor of computer systems and related components to a builder of reputable consumer brands using leading innovation, integrated platforms and full traceability for the health food marketplace.

2.5 Issuers Incorporated Outside of Canada

This section does not apply to the Company.

3 General Development of the Business

3.1 General Development of the Business

Business of the Company

The Company was initially incorporated under the BCBCA on May 10, 2011. The Common Shares of the Company are listed for trading on the CSE. It is a reporting issuer in British Columbia, Alberta, Ontario, and Quebec.

Between 2011 and 2018, the Issuer was engaged in the sale and distribution of computer systems and related components through its wholly-owned subsidiary ACL Computers and Software, Inc. ("**ACL**"). During this time, the Company sold hardware and software to various government and private organizations.

On February 28, 2018, the Company announced its intention to exit its business of selling computer systems and related components and software and to focus on new investments and projects.

On August 8, 2018, the Company issued 4,210,414 Common Shares with a fair value of US $225,656 to settle accounts payable of US $287,500 owing to the Chief Financial Officer of the Company, resulting in a gain on settlement of debt of US $61,844.

On August 8, 2018, the Company issued 2,151,417 Common Shares with a fair value of US $115,304 for past services by the Chief Financial Officer of the Company.

On November 20, 2019, the Company issued 75,000 common shares with a fair value of US$16,385 to a company associated with its Chief Financial Officer for past services.

On November 12, 2019, Robert Bates and Joseph Byrne entered into a share purchase agreement pursuant to which Mr. Byrne agreed to acquire from Mr. Bates 13,034,954 Common Shares, representing an 82% interest in the Company for aggregate consideration of US $525,000.

On January 28, 2020, the CSE notified the Company that it did not meet the continued listing requirements as set out in CSE Policy 2, Appendix A, Section 2.9 and the CSE considered the Company "inactive". In accordance with CSE Policy 3, Section 5.1, an ".X" extension was added to the Company's trading symbol.

On February 15, 2020, the Company changed its name from "Velocity Data Inc." to "Emergence Global Enterprises Inc.".

On July 31, 2020, the Issuer, the Target and the Target Shareholder entered into the Target Acquisition Agreement in respect of the Proposed Transaction pursuant to which the Issuer agreed to acquire all of the Target Shares, subject to the terms and conditions set out therein. See *Section 3.1- General Development of the Business- The Proposed Transaction*.

On July 31, 2020, the Company sold 100% of the common shares of ACL to ACLH, LLC, a non-related party, for $10 consideration pursuant to the terms and conditions of a share purchase agreement (the "**ACL Share Purchase Agreement**").

On the Effective Date, the Company entered into a promissory note (the "**Shareholder Promissory Note**") in the amount of $320,000 in favour of its Chief Executive Officer, director and controlling shareholder Joseph Byrne. Interest shall accrue on the principal amount advanced under the Shareholder Promissory Note quarterly in arrears at the Prime Rate plus 3% and be paid in kind until the maturity date on December 31, 2023.

Business of the Target

The Target was incorporated under the Michigan Business Corporations Act on February 21, 2013. It is a consumer focused, health and nutrition company that develops, manufactures, markets and distributes NuBreed Nutrition branded health and nutrition product supplements. It offers a wide range of performance powders and capsules, which seek to help a broad range of consumers, including athletes and health conscious consumers of all types, achieve a heightened level of health, nutrition, performance and satisfaction. The Target markets and sells these products in over 15 countries globally. See *Section 4.1 Narrative Description of the Business- Principal Products and Services*.

In the three most recently completed financial years the Target did not conduct any sales of its securities, or enter into any material contracts.

The Proposed Transaction

On July 31, 2020, the Issuer entered into the Target Acquisition Agreement with the Target Shareholder whereby the Issuer agreed to acquire all of the issued and outstanding Target Shares in consideration of the issuance of the Consideration Shares to the Target Shareholder, subject to the terms and conditions contained therein. The Target Acquisition is not a related party transaction and was negotiated by the principals of the Company and the Target on a commercial basis. Pursuant to the terms of the Target Acquisition Agreement 80 Common Shares were issued for each Target Share. The Target Acquisition Agreement included terms and conditions customary for a transaction of this nature including representations and warranties of the Target regarding its corporate existence, the operation of its business, and the valid registration of the Target's intellectual property, including the trademark registrations discussed in *Section 4.1 Narrative Description of the Business- Principal Products and Services*. Closing of the Target Acquisition was conditional on the Exchange Approval. See *Section 22.1 – List of Material Contracts.* A copy of the Target Acquisition Agreement is available under the Company's profile on SEDAR at www.sedar.com.

Following the Proposed Transaction, the Target will become a wholly-owned subsidiary of the Issuer and the acquisition will constitute a "change of business" as such term is defined in CSE *Policy 8 Fundamental Changes & Changes of Business*. Following completion of the Proposed Transaction, the Common Shares of the Resulting Issuer will be listed for trading on the CSE.

The Issuer's authorized share capital consists of an unlimited number of Common Shares without par value. Prior to the completion of the Proposed Transaction, the outstanding capital of the Company consists of

16,156,971 Common Shares. Upon completion of the Proposed Transaction, and the issuance of the Consideration Shares, the outstanding capital of the Resulting Issuer will consist of 17,156,971 Common Shares.

The valuation ascribed to the Target in the Proposed Transaction was determined by arm's length commercial negotiation between the Issuer and the Target Shareholder. The price of the Common Shares listed on the Exchange on the date of the Target Acquisition Agreement was $0.63 per Common Share.

3.2 Significant Acquisitions and Dispositions

On July 31, 2020, the Company entered into the ACL Share Purchase Agreement pursuant to which it sold 100% of the shares and its interest in ACL to ACLH, LLC.

On July 31, 2020, the Issuer entered into the Target Acquisition Agreement with the Target Shareholder whereby the Issuer agreed to acquire all of the issued and outstanding Target Shares in consideration of the issuance of the Consideration Shares to the Target Shareholder, subject to the terms and conditions contained therein. See *Section 3.1- General Development of the Business- The Proposed Transaction*.

The Target has not completed a significant acquisition or disposition.

3.3 Trends, Commitments, Events or Uncertainties

The Target's condition and results of operations for the current fiscal year and the Resulting Issuer's condition and results for the next subsequent fiscal year may be adversely affected by the recent COVID-19 outbreak. Like many of its market competitors, the Target has experienced slowing in sales during Q1 and Q2 of 2020. However, customer orders for Q3 have increased and are currently trending back towards historical levels prior to the COVID-19 outbreak.

North America, where the headquarters and operations business for the Company and the Target is located, is currently experiencing a significant impact from the COVID-19 outbreak. The Target is currently following the recommendations of local health authorities to minimize exposure risk for its partners and customers. However, the scale and scope of this pandemic is unknown, and the duration of the business disruption and related financial impact cannot be reasonably estimated at this time. While the Target is currently implementing specific business continuity plans to reduce the potential impact of COVID-19 during 2020 and believes that its business being principally operated using digital platforms will, in the long-term, suffer limited negative impact, there is no guarantee that the continuity plan implemented by the Resulting Issuer will be successful and that it will meet the number of forecasted transactions due to a change in consumer activity around point of sale purchasing resulting from the temporary closure of businesses.

The Target has already experienced certain disruptions to its business and disruptions for the Resulting Issuer's clients that may materially affect the growth of the business and the number of transactions processed by the Resulting Issuer. Similarly, the response to the COVID-19 pandemic could have a long-term impact on the Resulting Issuer's customers during and after 2020 which could reduce their demand for its products. The extent to which COVID-19 or any other health epidemic may impact the Resulting Issuer's results for 2020 and beyond will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the economic impact of the response to the COVID-19 pandemic. Accordingly, COVID-19 could have a material adverse effect on the Resulting Issuer's business, results of operations, financial condition and prospects during 2020 and beyond.

Please refer to discussions set out in *Section 4.1 – Narrative Description of the Business*, *Section 6 – Management's Discussion and Analysis*, and *Section 17 – Risk Factors*.

4 Narrative Description of the Business

4.1 Narrative Description of the Business

(1) Our Business

Prior to the completion of the Proposed Transaction, the Issuer has not recently engaged in commercial operations and has no significant assets other than cash and cash equivalents shown on its balance sheet. Following the completion of the Proposed Transaction, the Resulting Issuer will acquire the business of the Target and become a builder of reputable consumer brands using leading innovation, integrated platforms and full traceability for the health food marketplace.

The Target's proprietary nutritional supplements are distributed in Canada, the United States, Mexico, the United Kingdom, the European Union, Australia, and Bolivia. These products are designed to aid in weight loss, pre-workout readiness, and post-workout recovery; enhance focus and concentration; and reduce sleep and fatigue. The Target's current product lines include Helix BCAA, a branch chain amino acid product available in seven flavours (powder), Myoblast, a premium protein blend with no sugar added available in five flavours (powder), Methadyne, a NMDA receptor formulated product available in three flavours (powder) and capsule, Tenacity, a thermodynamic accelerator available in five flavors (powder) and capsule, Notorious, a pre-workout formulation available in one flavour (powder) and capsule, Untouchable, a pre-workout formula containing GlycerPump available in one flavour (powder), Phantom XS, a night-time thermodynamic accelerator available in capsules and Peak P4M, workout formulation containing PeakO2 available in capsules. *Section 4.1 – Narrative Description of the Business– Principal Products and Services*

The Resulting Issuer will consider adding additional products in the winter of 2020 or the spring of 2021, depending on market conditions and the impact of the Covid-19 outbreak. *See Section 17 – Risk Factors*.

(a) Business Objectives

In the following 12 months, the Resulting Issuer expects to accomplish the following business objectives:

- **Increased Market Share:** We intend to increase the Resulting Issuer's share of sales in the nutritional supplement market by (i) emphasizing the benefits of our proprietary all-natural, stimulant free, non-GMO ingredients and science-based formulations, (ii) creating additional products in response to market demand and testing, and (iii) utilizing our marketing operation team to seek additional channels for sales coverage. Our targeted growth is expected to provide the necessary revenue to support the goals of the Company.

- **Expanded Distribution Network:** We expect to expand the Resulting Issuer's distribution network to include sales in South America, Central America, Middle East and parts of Southern Europe, such as Spain and Portugal.

- **Strategic Acquisitions:** We intend to search out and capitalize on the significant opportunities for consolidation available in the nutritional supplement industry. The Company anticipates seeking acquisitions that serve to increase the number of the Company's product brands, broaden its product offering or facilitate entry into complementary distribution channels.

The above objectives may change at any time depending on market conditions. There is no certainty that any objectives in respect of potential transactions or actions will be completed on the terms anticipated or at all. See *Section 17 – Risk Factors*.

(b) Milestones

To accomplish the foregoing business objectives the Resulting Issuer will target the following milestones and use a portion of its total available funds, discussed in "*Principal Purpose of Proceeds Available"* below, to achieve such milestones.

Milestones	Target Date	Estimated Cost ($)
Main Item		
Diversifying product offerings and expanding customer base and distribution channels to increase market penetration.	3/31/2021	$25,000
Increase its distribution and sales channels in South America, Central America, the Middle East, and the European Union.	3/31/2021	$25,000
Identify and qualify prospective acquisition targets in the nutrition industry that fit in the overall strategic plan.	3/31/2021	$10,000

The above milestones may change at any time depending on market conditions and are subject to various risks. There is no certainty that potential milestones will be completed on the terms anticipated or at all. See *Section 17 – Risk Factors*.

(c) Total Funds Available

At December 31, 2020, the month end prior to the Effective Date, the Resulting Issuer had an estimated working capital surplus of $396,577. The working capital surplus includes inventory valued at fair market value less costs to sell.

A pro forma consolidated balance sheet of the Resulting Issuer as at September 30, 2020, giving effect to the Proposed Transaction, is attached to this Listing Statement as Schedule "E". The estimated working capital as at September 30, 2020 was ($40,985). The difference between the working capital of the Resulting Issuer as at September 30, 2020 and December 31, 2020 is the result of accretive cash and accounts receivable from the Target in the amount of $117,561 and the Shareholder Promissory Note in the amount of $320,000.

(d) Principal Purpose of Proceeds Available

We intend that the Resulting Issuer will use its available funds to further its stated business objectives, and the following table sets forth how we expect the Resulting Issuer to use its total available funds for the next 12 months. The estimated cost of achieving any milestone discussed in Section 4.1(1)(b) above may fall into one or more of the following categories.

Use of Available Funds	Budgeted Amount ($)
Product Development Costs	$50,000
Executive Compensation	$60,000
Marketing & Promotion of Products	$45,000
Rent & Utilities	$27,500
Sales - Consultants and Commissions[1]	$25,000
Accounting and Audit	$25,500
Travel	$17,000
Shipping	$15,000
Insurance	$11,000
Legal	$40,000
Anticipated Investor Relations Fees	$5,000
General and Administrative Expenses for the Next 12 Months	$11,500
Unallocated Working Capital	$64,077
Total:	$396,577

Based on current projections, we expect the working capital available for funding the ongoing operations of the Resulting Issuer to meet its expenses for a minimum period of 12 months. Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons and/or as a result of one or more of the proposed acquisitions closing on amended terms or not at all, a reallocation of funds may be necessary. For these reasons, management of the Company considers it to be in the best interests of the Resulting Issuer and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. See *Section 17 – Risk Factors*.

In order to achieve its stated business objectives, the Resulting Issuer may require additional capital which may come from a combination of potential cash flow, equity financing, and/or debt financing. There is no assurance that additional capital will be available to the Resulting Issuer to complete its stated business objectives or that the terms of such capital will be favourable. Failure to obtain additional capital could result in the delay or indefinite postponement of the Resulting Issuer's business plans. See *Section 17 – Risk Factors*.

[1] The Company does not currently engage any sales consultants. We expect that the Resulting Issuer may do so.

(2) Principal Products and Services

The Resulting Issuer will formulate, manufacture and sell sports and nutrition specialty supplements. These products are designed to aid weight loss, pre-workout readiness, and post workout recovery; enhance focus and concentration; and reduce sleep and fatigue. The Target's current products are as follows:

Weight Loss – Leaning and Cutting

Metadyne — Metadyne utilizes a unique combination of ingredients. Alpha EXA stimulates the N-methyl-D-aspartate receptor which plays a pivotal role in neural central nervous system activation to deliver enhanced focus and concentration. Available in three flavours (powder) and capsules.

Tenacity — Tenacity utilizes a lower dose of a unique combination of ingredients. Alpha EXA stimulates the N-methyl-D-aspartate receptor, which plays a pivotal role in neural central nervous system activation, to deliver enhanced focus and concentration. Available in five flavours (powder) and capsules.

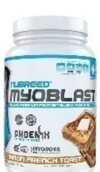
Phantom XS — Phantom XS is an ultra premium non stimulant, night time thermodynamic designed to help consumers lose weight while they sleep. Formulated with Chinese and Indian ayurvedic herbs. Phantom offers a safe and healthy option for weight loss.

Pre-Workout

Notorious — Notorious is an aggressive stimulant-based pre-workout formulated for stimulant enthusiast athletes. With a substantial dose of L-Citrulline (4,000mg) and Betaine Anhydrous (4,000mg) Notorious makes a perfect combination of "Stim & Pump." Available in one flavour (powder).

Untouchable — Utilizing 14,000mg per serving of unrelenting, ruthless, pure pump magic for all the "pump" chasers out there. The highest dose of GlycerPump per serving available in any pre-workout supplement. We couldn't think of a more fitting name for a "PUMP" preworkout than "Untouchable". Available in one flavour (powder).

Protein



Myoblast — Myoblast is an ultra premium protein blend for athletes. Ingredients include whey protein isolate, milk protein isolate, whey protein concentrate and micellar casein. Low calorie, no sugar added, zero fillers, and Myosorb digestive enzyme complex for maximum absorption. Available in five flavours (powder).

Recovery and Amino Acid

Helix BCAA++

HELIX BCAA+ is a full spectrum branch chain amino acid/ essential amino acids full disclosure complex. Assists with faster recovery, hydration and eliminates free radicals from the body. Contains 11,000mg of "full spectrum" branch chain amino acids/ essential amino acids per serving. 5,000mg of fermented Leucine per serving to ensure maximum recovery. Available in seven flavours (powder).

Each of the above products are subject to registered trademarks in favour of the Target. The Target also relies on the common law to protect its intellectual property interests in the trade names, trade secrets and industrial processes used in the conduct of its business.

(a) Distribution and Principal Markets.

The Target currently distributes and sells its products through three main distribution channels:

- **eCommerce Store:** Accessible through the NuBreed website, (www.nubreednutrition.com), the eCommerce Store offers a monthly subscription service as well as certain of the Target's products for sale individually. The Target encourage users to sign up as monthly subscribers by offering a 10% discount to the price of its products. The Target's eCommerce sales are expected to allow the Resulting Issuer to capitalize on varying streams of consumer demand by shipping products directly to consumers and transforming proven demand into a recurring income stream via a subscription model.

- **Third-party Online Sales Channels:** The Target currently sells its products individually on third-party sales channels including Amazon in certain jurisdictions, and eCommerce retailers such as eBay, ASN Sports Nutrition, ANUSA, Sports Supplement Canada, and Supplement City Australia who focus on sports nutrition. These third-party retailers are located inside and outside of North America.

- **Wholesale to Brick and Mortar Retailers:** The Target offers its products through independent brokers and distributors such as GNC Mexico, Fitness One, and Prodyne Distribution. There retailers may specialize in supplements in general, focus on sports nutrition, or be related to the athletic and fitness industry.

In addition to the above sales channels, the Target also participates in fitness and other trade shows, such as The Arnold, Fitness Expo West, and Fitness Expo East, to increase its brand awareness.

We believe that sports nutritional supplements appeal to a broader market than just serious athletes. Mainstream consumers of all ages are exhibiting a growing interest in functional ingredients like protein and other ingredients that have both performance and dietary benefits. We believe this interest in nutritional supplements has developed as a result of (a) interest in healthier lifestyles, living longer and living well, (b) the publication of research findings supporting the positive health effects of certain nutritional supplements (c) the growth of the wellness conscious millennial population, combined with the aging of the "Baby Boom" and "Gen X" generations making a mindful choice to purchase more nutritional supplements and natural foods. Our principal market is the active lifestyle global consumer interested in the potential benefits that nutritional supplements, such as those produced by the Target, can add to their life. We believe the Target's current portfolio of products resonates well with its key consumers and retailers and will provide the Resulting Issuer with competitive differentiation.

(b) Revenue for Principal Products.

Phantom XS, the Target's ultra premium non-stimulant, night time thermodynamic designed to help customers lose weight while sleeping, is the Target's principal source of revenue. It represents approximately 79.3% of the Target's revenues and is expected to represent approximately 79.3% of the Resulting Issuer's revenue.

(3) Production and Sales

(a) Raw Materials.

The Target sources raw materials for its products through its third-party manufacturing partners from a variety of suppliers principally from the United States, Europe, and China. We believe its relationships with these principal suppliers are good.

The Target specifies all of the raw material ingredients and packaging requirements for each of its products. Each third-party manufacturing partner is provided with the formula for the applicable product on a confidential and proprietary basis. Manufacturing partners are also given access to purchasing contracts from approved raw material suppliers. The raw materials for the Targets products are readily available from multiple suppliers. The Target frequently reviews its supply chain to promote competitive pricing and supply parameters in reference to industry standards and thereby reduces margin degradation. Its supply base of manufacturing and raw materials are stable and not subject to large fluctuations in process or availability. We expect the Resulting Issuer to adopt these practices for sourcing raw materials for its products going forward.

(b) Method of Production.

All of the Target's products are manufactured by third-party contractors, in accordance with the Target's proprietary product formulas, in facilities located in the United States of America that are compliant with current Good Manufacturing Practices ("**cGMP**") and, where applicable, certified by the FDA and the USDA. A cGMP certificate is granted when the manufacturing facility has been audited and found to demonstrate satisfactory compliance with the required cGMP standard. These manufacturing partners also follow the United States FDA CFR Part 111— Current Good Manufacturing Practice in Manufacturing, Packaging, Labeling, or Holding operations for Dietary Supplements. The Target also inspects each facility independently of the FDA and other government agencies to ensure adherence to our specifications and requirements.

The Target utilizes two third-party manufacturers to produce approximately 75% of its current production. The two manufactures, each of whom specialize in nutritional products, are located in Santa Clarita and Anaheim, California respectively. The balance of the Target's products are produced in smaller quantities by a variety of manufactures throughout California. These contract manufacturers do business with the Target under both short- and long-term contracts depending on its needs. The Target specifies all the ingredients and packaging requirements for each product. The bill of materials and manufacturing requirements are controlled by the Target. Each third-party manufacturer is provided with the formula for each product on a proprietary basis, including purchasing contracts from raw material suppliers. The Target also contracts with third-party manufacturers to produce the packaging for its products which include bottles, boxes, shipping cartons, caps, and tamper resistant films.

Each of the Target's manufacturing partners are able to produce the full array of its products, which provides for supply chain redundancy for unforeseen issues including increased volumes, logistic requirements and timing. We believe that this flexibility to modulate its manufacturing capabilities, through its contract manufacturing partners, to suit its production needs will provide the Resulting Issuer with competitive advantages.

(c) Leases.

Neither the Target nor the Company has any material leases or mortgages. The Company currently utilizes the office of one of its directors as its head office at no cost to the Company.

The Resulting Issuer is not expected to have any material leases or mortgages and we expect that it will continue to use the office used by the Company at no cost to the Resulting Issuer.

(d) Specialized Skills and Knowledge.

Our management team has skills and knowledge in the areas of flavor systems, manufacturing, channel marketing and distribution management. *Section 13.11 – Management*. The Resulting Issuer's prospects for success are expected to depend, in part, upon the Target's proprietary rights to its products. We consider proprietary information related to recipes, formulations, and production methods to be trade secrets. Target employees with access to such information are subject to confidentiality restrictions which prohibit them from disclosing information, including information relating to our recipes and production methods, acquired by them, as a consequence of or in connection with their employment. We expect the Resulting Issuer to continue relying on these protocols to protect its proprietary information.

(e) Intangible Property.

In the United States, the Target has registered "NuBreed Nutrition" and the names of each of its principal products as trademarks with the United States Patent and Trademark Office. See *Section 4.1 Narrative Description of the Business- Principal Products and Services*. Registration of a trademark enables the registered owner of the mark to limit the unauthorized use of the registered trademark in connection with a similar product in the same channels of trade by any third-party in the respective country of registration.

The Target owns the website https://www.nubreednutrition.com. Its URL addresses, social media addresses, business names, and brand portfolio are assets which add distinctive value and recognition to its customers. We also consider the specifics of its marketing, promotions, and products as a trade secret and information which we intend to keep confidential.

The Target relies on, and carefully protects, unregistered proprietary expertise, recipes and formulations, continuing innovation and other trade secrets to develop and manufacture its products. It has implemented confidentiality contracts with its personnel and its third-party contracting partners to help preserve the confidential and proprietary nature of this information.

The Company owns the website https://www.emergenceglobalinc.com. It has no other material intangible property at this time.

(f) Business Cycle and Seasonality.

Consumer demand for nutritional supplements is, generally, not seasonal or subject to cyclical sales patterns. We have noticed a slight increase of sales in the fourth and first quarter of each calendar year as consumers and retailers focus on the incoming new year. The outbreak of Covid-19 has affected the Target's sales in the first and second quarter of 2020 due to disruptions with its suppliers, distributors and transportation and logistics providers other than shipping delays for orders from our eCommerce Store as courier services experience increased demand. As the COVID-19 pandemic continues for an extended period of time it may negatively affect the price and availability of our ingredients and/or packaging materials and impact our supply chain. See *Section 17 – Risk Factors*.

(g) Economic Dependence and Changes to Contracts.

The Target's business is not substantially dependent on any specific contract. It is not expected that the Resulting Issuer's business will be affected in the next 12 months by the renegotiation or termination of contracts or sub-contracts, other than the Target Acquisition Agreement.

(h) Environmental Protection Requirements.

The Company does not expect there to be any financial or operational effects of environmental protection requirements on the Resulting Issuer's capital expenditures, earnings and competitive position.

(i) Employees.

As of April 30, 2020, the Company had one full-time employee. As of December 31, 2019, the Target had one full-time employee. None of the employees of the Target or the Company are covered by a collective bargaining agreement. We consider the respective relationships with between the Target and its employee, and the Company and its employees, to be good. The Target relies, and the Resulting Issuer is expected to rely, on the services of a number of outside consultants as needed.

(j) Foreign Operations.

The Target's products are currently sold in Canada, the United States, Mexico, the United Kingdom, the European Union, Australia, and Bolivia. Historically, most of its product sales are in Mexico (approximately 50%) and the United States (approximately 25%).

Approximately 5% of its sales are in Canada. All of the Target's products are manufactured by third-party contract manufacturers in the United States. These products are then sold in the United States to international distributors who import and distribute the products internationally. International supply chains can be subject to import and export restrictions as well as general trade policy. See *Section 17 – Risk Factors*. We expect that the Resulting Issuer will maintain a similar level of foreign operations in the near term.

(k) Substantially Dependent Contracts.

The Target does not, and we expect Resulting Issuer will not, substantially dependent on any single contract.

(l) Renegotiation of Contracts.

The Company does not expect that any aspect of the business of the Target or the Resulting Issuer will be affected in the current financial year by renegotiation or termination of contracts or sub-contracts.

(4) **Competitive Conditions**

The nutritional supplements market is very competitive and the range of products is diverse. Competitors use price, quality, product effectiveness, marketing, brand and product recognition, new product introductions, raw materials and shelf space and store placement, to capture market share.

The Target's competition includes numerous nutritional supplement companies that are highly fragmented in terms of geographic market coverage, distribution channels and product categories. Many of the Target's competitors are either privately held or divisions within larger organizations which makes it difficult to estimate their market share of the industry. Additional competitors enter the market regularly due to there being low barriers to entry.

Large pharmaceutical companies and packaged food and beverage companies involved in the nutritional supplement industry include PepsiCo Inc., Glanbia Plc. GNC Holdings, The Coca-Cola Company, GlaxoSmithKline, Abbott Laboratories, Nestle S.A., Purina and Universal Nutrition. These companies and certain private nutritional supplement companies have broader product lines and/or larger sales volumes than the Target and have greater financial and other resources available to them and possess extensive manufacturing, distribution, and marketing capabilities. Accordingly, we expect the Resulting Issuer to focus on niche areas of the nutritional supplement market where we believe its products will be competitive in terms of price, quality, and product effectiveness. We intend to expand our marketing and brand and product recognition to increase market share.

(5) **Lending and Investment Polices and Restrictions**

Neither the Company nor the Target has any formal policies with respect to lending, nor are either in the business of lending funds. However, from time to time, either the Company or the Target may advance funds under various lending structures as determined prudent by the Board.

(6) Bankruptcy and Similar Proceedings

There are no bankruptcies, receivership, or similar proceedings against the Company or the Target, and there has not been any voluntary bankruptcy, receivership, or similar proceedings by the Company or the Target since their respective incorporations.

(7) Restructuring Transactions

Except for the Target Acquisition, neither the Company nor the Target has been party to any material restructuring transaction in the past three years, and there are currently no material restructuring transactions planned for the Company, the Target or the Resulting Issuer for the current financial year other than the Proposed Transaction.

(8) Social and Environmental Policies

Given their current stage of development, neither the Company nor the Target has any formal social or environmental policies in place. We expect that the Resulting Issuer will develop and adopt an environmental, social and governance policy when deemed prudent by the Board.

(9) Regulatory Matters

In the United States and Canada and in the other jurisdictions in which the Target operates, it is subject to the laws and regulations applicable to any business engaged in the formulation, production and distribution of consumer health products. This includes natural health product regulations, laws governing advertising, consumer protection regulations, environmental laws, laws governing the operation of warehouse facilities and labour and employment laws. The Target's products sold outside of the United States are subject to tariffs, treaties and various trade agreements as well as laws affecting the importation of consumer goods. The Target monitors changes in these laws, regulations, treaties and agreements. We believe that the Target is in material compliance with all applicable laws.

In both domestic and foreign markets, the formulation, manufacturing, packaging, labelling, handling, distribution, importation, exportation, licensing, sale and storage of our products are affected by extensive laws, governmental regulations, administrative determinations, court decisions and similar constraints. Such laws, regulations and other constraints may exist at the federal, provincial and/or local levels in the United States and Canada and at all levels of government in foreign jurisdictions. There is currently no uniform regulation applicable to natural health products worldwide.

Our management team has significant experience navigating the North American and international regulatory regimes for nutritional supplements and consumer packaged goods. See *Section 13.11 - Management*, for more detail on the background of our directors and officers. We avail external experts, where required, to ensure the Company is in material compliance with all applicable laws.

The United States

The formulation, manufacturing, packaging, labeling, advertising, distribution and sale of our products are subject to regulation by a number of federal agencies, including the Food and Drug Administration ("**FDA**"), the Federal Trade Commission ("**FTC**"), the Consumer Product Safety Commission ("**CPSC**"), the United States Department of Agriculture ("**USDA**"), Department of Labor Occupational Safety and Health Agency ("**OSHA**"), Department of Homeland Security

Customs and Boarder Protection ("**CBP**"), Department of Transportation ("**DOT**"), and the Environmental Protection Agency ("**EPA**"), by various governmental agencies for the states and localities in which our products are sold, and by governmental agencies in countries outside the United States in which our products are sold.

The FDA regulates the formulation, manufacturing, packaging, labeling, distribution and sale of food, including dietary supplements, cosmetics, and over-the-counter ("**OTC**") drugs. The FTC regulates the advertising of these products. Federal agencies, primarily the FDA and the FTC, have a variety of procedures and enforcement remedies available to them, including initiating investigations, issuing warning letters and cease-and-desist orders, requiring corrective labeling or advertising, requiring consumer redress, seeking injunctive relief or product seizures, imposing civil penalties or commencing criminal prosecution. In addition, certain state agencies have similar authority.

The *Dietary Supplement Health and Education Act* ("**DSHEA**") was enacted in 1994, amending the *Federal Food, Drug, and Cosmetic Act* ("**FDCA**"). Dietary ingredients marketed in the United States before October 15, 1994 may be marketed without the submission of a "new dietary ingredient" premarket notification to the FDA. New dietary ingredients, with exception, not marketed in the United States before October 15, 1994, are required to be submitted to the FDA at least seventy-five days before marketing. Among other things, DSHEA prevents the FDA from regulating dietary ingredients in dietary supplements as "food additives" and allows the use of statements of structure function claims on product labels and in labeling, so long as those statements do not constitute disease claims and are truthful and sufficiently substantiated. Some of our products are also regulated as conventional foods under the *Nutrition Labeling and Education Act of 1990* ("**NLEA**").

The FDA issued a final rule on Good Manufacturing Practices ("**GMPs**") for dietary supplements in June 2007. The GMPs cover manufacturers, packagers, labelers, distributors, and holders of finished dietary supplement products, including dietary supplement products manufactured outside the United States that are imported for sale into the United States. Among other things, these GMPs require identity testing on all incoming dietary ingredients, call for a "scientifically valid system" for ensuring finished products meet all specifications, include requirements related to process controls such as statistical sampling of finished batches for testing and requirements for written procedures and require extensive recordkeeping.

The *Dietary Supplement and Non-prescription Drug Consumer Protection Act* went into effect in December 2007. The law requires, among other things, that companies that manufacture or distribute non-prescription drugs or dietary supplements report serious adverse events allegedly associated with their products to the FDA and institute recordkeeping requirements for all adverse events (serious and non-serious).

The *Consumer Product Safety Improvement Act of 2008* ("**CPSIA**") primarily addresses children's product safety but also improves the administrative process of the CPSC. Among other things, the CPSC/CPSIA impact on dietary supplements is principally in requirements for use of child resistant closures, performance validation of such closures, and requirements for packaging and labeling of iron-containing products. The CPSIA also requires testing and certification of certain products and enhances the CPSC's authority to order recalls.

The FDA *Food Safety Modernization Act* ("**FSMA**"), enacted in January 2011, amended the FDCA to significantly enhance the FDA's authority over various aspects of food regulation. The FSMA granted the FDA mandatory recall authority when the FDA determines there is a reasonable probability that a food is adulterated or misbranded and that the use of, or exposure to, the food will cause serious adverse health consequences or death to humans or animals. Other changes include, but are not limited to, the FDA's expanded access to records; the authority to suspend food facility registrations and require high risk imported food to be accompanied by a certification; stronger authority to administratively detain food; the authority to refuse admission of an imported food if it is from a foreign establishment to which a U.S. inspector is refused entry for an inspection; and the requirement that importers verify that the foods they import meet domestic standards.

Although dietary supplement facilities are exempt from preventive controls requirements, dietary ingredient facilities might not qualify for the exemption. FDA's proposed preventative controls regulations would require that facilities develop and implement preventive controls to assure that identified hazards are significantly minimized or prevented, monitor the effectiveness of the preventive controls, and maintain numerous records related to those controls.

The Safe Drinking Water and Toxic Enforcement Act of 1986 (California) (**"*Proposition 65*"**) requires businesses to provide warnings to Californians about significant exposures to chemicals that cause cancer, birth defects or other reproductive harm. The Target has adopted the practice of including a warning label on all of its products with respect to the potential for causing cancer and reproductive harm. We expect the Resulting Issuer to adopt and continue this practice following the Proposed Transaction.

Canada

In Canada, natural health products are regulated by Health Canada under the *National Health Products Regulations* of the *Food and Drugs Act*, which regulations came to force in 2004.

The *Natural Health Product Regulations* contain requirements for the manufacture, packaging, labelling, storage, importation, distribution, and sale of natural health products in Canada. According to these regulations, all-natural health products must have a product licence before they can be sold in Canada. To obtain a product license, applicants must provide detailed information about the product to Health Canada, including information regarding medicinal ingredients, source, dose, potency, non-medicinal ingredients, and recommended use(s). Once Health Canada has assessed a product and determined it is safe, effective and of high quality, it issues a product license along with an eight-digit Natural Product Number ("**NPN**"), which must appear on the label of the product. The appearance of the NPN on the labels of natural health products lets consumers know the product has been reviewed and approved by Health Canada.

Further, all Canadian manufacturers, packagers, labelers, and importers of natural health products must have site licenses issued by Health Canada. To obtain a site license, applicants are required to maintain proper distribution records, establish proper procedures for product recalls and for the handling, storage and delivery of their products, and must be able to demonstrate that they meet Good Manufacturing Practice requirements.

The *National Health Product* Regulations permit individuals to import a single course of treatment or a 90-day supply of Natural Health Products, as defined therein, based on the directions for use, whichever is less. The Natural Health Product must be for the individual's own personal use or for the use of a person for whom they are responsible and with whom they are travelling (the "**Personal Use Importation Exemption**").

The Target currently relies on the Personal Use Importation Exemption to supply Canadian customers with its products. We expect that the Resulting Issuer will commence the process for acquiring the necessary NPN's for larger scale distribution of its products in Canada and all required Health Canada site licenses, Canadian Food Inspection Agency certifications and import licenses required to establishing its own distribution centre in Canada following the Closing of the Proposed Transaction.

Mexico

In Mexico the control and regulation of drug products is administered by the Comisión Federal para la Protección contra Riesgos Sanitarios: Federal Commission for Protection against Sanitary Risks (the "**COFEPRIS**"). In addition to drug products, the COFEPRIS is responsible for regulating food and beverages, tobacco products, other healthcare supplies including medical devices, vaccines, blood and tissues, healthcare services, cosmetics and other consumer goods, pesticides, plant nutrients and toxic substances, national health emergencies, occupational health and environmental risks. In aggregate, the products in this sector total approximately USD $92 billion representing approximately 10% of all Mexican gross domestic product. COFEPRIS has responsibility over all activities related to these products and services including production, distribution, commercialization, and imports.

In July 2012, the World Health Organization (the "**WHO**"), through the Pan American Health Organization ("**PAHO**"), designated COFEPRIS as National Regulatory Authority of Regional Reference of medicines and biological products. This recognition follows an evaluation of the commission's performance of basic functions, recommended by the WHO, for ensuring the quality, safety and efficacy of medicines in the country.

The Target sells its products to third-party distributors in the United States who then import and sell these products in Mexico. These distributors are solely responsible for compliance with the COFEPRIS regulations, including the requirement to obtain a valid Prior Health Import Permit ("**PSPI**"), import restrictions, and all applicable tax remittances. They are also responsible for administering applicable product tracing requirements as required to support a product recall. The Target furnishes such distributors with the documentation required to facilitate such compliance.

Outside of North America

There has been an increasing movement in certain foreign markets to increase the regulation of natural health products. The sale of our products in countries outside of North America is regulated by the governments of those countries. Our plans to commence or expand sales into new countries may be prevented or delayed or even suspended by such regulations or regulators in those countries. In countries in which we have distributors, compliance with such regulations is generally undertaken by our distributors, but even in these cases we often cooperate by providing information to distributors.

4.2 Asset Backed Securities

Neither the Company nor the Target has any asset-backed securities.

4.3 Mineral Projects

Neither the Company nor the Target has any mineral projects.

4.4 Oil and Gas Operations

Neither the Company nor the Target has any oil and gas operations.

5 Selected Consolidated Financial Information

5.1 Selected Financial Information

(1) The Company

The following table provides a summary of the financial operations of the Company for the fiscal years ended October 31, 2017, 2018, and 2019 and the nine months ended July 31, 2020. For more detailed information, refer to the financial statements of the Company for the three-month interim period ended July 31, 2020 (unaudited), the three-month interim period ended April 30, 2020 (unaudited), the three-month interim period ended January 31, 2020 (unaudited) and fiscal years ended October 31, 2019, 2018 and 2017 (audited) hereto appended as Schedule "A".

	For the Year Ended October 31			For the Nine Months Ended
	2019 (US $)	2018 (US $)	2017 (US $)	July 31, 2020 (US $)
Net sales/total revenues	$Nil	$Nil	$49,825	$Nil
Income (loss) from continuing operations	$(124,270)	$(155,693)	$(59,541)	$6,683,260
Income (loss) from discontinued operations	$(259,567)	$(408,996)	$(652,471)	$(170,095)
Net income (loss)	$(383,837)	$(564,689)	$(712,012)	$6,513,165
Net income (loss) per share	$(0.02)	$(0.05)	$(0.07)	$0.40
Total assets	$1,818	$11,868	$13,872	$3,757
Total liabilities	$7,316,462	$6,941,882	$6,730,952	$780,010
Cash dividends declared	$Nil	$Nil	$Nil	$Nil

(2) Target

The following table provides a summary of the financial operations of the Target for the fiscal years ended December 31, 2018 and 2019 and the nine months ended September 30, 2020. For more detailed information, refer to the financial statements of the Target for the nine-month interim period ended September 30, 2020 (unaudited), and fiscal years ended December 31, 2018 and 2019 which are hereto appended as Schedule "C".

	For the Year Ended December 31		For the Nine Months Ended
	2019	2018	September 30, 2020
Net sales/total revenues	$1,503,440	$1,436,191	$451,873

	For the Year Ended December 31		For the Nine Months Ended
	2019	2018	September 30, 2020
Income/Loss from continuing operations	$32,952	$254,924	$78,033
Income/Loss from continuing operations per share	$26.36	$203.93	$62.42
Net income/loss	$32,952	$254,924	$78,033
Net income / loss per share	$26.36	$203.93	$62.42
Total assets	$228,017	$387,401	$ 240,514
Total liabilities	$465,273	$680,422	$ 411,847
Cash dividends declared	$Nil	$Nil	$Nil

5.2 Summary of Quarterly Results

The table below sets out the revenue, income (loss), and income (loss) per share of the Company for the past eight most recently completed quarters as set out in the Company's July 31, 2020 MD&A.

Month	Total Revenue (US $)	Net Income (Loss) (US $)	Net Income (Loss) Per Share (US $)
July 31, 2020	Nil	6,681,766	0.41
April 30, 2020	Nil	(139,006)	(0.00)
January 31, 2020	Nil	(29,595)	(0.00)
October 31, 2019	Nil	(361,267)	(0.03)
July 31, 2019	Nil	(10,652)	(0.00)
April 30, 2019	Nil	(10,652)	(0.00)
January 31, 2019	Nil	(1,266)	(0.00)
October 31, 2018	Nil	(551,760)	(0.05)

The table below sets out the revenue, income (loss), and income (loss) per share of the Target for the past eight most recently completed quarters as set out in the Target's September 30, 2020 MD&A.

Month	Total Revenue ($)	Net Income/ Loss ($)	Net Income (Loss) Per Share ($)
September 30, 2020	168,520	34,752	27.80
June 30, 2020	116,729	46,751	37.42
March 31, 2020	166,624	(3,500)	(2.80)
December 31, 2019	51,607	(30,714)	(24.57)

Month	Total Revenue ($)	Net Income/ Loss ($)	Net Income (Loss) Per Share ($)
September 30, 2020	168,520	34,752	27.80
June 30, 2020	116,729	46,751	37.42
September 30, 2019	174,962	61,971	49.58
June 30, 2019	453,751	151,861	121.48
March 31, 2019	450,467	194,658	155.27
December 31, 2018	224,425	(420,578)	(336.46)
September 30, 2018	149,901	231,377	185.10

5.3 Dividends

Neither the Company nor the Target has paid dividends since their respective most recent year-end. Neither the Company nor the Target has paid any dividends during any of their respective previously completed three financial years. Neither the Company, nor the Target has any formal restriction that would prevent them from paying dividends. However, we intend for the Resulting Issuer to retain any earnings to finance growth and expand its operations and do not anticipate paying any dividends on the Common Shares in the foreseeable future.

5.4 Foreign GAAP

This section is not applicable to the Company, the Target or the Resulting Issuer.

6 Management's Discussion and Analysis

The Company's MD&A for the period ended July 31, 2020 and 2019 and the fiscal year ended October 31, 2019 are attached as Schedule "B" hereto.

The Target's MD&A for the period ended September 30, 2020 and the fiscal year ended December 31, 2019 are attached as Schedule "D" hereto.

7 Market for Securities

The Common Shares are listed and posted for trading on the CSE under the symbol "EMRG". The Common Shares were previously listed and posted on the Exchange under the symbol "VCT.X". On January 28, 2020, the CSE notified the Company that it did not meet the continued listing requirements as set out in CSE Policy 2, Appendix A, Section 2.9 and the CSE considered the Company "inactive". In accordance with CSE Policy 3, Section 5.1, an ".X" extension was added to the Company's trading symbol. Trading of the Common Shares was halted on August 17, 2020 pending Exchange Approval in connection with the Target Acquisition.

8 Consolidated Capitalization

The following table sets forth the capitalization of the Company as at the Effective Date and following the Proposed Transaction:

Category	Authorized	Issued and Outstanding prior to the Proposed Transaction	Issued and Outstanding following the Proposed Transaction
Common Shares	Unlimited	16,156,971	17,156,971
Preferred Shares	Unlimited	Nil	Nil
Stock Options	10% of Common Shares[(1)]	Nil	Nil

Notes:
(1) We have a rolling stock option plan. The maximum number of shares reserved for issuance under the plan is 10% of our issued and outstanding shares on a "rolling" basis.

9 Options to Purchase Securities

9.1 Options to Purchase Our Securities

As of the Effective Date, the Company had no stock options outstanding under its Option Plan. Pursuant to the Option Plan, stock options may be granted to officers, directors, employees and consultants (the "**Participants**") of the Company or its Affiliates, subject to the rules and regulations of applicable regulatory authorities and the CSE. The purpose of the Option Plan is to advance the interests of the Company through the grant of options by: (a) providing an incentive mechanism to foster the interests of the Participants in the success of the Company; (b) encouraging Participants to remain with the Company; and (c) attracting new directors, officers, employees, and consultants.

The Company has adopted the Option Plan, which allows for the reservation of a maximum of 10% of the issued and outstanding Common Shares at the time of the stock option grant.

The Option Plan established by the directors of the Company on March 29, 2012 and subsequently approved by the Shareholders of the Company, provide that the Board may from time to time grant to directors, officers and employees of the Company and consultants, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the total issued and outstanding Common Shares, exercisable for a period of up to ten (10) years from the date of the grant. The number of Common Shares reserved for issuance to any individual director or officer of the Company will not exceed 5% of the issued and outstanding Common Shares (2% in the case of all optionees providing investor relations services to the Company and 2% in the case of all technical consultants of the Company) in any 12-month period. The exercise price of any option granted pursuant to the Option Plan shall be determined by the Board when granted but shall not be less than the discounted market price. Any options granted pursuant to the Option Plan are non-transferable, except by means of a will or pursuant to the laws of descent and distribution.

10 Description of the Securities

10.1 General

Our authorized share capital consists of an unlimited number of Common Shares without par value, and an unlimited number of class B preferred shares without par value (the "**Preferred Shares**"). As of the Effective Date, the Company had 16,156,971 Common Shares outstanding. There are no Preferred Shares outstanding. The Company has not issued any options pursuant to the Option Plan. Upon completion of the Proposed Transaction, the outstanding capital of the Resulting Issuer will consist of 17,156,971 Common Shares.

The following description summarizes the most important terms of each class of our share capital. This summary does not purport to be complete and is qualified in our entirety by the provisions of our certificate of incorporation and articles, copies of which have been previously filed with the Exchange. For a complete description of our Common Shares and Preferred Shares, one should refer to the articles of incorporation of the Company, notice of articles, and to the applicable provisions of the BCBCA.

Common Shares

(1) **Dividend Rights**

Holders of Common Shares are entitled to share, on a per share basis, in dividends and other distributions of cash, property, or shares of our stock as may be declared by the Board from time to time with respect to the Common Shares out of our legally-available assets or funds. However, in the event such dividends are paid in the form of Common Shares or rights to acquire Common Shares, the holders of Common Shares shall receive Common Shares or rights to acquire Common Shares, as the case may be.

(2) **Voting Rights**

Each holder of Common Shares is entitled to receive notice of any meeting of Shareholders, to attend such meeting, and to vote at the meeting. Each Common Share holds one vote per share on matters to be voted on by Shareholders.

(3) **Liquidation Rights**

In the event of a voluntary or involuntary liquidation, dissolution, distribution of assets, or winding up of the company, the holders of our Common Shares are entitled to share equally with all other holders of our Common Shares, on a per share basis, all assets of the company of whatever kind available for distribution to the holders of our Common Shares.

(4) **Rights and Preferences**

Holders of our Common Shares have no other pre-emptive, subscription or other rights. There is no redemption or sinking fund provisions applicable to our Common Shares. The rights, preferences, and privileges of the holders of our Common Shares are subject to and may be adversely affected by the rights of the holders of any of our Preferred Shares that may be designated in the future.

Preferred Shares

Our Board may, from time to time, direct the issuance of Preferred Shares in series and may, at the time of issue, determine the designation, powers, rights, preferences, and limitations of each series. Satisfaction of any dividend preferences of outstanding Preferred Shares would reduce the amount of funds available for the payment of dividends on the Common Shares. Holders of Preferred Shares may be entitled to receive a preference payment in the event of any liquidation, dissolution, or winding-up of the company before any payment is made to the holders of Common Shares. Under certain circumstances, the issuance of Preferred Shares may render more difficult or tend to discourage a merger, tender offer or proxy contest, the assumption of control by a holder of a large block of our securities, or the removal of incumbent management. Upon the affirmative vote of a majority of the total number of directors then in office, the Board may issue Preferred Shares with voting and conversion rights that could adversely affect the holders of Common Shares.

10.2 – 10.6 Miscellaneous Securities Provisions

None of the matters set out in sections 10.2 through 10.6 (inclusive) of CSE Form 2A are applicable to the share structure of the Company, the Target or the Resulting Issuer.

10.7 Prior Sales

On November 20, 2019, the Company issued 75,000 common shares with a fair value of US$16,385 to a company associated with its Chief Financial Officer for past services.

There have been no other prior sales of securities of the Company for the past 12 months prior to the Effective Date.

Concurrent with the Close of the Proposed Transaction, the Company will issue 1,000,000 Common Shares to the Target Shareholder in consideration for the Target Shares. The price of the Common Shares listed on the Exchange on the date of the Target Acquisition Agreement was $0.63 per Common Share.

There have no prior sales of securities of the Target for the past 12 months, other than in connection with the Proposed Transaction.

10.8 Stock Exchange Price

The Company's Common Shares are listed for trading on the Exchange under the trading symbol "VCT.X". The Common Shares previously traded under the symbol "VCT". On January 28, 2020, the CSE notified the Company that it did not meet the continued listing requirements as set out in CSE Policy 2, Appendix A, Section 2.9 and the CSE considered the Company "inactive". In accordance with CSE Policy 3, Section 5.1, an ".X" extension was added to the Company's trading symbol.

The following table sets out trading information for the Common Shares on a monthly basis for each month of the current quarter and the immediately preceding quarter prior to the Effective Date.

Month	High	Low	Trading Volume
August 17, 2020[2]	$0.73	$0.50	45,936
July 31, 2020	$0.92	$0.63	46,883
June 30, 2020	$0.95	$0.45	101,599
May 31, 2020	$0.59	$0.35	33,500
April 30, 2020	$0.58	$0.55	29,057
March 31, 2020	$1.75	$0.37	58,818
February 29, 2020	$2.60	$0.96	121,650

The following table sets out trading information for the Common Shares on a quarterly basis for the preceding seven quarters prior to the Effective Date.

[2] On August 17, 2020 trading of the Issuer's Common Shares was halted pending Exchange Approval of the Proposed Transaction.

Quarter Ended	High	Low	Trading Volume
July 31, 2020	$0.95	$0.35	181,982
April 30, 2020	$0.92	$0.63	46,883
January 31, 2020	$1.49	$0.61	62,014
October 31, 2019	$0.01	$0.01	4,214
July 31, 2019	$0.07	$0.02	4,565
April 30, 2019	$0.075	$0.02	224,804
January 31, 2019	$0.015	$0.01	39,299

The Target Shares are not listed or posted for trading on any stock exchange.

11 Escrowed Securities

On January 12, 2021, the Company, Computershare Investor Services Inc. (the "**Escrow Agent**"), and certain shareholders entered into an escrow agreement, whereby Common Shares held by such shareholders were deposited with the Escrow Agent (the "**Escrow Agreement**").

Under the Escrow Agreement, 10% of the escrowed Common Shares are to be released from escrow on the issuance of the Exchange Approval and an additional 15% were to be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the issuance of the Exchange Approval.

The following is a summary of the Common Shares that are anticipated to be held in escrow or otherwise subject to escrow restrictions:

Name and Municipality of Residence of Securityholder	Class of Shares	Number of Common Shares Held in Escrow	Percentage of Class Prior to the Proposed Transaction	Percentage of Class After the Proposed Transaction
Joseph A. Byrne Essex, Ontario	Common	13,034,954	80.68%	75.97%
Jeffrey Thomas Troy, Michigan	Common	1,000,000	N/A	5.82%

12 Principal Shareholders

To the knowledge of the directors and senior officers of the Company, following the completion of the Proposed Transaction the following Persons will beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the voting securities (being Common Shares) of the Company.

Name	Number and Percentage of Common Shares Owned prior to the Proposed Transaction	Number and Percentage of Common Shares Owned after giving effect to the Target Acquisition
Joseph A. Byrne	13,034,954[(1)]	13,034,954

Name	Number and Percentage of Common Shares Owned prior to the Proposed Transaction	Number and Percentage of Common Shares Owned after giving effect to the Target Acquisition
	80.68%	75.97%

Notes:

(1) Such Common Shares are owned both of record and beneficially by Mr. Byrne.

To the knowledge of the Company, no voting trust exists within the Company such that more than 10% of any class of voting securities of the Company are held, or are to be held, subject to any voting trust or similar agreement.

13 Directors and Officers

13.1 Name, Address, Occupation and Security Holdings of Directors and Officers

The following table sets out the names of the directors and executive officers of the Company, the municipality in which each is ordinarily resident, all offices of the Company held by each of them, their principal occupations during the past five years and the number of Common Shares beneficially owned by each, directly or indirectly, or over which control or direction is exercised as of the Effective Date and after giving effect to the Proposed Transaction.

Name and Municipality of Residence	Principal Occupation for the Past Five Years	Position with the Company – Held Since	Common Shares Beneficially Owned or Controlled(1)	% of Issued and Outstanding Common Shares Prior to the Proposed Transaction	% of Issued and Outstanding Common Shares After the Proposed Transaction
Joseph A. Byrne(1)(2) Essex, Ontario	Businessperson, Farmer, and Lawyer	CEO Director 11/27/2019	13,034,954	80.68%	75.97%
Robert (Bob) Bates San Francisco, California, U.S.A.	Businessperson	CFO, Corporate Secretary, Director 07/20/2014	Nil	N/A	N/A
Christian J. Gallant(2) Tilbury, Ontario	Business Person	Director 12/31/2020	Nil	N/A	N/A
Cameron Canzellarini(2) Old Saybrook, Connecticut, U.S.A.	Business Person	Director 12/31/2020	29,500	0.18%	0.17%

Notes:

(1) The approximate number of Common Shares carrying the right to vote in all circumstances beneficially owned - directly or indirectly - or over which control or direction is exercised by each party as at the date hereof is based on information furnished by our Transfer Agent and by the party themselves.

(2) Member of the Audit Committee.

Following the completion of the Proposed Transaction, the Resulting Issuer is expected to have the same Board compositions as disclosed in Section 13.1 above.

13.2 Term of Directorship

The term of office of each of our present directors expires at our next annual general meeting. Each director elected or appointed will hold office until our next annual general meeting or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with our Articles or with the provisions of the BCBCA.

13.3 Share Ownership of All Directors and Executive Officers

As of the Effective Date, our directors and executive officers held an aggregate total of 13,064,454 of our Common Shares, or 80.86%. After giving effect to the Proposed Transaction, our directors and executive officers will hold an aggregate of 13,064,454 of our Common Shares, or 80.86%.

13.4 Board Committees

We have appointed an audit committee. Our audit committee consists of three members: Messrs. Joseph A. Byrne, Christian J. Gallant, and Cameron Canzellarini each of whom is a director of the Company. The Chair of the Audit Committee will be Mr. Gallant. The Audit Committee is "independent" as such term is defined in *National Instrument 52-110 – Audit Committees* ("**NI 52-110**"). Joseph Byrne is not an independent director as he also serves as an officer of the Company. It is our opinion that all three members of our audit committee are "financially literate" as such term is defined in NI 52-110.

13.5 Principal Occupation of Certain Directors and Officers

See *Section 13.1 - Name, Address, Occupation and Security Holdings of Directors and Officers* and *Section 13.11 -Management*, for more detail on the background of our directors and officers.

13.6 – 13.9 Corporate Cease Trade Orders or Bankruptcies; Penalties or Sanctions; Personal Bankruptcies

To our knowledge, no director, officer, or Shareholder holding a sufficient number of our securities to affect materially the control of the Company or the Resulting Issuer is or - within 10 years before the Effective Date - has been a director or officer of any other issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Canadian securities law, for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold our assets; or

(d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold our assets.

To our knowledge, no director, officer, or Shareholder holding a sufficient number of our securities to affect materially the control of the Company, is, or within 10 years before the Effective Date, has been, a director or officer of any other issuer that, while that person was acting in that capacity, has:

(e) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(f) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Other than as disclosed below, no director, officer, or Shareholder holding a sufficient number of our securities to affect materially the control of the Company, or a personal holding company of any such persons, has, within the 10 years before the Effective Date, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

Mr. Christian Gallant, a director of the Company, entered into a consumer proposal on October 22, 2014 with his creditors and such consumer proposal was accepted and completed successfully on January 16, 2015.

13.10 Conflicts of Interest

Certain of our directors and officers are also directors and officers of other issuers. Our directors are bound by the provisions of the BCBCA to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter

To the best of our knowledge (and other than disclosed herein), there are no known existing or potential conflicts of interest among the Company, our promoters, directors and officers, or other members of our management or of any proposed promoter, director, officer, or other member of management as a result of their outside business interests except that certain of our directors and officers serve as directors and officers of other companies, and, therefore, it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

We have adopted a *Code of Business Conduct and Ethics* (the "**Code**"), which is intended to document the principles of conduct and ethics to be followed by our directors, officers and employees. The purpose of the Code is to:

(a) Promote integrity and deter wrongdoing.

(b) Promote honest and ethical conduct including the ethical handling of actual or apparent conflicts of interest.

(c) Promote avoidance of conflicts of interest.

(d) Promote full, fair, accurate, timely, and understandable disclosure in public communications made by the Company.

(e) Promote compliance with applicable governmental laws, rules, and regulations.

(f) Promote and provide a mechanism for the prompt internal reporting of departures from the Code.

(g) Promote accountability for adherence to the Code.

(h) Provide guidance to our directors, officers, and employees to help them recognize and deal with ethical issues; and

(i) To help foster a culture of integrity, honesty, and accountability throughout our company.

13.11 Management

The business and affairs of the Resulting Issuer are expected to be managed under the direction of our Board of Directors. The responsibilities of the Board include, among other things, the oversight of our investment activities, the quarterly valuation of our assets, oversight of our financing arrangements, and corporate governance activities. Below is an overview of our directors and officers and their backgrounds:

Joseph A. Byrne, President, Chief Executive Officer and Director (67 years of age)

Joseph Byrne is a lifelong farmer and a practicing lawyer. He has practiced main-street law with Hickey Byrne Law Firm in Essex, Ontario since 2000. Mr. Byrne was formerly the Chair of the Windsor-Essex Economic Development Corporation Board of Directors and Agri-Business Committee in 2012 and 2013 and Vice-Chair in 2011.Mr. Byrne devotes all of his business time to the Issuer and we expect this to remain consistent for the Resulting Issuer.

Mr. Byrne has an LLB from Windsor Law School and a Bachelor of Arts from Windsor University. He was called to the Ontario Bar in 1997.

Mr. Byrne will work full time for the Resulting Issuer.

Robert (Bob) Bates, Chief Financial Officer, Corporate Secretary, and Director (55 years of age)

Robert Bates was the Chief Financial Officer of Inova Technology Inc. from 2006 to 2013 and the Chief Financial Officer of Catalyst Financial Group from 2009 to 2012. Mr. Bates received a B.S. degree from Bucknell University and is a Certified Public Accountant, a Certified Valuation Analyst, and a Certified Fraud Examiner with 25 years of experience as a Controller and Chief Financial Officer of various public and private entities in several countries. Mr. Bates has been involved in several initial public offerings and has experience in Securities and Exchange Commission financial reporting, specifically in consolidation accounting, small business valuation, fundraising, and debt and acquisition accounting. He is a former director of Orion Financial Group (2012 to 2015) and RM Tracking Canada Ltd. (2016 to 2017).

Mr. Bates is expected to devote approximately half of his business time to the Resulting Issuer.

Cameron Canzellarini, Director (30 years of age)

Cameron Canzellarini is Vice President of the Northeast for Maxtech International Inc. ("**Maxtech**"), where he leads multiple construction subsidiaries and manages the company's operations including sales and marketing functions. Prior to joining Maxtech**,** Mr. Canzellarini worked as General Manager, and Director of Operations at multiple Connecticut-based construction firms. In these roles, he developed and implemented successful cost-reduction programs, analyzing budgets to advise on strategies for ongoing improvement. He brings years of experience in customer relationship management, commercial sales, employee safety, project cost control and scheduling, regulatory compliance, and budgeting.

Before shifting into the construction industry, Cameron worked as Securities Accounting Consultant for Aetna International Inc. where he prepared financial statements, analyzed accounts to pinpoint issues and trends, and participated in the design and operation of the company's internal control structure including reconciliation controls and their ongoing adherence to accounting policies and procedures.

Mr. Canzellarini holds a Bachelor of Science degree in Finance from Central Connecticut State University.

Christian J. Gallant, Director, (60 years of age)

Christian Gallant has held executive level business roles in a broad range of sectors including commercial project funding, prepaid financial cards, online banking development as well as a number of start-up ventures. He has experience as a business consultant in many countries, including Switzerland, The Bahamas, Brazil, The British Virgin Islands, Canada, The United States, and Germany.

As the Chief Operating Officer of HumanBios GmbH in San Paolo, Brazil, Mr. Gallant oversaw teams of software developers in several countries as they created new digital wallet and online banking technology. In addition, as the Chief Executive Officer of Standard Transactions Worldwide in The British Virgin Islands, he provided new strategic leadership as this global organization built its brand as one of the first debit card providers to operate in the digital currency arena. He's also worked with MasterCard Miami on a gold-backed prepaid card and with RSA Data Security, Inc. on developing security systems for online banking. He was also the entrepreneur responsible for creating one of Canada's first online shopping malls, a venture that was ultimately acquired by a public issuer.

Mr. Gallant completed his Bachelor of Arts (Hon.) degree at Mercy College in New York, USA. He is a board member of Hotel Dieu Grace Healthcare where he sits on both the Finance and Audit committees for the hospital and The Changing Lives Together Foundation.

Jeff Thomas, Manager of the Target (46 years of age)

Jeff Thomas is the founder of the Target. He devotes substantially all of his business time to the Target and we expect this to remain consistent for the Resulting Issuer. He has over 20 years' experience in the nutrition industry. He is an expert in product flavoring, product formulation, product manufacturing, product compliance, and product export to foreign markets. Jeff attended the University of Phoenix.

Mr. Thomas works full time for the Resulting Issuer.

None of our directors or management have entered into a non-competition or non-disclosure agreement with the Company or the Target.

14 Capitalization

14.1 Summary of Capitalization

The following information is based on there being 17,156,971 Common Shares issued and outstanding as of the Effective Date and assumes the completion of the Proposed Transaction.

Public Float

Issued Capital(1)

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non- diluted)	% of Issued (fully-diluted)
Total outstanding (A)	17,156,971	17,156,971	100.00%	100.00%
Held by related persons or employees of the Company, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Company (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Company upon exercise or conversion of other securities held) (B)	14,064,454	14,064,454	81.98%	81.98%
Total Public Float (A-B)	3,092,517	3,092,517	18.02%	18.02%
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	14,034,954	14,034,954	81.80%	81.80%
Freely-Tradeable Float (A-C)	3,122,017	3,122,017	18.20%	18.20%

Notes:

(1) The information contained in the above table is from our registered shareholder list as of September 23, 2020 provided by our Transfer Agent.

Public Security-holders (Registered) (1)

Class of Security

Size of Holding	Number of Holders	Total Number of Securities
000 – 499 securities	170	6,686

Size of Holding	Number of Holders	Total Number of Securities
500 – 999 securities	6	3,834
1,000 – 1,999 securities	55	81,851
2,000 – 2,999 securities	1	2,500
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	1	4,375
5,000 or more securities	11	922,892
Total:	**244**	**1,022,138**

Notes:

(1) The information contained in the above table is from our registered shareholder list as of September 23, 2020 provided by our Transfer Agent and adjusted to remove: (i) registered holdings by non-public security holders and (ii) the registered holdings of CDS & Co on behalf of beneficial holders.

Public Security-holders (Beneficial)

Class of Security

Size of Holding	Number of Holders	Total Number of Securities
0– 499 securities	714	24,885
500 – 999 securities	25	16,640
1,000 – 1,999 securities	71	104,578
2,000 – 2,999 securities	5	10,916
3,000 – 3,999 securities	8	26,775
4,000 – 4,999 securities	8	34,219
5,000 or more securities	56	2,870,378
Unable to confirm		4,126
Total:	887	3,092,517

Notes:

(1) The information contained in the above table is from a share range report for a record date of September 23, 2020 produced by the Transfer Agent at our request.

(2) This number has been reduced from the number provided by the Transfer Agent to take into account the disclosed holdings of non-public security-holders in the table below.

Non-Public Security-holders (Registered)

Class of Security

Size of Holding	Number of Holders	Total Number of Securities
0 – 499 securities	0	0
500 – 999 securities	0	0

Size of Holding	Number of Holders	Total Number of Securities
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	1	13,034,954
Total:	**1**	**13,034,954**

Note:
(1) The information from the above table is from the registered share holdings as publicly disclosed on the System for Electronic Disclosure by Insiders (www.SEDI.ca) as of the Effective Date by our current directors, officers and insiders.

Non-Public Security-holders (Beneficial)

Class of Security

Size of Holding	Number of Holders	Total Number of Securities
0 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	3	14,064,454
Total:	**3**	14,064,454

Note:
(1) The information from the above table is from the beneficial share holdings as publicly disclosed on the System for Electronic Disclosure by Insiders (www.SEDI.ca) as of the Effective Date by our current directors, officers and insiders, and also includes 1,000,000 securities to be issued to Mr. Jeff Thomas on completion of the Proposed Transaction, that are not yet reflected on www.SEDI.ca.

14.2 Securities Convertible into Common Shares

Neither the Company nor the Target have any securities convertible or exchangeable into any class of listed securities.

14.3 Other Securities Reserved for Issuance

Neither the Company nor the Target have any listed securities reserved for issuance that are not included in section 14.1 or 14.2.

15 Executive Compensation

15.1 Compensation Discussion and Analysis

(1) Executive Compensation

In this section, NEO (named executive officer) means (a) the CEO (or an individual who acted in a similar capacity), (b) the CFO (or an individual who acted in a similar capacity), (c) each of our three other most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity (except those whose total compensation does not exceed $150,000), and (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither of our executive officers acting in a similar capacity at the end of that financial year.

Based on the above criteria, the only NEOs for the Company are, and the NEOs of the Resulting Issuer following the completion of the Proposed Transaction will be, Joe Byrne and Bob Bates. The compensation policies of the Resulting Issuer are expected to remain consistent with those of the Company as of the Effective Date.

(2) Compensation Discussion and Analysis

The Board has developed the appropriate compensation policies for both the officers and the directors of the Company. To determine appropriate compensation levels, the Board has reviewed compensation paid for directors and officers of companies of similar size and stage of development in comparable industries and determined an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company.

When determining compensation policies and individual compensation levels for the Company's executive officers a variety of factors were considered, including: the overall financial and operating performance of the Company, each executive officer's individual performance and contribution towards meeting corporate objectives, each executive officer's level of responsibility, length of service, and industry comparable.

The Company's compensation philosophy for its executive officers follows three underlying principles: to provide compensation packages that encourage and motivate performance; to be competitive with other companies in the industry in which it operates so as to attract and retain talented executives; and to align the interests of its executive officers with the long-term interests of the Company and its Shareholders through stock related programs.

The Company is currently in discussions with its executive officers and anticipates entering formal employment agreements with certain executives in due course.

The Company may use stock option grants to align executive interests with those of Shareholders. Any future issuances are intended to be based on the executive's performance, his or her level of responsibility, as well as the number and exercise price of any options previously issued to the executive for his or her overall aggregate total compensation package.

15.2 Summary Compensation Table

The Company

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided directly or indirectly - by the Issuer to each NEO and director, in any capacity, for the three most recently completed financial years.

Table of compensation excluding compensation securities							
	Year	Salary, consulting fee, retainer or commission (US$)	Bonus (US$)	Committee or meeting fees (US$)	Value of perquisites (US$)	Value of all other compensation (US$)	Total Compensation (US$)
Joseph Byrne, CEO and Director(1)	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	N/A	N/A	N/A	N/A	N/A	N/A
	2017	N/A	N/A	N/A	N/A	N/A	N/A
Robert (Bob) Bates, CFO and Director(2)	2019	69,286	Nil	Nil	Nil	Nil	69,286
	2018	156,252	Nil	Nil	Nil	Nil	156,252
	2017	31,546	Nil	Nil	Nil	Nil	31,546
Claire Byrne, Director(3)	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	N/A	N/A	N/A	N/A	N/A	N/A
	2017	N/A	N/A	N/A	N/A	N/A	N/A
Zhinan Liu, Former CEO and Director(4)	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	N/A	N/A	N/A	N/A	N/A	N/A
Adam Radley, Former CEO and Director(5)	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Carlo Argila, Director(6)	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Chip Hackley, Director(7)	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Mr. Joseph Byrne was appointed the CEO and a director of the Company on November 27, 2019. He has received no compensation from the Company during the time periods referenced.

(2) Mr. Robert (Bob) Bates was appointed the CFO and a director of the Company on July 20, 2014.

(3) Ms. Claire Byrne was appointed a director of the Company on November 27, 2019. She resigned as a director on December 31, 2020. She received no compensation from the Company during the time periods referenced. Ms. Byrne is married to Joseph Byrne the CEO who is a director of the Company.
(4) Mr. Zhinan Liu was a appointed the CEO and a director of the Company on September 14, 2018. He resigned from the position of CEO on November 27, 2019.
(5) Mr. Adam Radley was a appointed the CEO and a director of the Company on July 20, 2014. He resigned from the position of CEO and director on September 14, 2018.
(6) Mr. Carlo Argila was a appointed a director of the Company on July 21, 2015. He resigned as a director on September 14, 2018.
(7) Mr. Chip Hackley was a appointed a director of the Company on July 20, 2014. He resigned as a director on July 21, 2015.

15.3 Option-based Awards

The Company has a "rolling" stock option plan. Pursuant to the Option Plan, the Company may grant options up to a maximum of 10% of the Company's issued and outstanding share capital at the time of grant. For further information regarding the terms of the Option Plan, please refer to *Section 9 – Options to Purchase Securities*.

No options are currently issued and outstanding as of the Effective Date.

The Company is currently in discussions with its executive officers and anticipates entering formal employment agreements with certain executives in due course. We anticipate that the Resulting Issuer will issue incentive options to certain individuals in the near term relating to the execution of formal employment agreements.

15.4 Pension Plan Benefits

Neither the Company nor the Target has any pension plans that provide for payments or benefits to any NEO at, following, or in connection with their retirement, nor do we have any defined contribution plans relating to any NEO.

15.5 Termination and Change of Control Benefits

None of the NEO's have entered employment agreements with the Company. However, the Company is currently in discussions with its executive officers and anticipates that the Resulting Issuer will enter into formal employment or consulting agreements with its executives in due course. We anticipate that the executive employment agreements with the Resulting Issuer will include customary provisions regarding base salary, eligibility for annual bonuses, enrolment of benefits, and change of control (among other things).

16 Indebtedness of Directors and Executive Officers

16.1 Aggregate Indebtedness

As at the Effective Date and upon completion of the Proposed Transaction, none of our executive officers, directors, or associates or affiliates of such persons:

(a) are or have been indebted to us at any time; or

(b) are or have been indebted to another entity at any time where that indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar instrument.

16.2 Indebtedness of Directors and Executive Officers under (1) Securities Purchase and (2) Other Programs

None of our executive officers, directors, or associates or affiliates of such persons are indebted to us as a result of a securities purchase. We do not have a securities purchase program.

17 Risk Factors

17.1 Risks Related to the Company's Business

The COVID-19 pandemic and resulting adverse economic conditions could harm our business.

Inflation or other changes in economic conditions, including the economic impact of COVID-19 and restrictions/limitations on the types of businesses that may operate and the adoption of "shelter-in-place" rules, that affect demand for nutritional supplements could adversely affect our revenue. Uncertainty about current global economic conditions poses a risk as consumers and businesses may postpone spending in response to tighter credit markets, negative financial news and/or declines in income or asset values, each of which could have a material negative effect on the demand for our products. Other factors that could influence demand include conditions in the residential real estate and mortgage markets, labor and healthcare costs, access to credit, consumer confidence and other macroeconomic factors affecting consumer spending behavior. These and other economic factors could have a material adverse effect on demand for our products and on our financial condition and results of operations.

Currently, one of the most significant risks and uncertainties is the potential adverse effect of the current pandemic of the novel coronavirus, or COVID-19. Many experts predict that the outbreak will trigger, or even has already triggered, a period of global economic slowdown or a global recession.

The COVID-19 pandemic could have material and adverse effects on our financial condition, results of operations and cash flows in the near term due to, but not limited to, the following:

- reduced economic activity severely impacts our customers' businesses, financial condition and liquidity and may cause customers to be unable to fully meet their obligations to us or to otherwise seek modifications of such obligations, resulting in increases in uncollectible receivables and reductions in income;

- the negative financial impact of the pandemic could impact our future compliance with financial covenants of our credit facility and other debt agreements;

- weaker economic conditions could cause us to recognize impairment in the value of our tangible or intangible assets.

- reduced demand for our products as a result of decreased sales; and

- delays or an inability to fill orders due to disruptions in the supply chain or impacting the distribution or shipment of products.

The extent to which the COVID-19 pandemic impacts our operations and those of our customers will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others.

The current pandemic of the novel coronavirus, or COVID-19, and the future outbreak of other highly infectious or contagious diseases, could materially and adversely impact or disrupt our financial condition, results of operations, cash flows and performance.

Since being reported in December 2019, COVID-19 has spread globally, including to every state in the United States. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020, the United States declared a national emergency with respect to COVID-19.

The COVID-19 pandemic has had, and another pandemic in the future could have, repercussions across regional and global economies and financial markets. The outbreak of COVID-19 in many countries, including the United States, has significantly adversely impacted global economic activity and has contributed to significant volatility and negative pressure in financial markets. The global impact of the outbreak has been rapidly evolving and, as cases of COVID-19 have continued to be identified in additional countries, many countries, including the United States, have reacted by instituting quarantines, mandating business and school closures and restricting travel.

Certain jurisdictions, including where our principal place of business is located, have also reacted by instituting quarantines, restrictions on travel, "shelter in place" rules, and/or restrictions on types of business that may continue to operate. The Company cannot predict if additional jurisdictions will implement similar restrictions or when restrictions currently in place will expire or be reinstated. As a result, the COVID-19 pandemic is negatively impacting almost every industry directly or indirectly, including industries in which the Company and our customers and business partners operate. In addition, in response to an executive order issued by the Governor of Michigan, employees are working remotely where possible. The effects of the executive order, including an extended period of remote work arrangements, could strain our business continuity plans, introduce operational risk, including but not limited to cybersecurity risks, and impair our ability to manage our business. The COVID-19 pandemic, or a future pandemic, could also have material and adverse effects on our ability to successfully operate and on our financial condition, results of operations and cash flows due to, among other factors:

- the potential negative impact on the health of our personnel, particularly if a significant number of them are impacted, could result in a deterioration in our ability to ensure business continuity during this disruption;

- a complete or partial closure of, or other operational issues at our third-party manufacturers and logistics providers ("**3PL**") resulting from government action;

- the reduced economic activity severely impacts our customers' businesses, financial condition and liquidity and may cause one or more of our customers to be unable to meet their obligations to us in full, or at all, or to otherwise seek modifications of such obligations;

- the reduced economic activity could result in a prolonged recession, which could negatively impact consumer discretionary spending and lead to reduced demand for our products and a decrease in sales;

- difficulty accessing debt and equity capital on attractive terms, or at all, impacts to our credit ratings, and a severe disruption and instability in the global financial markets or deteriorations in credit and financing conditions may affect our access to capital necessary to fund business operations or address maturing liabilities on a timely basis and our customers' ability to fund their business operations and meet their obligations to us;

- the financial impact of the COVID-19 pandemic could negatively impact our future compliance with financial covenants of our credit facility and other debt agreements and result in a default and potentially an acceleration of indebtedness, which non-compliance could negatively impact our ability to make additional borrowings under our revolving credit facility;

- any impairment in value of our tangible or intangible assets that could be recorded as a result of a weaker economic conditions; and

- a deterioration in our or our customers' ability to operate in affected areas or delays in the supply of products or services to us or our customers from vendors that are needed for our or our customers' efficient operations could adversely affect our operations and those of our customers.

The extent to which the COVID-19 pandemic impacts our operations and those of our customers will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others. Additional closures by our customers of their stores could reduce our cash flows.

The rapid development and fluidity of this situation precludes any prediction as to the full adverse impact of the COVID-19 pandemic. Nevertheless, the COVID-19 pandemic presents material uncertainty and risk with respect to our financial condition, results of operations, cash flows and performance.

Because we depend on outside suppliers with whom we may not have long-term agreements for raw materials, we may be unable to obtain adequate supplies of raw materials for our products at favorable prices or at all, which could result in product shortages and back orders for our products, with a resulting loss of net sales and profitability.

We acquire all our raw materials for the manufacture of our products from third-party suppliers. Currently, we rely on third-party co-packers for our products. We rely on short-term or spot agreements for the continued supply of materials and products. Several of our products contain one or more ingredients that may only be available from a single source or supplier. Any of our suppliers could discontinue selling to us at any time. In certain situations, we may be required to alter our products or substitute different materials from different alternative sources. Our suppliers or government regulators may interpret new regulations (including cGMP regulations) in such a way as to cause a disruption in our supply chain as these parties undertake increased scrutiny of raw materials and components of raw materials and products, causing certain suppliers or us to discontinue, change or suspend the sale of certain ingredients or components. Although we believe that we could establish alternate sources for most of these materials, any delay in locating and establishing relationships with other sources could result in product shortages and back orders for the products, with a resulting loss of net sales and profitability. We are also subject to delays associated with raw materials. These can be caused by conditions not within our control, including:

- burdensome tariffs,

- weather,

- crop conditions,

- transportation interruptions,

- strikes by supplier employees, and

- natural disasters, pandemics or other catastrophic events.

These factors could result in a delay in or disruption of the supply of certain raw materials. Any significant delay in or disruption of the supply of raw materials could have a material adverse effect upon us.

If the third-party manufacturers we are dependent upon experience power failures, the breakdown, failure or substandard performance of equipment, the improper installation or operation of equipment, natural disasters, pandemic outbreaks or other disasters or fail to comply with the requirements or directives of government agencies, including the FDA our products may be negatively affected, with a resulting loss of net sales and profitability.

We are dependent upon the uninterrupted and efficient operation of our third-party manufacturing partners. Those operations may experience power failures, the breakdown, failure or substandard performance of equipment, the improper installation or operation of equipment, natural disasters, pandemic outbreaks or other disasters or a failure to comply with the requirements or directives of government agencies, including the FDA. There can be no assurance that the occurrence of these or any other operational problems at these facilities would not have a material adverse effect on our business, financial condition and results of operations.

Our success is linked to the size and growth rate of the vitamin, mineral and supplement market and an adverse change in the size or growth rate of that market could have a material adverse effect on us.

Our business is focused on the development, manufacture, marketing, and distribution of branded sports and nutrition supplements. Consumer demand could change based on several possible factors, including dietary habits and nutritional values, concerns regarding the health effects of ingredients and shifts in preference for various product attributes. If consumer demand for our products decreases, our business and financial condition would suffer. In addition, sales of nutritional supplements are subject to evolving consumer preferences that we may not be able to accurately predict or respond to. Consumer trends could change based on a number of possible factors, including economic conditions, consumer preferences, the impact of COVID-19 and other factors that are beyond our control, including media attention and scientific research, which may be positive or negative. A significant shift in consumer demand away from our products could reduce sales, which would harm our business and financial condition.

Adverse publicity or consumer perception of our brand and our branded products could harm our reputation and adversely affect our sales.

Our success largely depends on our ability to maintain and grow the value of the Target branded products. Maintaining, promoting and positioning our brands and reputation will depend on, among other factors, the success of our product offerings, food safety, quality assurance, marketing and merchandising efforts and our ability to provide a consistent, high-quality customer experience. Brand value is based on perceptions of subjective qualities, and any incident that erodes the loyalty of customers or suppliers, including adverse publicity or a governmental investigation or litigation, could significantly reduce the value of our brand and adversely affect our business, results of operations and financial condition.

We are highly dependent upon consumers' perception of the safety and quality of our products as well as similar products distributed by other companies in our industry, and adverse publicity and negative public perception regarding particular ingredients or products or our industry in general could limit our ability to increase revenue and grow our business.

Decisions about purchasing made by consumers of our products may be affected by adverse publicity or negative public perception regarding particular ingredients or products or our industry in general. This negative public perception may include publicity regarding the legality or quality of particular ingredients or products in general or of other companies or our products or ingredients specifically. Negative public perception may also arise from regulatory investigations, regardless of whether those investigations involve us. We are highly dependent upon consumers' perception of the safety and quality of our products as well as similar products distributed by other companies. Thus, the mere publication of reports asserting that such products may be harmful could have a material adverse effect on us, regardless of whether these reports are scientifically supported. Publicity related to nutritional supplements may also result in increased regulatory scrutiny of our industry and/or the healthy foods industry. Negative publicity about us, our brand or products on social or digital media could seriously damage our reputation. Without a favorable perception of our brand and products, our sales and profits could be negatively impacted.

Our failure to respond appropriately to competitive challenges, changing consumer preferences and demand for new products could significantly harm our customer relationships and product sales.

The nutritional supplement industry is characterized by intense competition for product offerings and rapid and frequent changes in consumer demand. Our failure to predict accurately product trends could negatively impact our products and cause our revenues to decline.

Our success with any particular product offering (whether new or existing) depends upon a number of factors, including our ability to:

- deliver quality products in a timely manner in sufficient volumes;
- accurately anticipate customer needs and forecast accurately to our manufacturers;
- differentiate our product offerings from those of our competitors;
- competitively price our products; and
- develop new products.

Furthermore, products often have to be promoted heavily in stores, trade shows or in the media to obtain visibility and consumer acceptance. Acquiring distribution for products is difficult and often expensive due to slotting and other promotional charges mandated by retailers. Products can take substantial periods of time to develop consumer awareness, consumer acceptance and sales volume. Accordingly, some products may fail to gain or maintain sufficient sales volume and as a result may have to be discontinued.

Failure to retain current customers and/or recruit new customers will negatively affect our future growth and profitability.

Our success, and our ability to increase revenue and operate profitably, depends in part on our ability to acquire new customers and retain existing customers, so that they continue to purchase the Company's products. We may fail to acquire or retain customers across our distribution channels due to negative value and quality perceptions, a lack of new and relevant products or failure to deliver customers' orders in a timely manner.

We rely on independent shipping companies to deliver the products we sell.

We rely upon third party carriers, especially FedEx and UPS, for timely delivery of our product shipments. As a result, we are subject to carrier disruptions and increased costs due to factors that are beyond our control, including employee strikes, inclement weather and increased fuel costs. Any failure to deliver products to our customers in a timely and accurate manner may damage our reputation and brand and could cause us to lose customers. We do not have a written long-term agreement with any of these third party carriers, and we cannot be sure that these relationships will continue on terms favorable to us, if at all. If our relationship with any of these third party carriers is terminated or impaired, or if any of these third parties are unable to deliver products for us, we would be required to use alternatives for shipment of products to our customers. We may be unable to engage alternative carriers on a timely basis or on terms favorable to us, if at all. Potential adverse consequences include reduced visibility of order status and package tracking; delays in order processing and product delivery; increased cost of delivery, resulting in reduced margins; and reduced shipment quality, which may result in damaged products and customer dissatisfaction. Furthermore, shipping costs represent a significant operational expense for us. Any future increases in shipping rates could have a material adverse effect on our business, financial condition and results of operations.

We rely on fulfillment centers to package and deliver our product to customers who place orders online.

We have an agreement with one fulfillment center to box and ship our products to customers once an order has been placed on our eCommerce store. We cannot be sure that our relationship with the fulfillment center will continue on terms favorable to us, if at all. If our relationship with them is terminated or impaired, or if they are unable to deliver products for us, we would be required to use alternatives for shipment of products to our customers. If our fulfillment center is unable to deliver our products due to COVID-19, our business, financial condition and results of operations may be adversely affected.

We may be subject to product recalls for product defects self-imposed or imposed by regulators.

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. If any of our products are recalled due to an alleged product defect or for any other reason, we could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. We may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although we have detailed procedures in place for testing our products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of our significant brands were subject to recall, the image of that brand and our could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for our products and could have a material adverse effect on our results of operations and financial condition. Additionally, product recalls may lead to increased scrutiny of our operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Our eCommerce store may be subject to damaging cyber-attacks which could negatively impact our business and revenue.

A compromise of our security systems that results in our customers' or suppliers' information, or confidential information about our employees or our business being obtained by unauthorized persons or a breach of information security laws and regulations could adversely affect our reputation, financial condition and results of operations, and could result in litigation against us or the imposition of penalties. In addition, a security breach could require that we expend significant additional resources related to remediation, including changes in the information security systems, and could result in a disruption of our operations, and in particular, our eCommerce store.

We face intense competition from competitors that are larger, more established and that possess greater resources than we do, and if we are unable to compete effectively, we may be unable to maintain sufficient market share to sustain profitability.

Numerous manufacturers and retailers compete actively for consumers. There can be no assurance that we will be able to compete in this intensely competitive environment. In addition, nutritional supplements can be purchased in a wide variety of channels of distribution. These channels include mass market retail stores and the Internet. Because these markets generally have low barriers to entry, additional competitors could enter the market at any time. Private label products of our customers also provide competition to our products. Additional national or international companies may seek in the future to enter or to increase their presence in the healthy foods industry or the vitamin, mineral and supplement market. Increased competition in either or both could have a material adverse effect on us.

We may be forced to litigate to defend our intellectual property rights, or to defend against claims by third parties against our relating to intellectual property rights.

We may be forced to litigate to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of other parties' proprietary rights. Any such litigation could be very costly and could distract our management from focusing on operating our business. The existence and/or outcome of any such litigation could harm our business. Further, because the content of much of our intellectual property concerns cannabis and other activities that are not legal in some state jurisdictions or under federal law, we may face additional difficulties in defending our intellectual property rights.

We may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on our reputation, business, results from operations, and financial condition.

We may be named as a defendant in a lawsuit or regulatory action. We may also incur uninsured losses for liabilities which arise in the ordinary course of business, or which are unforeseen, including, but not limited to, employment liability and business loss claims. Any such losses could have a material adverse effect on our business, results of operations, sales, cash flow or financial condition.

Further, the administration of medical substances to humans can result in product liability claims by consumers. Product liability claims can be expensive, difficult to defend and may result in large judgments or settlements against us. We may not be able to obtain or maintain adequate insurance or other protection against potential liabilities arising from product sales. Product liability claims could also result in negative perception of our products or other reputational damage which could have a material adverse effect on our business, results of operations, sales, cash flow or financial condition.

We will require additional capital to meet our financial obligations and support business growth, and this capital might not be available on acceptable terms or at all.

We intend to continue to make significant investments to support our business growth and will require additional funds to respond to business challenges, including the need to develop expand our business, improve our operating infrastructure and acquire complementary businesses, personnel and technologies. Accordingly, we will need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our Common Shares. Any debt financing that we secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired, and our business may be harmed.

Our actual financial position and results of operations may differ materially from the expectations of our management.

Our actual financial position and results of operations may differ materially from management's expectations. We have experienced some changes in our operating plans and certain delays in our plans. As a result, our revenue, net income and cash flow may differ materially from our projected revenue, net income and cash flow. The process for estimating our revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect our financial condition or results of operations.

Negative Cash Flow from Operating Activities

The Company reported negative cash flow from operations in past financial periods, and has a history of losses from operations since incorporation. The Company will need to generate and sustain increased revenue levels in future periods in order to become profitable, and, even if it does, the Company may not be able to maintain or increase its level of profitability. The Company's efforts to grow its business may be more costly than it expects, and the Company may not be able to increase revenue enough to offset its operating expenses. The Company may incur significant losses in the future for a number of reasons, including the risks described herein and other unforeseen expenses, difficulties, complications, delays and unknown events. If the Company is unable to achieve and sustain profitability, the market price of the Shares may significantly decrease.

Our ability to continue as a going concern depends on the ability to either generate revenues or to secure sufficient financing to sustain commercial operations, neither of which are assured.

The Resulting Issuer has a very limited history of operations and is in the early stage of development. As such, the Resulting Issuer is subject to many risks common to such businesses, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Resulting Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

There can be no assurance that the Resulting Issuer will be able to obtain any financing in the future or that such financing will be on terms favourable to the Resulting Issuer and its shareholders. Failure to obtain such additional financing could result in delays to or indefinite postponement of further development of the Resulting Issuer's business.

The Resulting Issuer's ability to continue as a going concern depends on its ability to either generate sufficient revenues or to secure sufficient financing, whether debt or equity, to sustain its continued operations. There can be no assurance that the Resulting Issuer can obtain such revenues or financing on commercially favourable terms and there is therefore no guarantee that the Resulting Issuer will be able to sustain its ongoing operations in the future.

We are subject to taxation in multiple jurisdictions, and changes in taxation may impact our earnings.

The Company will operate and will be subject to income tax and other forms of taxation (which are not based upon income) in multiple tax jurisdictions. Taxation laws and rates which determine taxation expenses may vary significantly in different jurisdictions, and legislation governing taxation laws and rates is also subject to change. Therefore, the Company's earnings may be impacted by changes in the proportion of earnings taxed in different jurisdictions, changes in taxation rates, changes in estimates of liabilities and changes in the amount of other forms of taxation. The Company may have exposure to greater than anticipated tax liabilities or expenses. The Company will be subject to income taxes and non- income taxes in a variety of jurisdictions and its tax structure is subject to review by both domestic and foreign taxation authorities and the determination of the Company's provision for income taxes and other tax liabilities will require significant judgment.

We are exposed to fluctuations in currency exchange rates, which could negatively affect our results of operations.

Our consolidated results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. For the year ended December 31, 2019, approximately 75% of our revenue was from international sales. The majority of our revenue is denominated in The United States Dollars. Our expenses are generally denominated in the currencies in which our operations are located, which is primarily in The United States and Canada. Revenue resulting from selling in local currencies and costs incurred in local currencies are exposed to foreign currency exchange rate fluctuations that can affect our operating income. As exchange rates vary, our operating income may differ from expectations. To date, we have not entered into any hedging arrangements with respect to foreign currency risk or other derivative instruments.

Our officers and directors control a large percentage of our issued and outstanding Common Shares and such officers and directors may have the ability to control matters affecting our and our business.

Our officers and directors own approximately 80.7% of our issued and outstanding Common Shares. Our Shareholders nominate and elect the Board of Directors, who generally have the ability to control the acquisition or disposition of our assets, and the future issuance of our Common Shares or other securities. Accordingly, for any matters with respect to which a majority vote of the Common Shares may be required by law, our directors and officers may have the ability to control such matters. Because the directors and officers control a substantial portion of such Common Shares, investors may find it difficult or impossible to replace our directors if they disagree with the way our business is being operated.

Our officers and directors may be engaged in a range of business activities resulting in conflicts of interest.

We may be subject to various potential conflicts of interest because some of our officers and directors may be engaged in a range of business activities. In addition, our executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to us. In some cases, our executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to our business and affairs and that could adversely affect our operations. These business interests could require significant time and attention of our executive officers and directors.

In addition, we may also become involved in other transactions which conflict with the interests of our directors and the officers who may from time to time deal with persons, firms, institutions or Companies with which we may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with our interests. In addition, from time to time, these persons may be competing with us for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of our directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, our directors are required to act honestly, in good faith and in our best interest.

Difficulty in enforcement of judgments

Certain directors and officers reside outside of Canada and substantially all of the assets of these persons are located outside of Canada. It may not be possible for shareholders to effect service of process against the Company's directors and officers who are not resident in Canada. In the event a judgment is obtained in a Canadian court against one or more of our directors or officers for violations of Canadian securities laws or otherwise, it may not be possible to enforce such judgment against those directors and officers not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law claims or otherwise in original actions instituted in jurisdiction where the Non-Resident Directors are located. Courts in these jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

As a part of our business strategy, we have made and may make acquisitions in the future that could disrupt our operations and harm our operating results.

An element of our strategy includes expanding our product offerings, gaining shelf-space and gaining access to new skills and other resources through strategic acquisitions when attractive opportunities arise. Acquiring additional businesses and the implementation of other elements of our business strategy are subject to various risks and uncertainties. Some of these factors are within our control and some are outside our control. These risks and uncertainties include, but are not limited to, the following:

- any acquisition may result in significant expenditures of cash, stock and/or management resources,
- acquired businesses may not perform in accordance with expectations,
- we may encounter difficulties, delays and costs with the integration of the acquired businesses,
- we may be unable to achieve the anticipated operating and cost synergies or long-term strategic benefits we expect,
- management's attention may be diverted from other aspects of our business,
- we may face unexpected problems entering geographic and product markets in which we have limited or no direct prior experience,
- we may lose key employees of acquired or existing businesses,

- we may incur liabilities and claims arising out of acquired businesses,
- we may be unable to obtain financing,
- we may incur indebtedness or issue additional capital stock which could be dilutive to holders of our common stock, and
- we may acquire a substantial amount of goodwill and other intangible assets as a result of acquisitions and as a result we may experience in the future impairments of goodwill or other intangible assets.

There can be no assurance that attractive acquisition opportunities will be available to us, that we will be able to obtain financing (on acceptable terms or at all) for or otherwise consummate any future acquisitions, including those described above, or that any acquisitions which are consummated will prove to be successful. There can be no assurance that we can successfully execute all aspects of our business strategy.

17.2 No Additional Contribution Requirement

Our security-holders are not liable to make an additional contribution beyond paying the purchase price for the securities they hold.

17.3 Risks Related to an Investment in the Company's Securities

If we issue additional Common Shares, shareholders may experience further dilution in their ownership of us.

We are authorized to issue an unlimited number of Common Shares without par value and an unlimited number of Preferred Shares without par value. We have the right to raise additional capital or incur borrowings from third parties to finance our business. Our Board has the authority, without the consent of any of our Shareholders, to cause us to issue more Common Shares. Consequently, Shareholders may experience more dilution in their ownership of us in the future.

Our Board and majority Shareholders have the power to amend our constating documents which may further dilute our existing Shareholders.

Our Board and majority Shareholders have the power to amend our constating documents in order to affect forward and reverse stock splits, and recapitalizations of the company. The issuance of additional Common Shares by us would dilute all existing Shareholders' ownership in us after such an event.

We cannot assure that we will ever pay dividends. As a result, a Shareholder's ability to achieve a return on their investment will depend on appreciation in the price of our Common Shares.

We do not currently anticipate declaring and paying dividends to our Shareholders in the near future. It is our current intention to apply net earnings, if any, in the foreseeable future to increase our capital base and marketing. Prospective investors seeking or needing dividend income or liquidity should therefore not purchase our Common Shares. We cannot assure that we will ever have sufficient earnings to declare and pay dividends to the holders of our Common Shares. Furthermore, a decision to declare and pay dividends is at the sole discretion of our Board.

Future sales of Common Shares by existing Shareholders could reduce the market price of our Common Shares.

Sales of a substantial number of Common Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Common Shares intend to sell Common Shares, could reduce the market price of our Common Shares. Additional Common Shares may be available for sale into the public market, subject to applicable securities laws, which could reduce the market price for Common Shares. Holders of options will have an immediate income inclusion for tax purposes when they exercise their options (that is, tax is not deferred until they sell the underlying Common Shares). As a result, these holders may need to sell Common Shares purchased on the exercise of options in the same year that they exercise their options. This might result in a greater number of Common Shares being sold in the public market, and fewer long-term holds of Common Shares by our management and employees.

No guarantee on the use of available funds by us.

We cannot specify with certainty the particular use of the proceeds. Management has broad discretion in the application of our proceeds, including for any of the purposes described in *Section 4.1 Narrative Description of the Business- (d) Principal Purpose of Proceeds Available*. Accordingly, a purchaser of Common Shares will have to rely upon the judgment of management with respect to the use of proceeds, with only limited information concerning management's specific intentions. Our management may spend a portion or all the proceeds in ways that our Shareholders might not desire, that might not yield a favourable return and that might not increase the value of a purchaser's investment. The failure by management to apply these funds effectively could harm our business. Pending use of such funds, we might invest the proceeds in a manner that does not produce income or that loses value.

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control.

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control, including the following:

- actual or anticipated fluctuations in our quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which we operate;
- addition or departure of our executive officers and other key personnel;
- release or expiration of lock-up or other transfer restrictions on outstanding Common Shares;
- sales or perceived sales of additional Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors;
- operating and share price performance of other companies that investors deem comparable to us;
- fluctuations to the costs of vital production materials and services;

- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;

- operating and share price performance of other companies that investors deem comparable to our or from a lack of market comparable companies;

- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in our industry or target markets; and

- regulatory changes in the industry.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if our operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which might result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, our operations could be adversely affected, and the trading price of the Common Shares might be materially adversely affected.

18 Promoters

18.1 Promoters

The following individuals may be considered promoters of the Resulting Issuer. Mr. Byrne does not receive compensation for the services provided. The Resulting Issuer may provide Mr. Byrne compensation for his services at some point in the future.

Name	Common Shares Beneficially Owned or Controlled(1)	% of Issued and Outstanding Common Shares Prior to the Proposed Transaction(2)	% of Issued and Outstanding Common Shares After the Proposed Transaction(3)
Joseph A. Byrne	13,034,954	80.7%	76.0%

Notes:
(1) The information as to voting securities beneficially owned, directly or indirectly, is based upon information furnished by the directors and officers of the Company.
(2) Based on 16,156,971 Company Shares issued and outstanding.
(3) Based on 17,156,971 Company Shares issued and outstanding.

18.2 Orders, Bankruptcies, and Sanctions

(a) No promoter referred to in Section 18.1 is, as of the date hereof, or was within 10 years before the date hereof, a director, chief executive officer, or chief financial officer of any person or company that:

(i) was subject to an order that was issued while the promoter was acting in the capacity as director, chief executive officer, or chief financial officer; or

(ii) was subject to an order that was issued after the promoter ceased to be a director, chief executive officer, or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer.

(b) For the purposes of Section 18.2(a), "**order**" means:

(i) a cease trade order;

(ii) an order similar to a cease trade order; or

(iii) an order that denied the relevant person or company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

(c) No promoter referred to in Section 18.1:

(i) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold our assets; or

(ii) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter.

(d) No promoter referred to in Section 18.1 has been subject to:

(i) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

19 Legal Proceedings

19.1 Legal Proceedings

There are no legal proceedings material to which either the Company or the Target is a party, or which any or of which any of their respective property is the subject matter, nor are there any such proceedings known to the management of the Company to be contemplated.

19.2 Service of Process and Enforceability of Civil Liabilities

Each of Robert Bates and Cameron Canzellarini reside outside of Canada (collectively, the "**Non-Resident Directors**"). Each of the Non-Resident Directors has appointed the Company as its agent for service of process in Canada at the following address: 14 Centre Street, Essex, Ontario N8M 1N9.

19.3 Regulatory actions

Neither the Company nor the Target is subject to: (i) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within three years immediately preceding the Effective Date; or (ii) any other penalties or sanctions imposed by a court or regulatory body against the Company that are necessary to contain full, true and plain disclosure of all material facts relating to the securities being listed. Neither the Company nor the Target has entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the Effective Date.

20 Interest of Management and Others in Material Transactions

Except as disclosed in this Listing Statement, no director or executive officer of the Company or the Target or any person or company that is the director or indirect beneficial owners of, or who exercises control or direction over more than 10 percent of any class of our outstanding voting securities of the Company or the Target, or is an associate or affiliate of any persons or companies referred to in this paragraph, has any material interest - direct or indirect - in any transaction within the three years before the Effective Date or in any proposed transaction that has materially affected or will materially affect the Resulting Issuer or any of its subsidiaries.

21 Auditors, Transfer Agents and Registrars

21.1 Auditor

The auditor for the Company and for the Resulting Issuer, following completion of the Proposed Transaction, is Saturna Group Chartered Professional Accountants LLP of Suite 1250 - 1066 West Hastings Street, Vancouver, BC V6E 3X1.

The auditor for the Target is Hawkins & Co. Accounting Professional Corp., of 2090 Wyandotte Street East, Windsor, ON N8Y5B2.

21.2 Transfer Agent

Our transfer agent and registrar ("**Transfer Agent**") is Computershare Trust Company of Canada of 3rd Floor, 510 Burrard Street, Vancouver, BC, V6C 3B9.

22 Material Contracts

22.1 List of Material Contracts

As of the Effective Date, each of the Target Acquisition Agreement, the ACL Share Purchase Agreement, the Shareholder Promissory Note, and the Escrow Agreement are material contracts of Company. The material contracts of the Company are also available under the Company's profile on SEDAR at www.sedar.com.

22.2 Co-Tenancy, Unitholders' or Limited Partnership Agreements

This section is not applicable to the Company, the Target or the Resulting Issuer.

23 Interest of Experts

23.1 Interest of Experts, Experts Beneficial Ownership and Future Engagement of Experts

No person or company who is named as having prepared or certified a part of this Listing Statement or prepared or certified a report or valuation described or included in this Listing Statement has any direct or indirect interest in the property of the Company or of a related person of the Company, or beneficially owns, directly or indirectly any securities of the Company or of any related persons of the Company.

24 Other Material Facts

Neither the Company nor the Target are aware of any other material facts relating to the Company or the Target or the Proposed Transaction that is disclosed in this Listing Statement, or their respective securities that are not elsewhere disclosed herein and which are necessary in order for this document to contain full, true and plain disclosure of all material facts relating to the Company, the Target and the Resulting Issuer, the Proposed Transaction and any of their respective securities.

25 Financial Statements

Financial statements for the Company for the nine month interim period ended July 31, 2020 (unaudited), and fiscal years ended October 31, 2019 and October 31, 2018 (audited) are appended to this Listing Statement as Schedule "A". The financial statements of the Company are also available under the Company's profile on SEDAR at www.sedar.com.

Financial statements for the Target for the nine months ended September 30, 2020 (unaudited), and the years ended December 31, 2019 and 2018 (audited) are appended to this Listing Statement as Schedule "C".

Schedule "E" contains the pro-forma consolidated financial statements of the Company and the Target as at September 30, 2020.

26 Certificate of the Issuer

Pursuant to a resolution duly passed by our Board of Director, the Issuer hereby applies for the listing of the above-mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to the Issuer. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Windsor, Ontario this 25th day of January, 2021.

/s/ Joseph A. Burne
Joseph A. Byrne, Chief Executive Officer and Director

/s/ Bob Bates
Bob Bates, Chief Financial Officer, and Director

/s/ Christian Gallant
Christian Gallant, Director

/s/ Cameron Canzellarini
Cameron Canzellarini, Director

27 Certificate of the Promoter

The foregoing contains full, true and plain disclosure of all material information relating to the Issuer. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Windsor, Ontario this 25th day of January, 2021

/s/ Joseph A. Byrne

Joseph A. Byrne

28 Certificate of the Target

The foregoing contains full, true and plain disclosure of all material information relating to the Target. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Troy, Michigan this 25th day of January, 2021.

/s/ Jeff Thomas

Jeff Thomas, Chief Executive Officer and Director

SCHEDULE "A"

COMPANY FINANCIAL STATEMENTS

(See Attached)

EMERGENCE GLOBAL ENTERPRISES INC.

(FORMERLY VELOCITY DATA INC.)

Condensed Interim Consolidated Financial Statements

For the periods ended July 31, 2020 and 2019

(unaudited)

(Expressed in United States dollars)

EMERGENCE GLOBAL ENTERPRISES INC.
(FORMERLY VELOCITY DATA INC.)
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in United States dollars)

ASSETS	Note	**July 31, 2020 $ (unaudited)**	October 31, 2019 $
Current assets			
Cash		**3,747**	1,758
Amounts receivable	9	**10**	-
Assets held for sale	9	-	60
Total assets		**3,757**	1,818
Current liabilities			
Accounts payable and accrued liabilities		**106,682**	5,510
Loans payable	4	**596,550**	598,264
Due to related party	5	**76,778**	16,601
Liabilities held for sale	9	-	6,696,087
Total liabilities		**780,010**	7,316,462
SHAREHOLDERS' DEFICIT			
Share capital		**985,994**	969,609
Share-based payment reserve		**225,156**	225,156
Accumulated other comprehensive loss		**(24,236)**	(33,077)
Deficit		**(1,963,167)**	(8,476,332)
Total shareholders' deficit		**(776,253)**	(7,314,644)
Total liabilities and shareholders' deficit		**3,757**	1,818

Nature of operations and going concern (Note 1)
Contingencies (Note 10)
Subsequent events (Note 11)

Approved and authorized for issuance by the Board of Directors on November 11, 2020.

/s/ "Joe Byrne"
Joe Byrne, Director

/s/ "Robert Bates"
Robert Bates, Director

(The accompanying notes are an integral part of these condensed consolidated financial statements)

EMERGENCE GLOBAL ENTERPRISES INC.
(FORMERLY VELOCITY DATA INC.)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in United States dollars)
(unaudited)

	Note	**Three months ended July 31, 2020 $**	Three months ended July 31, 2019 $	**Nine months ended July 31, 2020 $**	Nine months ended July 31, 2019 $
Expenses					
Selling, general, and administrative expenses	5	**133,083**	20,085	**173,964**	63,202
Total expenses		**133,083**	20,085	**173,964**	63,202
Loss before other income (expense)		**(133,083)**	(20,085)	**(173,964)**	(63,202)
Other income (expense)					
Gain on sale of subsidiary	9	**6,866,132**	-	**6,866,132**	-
Interest income (expense)		**5,456**	(5,786)	**(8,908)**	(17,495)
Total other income (expense)		**6,871,588**	(5,786)	**6,857,224**	(17,495)
Net income (loss) from continuing operations		**6,738,505**	(25,871)	**6,683,260**	(80,697)
Net loss from discontinued operations	9	**(56,739)**	(58,847)	**(170,095)**	(176,541)
Net income (loss) for the period		**6,681,766**	(84,718)	**6,513,165**	(257,238)
Other comprehensive income (loss)					
Foreign currency translation income (loss)		**(26,149)**	17,993	**8,841**	1,945
Comprehensive income (loss) for the period		**6,655,617**	(66,725)	**6,522,006**	(255,293)
Net Income (loss) per share – basic and diluted		**0.41**	(0.01)	**0.40**	(0.02)
Weighted average number of common shares outstanding		**16,156,971**	16,081,971	**16,151,497**	16,081,971

(The accompanying notes are an integral part of these condensed consolidated financial statements)

EMERGENCE GLOBAL ENTERPRISES INC.
(FORMERLY VELOCITY DATA INC.)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
(Expressed in United States dollars)
(unaudited)

	Share capital		Share-based payment reserve	Accumulated other comprehensive loss	Deficit	Total
	Number of shares	$	$	$	$	$
Balance, October 31, 2018	16,081,971	969,609	225,156	(32,284)	(8,092,495)	(6,930,014)
Foreign exchange translation gain	-	-	-	1,945	-	1,945
Net loss for the period	-	-	-	-	(257,238)	(257,238)
Balance, July 31, 2019	16,081,971	969,609	225,156	(30,339)	(8,349,733)	(7,185,307)

	Share capital		Share-based payment reserve	Accumulated other comprehensive loss	Deficit	Total
	Number of shares	$	$	$	$	$
Balance, October 31, 2019	16,081,971	969,609	225,156	(33,077)	(8,476,332)	(7,314,644)
Shares issued for settlement of related party debt	75,000	16,385	-	-	-	16,385
Foreign exchange translation gain	-	-	-	8,841	-	8,841
Net income for the period	-	-	-	-	6,513,165	6,513,165
Balance, July 31, 2020	16,156,971	985,994	225,156	(24,236)	(1,963,167)	(776,253)

The accompanying notes are an integral part of these condensed consolidated financial statements)

EMERGENCE GLOBAL ENTERPRISES INC.
(FORMERLY VELOCITY DATA INC.)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in United States dollars)
(unaudited)

	For the nine months ended July 31, 2020 $	For the nine months ended July 31, 2019 $
Operating activities		
Net Income (loss) from continuing operations	**6,683,260**	(80,697)
Items not affecting cash:		
Gain on sale of subsidiary	**(6,866,132)**	-
Changes in non-cash operating working capital:		
Accounts payable and accrued liabilities	**110,080**	15,546
Due to related party	**15,536**	-
Net cash used in operating activities	**(57,256)**	(65,151)
Financing activities		
Proceeds from loans payable	**62,217**	60,096
Net cash provided by financing activities	**62,217**	60,096
Net cash provided by (used in) continuing activities	**4,961**	(5,055)
Effect of foreign exchange rate changes on cash	**(2,972)**	273
Net change in cash	**1,989**	(4,782)
Cash - beginning of year	**1,758**	7,932
Cash - end of year	**3,747**	3,150

Non-cash investing and financing activities:		
Shares issued for settlement of related party debt	16,385	-

(The accompanying notes are an integral part of these condensed consolidated financial statements)

1. Nature of Operations and Going Concern

Velocity Data Inc. (the “Company”) was incorporated as GTO Resources Inc. on May 10, 2011 under the Business Corporations Act (British Columbia). The Company changed its name to Velocity Data Inc. on August 7, 2014 and as of July 31, 2020 was not engaged in a specific business. The Company’s registered office is located at Suite 600 – 1285 West Broadway, Vancouver, BC V6H 3X8.

These condensed consolidated financial statements have been prepared on a going concern basis, which implies that the Company will continue to meet its obligations and continue its operations for the next fiscal period. For the nine months ended July 31, 2020, the Company has reported no revenue, net gain of $6,513,165, and as at that date, had a working capital deficit of $776,253 and accumulated deficit of $1,963,167. These factors raise substantial doubt regarding the Company’s ability to continue as a going concern. The continuation of the Company as a going concern is dependent upon financial support from its stockholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations.

Management anticipates that the Company will be dependent, for the near future, on additional investment capital to fund operating expenses. The Company intends to position itself so that it may be able to raise additional funds through the capital markets. In light of management’s efforts, there are no assurances that the Company will be successful in this or any of its endeavors or become financially viable and continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of the condensed consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

(a) Statement of Compliance

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

(b) Basis of Presentation and Principles of Consolidation

These condensed consolidated financial statements have been prepared on a historical cost basis, except for financial instruments, which are measured at fair value. These condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information, and presented are in United States dollars. These condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, ACL Computers and Software, Inc. (“ACL”), which was discontinued on February 28, 2018. All intercompany transactions and balances have been eliminated.

2. Significant Accounting Policies (continued)

(c) Use of Estimates and Judgments

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

Significant areas requiring the use of estimates include the fair value of share-based payments and unrecognized deferred income tax assets.

Accounts payable and accrued liabilities include amounts that have been the subject of summary judgment decisions in various states in the United States. The Company has applied potential interest liability of all summary judgment amounts at the maximum allowable interest rate under the respective states for which the Company has summary judgments against them.

The Company's assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

3. Segment Information

The Company operates in Canada for purposes of its incorporation location, and is engaged in the business of selling computer systems and related components in USA. As at and for the three and nine months ended July 31, 2020, all assets and operations were located in Canada.

4. Loans Payable

(a) As at July 31, 2020, the Company owes $439,763 (October 31, 2019 - $438,614) to a non-related company. The amount owed is unsecured and bears interest at prime plus 3% per annum compounded semi-annually, and is due on demand. The amounts are convertible into common shares of the Company subject to a weighted average closing price of the first ten trading days of the Company.

(b) As at July 31, 2020, the Company owes $156,787 (October 31, 2019 - $159,650) to a non-related party which is non-interest bearing, unsecured, and due on demand.

(Expressed in United States dollars)

5. Related Party Transactions

(a) During the nine months ended July 31, 2020, the Company incurred $Nil (2019 - $15,000), in professional and consulting fees; incurred $10,577 (2019 - $Nil), in accounting fees to the Chief Financial Officer (the "CFO") of the Company and a company associated with the CFO, which have been recorded in selling, general, and administrative expenses.

(b) As at July 31, 2020, the Company owed $4,782 (October 31, 2019 - $16,601) to the CFO and a company associated with the CFO, which is non-interest bearing, secured against the assets of the Company, and is due on demand.

(c) As at July 31, 2020, the Company owed $71,996 (October 31, 2019 - $Nil) to the Chief Executive Officer (the "CEO") and a company associated with the CEO, which is non-interest bearing, non - secured, and is due on demand.

6. Share Capital

Authorized: Unlimited number of voting common shares
Unlimited number of preferred shares

(a) On November 20, 2019, the Company issued 75,000 common shares to settle debt of $16,385 to a company associated with CFO.

Stock Options

Summary of stock option activity for the period ended July 31, 2020 is as follows:

	Number of options	Weighted average exercise price $
Outstanding, October 31, 2019	356,006	1.20
Expired	(356,006)	1.20
Outstanding, July 31, 2020	-	-

7. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital, share-based payment reserve, equity component of convertible debt, and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended October 31, 2019.

8. Financial Instruments and Risk Management

(a) Risk management overview

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Company employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Company's business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for the Company's risk management framework, the Company's management has the responsibility to administer and monitor these risks.

(b) Fair values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, assets held for sale, accounts payables and accrued liabilities, amounts due to related parties, liabilities held for sale, and loans payable approximate their fair values due to the short-term nature of those instruments.

(c) Credit risk

Credit risk refers to the possibility that a customer or counterparty will fail to fulfill its obligations under a contract and, as a result create a financial loss for the Company. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada and the United States. The carrying amount of financial assets represents the maximum credit exposure.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(e) Foreign exchange and interest rate risk

The Company is exposed to currency risk related to the fluctuation of foreign exchange rates. The Company has not entered into any derivative contracts or hedged its exposure to foreign currency fluctuations, as it is not exposed to any significant foreign interest rate risk. Interest rate risk is the risk related to fluctuations caused by the changes in interest rates.

(Expressed in United States dollars)

9. Discontinued Operations and Sale of ACL

On February 28, 2018, the Company announced its intention to exit its business of selling computer systems and related components and focus on new investments and projects. As such, the financial information for ACL, the Company's wholly-owned subsidiary, has been reclassified as discontinued operations as at July 31, 2020 and October 31, 2019 and for the three and nine month periods ended July 31, 2020 and 2019.

Statement of Operations – Discontinued Operations

	Three months ended July 31, 2020 $	Three months ended July 31, 2019 $	Nine months ended July 31, 2020 $	Nine months ended July 31, 2019 $
Expenses				
Selling, general, and administrative expenses	60	–	60	–
Net loss before other expense	(60)	–	(60)	–
Other expense				
Interest expense	(56,679)	(58,847)	(170,035)	(176,541)
Net loss from discontinued operations	(56,739)	(58,847)	(170,095)	(176,541)

On July 31, 2020, the Company sold 100% of the issued and outstanding shares of ACL and its underlying assets and liabilities to ACLH Inc. for consideration of $10, which has been recorded in amounts receivable, and that ACLH will assume all of the assets, debt, and obligations the Company may have in connection with ACL and the indemnification of the Company for any future liability associated with ACL. The transaction resulted in a gain on the sale of ACL of $6,866,132.

	$
Disposition of assets on sale of ACL	–
Disposition of liabilities on sale of ACL	6,866,122
Disposal of net liabilities on sale of ACL	6,866,122
Proceeds receivable on sale of ACL	10
Gain on sale of ACL	6,866,132

10. Contingencies

(a) During the year ended October 31, 2015, the Company incurred a significant amount of loss in relation to orders placed by a fictitious customer. The Company has filed suits against various parties to recover these losses. As at July 31, 2020, these lawsuits are still outstanding. Any settlement will be reflected as income to operations in the year occurred. No provision for possible gain has been included in these condensed consolidated financial statements, as the outcome is uncertain and the amount of recovery is not determinable.

(b) The Company has had various outstanding legal claims from its suppliers to demand payment of the overdue balances and interest recorded in liabilities held for sale, which includes summary judgments in various jurisdictions.

11. Subsequent Event

Acquisition of NuBreed

On July 27, 2020, the Company and NuBreed entered into an agreement whereby the Company acquired all of the issued and outstanding common shares of NuBreed in exchange for the issuance of 1,000,000 common shares of the Company. The agreement is subject to, amongst other things, regulatory, board, and other approvals with 1,000,000 common shares of the Company issuable upon approval. As of the date of filing, the common shares have not been issued and the transaction has not been completed.

VELOCITY DATA INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED OCTOBER 31, 2019 AND 2018

(Expressed in United States dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP
1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Velocity Data Inc.

Opinion

We have audited the consolidated financial statements of Velocity Data Inc. (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2019 and 2018, and the consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at October 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $383,837 and used cash of $98,008 for operating activities during the year ended October 31, 2019 and, as of that date, the Company had a working capital deficit of $7,314,644. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Henry Chow.

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

February 28, 2020

VELOCITY DATA INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in United States dollars)

ASSETS	Note	**October 31, 2019 $**	October 31, 2018 $
Current assets			
Cash		**1,758**	7,932
Assets held for sale	11	**60**	3,936
Total assets		**1,818**	11,868
Current liabilities			
Accounts payable and accrued liabilities		**5,510**	12,002
Loans payable	4	**598,264**	482,385
Due to related party	5	**16,601**	7,099
Liabilities held for sale	11	**6,696,087**	6,440,396
Total liabilities		**7,316,462**	6,941,882
SHAREHOLDERS' DEFICIT			
Share capital		**969,609**	969,609
Share-based payment reserve		**225,156**	225,156
Accumulated other comprehensive loss		**(33,077)**	(32,284)
Deficit		**(8,476,332)**	(8,092,495)
Total shareholders' deficit		**(7,314,644)**	(6,930,014)
Total liabilities and shareholders' deficit		**1,818**	11,868

Nature of operations and going concern (Note 1)
Contingencies (Note 9)
Subsequent event (Note 12)

Approved and authorized for issuance by the Board of Directors on February 28, 2020:

/s/ "Joe Byrne"
Joe Byrne, Director

/s/ "Robert Bates"
Robert Bates, Director

(The accompanying notes are an integral part of these consolidated financial statements)

VELOCITY DATA INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in United States dollars)

	Note	**For the year ended October 31, 2019 $**	For the year ended October 31, 2018 $
Expenses			
Bad debts		**-**	736
Selling, general, and administrative expenses	5	**91,516**	203,300
Total expenses		**91,516**	204,036
Loss before other income (expense)		**(91,516)**	(204,036)
Other income (expense)			
Gain on settlement of related party debt	6	**-**	61,844
Interest expense		**(32,754)**	(13,631)
Other income		**-**	130
Total other income (expense)		**(32,754)**	48,343
Net loss from continuing operations		**(124,270)**	(155,693)
Net loss from discontinued operations	11	**(259,567)**	(408,996)
Net loss for the year		**(383,837)**	(564,689)
Other comprehensive income (loss)			
Foreign currency translation income (loss)		**(793)**	10,795
Comprehensive loss for the year		**(384,630)**	(553,894)
Net loss per share – basic and diluted		**(0.02)**	(0.05)
Weighted average number of common shares outstanding		**16,081,971**	11,184,233

(The accompanying notes are an integral part of these consolidated financial statements)

VELOCITY DATA INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in United States dollars)

	Share capital		Share-based payment reserve	Accumulated other comprehensive loss	Deficit	Total
	Number of shares	$	$	$	$	$
Balance, October 31, 2017	9,720,140	628,649	225,156	(43,079)	(7,527,806)	(6,717,080)
Shares issued for settlement of related party debt	4,210,414	225,656	-	-	-	225,656
Shares issued for services	2,151,417	115,304	-	-	-	115,304
Foreign exchange translation gain	-	-	-	10,795	-	10,795
Net loss for the year	-	-	-	-	(564,689)	(564,689)
Balance, October 31, 2018	16,081,971	969,609	225,156	(32,284)	(8,092,495)	(6,930,014)
Foreign exchange translation loss	-	-	-	(793)	-	(793)
Net loss for the year	-	-	-	-	(383,837)	(383,837)
Balance, October 31, 2019	**16,081,971**	**969,609**	**225,156**	**(33,077)**	**(8,476,332)**	**(7,314,644)**

(The accompanying notes are an integral part of these consolidated financial statements)

VELOCITY DATA INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in United States dollars)

	For the year ended October 31, 2019 $	For the year ended October 31, 2018 $
Operating activities		
Net loss from continuing operations	**(124,270)**	(155,693)
Items not affecting cash:		
Bad debts	-	736
Gain on settlement of debt	-	(61,844)
Shares issued for services	-	115,304
Changes in non-cash operating working capital:		
Accounts payable and accrued liabilities	**26,262**	11,102
Net cash used in operating activities	**(98,008)**	(90,395)
Financing activities		
Proceeds from loans payable	**91,698**	76,423
Net cash provided by financing activities	**91,698**	76,423
Net cash used in continuing activities	**(6,310)**	(13,972)
Cash flow from discontinued operations		
Net cash used in operating activities	-	(181)
Net cash used in discontinued operations	-	(181)
Effect of foreign exchange rate changes on cash	**136**	17,086
Net change in cash	**(6,174)**	2,933
Cash - beginning of year	**7,932**	4,999
Cash - end of year	**1,758**	7,932
Non-cash investing and financing activities:		
Shares issued for settlement of related party debt	-	225,656

(The accompanying notes are an integral part of these consolidated financial statements)

1. Nature of Operations and Going Concern

Velocity Data Inc. (the "Company") was incorporated as GTO Resources Inc. on May 10, 2011 under the Business Corporations Act (British Columbia). The Company changed its name to Velocity Data Inc. on August 7, 2014 and as of October 31 2019 was not engaged in a specific business. The Company's registered office is located at Suite 600 – 1285 West Broadway, Vancouver, BC V6H 3X8.

These consolidated financial statements have been prepared on a going concern basis, which implies that the Company will continue to meet its obligations and continue its operations for the next fiscal year. For the year ended October 31, 2019, the Company reported a net loss of $383,837 and used cash of $98,008 for operating activities. As at October 31, 2019, the Company had a working capital deficit of $7,314,644 and an accumulated deficit of $8,476,332. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. The continuation of the Company as a going concern is dependent upon financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations. Management anticipates that the Company will be dependent, for the near future, on additional investment capital to fund operating expenses. The Company intends to position itself so that it may be able to raise additional funds through the capital markets. In light of management's efforts, there are no assurances that the Company will be successful in this or any of its endeavors or become financially viable and continue as a going concern. These consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

(a) Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

(b) Basis of Presentation and Principles of Consolidation

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments, which are measured at fair value. These consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information, and presented are in United States dollars. These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, ACL Computers and Software, Inc. ("ACL"), which discontinued operations on February 28, 2018. Refer to Note 11. All intercompany transactions and balances have been eliminated.

(c) Application of New IFRS

IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 introduces a new expected credit loss ("ECL") model for all financial assets in scope of the impairment requirements. The new ECL will result in an allowance for credit losses being recorded on financial assets irrespective of whether there has been an actual loss event.

The Company adopted the amendments to IFRS 9, effective November 1, 2018 using the full retrospective method, with no significant impact on the Company's consolidated financial statements.

2. Significant Accounting Policies

(d) Use of Estimates and Judgments

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

Significant areas requiring the use of estimates include the fair value of share-based payments and unrecognized deferred income tax assets.

Accounts payable and accrued liabilities include amounts that have been the subject of summary judgment decisions in various states in the United States. The Company has assessed potential interest liability of all summary judgment amounts at the maximum allowable interest rate under the respective states for which the Company has summary judgments against them.

The Company's assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(e) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in fair value to be cash equivalents.

(f) Impairment of Non-Financial Assets

Non-financial assets with finite lives are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. In addition, non-financial assets that are not amortized are subject to an annual impairment assessment. Any impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). The Company evaluates impairment losses for potential reversals, other than goodwill impairment, when events or changes in circumstances warrant such consideration.

(g) Financial Instruments

Classification and measurement – initial recognition

On initial recognition, all financial assets and liabilities are classified and recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss ("FVTPL").

Classification and measurement – subsequent to initial recognition

Subsequent measurement of financial assets and liabilities depends on their classification and measurement basis.

2. Significant Accounting Policies (continued)

(g) Financial Instruments (continued)

Financial Assets

Subsequent to initial recognition, financial assets are measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss, depending on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that do not meet the above conditions are classified as fair value through profit or loss. The Company's cash and assets held for sale are measured at amortized cost.

Financial Liabilities

Subsequent to initial recognition, financial liabilities are measured at amortized cost, unless designated as fair value through profit or loss. The Company's accounts payable and accrued liabilities, loans payable, liabilities held for sale, and amounts due to related parties are measured at amortized cost.

Impairment of Financial Assets

The Company applies the ECL model to its financial assets measured at amortized cost. Under the ECL model, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and

- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Upon recognition of a financial asset, 12-month ECLs are recognized in the consolidated statement of operations and a loss allowance is established. At each reporting date, if the credit risk associated with a financial asset has increased significantly and is not considered low, lifetime ECLs are recognized in the consolidated statement of operations.

(h) Reclassifications

Certain financial statement captions have been reclassified to conform to current year financial reporting standards. The impact of the reclassifications did not have a material impact on the Company's consolidated financial statements.

2. Significant Accounting Policies (continued)

(i) Foreign Currency Translation

Foreign currency transactions are accounted for at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate in effect at each period end. Gains and losses arising on settlement of such transactions and from the translation of foreign currency monetary assets and liabilities are recognized in the consolidated statement of loss. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates prevailing at the dates the fair value was determined.

These consolidated financial statements are prepared in the United States dollars which is the Company's reporting currency. The functional currency of the Company is the Canadian dollar and the functional currency of ACL is the United States dollar. The exchange differences resulting from the translation of the Company's consolidated financial statements from its functional currency to its reporting currency are included in other comprehensive income (loss).

(j) Share-Based Compensation

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in contributed surplus, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

(k) Comprehensive Income (Loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events, and circumstances from sources other than the Company's shareholders and includes items that are not included in the consolidated statement of loss.

(l) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at October 31, 2019 and 2018, the Company has 356,006 potentially dilutive shares outstanding.

2. Significant Accounting Policies (continued)

(m) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the consolidated statement of loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(n) Future Accounting Pronouncements

IFRS 16 - Leases ("IFRS 16") sets out the principles for recognition, measurement, presentation and disclosure of leases. Although the accounting requirements for lessors remains substantially unchanged, a lessee will recognize that a lease results in obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. IFRS 16 eliminates the classification of leases by a lessee as either operating leases of finance leases and, instead, introduces a single accounting model. The new standard is effective for annual reporting periods beginning on or after January 1, 2019, and the implementation of IFRS 16 is not expected to have a material impact on the Company's consolidated financial statements.

3. Segment Information

The Company operates in Canada for purposes of its incorporation location, and is engaged in the business of selling computer systems and related components in USA.

4. Loans Payable

(a) As at October 31, 2019, the Company owes $438,614 (2018 - $405,980) to a non-related company. The amount owed is unsecured and bears interest at prime plus 3% per annum compounded semi-annually, and is due on demand. The amounts are convertible into common shares of the Company subject to a weighted average closing price of the first ten trading days of the Company.

(b) As at October 31, 2019, the Company owes $159,650 (2018 - $76,405) to a non-related party which is non-interest bearing, unsecured, and due on demand.

(Expressed in United States dollars)

5. Related Party Transactions

(a) As at October 31, 2019, the Company owed $16,601 (2018 - $7,099) to the Chief Financial Officer (the "CFO") of the Company and a company associated with the CFO, which is non-interest bearing, secured against the assets of the Company, and is due on demand.

(b) During the year ended October 31, 2019, the Company incurred $69,286 (2018 - $156,252) in professional fees to the CFO and a company controlled by the CFO, which have been recorded in selling, general, and administrative expenses.

6. Share Capital

Authorized: Unlimited number of voting common shares
Unlimited number of preferred shares

(a) On August 8, 2018, the Company issued 4,210,414 common shares with a fair value of $225,656 to settle accounts payable of $287,500 owing to the CFO of the Company, resulting in a gain on settlement of debt of $61,844.

(b) On August 8, 2018, the Company issued 2,151,417 common shares with a fair value of $115,304 for services incurred to the CFO of the Company.

. Stock Options

Summary of stock option activity for the year ended October 31, 2019 and 2018 is as follows:

	Number of options	Weighted average exercise price $
Outstanding, October 31, 2017, 2018, and 2019	356,006	1.20

Additional information regarding stock options outstanding as at October 31, 2019 is as follows:

	Outstanding and exercisable		
Range of exercise prices $	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price $
1.20	356,006	0.1	1.20

7. Financial Instruments and Risk Management

(a) Risk management overview

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Company employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Company's business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for the Company's risk management framework, the Company's management has the responsibility to administer and monitor these risks.

7. Financial Instruments and Risk Management (continued)

(b) Fair values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, assets held for sale, accounts payables and accrued liabilities, amounts due to related parties, liabilities held for sale, and loans payable approximate their fair values due to the short-term nature of those instruments.

(c) Credit risk

Credit risk refers to the possibility that a customer or counterparty will fail to fulfill its obligations under a contract and, as a result create a financial loss for the Company. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in the United States. The carrying amount of financial assets represents the maximum credit exposure.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(e) Foreign exchange and interest rate risk

The Company is exposed to currency risk related to the fluctuation of foreign exchange rates. The Company has not entered into any derivative contracts or hedged its exposure to foreign currency fluctuations, as it is not exposed to any significant foreign interest rate risk. Interest rate risk is the risk related to fluctuations caused by the changes in interest rates.

8. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended October 31, 2018.

(Expressed in United States dollars)

9. Contingencies

(a) During the year ended October 31, 2015, the Company incurred a significant amount of loss in relation to orders placed by a fictitious customer. The Company has filed suits against various parties to recover these losses. As at October 31, 2019, these lawsuits are still outstanding. Any settlement will be reflected as income to operations in the year occurred. No provision for possible gain has been included in these consolidated financial statements, as the outcome is uncertain and the amount of recovery is not determinable.

(b) The Company has had various outstanding legal claims from its suppliers to demand payment of the overdue balances and interest recorded in accounts payable and accrued liabilities and loans payable, which includes summary judgments in various jurisdictions.

10. Income Taxes

The tax effect (computed by applying the Canadian and United States tax rates) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2019 $	2018 $
Canadian statutory income tax rate	27%	26.83%
Income tax recovery at statutory rate	(103,636)	(151,525)
Tax effect of:		
Changes in enacted tax rates	–	320,577
Foreign tax rate differences	15,574	24,540
Change in unrecognized deferred income tax assets	88,062	(193,592)
Income tax provision	–	–

The significant components of deferred income tax assets and liabilities are as follows:

	2019 $	2018 $
Deferred income tax assets		
Non-capital losses carried forward	1,449,998	1,361,936
Resource pools	39,643	39,643
Total gross deferred income tax assets	1,489,641	1,401,579
Unrecognized deferred income tax assets	(1,489,641)	(1,401,579)
Net deferred income tax asset	–	–

As at October 31, 2019, the Company has non-capital losses carried forward of $6,029,279, which are available to offset future years' taxable income. These losses expire as follows:

	$
2032	131,294
2033	260,995
2034	512,857
2035	1,777,155
2036	1,725,022
2037	673,430
2038	564,689
2039	3**83,837**
	6,029,279

(Expressed in United States dollars)

10. Income Taxes (continued)

The Company also had $146,825 of exploration and development costs which are available for deduction against future income for tax purposes.

As at October 31, 2019 and 2018, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.

11. Discontinued Operations

On February 28, 2018, the Company announced its intention to exit its business of selling computer systems and related components and focus on new investments and projects. As such, the financial information for ACL, the Company's wholly-owned subsidiary, has been reclassified as discontinued operations as at and for the years ended October 31, 2019 and 2018.

Statement of Financial Position – Discontinued Operations

	2019 $	2018 $
Cash	60	21
Accounts and other receivables	–	3,915
Total assets of discontinued operations	60	3,936
Accounts payable and accrued liabilities	6,637,681	6,383,288
Loans payable	42,108	42,108
Due to related parties	16,298	15,000
Total liabilities of discontinued operations	6,696,087	6,440,396

Statement of Operations – Discontinued Operations

	Year ended October 31, 2019 $	Year ended October 31, 2018 $
Revenue	–	150,863
Cost of goods sold	–	144,599
Gross profit	–	6,264
Expenses		
Selling, general, and administrative expenses	7,747	213,259
Net loss before other expense	(7,747)	(206,995)
Other income (expense)		
Interest expense	(250,695)	(204,316)
Other income (expense)	(1,125)	2,315
Total other income (expense)	(251,820)	(202,001)
Net loss from discontinued operations	(259,567)	(408,996)

12. Subsequent Event

In November 2019, the Company issued 75,000 common shares to a company associated with the CFO for services.

SCHEDULE "B"

COMPANY MD&A

(See Attached)

EMERGENCE GLOBAL ENTERPRISES INC.
(formerly Velocity Data Inc.
(“Company”)

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
NINE MONTH PERIODS ENDED JULY 31, 2020 AND 2019

The following Management’s Discussion and Analysis (“MD&A”), updated as of November 15, 2020, should be read together with the consolidated financial statements of the Company for the year ended October 31, 2020 and 2019 and the related notes attached thereto. These consolidated financial statements and MD&A include the results of operations and cash flows for the three and nine month periods ended July 31, 2020 and 2019 and the reader must be aware that historical results are not necessarily indicative of the future performance. All amounts are reported in U.S. dollars. The aforementioned documents can be accessed on the SEDAR web site at www.sedar.com.

Unless otherwise stated, financial results are being reported in accordance with International Financial Reporting Standards (“IFRS”).

The MD&A contains the term cash flow from operations, which should not be considered an alternative to, or more meaningful than, cash flows from operating activities as determined in accordance with IFRS as an indicator of the Company’s performance. The Company’s determination of cash flow from operations may not be comparable to that reported by other companies. The reconciliation between profit or loss and cash flows from operating activities can be found in the consolidated statements of cash flows.

Certain statements contained in this MD&A may contain words such as “could”, “should”, “expect”, “believe”, “will” and similar expressions and statements relating to matters that are not historical facts but are forward-looking statements. Such forward-looking statements are subject to both known and unknown risks and uncertainties which may cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the receipt of required regulatory approvals, the availability of sufficient capital, the estimated cost and availability of funding for development or maintenance/rehabilitation of the Company’s business lines, government IT budgets and economic conditions and other factors.

Description of Business

The Company was incorporated as GTO Resources Inc. on May 10, 2011 under the *Business Corporations Act* (British Columbia). The common shares of the Company commenced trading on the TSX Venture Exchange under the symbol “GTR” effective July 28, 2011.

On July 25, 2014, the Company’s common shares were listed for trading on the Canadian Securities Exchange and were delisted from the TSX Venture Exchange. On August 13, 2014, the Company changed its name to Velocity Data Inc. and its shares began trading under the symbol “VCT”.

On November 29, 2019, a change of control of the Company has been effected by the purchase by Mr. Joe Byrne of a controlling interest of approximately 82% of the outstanding capital of the Company for a total consideration of $500,000. Regarding the composition of the Board of Directors, Mr. Byrne and Claire Byrne have been appointed as directors.

In addition, Mr. Byrne has been appointed President and CEO of the Company and Mr. Bates remains as CFO.

The Company's registered office is located at Suite 600 – 1285 West Broadway, Vancouver, BC V6H 3X8.

The Company's Board of Directors is comprised of Joe Byrne and Claire Byrne.

As at July 31, 2020, the Company had a deficit of $1,963,167 and limited liquidity. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. The continuation of the Company as a going concern is dependent upon financial support from its stockholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations.

Management anticipates that the Company will be dependent, for the near future, on additional investment capital to fund operating expenses. The Company intends to position itself so that it may be able to raise additional funds through the capital markets. In light of management's efforts, there are no assurances that the Company will be successful in this or any of its endeavors or become financially viable and continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

On February 28, 2018, the Company announced its intention to exit its business of selling computer systems and related components and focus on new investments and projects. As of July 31, 2020, the Company sold ACL Computers and Software, Inc. ("ACL"), the Company's wholly-owned subsidiary, to ACLH, LLH ("ACLH") for $10 consideration. As such, the financial information presented has been represented by excluding impact of ACL's transactions.

Overall Performance and Results of Operations

Nine months ended July 31, 2020 Results of Operations

The Company recorded revenues of $Nil for the nine months ended July 31, 2020 and 2019, respectively. The absence of revenue is attributed to the Company exiting its main operational business.

The Company recorded net income of $6,683,260 and net loss of $80,697 for the nine months ended July 31, 2020 and 2019, respectively from continuing operations. The decrease in the net loss was due to the other income realized on the gain of the sale of ACL Inc.

On February 28, 2018, the Company announced its intention to exit its business of selling computer systems and related components and focus on new investments and projects. As such, the financial information for ACL, the Company's wholly-owned subsidiary, has been reclassified as discontinued operations as at July 31, 2020 and October 31, 2019 and for the three and nine month periods ended July 31, 2020 and 2019.

Statement of Operations – Discontinued Operations

	Three months ended July 31, 2020 $	Three months ended July 31, 2019 $	Nine months ended July 31, 2020 $	Nine months ended July 31, 2019 $
Expenses				
Selling, general, and administrative expenses	60	–	60	–
Net loss before other expense	(60)	–	(60)	–
Other expense				
Interest expense	(56,679)	(58,847)	(170,035)	(176,541)
Net loss from discontinued operations	(56,739)	(58,847)	(170,095)	(176,541)

On July 31, 2020, the Company sold 100% of the issued and outstanding shares of ACL and its underlying assets and liabilities to ACLH Inc. for consideration of $10, which has been recorded in amounts receivable, and that ACLH will assume all of the assets, debt, and obligations the Company may have in connection with ACL and the indemnification of the Company for any future liability associated with ACL. The transaction resulted in a gain on the sale of ACL of $6,866,132.

	$
Disposition of assets on sale of ACL	–
Disposition of liabilities on sale of ACL	6,866,122
Disposal of net liabilities on sale of ACL	6,866,122
Proceeds receivable on sale of ACL	10
Gain on sale of ACL	6,866,132

In addition, the Company recorded interest expense of $8,908 and $17,495 for the nine months ended July 31, 2020 and 2019, respectively. Overall, the Company significantly decreased its expenses, including selling, general and administrative as well as the interest and other expenses.

Overall Performance

As at July 31, 2020, the Company reported total assets of $3,757 (October 31, 2019 - $1,818), including cash of $3,747 (October 31, 2019 - $1,759).

As at July 31, 2020, the Company had liabilities of $780,010 (October 31, 2019 - $7,316,462), all of which were current liabilities and is mainly comprised of liabilities held for sale for accounts payable and accrued liabilities of ACL which was discontinued on February 28, 2018. The decrease is mainly attributed to the transfer of liabilities following ACL's sale as of July 31, 2020.

Cash Flows

During the nine months ended July 31, 2020, the Company used cash of $57,256 for operating activities compared to the use of cash of $65,151 during the nine months ended July 31, 2019. The use of cash was consistent on a period-to-period basis as the Company had minimal operations.

For the period ended July 31, 2020, the Company received cash of $62,217 from loan proceeds from the Company's Chief Executive Officer compared to $60,096 received during the period ended July 31, 2019. The amounts owing are unsecured, non-interest bearing, and due on demand.

Liquidity and Capital Resources

The Company's consolidated 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. As of July 31, 2020, the Company had a cash balance of $3,747 and working capital deficit of $776,253. These factors raise doubt as to the Company's ability to continue as a going concern. Management's plans include attempts to develop new business or product lines. The Company's consolidated financial statements do not include any adjustments, which could be material in nature, relating to the recoverability and classification of recorded asset amounts and the classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The company is attempting to pursue other options for the public shell, which may include a shareholder loan.

Selected Financial Information

The following tables provide a brief summary of the Company's financial operations. For more detailed information, refer to the condensed interim consolidated financial statements for the nine months ended July 31, 2020 and 2019, which can be found on SEDAR. This information has been prepared in accordance with IFRS and is presented in U.S. Dollars, which is the functional currency of the Company.

Management believes adjusted EBITDA provides a more useful measure of company performance. This is because there are several measures included in GAAP net income or loss which are related to interest. We consider these items to be unrelated to operating income and performance.

However there is a limitation in using EBITDA; each company may use a different definition of EBITDA and, therefore, it is hard to compare them to each other. For example, our company might use different add-backs to net loss than our competitors, thus making it more difficult to compare the two entities to each other. We compensate for this by regularly including EBITDA in our filings so that our performance can be measured over time.

We therefore advise readers to refer to the condensed interim consolidated financial statements as the format of those is standardized and uniform in comparison with any other company reportable under IFRS. In these financial statements, we show net income of $6,681,766 and net loss of $257,238 for the nine months ended July 31, 2020 and 2019, respectively. In addition, working capital ratios and other liquidity measures, total debt and debt/equity ratio are common measures used by companies to measure performance. EBITDA amounts are not opined to by the auditors but are a management tool.

Summary of Quarterly Results

For the 3 months ended,	July 31, 2020	April 30, 2020	January 31, 2020	October 31, 2019	July 31, 2019
	$	$	$	$	$
Revenue	-	-	-	-	-
Net loss (gain) for the period	6,681,766	(25,650)	(29,595)	(361,267)	(10,652)
Basic and diluted loss per share	0.41	(0.00)	(0.00)	(0.03)	(0.00)

For the 3 months ended,	April 30, 2019	January 31, 2019	October 31, 2018	July 31, 2018	April 30, 2018
	$	$	$	$	$
Revenue	-	-	-	-	-
Net loss for the period	(10,652)	(1,266)	(551,760)	5,159	(1,240)
Basic and diluted loss per share	(0.00)	(0.00)	(0.05)	(0.00)	(0.00)

Selected Annual Financial Information

	For the year ended October 31, 2019	October 31, 2018
Total Revenue	$ -	$ -
Net income (loss) for the period	(383,837)	(553,894)
Basic and diluted (loss)	(0.02)	(0.04)
Total assets	1,818	11,868
Total liabilities	7,316,462	6,941,882

Share Capital

Authorized: Unlimited number of voting common shares
Unlimited number of preferred shares

(a) In November 2019, the Company issued 75,000 common shares with a fair value of $16,385 to a company associated with the CFO for services.

(b) On April 27, 2017, the Company issued 75,000 common shares at Cdn$0.06 per share for proceeds of $3,292 (Cdn$4,500).

(c) Effective May 3, 2017, the Company completed a share consolidation on the basis of 1 new common share for 12 old common shares. All common shares and per common share amounts in these consolidated financial statements have been retroactively restated to reflect the share consolidation.

(d) On July 7, 2017, the Company issued 178,003 common shares with a fair value of $8,284 for services incurred to the Chief Financial Officer of the Company.

(e) During the three month period ended October 31, 2018, the Company issued 4,210,414 common shares for conversion of dues payable to the Chief Financial Officer of the Company in the amount of $294,729.

(f) During the year ended October 31, 2018, the Company issued 2,151,417 common shares for services to the Chief Financial Officer of the Company in the amount of $150,599.

Stock Options

As of July 31, 2020 and 2019, the Company has nil and 356,006 outstanding stock options, respectively, to certain officers and directors, exercisable at a price of $1.20 per share which expired on December 15, 2019. There were no stock options issuances, exercises, or cancellations during the nine months ended July 31, 2020 and 2019, nor have there been any additional stock options transactions as of November 15, 2020.

Accounting Policies and Estimates

The significant accounting policies of the Company are disclosed in Note 2 to the audited consolidated financial statements. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, and revenues and expenses. Management reviews its estimates regularly.

Revenue Recognition

Revenue from product sales is measured at the fair value, net of estimated customer returns and allowances at the time of recognition. The estimates of fair value are based on the Company's historical experience with each customer and the specifics of each arrangement.

Revenue from product sales is recognized when the risks and rewards of ownership have been transferred to the buyer (which generally occurs upon shipment) and collectability of the related receivables is reasonably assured. Revenue is recognized when (a) it can be measured reliably; (b) it is probable that the economic benefits associated with the transaction will flow to the Company; and
(c) the costs incurred or to be incurred can be measured reliably.

Stock-Based Compensation

The Company measures compensation expense for all share-based payment awards, including stock options granted to employees, directors, and non-employees based on the estimated fair values on the date of each grant. The fair value of each stock option granted is estimated using the Black- Scholes-Merton option valuation model. Stock-based compensation is recognized on a straight-line basis over the requisite service period, net of estimated forfeitures.

Financial Instruments

Fair Values

The fair values of other financial instruments, which include cash, accounts payable and accrued liabilities loans payable, and amounts due to related parties approximate their carrying values due to the relatively short-term maturity of these instruments.

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 introduces a new expected credit loss ("ECL") model for all financial assets in scope of the impairment requirements. The new ECL will result in an allowance for credit losses being recorded on financial assets irrespective of whether there has been an actual loss event.

The Company adopted the amendments to IFRS 9, effective November 1, 2018 using the full retrospective method, with no significant impact on the Company's consolidated financial statements.

Credit risk

Credit risk refers to the possibility that a customer or counterparty will fail to fulfill its obligations under a contract and, as a result create a financial loss for the Company. The Company establishes an allowance for doubtful accounts as determined by management based on its assessment of collection; therefore, the carrying amount of accounts receivable generally represents the maximum credit exposure. As of July 31, 2020 and 2019, the Company has determined that no allowance for doubtful accounts is required. The provision for doubtful accounts, if any, is included in selling, general and administrative expenses in the consolidated statements of earnings (loss), and is net of any recoveries that were provided for in prior years. Credit risks also exist in cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Market risk

Market risk is the risk that financial instruments fair values and the Company’s future cash flows will fluctuate due to changes in market prices. The Company is exposed to currency risk but it does not have any significant foreign exchange rate risk.

Related Party Transactions

During the nine months ended July 31, 2020 and 2019, the Company incurred approximately $Nil and $15,000, respectively, in professional and consulting fees to the Chief Financial Officer (the “CFO”) of the Company and a company associated with the CFO, which have been recorded in selling, general, and administrative expenses.

As at July 31, 2020, the Company owed $4,782 (October 31, 2019 - $16,601) to the CFO and a company associated with the CFO, which is non-interest bearing, secured against the assets of the Company, and is due on demand.

As at July 31, 2020, the Company owed $71,996 (October 31, 2019 - $Nil) to the Chief Executive Officer (the “CEO”) and a company associated with the CEO, which is non-interest bearing, non-secured, and is due on demand.

Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital, share-based payment reserve, equity component of convertible debt, and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged during the nine months ended July 31, 2020 and 2019.

Legal Proceedings

Updates for ongoing legal proceedings are as follows for the period ended July 31, 2020:

In late 2015, the Company learned of former employees who violated their non-solicit and confidentiality agreements. ACL obtained a restraining order against those former employees and initiated a suit for damages. Two of their employers have been added to the suit. The non-competes were established years ago as a result of a former employee attempting to steal customers.

In late 2015, ACL initiated a suit pursuing a prior lender for attempting to extort a material cancellation fee and causing other damages despite the fact that the lender requested ACL obtain new financing.

In late 2015, the Company, through ACL, incurred a significant loss as a result of fake orders placed by a customer that was purporting to be an authorized purchasing agent of ALC (Defense Logistics Agency, a part of the United States Military). The Company believes that the shipper of the products (FedEx) and DLA were negligent in the manner in which they handled the fake orders. Thus, ACL filed an SF 95 Claim with DLA. ACL filed a lawsuit with the Military in March 2016. The total gross loss prior to any reimbursement is now in excess of $500,000, including legal and other costs, since the vendors for the orders were paid in full. The FBI has located one of the perpetrators and extradited him from India and Nigeria to be incarcerated.

ACL has received notice of lawsuit from several suppliers in connection with overdue payables. Two of the suppliers obtained judgments against ACL for part of the $5 million of payables previously recorded as liabilities.

ACL has continued to devote resources to recovering the losses caused by its former employees (including their alleged negligence surrounding the previously disclosed Nigerian crime ring) and the CFAA and trade secret theft (potential criminal violations that ACL recently uncovered). ACL has been a value-added reseller or VAR for 28 years; in 2015, the Company attempted to pursue other lines of business, however, this was met with resistance from ACL's former sales people. The Company no longer has sufficient funds to develop new product lines and has begun to investigate various plans for the company since the cost of operating as a public company is greater than the Company's current financial situation can support.

On July 31, 2020 the Company completed the divestiture of ACL to ACLH for $10 consideration. As part of the sale transaction ACLH has indemnified the Company for any future liability associated with ACL including the litigation matters described above.

Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements as of July 31, 2020.

Management's Report on Internal Controls over Financial Reporting

In connection with National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings* adopted in December 2008 by each of the securities commissions across Canada ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the Company's audited consolidated financial statements and this MD&A.

The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the aforementioned filings on SEDAR at www.sedar.com.

VELOCITY DATA INC.
(the "Company")

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED OCTOBER 31, 2019 AND 2018

The following Management's Discussion and Analysis ("MD&A"), prepared as of February 28, 2020, should be read together with the consolidated financial statements of the Company for the year ended October 31, 2019 and 2018 and the related notes attached thereto. These financial statements and MD&A include the results of operations and cash flows for the year ended October 31, 2019 and 2018 and the reader must be aware that historical results are not necessarily indicative of the future performance. All amounts are reported in U.S. dollars. The aforementioned documents can be accessed on the SEDAR web site at www.sedar.com.

Unless otherwise stated, financial results are being reported in accordance with International Financial Reporting Standards ("IFRS").

The MD&A contains the term cash flow from operations, which should not be considered an alternative to, or more meaningful than, cash flows from operating activities as determined in accordance with IFRS as an indicator of the Company's performance. The Company's determination of cash flow from operations may not be comparable to that reported by other companies. The reconciliation between profit or loss and cash flows from operating activities can be found in the consolidated statements of cash flows.

Certain statements contained in this MD&A may contain words such as "could", "should", "expect", "believe", "will" and similar expressions and statements relating to matters that are not historical facts but are forward-looking statements. Such forward-looking statements are subject to both known and unknown risks and uncertainties which may cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the receipt of required regulatory approvals, the availability of sufficient capital, the estimated cost and availability of funding for development or maintenance/rehabilitation of the Company's business lines, government IT budgets and economic conditions and other factors.

Description of Business

The Company was incorporated as GTO Resources Inc. on May 10, 2011 under the *Business Corporations Act* (British Columbia). The common shares of the Company commenced trading on the TSX Venture Exchange under the symbol "GTR" effective July 28, 2011.

On July 22, 2014, the Company completed the acquisition of ACL Computers & Software, Inc. ("ACL") pursuant to a share exchange agreement (the "Share Exchange Agreement") with ACL and the holders of all the issued and outstanding common shares of ACL dated May 23, 2014. As a result of this transaction, the Company acquired 100% of the issued and outstanding common shares of ACL in exchange for the issuance of 6,000,000 common shares of the Company. As part of this transaction, the Company spun out its interest in certain mineral properties through the distribution of shares of two former wholly owned subsidiaries of the Company to existing shareholders.

On July 25, 2014, the Company's common shares were listed for trading on the Canadian Securities Exchange and were delisted from the TSX Venture Exchange. On August 13, 2014, the Company changed its name to Velocity Data Inc. and its shares began trading under the symbol "VCT".

On November 29, 2019, a change of control of the Company has been effected by the purchase by Mr. Joe Byrne of a controlling interest of approximately 82% of the outstanding capital of the Company for a total consideration of $500,000. Regarding the composition of the Board of Directors, Mr. Byrne and Claire Byrne have been appointed as directors.

In addition, Mr. Byrne has been appointed President and CEO of the Company and Mr. Bates remains as CFO.

The Company's registered office is located at Suite 600 – 1285 West Broadway, Vancouver, BC V6H 3X8.

The Company's Board of Directors is comprised of Joe Byrne and Claire Byrne.

Founded in 1989, ACL is a leading reseller of computer hardware software and peripherals primarily to defense contractors and some United States federal government end-users.

During the year ended October 31, 2015, the Company, through ACL, incurred a $500,000 loss as a result of fake orders placed by a customer that was purporting to be an authorized purchasing agent of DLA (Defense Logistics Agency, a part of the United States military). The Company was alerted to this matter by law enforcement and has been advised that the transactions involving the Company were only a very small part of a much larger and highly sophisticated operation.

The Company believes that the shipper of the products (FedEx) and DLA were negligent in the manner in which they handled the fake orders. Therefore, the Company filed a lawsuit in the US Federal Court in California and filed a Claim with DLA. However the government claimed immunity so nothing can be recovered.

The Company has extremely low gross margins and this situation has caused a material drop in the Company's working capital so it is expected to negatively impact revenue. As a result the Company had to significantly reduce its number of employees and will attempt to restructure its trade and institutional debt.

As of October 31, 2019, the Company had a working capital deficit of $7,314,644, and an accumulated deficit of $8,476,332. During the year ended October 31, 2019, the Company had no revenues and had a net loss from continuing operations of $124,270. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. The continuation of the Company as a going concern is dependent upon financial support from its stockholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations.

Management anticipates that the Company will be dependent, for the near future, on additional investment capital to fund operating expenses. The Company intends to position itself so that it may be able to raise additional funds through the capital markets. In light of management's efforts, there are no assurances that the Company will be successful in this or any of its endeavors or become financially viable and continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

On February 28, 2018, the Company announced its intention to exit its business of selling computer systems and related components and focus on new investments and projects. As such, the financial information for ACL, the Company's wholly-owned subsidiary, has been reclassified as discontinued operations as at and for the years ended October 31, 2019 and 2018.

Overall Performance and Results of Operations

Year Ended October 31, 2019

Results of Operations

The Company recorded revenues of $Nil for the year ended October 31, 2019 and 2018, respectively. The absence of revenue is attributed to the Company exiting its main operational business.

The Company recorded net loss from continuing operations of $124,270 and $155,693 for the years ended October 31, 2019 and 2018, respectively. The decrease in the net loss was due to the fact that the Company had lower operating costs in the current year as the Company is preserving capital and cash flows.

The loss from discontinued operations is comprised mainly of interest expense of $250,695 and $204,316 for the years ended October 31, 2019 and 2018, respectively. In fiscal 2018, the Company had three months of operations that resulted in sales revenue of $150,863 and gross profit of $6,264. Overall the Company significantly decreased its expenses, including selling, general and administrative as well as the interest and other expenses in discontinued operations as the Company incurred costs in the prior year to wind down operations.

Overall Performance

As at October 31, 2019, the Company had total assets of $1,818 (2018 - $11,868), including cash of $1,753 (2018 - $7,932). The decrease in assets is attributed to the decrease in cash incurred by the Company during the year ended October 31, 2019 as the Company raised minimal cash from financing activities to support its operations.

As at October 31, 2019, the Company had liabilities of $7,316,462 (2018 - $6,941,882), all of which were current liabilities and is mainly comprised of liabilities held for sale for accounts payable and accrued liabilities of ACL which was discontinued on February 28, 2018. During the year ended October 31, 2019, the Company increased its loans payable by $115,879 which included $91,698 of new loan financing and the remaining balance due to accrued interest on outstanding balances.

Cash Flows

During the year ended October 31, 2019, the Company used cash of $98,008 for operating activities compared to $90,395 during the year ended October 31, 2018. The use of cash was consistent on a year-to-year basis as the Company had minimal operations.

The Company received cash flows of $91,698 from loans payable during the year ended October 31, 2019 compared to $76,423 during the year ended October 31, 2018 as the main source of funding for the Company's continued operations.

Liquidity and Capital Resources

The Company's consolidated 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. As of October 31, 2019, the Company had a cash balance of $1,758, a working capital deficit of $7,314,644 and an accumulated deficit of $8,476,332. These factors raise doubt as to the Company's ability to continue as a going concern. Management's plans include (i) pursuing former employees through legal channels for violating non-compete agreements and stealing customers, (ii) pursuing prior lender for attempting to extort a material cancellation fee and cause other damages despite the fact that the lender requested ACL obtain new financing, and (iii) attempting to develop new business or product lines. However, as of the date of this report ACL has less than $10,000 of cash, very limited supplier lines of credit, very low monthly sales levels and potential litigation from previous suppliers. The Company's consolidated financial statements do not include any adjustments, which could be material in nature, relating to the recoverability and classification of recorded asset amounts and the classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The company is attempting to pursue other options for the public shell.

Selected Financial Information

The following tables provide a brief summary of the Company's financial operations. For more detailed information, refer to the condensed interim consolidated financial statements for the year ended October 31, 2019 and 2018, which can be found on SEDAR. This information has been prepared in accordance with IFRS and is presented in U.S. Dollars, which is the functional currency of the Company.

Management believes adjusted EBITDA provides a more useful measure of company performance. This is because there are several measures included in GAAP net income or loss which are related to interest. We consider these items to be unrelated to operating income and performance.

However there is a limitation in using EBITDA; each company may use a different definition of EBITDA and, therefore, it is hard to compare them to each other. For example, our company might use different add-backs to net loss than our competitors, thus making it more difficult to compare the two entities to each other. We compensate for this by regularly including EBITDA in our filings so that our performance can be measured over time.

We therefore advise readers to refer to the condensed interim consolidated financial statements as the format of those is standardized and uniform in comparison with any other company reportable under IFRS. In these financial statements, we show net losses of $104,235 and $564,689 for the year ended October 31, 2019 and 2018, respectively. In addition, working capital ratios and other liquidity measures, total debt and debt/equity ratio are common measures used by companies to measure performance. EBITDA amounts are not opined to by the auditors but are a management tool.

Summary of Quarterly and Annual Results

Summary of Quarterly Results

For the 3 months ended,	31-Oct 2019 $	July 31, 2019 $	April 30, 2019 $	January 31, 2019 $	October 31, 2018 $
Revenue	-	-	-	-	-
Net loss (gain) for the period	(361,267)	(10,652)	(10,652)	(1,266)	(551,760)
Basic and diluted loss per share	(0.03)	(0.00)	(0.00)	(0.00)	(0.05)
For the 3 months ended,	**July 31, 2018 $**	**April 30, 2018 $**	**January 31, 2018 $**	**October 31, 2017 $**	**July 31, 2017 $**
Revenue	-	-	-	(28,659)	696,223
Net loss for the period	5,159	(1,240)	(6,053)	(532,087)	(29,224)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.03)	(0.02)

Summary of Quarterly Results

For the 3 months ended,	31-Oct 2019 $	July 31, 2019 $	April 30, 2019 $	January 31, 2019 $	October 31, 2018 $
Revenue	-	-	-	-	-
Net loss (gain) for the period	(361,267)	(10,652)	(10,652)	(1,266)	(551,760)
Basic and diluted loss per share	(0.03)	(0.00)	(0.00)	(0.00)	(0.05)
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Revenue	-	-	-	(28,659)	696,223
Net loss for the period	5,159	(1,240)	(6,053)	(532,087)	(29,224)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.03)	(0.02)

Selected Annual Financial Information

	For the year ended	
	31-Oct 2019 $	**31-Oct 2018 $**
Total revenue	-	-
Net income (loss) before other expenses		
Net income (loss) for the period	(383,837)	(553,894)
Basic and diluted earnings (loss) per share	(0.02)	(0.04)
Total assets	1,818	11,868
Total Liabilities	7,316,462	6,941,882

Share Capital

Authorized: Unlimited number of voting common shares
Unlimited number of preferred shares

(a) During the three month period ended October 31, 2018, the Company issued 4,210,414 common shares for conversion of dues payable to the Chief Financial Officer of the Company in the amount of $294,729.

(b) During the year ended October 31, 2018, the Company issued 2,151,417 common shares for services to the Chief Financial Officer of the Company in the amount of $150,599.

Share Purchase Warrants

As of October 31, 2019 and 2018, the Company has no outstanding share purchase warrants. There has been no share purchase warrants issued as of February 28, 2020.

Stock Options

As of October 31, 2019 and 2018, the Company has 356,006 outstanding stock options to certain officers and directors, exercisable at a price of $1.20 per share until December 15, 2019, and have since expired. There were no stock options issuances, exercises, or cancellations during the years ended October 31, 2019 and 2018, nor have there been any additional stock options transactions as of February 28, 2020.

Accounting Policies and Estimates

The significant accounting policies of the Company are disclosed in Note 2 to the audited consolidated financial statements. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, and revenues and expenses. Management reviews its estimates regularly.

Revenue Recognition

Revenue from product sales is measured at the fair value, net of estimated customer returns and allowances at the time of recognition. The estimates of fair value are based on the Company's historical experience with each customer and the specifics of each arrangement.

Revenue from product sales is recognized when the risks and rewards of ownership have been transferred to the buyer (which generally occurs upon shipment) and collectability of the related receivables is reasonably assured. Revenue is recognized when (a) it can be measured reliably; (b) it is probable that the economic benefits associated with the transaction will flow to the Company; and (c) the costs incurred or to be incurred can be measured reliably.

Stock-Based Compensation

The Company measures compensation expense for all share-based payment awards, including stock options granted to employees, directors, and non-employees based on the estimated fair values on the date of each grant. The fair value of each stock option granted is estimated using the Black-Scholes-Merton option valuation model. Stock-based compensation is recognized on a straight-line basis over the requisite service period, net of estimated forfeitures.

Financial Instruments

Fair Values

The fair values of other financial instruments, which include cash, accounts receivable, accounts payable and accrued liabilities and secured borrowings approximate their carrying values due to the relatively short-term maturity of these instruments.

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 introduces a new expected credit loss ("ECL") model for all financial assets in scope of the impairment requirements. The new ECL will result in an allowance for credit losses being recorded on financial assets irrespective of whether there has been an actual loss event.

The Company adopted the amendments to IFRS 9, effective November 1, 2018 using the full retrospective method, with no significant impact on the Company's consolidated financial statements.

Credit risk

Credit risk refers to the possibility that a customer or counterparty will fail to fulfill its obligations under a contract and, as a result create a financial loss for the Company. The Company currently has no customers so does not require a policy in this area.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Market risk

Market risk is the risk that financial instruments fair values and the Company's future cash flows will fluctuate due to changes in market prices. The Company is exposed to currency risk but it does not have any significant foreign exchange rate risk.

Related Party Transactions

During the year ended October 31, 2019 and 2018, the Company paid approximately $69,286 and $156,252, respectively, in professional and consulting fees to the Chief Financial Officer of the Company and a company controlled by the Chief Financial Officer of the Company, which have been recorded in selling, general, and administrative expenses. As at October 31, 2019, the Company owed $16,601 (2018 - $7,099) to the Chief Financial Officer of the Company.

During the year ended October 31, 2018, the Company issued 4,210,414 common shares for conversion of dues payable to the Chief Financial Officer of the Company in the amount of $294,729. In addition, during the year ended October 31, 2018, the Company issued 2,151,417 common shares for services to the Chief Financial Officer of the Company in the amount of $150,599.

Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged during the year ended October 31, 2018.

Legal Proceedings

Updates for ongoing legal proceedings are as follows for the year ended October 31, 2019:

In late 2015, the Company learned of former employees who violated their non-solicit and confidentiality agreements. ACL obtained a restraining order against those former employees and initiated a suit for damages. Two of their employers have been added to the suit. The non-competes were established years ago as a result of a former employee attempting to steal customers.

In late 2015, ACL initiated a suit pursuing a prior lender for attempting to extort a material cancellation fee and causing other damages despite the fact that the lender requested ACL obtain new financing.

In late 2015, the Company, through ACL, incurred a significant loss as a result of fake orders placed by a customer that was purporting to be an authorized purchasing agent of ALC (Defense Logistics Agency, a part of the United States Military). The Company believes that the shipper of the products (FedEx) and DLA were negligent in the manner in which they handled the fake orders. Thus, ACL filed an SF 95 Claim with DLA. ACL filed a lawsuit with the Military in March 2016. The total gross loss prior to any reimbursement is now in excess of $500,000, including legal and other costs, since the vendors for the orders were paid in full. The FBI has located one of the perpetrators and extradited him from India and Nigeria to be incarcerated.

ACL has received notice of lawsuit from several suppliers in connection with overdue payables. Two of the suppliers obtained judgments against ACL for part of the $5 million of payables previously recorded as liabilities.

ACL has continued to devote resources to recovering the losses caused by its former employees (including their alleged negligence surrounding the previously disclosed Nigerian crime ring) and the CFAA and trade secret theft (potential criminal violations that ACL recently uncovered). ACL has been a value-added reseller or VAR for 28 years; in 2015, the Company attempted to pursue other lines of business, however, this was met with resistance from ACL's former sales people. The Company no longer has sufficient funds to develop new product lines and has begun to investigate various plans for the company since the cost of operating as a public company is greater than the Company's current financial situation can support.

Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements as of October 31, 2019.

Management's Report on Internal Controls over Financial Reporting

In connection with National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings* adopted in December 2008 by each of the securities commissions across Canada ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the Company's audited consolidated financial statements and this MD&A.

The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the aforementioned filings on SEDAR at www.sedar.com.

SCHEDULE "C"

TARGET FINANCIAL STATEMENTS

(See Attached)

Nubreed Nutrition, Inc.

As of September 30, 2020 and December 31, 2019 and for the Three and Nine Month Periods Ended September 30, 2020 and 2019

Interim Financial Statements

NUBREED NUTRITION, INC.

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NUBREED NUTRITION, INC.

Balance Sheets

ASSETS	Notes	September 30, 2020 (unaudited)		December 31, 2019 (audited)	
Cash	1	$	74,389	$	35,081
Inventory	1		166,125		192,936
Total assets (all current)		**$**	**240,514**	**$**	**228,017**
LIABILITIES AND SHAREHOLDER'S DEFICIT					
Shareholder's deficit					
Common stock	1, 3	$	1,250	$	1,250
Accumulated deficit	1		(105,471)		(183,504)
Accumulated other comprehensive loss	1		(67,112)		(55,002)
Total shareholder's deficit			**(171,333)**		**(237,256)**
Liabilities					
Accounts payable	1		134,747		153,762
Accrued expenses	1		8,729		6,500
Customer deposits	1		-		31,968
Accrued interest - related party	2		39,900		35,750
Note payable - related party	2		66,500		65,000
Note payable - shareholder	2		161,971		172,293
Total liabilities (all current)			**411,847**		**465,273**
Total liabilities and shareholder's deficit		**$**	**240,514**	**$**	**228,017**

The accompanying notes are an integral part of these financial statements.

NUBREED NUTRITION, INC.

Statements of Profit and Loss (unaudited)

	Notes	Three Months Ended September 30		Nine Months Ended September 30	
		2020	2019	2020	2019
Revenue	1	$ 168,520	$ 232,763	$ 451,873	$ 1,429,953
Cost of goods sold	1, 4	56,049	40,802	171,835	1,085,322
Gross profit		**112,471**	**191,961**	**280,038**	**344,631**
Operating expenses	1, 5	74,581	60,948	197,746	234,079
Operating income		**37,890**	**131,013**	**82,292**	**110,552**
Other expense					
Interest expense	2	(3,138)	(3,263)	(10,088)	(9,863)
Foreign currency transaction (loss) gain	1	-	(30,681)	5,829	(24,121)
Total other expenses		(3,138)	(33,944)	(4,259)	(33,984)
Net income		**34,752**	**97,069**	**78,033**	**76,568**
Other comprehensive income					
Foreign currency translation adjustment	1	5,478	28,702	(12,110)	33,121
Comprehensive income		**$ 40,230**	**$ 125,771**	**$ 65,923**	**$ 109,689**

The accompanying notes are an integral part of these financial statements.

NUBREED NUTRITION, INC.

Statements of Changes in Shareholder's Deficit (unaudited)

Three Months Ended September 30, 2020 and 2019	Common Stock	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balances, July 1, 2019	**$ 1,250**	**$ (236,957)**	**$ (73,396)**	**$ (309,103)**
Comprehensive income	-	97,069	28,702	125,771
Balances, September 30, 2019	**$ 1,250**	**$ (139,888)**	**$ (44,694)**	**$ (183,332)**
Balances, July 1, 2020	**$ 1,250**	**$ (140,223)**	**$ (72,590)**	**$ (211,563)**
Comprehensive income	-	34,752	5,478	40,230
Balances, September 30, 2020	**$ 1,250**	**$ (105,471)**	**$ (67,112)**	**$ (171,333)**

Nine Months Ended September 30, 2020 and 2019	Common Stock	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balances, January 1, 2019	**$ 1,250**	**$ (216,456)**	**$ (77,815)**	**$ (293,021)**
Comprehensive income	-	76,568	33,121	109,689
Balances, September 30, 2019	**$ 1,250**	**$ (139,888)**	**$ (44,694)**	**$ (183,332)**
Balances, January 1, 2020	**$ 1,250**	**$ (183,504)**	**$ (55,002)**	**$ (237,256)**
Comprehensive loss	-	78,033	(12,110)	65,923
Balances, September 30, 2020	**$ 1,250**	**$ (105,471)**	**$ (67,112)**	**$ (171,333)**

The accompanying notes are an integral part of these financial statements.

NUBREED NUTRITION, INC.

Statements of Cash Flows (unaudited)

	Notes	Three Months Ended September 30		Nine Months Ended September 30	
		2020	2019	2020	2019
Cash flows from operating activities					
Net income		$ 34,752	$ 97,069	$ 78,033	$ 76,568
Adjustments to reconcile net income to net cash provided by (used in) operating activities					
Changes in operating assets and liabilities which provided (used) cash					
Accounts receivable	1	30,861			
Inventory	1	(4,561)	(98,130)	26,811	9,958
Prepaid expenses	1	-	-	-	52,246
Accounts payable	1	(3,263)	(31,901)	(19,015)	(109,581)
Accrued expenses	1	(19,766)	7,260	2,229	(10,121)
Customer deposits	1	-	-	(31,968)	(37,699)
Accrued interest - related party	2	2,500	3,525	4,150	(1,000)
Net cash provided by (used in) operating activities		**40,523**	**(22,177)**	**60,240**	**(19,629)**
Cash flows from financing activities					
Effect of exchange rate on cash	1	324	30,680	(6,796)	24,972
Repayments of note payable from the shareholder	2	-	(6,600)	(14,136)	(29,483)
Net cash provided by (used in) financing activities		**324**	**24,080**	**(20,932)**	**(4,511)**
Net increase (decrease) in cash and cash equivalents		**40,847**	**1,903**	**39,308**	**(24,140)**
Cash, beginning of period		33,542	72,835	35,081	98,878
Cash, end of period		**$ 74,389**	**$ 74,738**	**$ 74,389**	**$ 74,738**

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business and Concentration

These financial statements represent the accounts of *Nubreed Nutrition, Inc.* (the "Company"), (a Michigan Subchapter S Corporation) whose registered office is 318 John R Road, Suite 310, Troy, MI 48083. The Company was created to provide nutritional supplements to consumers across the world via online shopping channels, primarily the Company's website and Amazon.com. The majority of the Company's customers are other retailers and distributors. The Company purchases supplements from various suppliers primarily based within the United States of America.

Risks and Economic Uncertainties

The outbreak of a novel coronavirus (COVID-19), which the World Health Organization declared in March 2020 to be a pandemic, continues to spread throughout Canada, the United States of America, and the globe. Many governmental jurisdictions have issued orders that, among other stipulations, effectively prohibit or significantly restrict in-person work activities for many industries and businesses, having the effect of suspending or severely curtailing operations. The outbreak has resulted in reduced customer demand. The extent of the ultimate impact of the pandemic on the Company's operational and financial performance will depend on various developments, including the duration and spread of the outbreak, and its impact on customers, employees, and vendors, all of which cannot be reasonably predicted at this time. While management reasonably expects the COVID-19 outbreak to negatively impact the Company's financial condition, operating results, and timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared on a going concern basis and based on historical cost. The accounting policies used in the preparation of these statements are consistent with those used in the audited financial statements issued on March 12, 2020 for the year ended December 31, 2019.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. There are no major estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Reporting Currency Translation

The functional currency of the Company is the U.S. Dollar ("USD"), the local currency where the Company is located. However, for purposes of these financial statements, the Company has elected to report using the Canadian Dollar ("CDN") (the “reporting currency”) to satisfy the needs of certain Canadian financial statement users. USD currency denominated assets and liabilities have been translated into CDN using the exchange rates in effect at the balance sheet date. Results of operations and cash flows have been translated using the average exchange rates throughout the period. The translation gains or losses that result from the conversion process are recorded as a separate component of shareholder's equity in accumulated other comprehensive loss. Gains and losses from foreign currency transactions are included as an other expense under the heading, foreign currency transaction gain (loss).

All amounts in the financial statements and notes are shown in CDN, unless otherwise stated.

Cash

Cash consist of cash held in banks and with PayPal. The Company maintains its deposits, which at times may exceed the federally insured limits, in two major U.S.-based financial institutions. Management does not believe the Company is exposed to any significant interest rate or other financial risk as a result of these deposits.

Revenue from Contracts with Customers

Revenue is recognized when transfer of control occurs, which is upon shipment of product. Customers pay in full at the point of sale via credit-card or an electronic payment service, such as PayPal, therefore there are no trade accounts receivable. The Company has determined that control has transferred when its products are shipped to its customers because the Company has a present right to payment at that time, legal title and risk of loss have passed to the customer, and the customer is able to direct the use of and obtain substantially all of the benefits from the products. Each individual product in an order is considered a separate performance obligation. The amount of revenue recognized for the sale of a product is adjusted for expected returns, which are estimated based on the historical data, adjusted as necessary to estimate returns for new products. Returned goods are exchanged either for new goods or a cash refund is offered under a 30-day money-back guarantee program. Returns have not historically been significant. Variable consideration is not significant and is not constrained. Sales and other similar taxes are recorded as a liability when collected from customers and are not recognized as a revenue or as an expense.

During 2019, the Company started a customer loyalty program. Under its customer loyalty program, customers can earn loyalty points that are redeemable against future purchases of the Company's products. At the time the points are redeemed, revenues are reduced. Amounts earned under this program have not been significant.

The Company recognizes the incremental costs of obtaining contracts as an expense when incurred as the amortization period of the assets that the Company otherwise would have recognized is one year or less.

Accounts Receivable

Accounts receivable are customer obligations due under normal trade terms generally requiring payment within 30 to 60 days from the invoice date. Credit is granted to customers in the normal course of business. Ongoing credit evaluations of customers' financial condition are conducted and, generally, no collateral is required to support accounts receivable, which are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has estimated that realization of losses on balances outstanding at year-end will not be significant.

Expenses

Expenses are recognized for goods and services received when supplied in accordance with contractual terms.

Inventory

Inventory consists entirely of finished product for resale and is valued at the lower of cost or net realizable value, determined by the weighted average method, which approximates the first-in, first-out method. At September 30, 2020 and December 31, 2019, management has determined that a valuation allowance is not necessary.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and consists of amounts payable on corporate credit cards or of amounts that have been accrued. Accounts payable and accrued expenses are classified as current liabilities as payment is due within one year or less.

Customer Deposits

Cash received from customers in advance of shipment are recorded as a customer deposit liability. Upon shipment, the deposit is relieved and a corresponding revenue is recognized.

Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value risk), credit risk, and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects of these risks on the Company's financial performance.

Market risk – Foreign exchange risk is limited as the Company's transactions are denominated principally in U.S. dollars. The Company has no significant exposure to commodity price risk, or equity securities price risk. The Company has no significant interest bearing assets or liabilities with variable rates, consequently the Company's operating cash flows are substantially independent of changes in market interest rates.

Credit risk – The Company has no significant concentration of credit risk. The Company has policies under which it places its cash with reputable commercial banks. The maximum exposure to credit risk is represented by the carrying value of the financial assets on the balance sheet.

Liquidity risk – Liquidity risk is not deemed by management to be significant.

Capital Risk Management

The Company's objective when managing capital is to safeguard the Company's ability to meet its obligations as they become due in order to provide services on behalf of its stakeholders and to maintain an optimal structure to reduce the cost of services provided. The Company is not exposed to significant capital risk due to communicated commitment for continued support from its Shareholder.

Fair Value Estimation

The carrying values of accounts payable and accrued expenses are assumed to approximate their fair values.

Income Taxes

The Company's shareholder has elected for the Company to be taxed as an "S" Corporation under the provisions of Internal Revenue Code Section 1362, whereby taxable income and certain tax credits are passed directly to the shareholder for inclusion in their personal income tax returns. Some states and localities assess income taxes at the entity level for "S" Corporations. Though federal income taxes are not provided in these combined financial statements, applicable state and local income taxes are provided.

Notes to Financial Statements

Company management analyzes its income tax filing positions in the federal and state jurisdictions where it is required to file income tax returns, for all open tax years in these jurisdictions, to identify potential uncertain tax positions. As of September 30, 2020, there are no uncertain income tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the combined financial statements. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Generally, the Company is no longer subject to income tax examinations for years prior to 2017.

2. RELATED PARTY AND SHAREHOLDER DEBT

Notes payable consists of the following obligations at:

	September 30 2020 (unaudited)	December 31 2019 (audited)
Note payable in default to the fiancée of the Shareholder, uncollateralized, which was due in full on June 8, 2017, including interest at 20%.	$ 66,500	$ 65,000
Note payable to the Shareholder, uncollateralized, non-interest bearing, due on demand.	161,971	172,293
Total notes payable	**$ 228,471**	**$ 237,293**

Interest expense on the note payable to the fiancée of the shareholder of $3,138 and $3,263 was incurred during the three-months ended September 30, 2020 and 2019, respectively. Interest expense on the note payable to the fiancée of the shareholder of $10,088 and $9,863 was incurred during the nine-months ended September 30, 2020 and 2019, respectively. As of September 30, 2020 and December 31, 2019, $39,900 and $35,750, respectively, was accrued and included in accrued expenses on the accompanying balance sheets.

3. SHARE CAPITAL

The share capital of the Company consists of the following at September 30, 2020 and December 31, 2019:

	Authorized	Issued and Outstanding	Amount
Common shares	10,000	1,250	$ 1,250

The issued shares have a par value of $1/share.

Notes to Financial Statements

4. COST OF SALES

Cost of sales consisted of the following for the period ended September 30: (all periods unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Goods purchased for resale	$ 49,657	$ 31,898	$ 152,745	$ 999,228
Shipping and handling	6,392	8,904	19,090	86,094
Total cost of sales	**$ 56,049**	**$ 40,802**	**$ 171,835**	**$ 1,085,322**

5. OPERATING EXPENSES

Operating expenses consisted of the following for the period ended September 30: (all periods unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Office expenses	$ 11,411	$ 18,678	$ 23,102	$ 99,012
Contracted labor	12,746	14,156	28,878	41,793
Legal and professional	38,148	13,007	104,830	41,839
Advertising and promotional	1,575	4,320	7,679	18,488
Automotive	3,134	3,494	9,192	9,645
Insurance	3,480	3,407	8,490	8,266
Travel	654	2,372	3,157	3,957
Transaction processing fees	288	604	748	5,190
Dues and subscriptions	2,162	-	8,777	2,949
Rent	983	910	2,893	2,940
Total operating expenses	**$ 74,581**	**$ 60,948**	**$ 197,746**	**$ 234,079**

6. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through to December 3, 2020, which is the date the financial statements were available and authorized to be issued by the Shareholder.

On July 31, 2020, the sole shareholder of the Company signed an agreement under which Emergence Global Enterprises Inc., a company incorporated in Canada, will acquire all issued and outstanding shares in the Company. This transaction has not been completed as at December 3, 2020.

Other than as described above, the Company has not identified any significant subsequent events or transactions. The Shareholder has the authority to amend these financial statements after issuance.

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Nubreed Nutrition, Inc.

Years Ended December 31, 2019 and 2018

Financial Statements

NUBREED NUTRITION, INC.

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Hawkins & Co. Accounting
PROFESSIONAL CORP.
Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of NuBreed Nutrition Inc. ["the Entity"]

Opinion

We have audited the accompanying financial statements of Nubreed Nutrition Inc., which comprise the statement of financial position as at December 31, 2019 and 2018, the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of NuBreed Nutrition Inc. as at December 31, 2019 and 2018 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of NuBreed Nutrition Inc. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hawkins & Co.

Accounting Professional Corp.
Authorized to practice public accounting by The Chartered Professional Accountants of Ontario

Windsor, Ontario

March 12, 2020

NUBREED NUTRITION, INC.

Balance Sheets

ASSETS	Notes	December 31 2019	2018	2017
Cash and cash equivalents	1	$ 35,081	$ 98,878	$ 43,290
Inventory	1	192,936	236,277	157,910
Prepaid expenses	1	-	52,246	-
Total assets (all current)		**$ 228,017**	**$ 387,401**	**$ 201,200**
LIABILITIES AND SHAREHOLDER'S DEFICIT				
Shareholder's deficit				
Common stock	1, 3	$ 1,250	$ 1,250	$ 1,250
Accumulated deficit	1	(183,504)	(216,456)	(471,380)
Accumulated other comprehensive loss	1	(55,002)	(77,815)	(117,845)
Total shareholder's deficit		**(237,256)**	**(293,021)**	**(587,975)**
Liabilities				
Accounts payable	1	153,762	299,302	382,091
Accrued expenses	1	6,500	17,381	47,414
Customer deposits	1	31,968	37,699	72,504
Accrued interest - related party	2	35,750	34,000	18,750
Note payable - related party	2	65,000	68,000	62,500
Note payable - shareholder	2	172,293	224,040	205,916
Total liabilities (all current)		**465,273**	**680,422**	**789,175**
Total liabilities and shareholder's deficit		**$ 228,017**	**$ 387,401**	**$ 201,200**

The accompanying notes are an integral part of these financial statements.

NUBREED NUTRITION, INC.

Statements of Profit and Loss

	Notes	Year Ended December 31	
		2019	2018
Revenue	1	$ 1,503,440	$ 1,436,191
Cost of goods sold	1, 4	1,146,184	705,624
Gross profit		**357,256**	**730,567**
Operating expenses	1, 5	300,130	384,841
Operating profit		**57,126**	**345,726**
Other expense			
Interest expense	2	13,300	13,050
Foreign currency transaction loss	1	10,874	77,752
Total other expenses		24,174	90,802
Net income		**32,952**	**254,924**
Other comprehensive loss			
Foreign currency translation adjustment	1	22,813	40,030
Comprehensive income		**$ 55,765**	**$ 294,954**

The accompanying notes are an integral part of these financial statements.

NUBREED NUTRITION, INC.

Statements of Changes in Shareholder's Deficit

	Common Stock	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balances, January 1, 2018	**$ 1,250**	**$ (471,380)**	**$ (117,845)**	**$ (587,975)**
Comprehensive income	-	254,924	40,030	294,954
Balances, December 31, 2018	**1,250**	**(216,456)**	**(77,815)**	**(293,021)**
Comprehensive income	-	32,952	22,813	55,765
Balances, December 31, 2019	**$ 1,250**	**$ (183,504)**	**$ (55,002)**	**$ (237,256)**

The accompanying notes are an integral part of these financial statements.

NUBREED NUTRITION, INC.

Statements of Cash Flows

	Notes	Year Ended December 31 2019	2018
Cash flows from operating activities			
Net income		$ 32,952	$ 254,924
Adjustments to reconcile net income to net cash used in operating activities			
Changes in operating assets and liabilities which provided (used) cash:			
Inventory	1	43,341	(78,367)
Prepaid expenses	1	52,246	(52,246)
Accounts payable	1	(145,540)	(82,789)
Accrued expenses	1	(10,881)	(30,033)
Customer deposits	1	(5,731)	(34,805)
Accrued interest - related party	2	1,750	15,250
Net cash used in operating activities		**(31,863)**	**(8,066)**
Cash flows provided by financing activities			
Effect of exchange rate on cash	1	10,895	63,654
Repayments of note payable from the shareholder	2	(42,829)	-
Net cash (used in) provided by financing activities		(31,934)	63,654
Net (decrease) increase in cash and cash equivalents		**(63,797)**	**55,588**
Cash and cash equivalents, beginning of year		98,878	43,290
Cash and cash equivalents, end of year		**$ 35,081**	**$ 98,878**

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business and Concentration

These financial statements represent the accounts of ***Nubreed Nutrition, Inc.*** (the "Company"), (a Michigan Subchapter S Corporation) whose registered office is 318 John R Road, Suite 310, Troy, MI 48083. The Company was created to provide nutritional supplements to consumers across the world via online shopping channels, primarily the Company's website and on Amazon.com. The majority of the Company's customers are other retailers and distributors. The Company purchases supplements from various suppliers primarily based within the United States of America.

Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention. No previous financial statements have been issued.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. There are no major estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Reporting Currency Translation

The functional currency of the Company is the U.S. Dollar ("USD"), the local currency where the Company is located. However, for purposes of these financial statements, the Company has elected to report using the Canadian Dollar ("CDN") (the "reporting currency") to satisfy the needs of certain Canadian financial statement users. USD currency denominated assets and liabilities have been translated into CDN using the exchange rates in effect at the balance sheet date. Results of operations and cash flows have been translated using the average exchange rates throughout the period. The translation gains or losses that result from the conversion process are recorded as a separate component of shareholder's equity in accumulated other comprehensive loss. Gains and losses from foreign currency transactions are included as an other expense under the heading, foreign currency transaction loss.

All amounts in the financial statements and notes are shown in CDN, unless otherwise stated.

Changes in Accounting Policies

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board. The most significant of these are IFRS 15 *Revenue from Contracts with Customers* (effective for periods beginning on or after January 1, 2018) and IFRS 16 *Leases* (effective for periods beginning on or after January 1, 2019).

The Company applied IFRS 15 retrospectively using the practical expedient in paragraph C5(c) of IFRS 15, under which the Group does not disclose the amount of consideration allocated to the remaining performance obligations or an explanation of when the Group expects to recognize that amount as revenue for all reporting periods presented before the date of initial application on January 1, 2018. There was no significant effect on the Company's financial statements as a result of applying this standard.

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative financial information has not been restated and continues to be reported under IAS 17 and IFRIC 4. Management has evaluated lease contracts under both current and legacy standards and has elected to continue to not recognize right-of-use assets and lease liabilities for short-term leases of facilities that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. There was no significant effect on the Company's financial statements as a result of applying this standard.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in banks and with PayPal. The Company maintains its deposits, which at times may exceed the federally insured limits, in two major U.S.-based financial institutions. Management does not believe the Company is exposed to any significant interest rate or other financial risk as a result of these deposits.

Revenue from Contracts with Customers

Revenue is recognized when transfer of control occurs, which is upon shipment of product. Customers pay in full at the point of sale via credit-card or an electronic payment service, such as PayPal, therefore there are no trade accounts receivable. The Company has determined that control has transferred when its products are shipped to its customers because the Company has a present right to payment at that time, legal title and risk of loss have passed to the customer, and the customer is able to direct the use of and obtain substantially all of the benefits from the products. Each individual product in an order is considered a separate performance obligation. The amount of revenue recognized for the sale of a product is adjusted for expected returns, which are estimated based on the historical data, adjusted as necessary to estimate returns for new products. Returned goods are exchanged either for new goods or a cash refund is offered under a 30-day money-back guarantee program. Historical returns have not been significant. Variable consideration has not historically been significant and is not constrained. Sales and other similar taxes are recorded as a liability when collected from customers and is not recognized as a revenue or as an expense.

During 2019, the Company started a customer loyalty program. Under its customer loyalty program, customers can earn loyalty points that are redeemable against future purchases of the Company's products. At the time the points are redeemed, revenues are reduced. Amounts earned under this program have not been significant.

Applying the practical expedient in paragraph 94 of IFRS 15, the Company recognizes the incremental costs of obtaining contracts as an expense when incurred as the amortization period of the assets that the Company otherwise would have recognized is one year or less.

Expenses

Expenses are recognized for goods and services received when supplied in accordance with contractual terms.

Inventory

Inventory consists entirely of finished product for resale and is valued at the lower of cost or net realizable value, determined by the weighted average method, which approximates the first-in, first-out method. As of both December 31, 2019 and 2018, management has determined that no valuation allowance was considered necessary.

Prepaid Expenses

Prepayments made to suppliers that will benefit future periods are recorded as an asset and are charged to expense on a straight-line basis over the period of their expected benefit.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and consists of amounts payable on corporate credit cards or of amounts that have been accrued. Accounts payable and accrued expenses are classified as current liabilities as payment is due within one year or less.

Customer Deposits

Cash received from customers in advance of shipment are recorded as a customer deposit liability. Upon shipment, the deposit is relieved and a corresponding revenue is recognized.

Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value risk), credit risk, and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects of these risks on the Company's financial performance.

Market risk – Foreign exchange risk is limited as the Company's transactions are denominated principally in U.S. dollars. The Company has no significant exposure to commodity price risk, or equity securities price risk. The Company has no significant interest bearing assets or liabilities with variable rates, consequently the Company's operating cash flows are substantially independent of changes in market interest rates.

Credit risk – The Company has no significant concentration of credit risk. The Company has policies under which it places its cash with reputable commercial banks. The maximum exposure to credit risk is represented by the carrying value of the financial assets on the balance sheet.

Liquidity risk – Liquidity risk is not deemed by management to be significant.

Capital Risk Management

The Company's objective when managing capital is to safeguard the Company's ability to meet its obligations as they become due in order to provide services on behalf of its stakeholders and to maintain an optimal structure to reduce the cost of services provided. The Company is not exposed to significant capital risk due to communicated commitment for continued support from its Shareholder.

Fair Value Estimation

The carrying values of accounts receivable and accounts payable are assumed to approximate their fair values.

Income Taxes

The Company's shareholder has elected for the Company to be taxed as an “S” Corporation under the provisions of Internal Revenue Code Section 1362, whereby taxable income and certain tax credits are passed directly to the shareholder for inclusion in their personal income tax returns. Some states and localities assess income taxes at the entity level for “S” Corporations. Though federal income taxes are not provided in these combined financial statements, applicable state and local income taxes are provided.

Company management analyzes its income tax filing positions in the federal and state jurisdictions where it is required to file income tax returns, for all open tax years in these jurisdictions, to identify potential uncertain tax positions. As of December 31, 2019, there are no uncertain income tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the combined financial statements. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Generally, the Company is no longer subject to income tax examinations for years prior to 2016.

2. RELATED PARTY AND SHAREHOLDER DEBT

Notes payable consists of the following obligations at December 31:

	2019	2018	2017
Note payable in default to the fiancée of the Shareholder, uncollateralized, due in full on June 8, 2017, including interest at 20%.	$ 65,000	$ 68,000	$ 62,500
Note payable to the Shareholder, uncollateralized, non-interest bearing, due on demand.	172,293	224,040	205,916
Total notes payable	$ 237,293	$ 292,040	$ 268,416

Interest expense on the note payable to the fiancé of the shareholder of $13,300 and $13,050 was incurred during 2019 and 2018, respectively. As of December 31, 2019, 2018 and 2017, $35,750, $34,000 and $18,750, respectively was accrued and payable.

Notes to Financial Statements

3. SHARE CAPITAL

The share capital of the Company consists of the following at December 31, 2019, 2018 and 2017:

	Authorized	Issued and Outstanding	Amount
Common shares	10,000	1,250	$ 1,250

The issued shares have a par value of $1/share.

4. COST OF SALES

Cost of sales consisted of the following for the year ended December 31:

	2019	2018
Goods purchased for resale	$ 1,096,822	$ 643,817
Shipping and handling	49,362	61,807
Total cost of sales	**$ 1,146,184**	**$ 705,624**

5. OPERATING EXPENSES

Operating expenses consisted of the following for the year ended December 31:

	2019	2018
Office expenses	$ 110,601	$ 65,308
Contracted labor	52,776	159,255
Legal and professional	56,468	44,911
Advertising and promotional	28,648	23,080
Automotive	14,074	14,854
Insurance	11,079	8,841
Travel	10,578	18,348
Transaction processing fees	6,046	6,033
Dues and subscriptions	5,508	11,813
Rent	4,352	32,398
Total operating expenses	**$ 300,130**	**$ 384,841**

6. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 12, 2020, which is the date the financial statements were available and authorized to be issued by the Shareholder. No significant such events or transactions were identified. The Shareholder has the authority to amend these financial statements after issuance.

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SCHEDULE "D"

TARGET MD&A

(See Attached)

NUBREED NUTRITION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Interim Financial Statements ended September 30, 2020

This Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with the audited financial statements and notes thereto for the nine-month financial period ended September 30, 2020, of Nubreed Nutrition, Inc. (the "**Company**"). Such financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

Date

This MD&A is prepared as of December 2, 2020.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements that relate to our current expectations and views of future events. Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this MD&A. In making the forward- looking statements included in this MD&A, we have made various material assumptions, including but not limited to: (1) general business and economic conditions; (2) our ability to successfully execute our plans and intentions; (3) our ability to attract and retain skilled staff; (4) market conditions; (5) foreign currency and exchange rates; (6) that our current good relationships with our suppliers, service providers, and other third parties will be maintained; and (7) the global economic environment.

Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties, and assumptions, prospective purchasers of Common Shares should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to our expectations and predictions is subject to several known and unknown risks, uncertainties, assumptions and other factors, including those listed under "Risk Factors".

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements.

Information contained in forward-looking statements in this MD&A is provided as of Effective Date, and we disclaim any obligation to update any forward-looking statements, whether because of new information or future events or results, except to the extent required by applicable securities laws. Accordingly, potential investors should not place undue reliance on forward-looking statements, or the information contained in those statements.

DESCRIPTION OF BUSINESS

The Company was incorporated under the Michigan Business Corporations Act on February 21, 2013. It is a consumer focused, health and nutrition company that develops, manufactures, markets, and distributes NuBreed Nutrition branded health and nutrition product supplements. It offers a wide range of performance powders and capsules, which seek to help a broad range of consumers, including athletes and health conscious consumers of all types, achieve a heightened level of health, nutrition, performance and satisfaction. The Company markets and sells these products in over 15 countries globally.

In the three most recently completed financial nine-month periods the Target did not conduct any sales of its securities or enter into any material contracts.

On July 31, 2020, the Company and its sole shareholder entered into a share purchase agreement with Emergence Global Enterprises Inc. ("Emergence"), pursuant to which Emergence agreed to acquire all of the Company's issued and outstanding common shares subject to the terms and conditions set out therein.

OVERALL PERFORMANCE

For the nine-month period ended September30, 2020, the Company reported net income of $78,033 compared to net income of $76,568 for the nine-month period ended September 30, 2019. For the nine-month period ended September 30, 2020, Comprehensive Income was $65,923, compared to Comprehensive Income of $109,689 for the nine-month period ended September 30, 2019. As at September 30, 2020, the Company had an accumulated deficit of $171,333.

Cash generated by operating activities of the Company was $60,240 for the nine-month period ended September 30, 2020, compared to cash used by operations of $19,629 for the nine-month period ended September 30, 2019. Cash used by financing activities was $20,932, supported by a loan repayment of $14,136 to the shareholder for the nine-month period ended September 30, 2020.

Operating risks include but are not limited to the Company's reliance on strength of reputation and brands, third party manufacturing, transportation and distribution, ability to protect its intellectual property, reliance on ecommerce sites, and other risk factors. Financial risks include but are not limited to the availability of capital, liquidity risk, market risk, currency risk, credit risk and interest rate risk.

The Company financial performance can be measured in the same way as any typical consumer health company, or similarly structured private company of comparable form. Additionally, we look at certain key performance indicators which are more indicative of the health of an e-commerce business. These include customer ratings, customer reviews, supply chain metrics (customer order fill rates, days of inventory on hand, inventory turns and replenishment metrics), as well as marketplace inventory score metrics.

The Company cannot anticipate or prevent all of the potential risks to its success, nor predict the impact of any such risk. To the extent possible, management implements strategies aimed at reducing or mitigating risks and uncertainties associated with its business.

SELECTED INTERIM FINANCIAL INFORMATION

The following information sets out the Company's audited selected annual information for the nine-month periods ended September 30, 2020 and September 30, 2019.

	For the Nine-month period Ended September 30	
	2020	**2019**
Revenue	$451,873	$1,429,953
Net Income (Loss)	$78,033	76,568
Net Income (Loss) per Share	$62.42	$51.25
Total Assets (As at December 31, 2019)	$240,514	$228,017
Total Liabilities (As at December 31, 2019)	$411,847	$465,273

	For the Nine-month period Ended September 30	
	2020	2019
Cash Dividends Declared	$Nil	$Nil

Revenue

Revenue is recognized when transfer of control occurs, which is upon shipment of product. Customers pay in full at the point of sale via credit-card or an electronic payment service, such as PayPal, therefore there are no trade accounts receivable. The Company has determined that control has transferred when its products are shipped to its customers because the Company has a present right to payment at that time, legal title and risk of loss have passed to the customer, and the customer is able to direct the use of and obtain substantially all of the benefits from the products. Each individual product in an order is considered a separate performance obligation. The amount of revenue recognized for the sale of a product is adjusted for expected returns, which are estimated based on the historical data, adjusted as necessary to estimate returns for new products. Returned goods are exchanged either for new goods or a cash refund is offered under a 30-day money-back guarantee program. Historically, returns have not been significant. Variable consideration has not historically been significant and is not constrained. Sales and other similar taxes are recorded as a liability when collected from customers and is not recognized as a revenue or as an expense. Expenses are recognized for goods and services received when supplied in accordance with contractual terms.

The outbreak of a novel coronavirus (COVID-19), which the World Health Organization declared in March 2020 to be a pandemic, continues to spread throughout Canada, the United States of America, and the globe. Many governmental jurisdictions have issued orders that, among other stipulations, effectively prohibit or significantly restrict in-person work activities for many industries and businesses, having the effect of suspending or severely curtailing operations. The outbreak has resulted in reduced customer demand. The extent of the ultimate impact of the pandemic on the Company's operational and financial performance will depend on various developments, including the duration and spread of the outbreak, and its impact on customers, employees, and vendors, all of which cannot be reasonably predicted at this time. While management reasonably expects the COVID-19 outbreak to negatively impact the Company's financial condition, operating results, and timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

Revenue decreased during the nine-month period ending September 30, 2020 due to the impact of COVID-19 and the resulting supply chain interruptions and reduced consumer confidence in most purchasing decisions. These changes are expected and will recover as the supply chain and consumer confidence return to more normal operations.

Cost of Goods Sold and Gross Profit

Costs of goods sold decreased by 37.1% of gross revenue to $171,835 for the nine-month period ended September 30, 2020, compared to $1,085,322 for the same period in 2019. This change was related to: (i) decreases in some raw material and logistics costs for the period compared to the previous nine-month periods; and (ii) a shift away from some product lines and business. During 2019 and into 2020, the Company reduced the number of line extensions in its product mix to better match consumer tastes and references. These reductions were mainly accomplished through decreasing the number of flavours in each product category to reflect consumer preferences. The Company will continue to offer specialty flavours, although they will be more situated as Limited Time Offers. The Company also ended its supplier relationship with some brick and mortar retailers, the largest being Vitamin Shoppe. As part of a strategic review of its marketing and distribution channels, the Company moved its focus to smaller retail and online sales and away from larger, traditional retailers. These changes did increase obsolescence with some products and these costs were absorbed into the Manufacturing Process resulting in increased costs for the period. Accordingly, gross profit for the nine-month period ended September 30, 2020 decreased to $280,038 compared to $344,631 for the same period in 2019.

Operating Expenses

Operating expenses for the nine-month period ended September 30, 2020 were $197,746, compared to $234,079 for the same period in 2019. This decrease was driven largely by a decrease in day to day costs as the impact of COVID-19 reduced the operations of the company for most of the nine-month period.

LIQUIDITY

The Company had cash and cash equivalents of $74,389 at September 30, 2020 and $35,081 at December 31, 2019. The Company had a working capital deficit of $171,333 at September 30, 2020 and $237,256 at December 31, 2019. Removing the internal shareholder loans results in net working capital surplus of $35,787 at December 31, 2019 and a surplus of $97,038at September 30, 2020

The cash used by the business is generated primarily by the sales of our products**.** Cash is primarily used in the business of the Company in connection with inventory purchases, advertising and promotion expenses, personnel-related expenditures, manufacturing costs, professional fees, costs related to our facilities, and legal fees. We expect our cash flows from operating activities will continue to be affected principally by the results of operations and the extent to which we increase spending on personnel expenditures, sales and marketing activities, and our working capital requirements.

CAPITAL RESOURCES

The Company has no commitments for capital expenditures at this time and does not expect the need for additional capital expenditures in the near or mid-terms.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

The Company has on its Balance Sheet, loans to related parties, including Management of $268,371, including Accrued Interest of $39,900. These loans are unsecured and are not subject to penalty provisions in the case of default.

SUBSEQUENT EVENTS

Management has not identified any material subsequent events which require disclosure.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company’s financial instruments consist of cash, amounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management’s opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company's common shares are not listed for trading on any exchange. The Company's authorized share capital consists of an unlimited number of common shares without par value. As at September 30, 2020 the Company had 1,250 common shares issued and outstanding.

RISK FACTORS

The following risk factors may not be a definitive list of all risk factors associated with an investment in the

Company or in connection with the Company's business and operations.

Reliance on Strength of Reputation and Brands
Any negative publicity about health and/or nutritional supplements generally, or concerning any actual or purported failure by the Company to meet high quality standards or comply with applicable laws and regulations could do significant damage to the Company's reputation and brands and could harm its financial condition and operating results. The Company may be impacted as the perceptions of consumers and others are formed based on modern communication and social media tools over which it has no control. The increasing use of social media has especially heightened the need for reputational risk management procedures. Any actions the Company takes that cause negative public opinion have the potential to negatively impact its reputation, which may materially adversely affect its business, results of operations or financial condition.

Adverse publicity, such as negative media about the nutritional supplement segment generally or about specific types of products within this segment, whether or not accurate, resulting from individuals' use or misuse of our products or new scientific research findings about such products, that associates consumption of the Company's products or any similar products with illness or other adverse effects, questions the benefits of its products or similar products or claims that any such products are ineffective, inappropriately labelled or have inaccurate instructions as to their use, could negatively impact the Company's reputation or the market demand for its products.

Third-Party Manufacturing, Transportation and Distribution
The Company currently operates its business using a supply-chain management system known as "dropshipping" whereby subsidiaries of the Company facilitate the delivery of the goods from a third-party manufacturer to a third party distributor and then to the end-point consumer who places the associated order. None of the Company's subsidiaries take physical possession of the goods in its inventory at any point during the ordering or delivery process.

This system requires that the Company rely on the efforts and services of third-party manufacturers, carriers and distributors. If issues arise at any step of the supply chain, it could cause logistical problems and delays in customers obtaining their orders beyond the direct control of the Company. There can be no assurance that the third-party manufacturers will continue to reliably manufacture products for us at the levels of quality or in the quantities we require, nor can there be any assurance that the third-party carriers and distributors fulfill their obligations pursuant to their committed timelines. Any insufficiency or delay by third-party services would adversely affect the Company's financial performance.

These third-party business relationships, transactions and contracts will require that such third parties have performance, payment and other obligations to the Company. If any of these third parties were to become subject to bankruptcy, receivership or similar proceedings, the Company's rights and benefits in relation to such business relationships, contracts and transactions with such third parties could be terminated, modified in an adverse manner, or otherwise impaired. No assurances can be made that the Company would be able to arrange for alternate or replacement business relationships, transactions, or contracts on terms as favorable as the initial business relationships, transactions or contracts, if at all. Any inability on the Company's part to do so could have a material adverse effect on its business and results of operations.

Protection of Intellectual Property
The Company's products are not currently protected by patents. The applicable labeling regulations governing natural health products require that the ingredients of such products be precisely and accurately indicated on product containers. Accordingly, patent protection for natural health products often is impractical given the large number of manufacturers who produce natural health products having many active ingredients in common. Additionally, certain of the Company's current and planned products are affected by rapid change and frequent reformulations, as the body of scientific research and literature refines the current understanding of the application and efficacy of certain substances and the interactions among various substances. In this respect, the Company maintains an active research and development program, which will be continued under the Company's operations that is devoted to developing purer more potent and more effective formulations of its products. The Company protects its investment in research, as well as the techniques it uses to improve the purity and effectiveness of our products, by relying on trade secret and trademark laws. Notwithstanding the Company's efforts, there can be no assurance that efforts to protect the Company's trade secrets and trademarks will be successful. The Company intends to maintain and keep current all of its trademark registrations and to pay all applicable renewal fees as they become due. Beyond merely its trademarks,

if for any reason the Company is unable to maintain its current or future intellectual property rights, its sales of any related products could be materially and negatively affected.

Reliance on E-Commerce Sites
The Company's main source of revenue is through the sales of products through e-commerce sites, including Amazon and NuBreed's own website. Third Party e-commerce sites have the right to terminate this relationship under certain circumstances. User behavior on e-commerce websites is rapidly evolving, and if the Company fails to successfully adapt to these changes, its competitiveness and market position may suffer.

Disruption or Breaches in Information Technology Systems
The Company's business operations are currently managed through a variety of information technology systems. The Company will be dependent on these systems for sale transactions, supply-chain management and inventory management. While the systems are designed to operate without interruption, the Company may in the future experience interruptions to the availability of its computer systems from time to time. The failure of the computer systems to operate effectively, keep pace with growing capacity requirements, smoothly transition to upgraded or replacement systems or integrate with new systems could adversely affect the Company's business.

In addition, the Company's computer systems may be subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, cyber-attacks, denial-of-service attacks, security breaches, catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes, acts of war or terrorism, and usage errors by the Company's or its affiliates' employees. If the computer systems are damaged or cease to function properly, the Company may have to make an investment to fix or replace them, and it may suffer loss of critical data, compromise to the integrity or confidentiality of customer and employee information in its systems or networks, disruption to any systems or networks of third parties on which it relies, and interruptions or delays in its operations. A lack of relevant and reliable information that enables management to effectively manage the Company's business could preclude it from optimizing its overall performance. Any significant loss of data or failure to maintain reliable data may have an adverse effect on the business and results of operations. Any such disruption may increase the Company's costs, diminish its growth prospects, expose it to litigation, decrease customer confidence and damage its brand, and a material interruption to any of its computer systems could adversely affect the business or results of operations and reputation.

Litigation
The Company may become party to litigation from time to time in the ordinary course of their respective businesses which could adversely affect their respective operations. Should any litigation in which the Company becomes involved be determined against the Company, such a decision may adversely affect the Company's respective abilities to continue operating, adversely affect the market price of Company Common Shares and use significant resources. Even if the Company, as the case may be, is involved in litigation and succeeds, litigation can redirect significant company resources. Litigation may also create a negative perception of the Company's brand.

Inability to Successfully Implement Growth Strategy on a Timely Basis
The Company's future success depends, in part, on its ability to implement its growth strategy, including (i) product innovations within existing categories and growth into adjacent categories and continued growth of existing products in existing categories; (ii) further penetration into international markets and new geographies; (iii) in support of its profitability targets, improvements in its operating income, gross profit and Adjusted EBITDA margins. The Company may not be able to successfully implement its growth strategy and reach its revenue and profitability improvement targets. The Company may need to change its strategy. If the Company fails to implement its growth strategy or if it invests resources in a growth strategy that ultimately proves unsuccessful, its business, financial condition and results of operations may be materially adversely affected.

Difficulty Expanding Sales in Targeted International Markets
International markets have been, and will continue to be, a focus for sales growth, and the Company intends for international sales to comprise a larger percentage of their total sales. Several factors, including weakened economic conditions in any targeted international markets, could adversely affect such growth. Additionally, the Company's entry into and development of business in new international markets requires management attention and financial resources that would otherwise be spent on other parts of its business. The country in which the Company sells its products, or otherwise has an international presence, is to some degree subject to political, economic and/or social

instability. The Company's sales expose it to risks and expenses inherent in operating or selling products in foreign jurisdictions, and developing and emerging markets in particular where the risks may be heightened. The Company's international efforts may not produce desired levels of sales. Furthermore, its experience with selling products in its current international markets may not be relevant or may not necessarily translate into favourable results if it sells in other international markets. As the Company enters into new markets, it may experience different competitive conditions, less familiarity with its brands and/or different consumer tastes and discretionary spending patterns. As a result, the Company may be less successful than expected in expanding its sales in its current and targeted international markets. Sales into new international markets may take longer to ramp up and reach expected sales and profit levels, or may never do so, thereby affecting the Company's overall growth and profitability. To build brand awareness in these new markets, the Company may need to make greater
investments in advertising and promotional activity than originally planned, which could negatively impact the profitability of its sales in those markets. These or one or more of the factors listed above may harm the Company's business, results of operations or financial condition. Any material decrease in its international sales or profitability could also adversely impact its business, results of operations or financial condition.

Changes in General Economic Conditions
Current and future conditions in the economy have an inherent degree of uncertainty. As a result, it is difficult to estimate the level of growth or contraction in the general economy of any of the countries in which the Company's products are sold. It is even more challenging to estimate growth or contraction in various parts, sectors and regions of the economy of those countries. Our budgeting and forecasting are dependent upon estimates of demand for our products and growth or contraction in the markets we serve. Economic uncertainty complicates reliable estimation of our future income and expenditures. Adverse changes in general economic conditions may occur as a result of weakening global economic conditions, tightening of consumer credit, falling consumer confidence, political events or uncertainty, increasing unemployment, declining stock markets or other factors affecting economic conditions generally or in the various countries in which the Company's products are sold. These changes may adversely affect demand for the Company's products, increase the cost or decrease the availability of financing to fund its business and growth plans or increase costs associated with manufacturing and distributing its products, any of which could have a material and adverse effect on the Company's revenue and profitability.

In addition, consumer spending habits, including spending on the Company's products, are affected by, among other things, prevailing economic conditions, levels of employment, fuel prices, salaries and wages, the availability of consumer credit, consumer confidence and consumer perception of economic conditions. A general economic slowdown in any of the Company's active markets could decrease demand for its products, which would adversely affect the Company's revenue. In addition, an uncertain economic outlook may adversely affect consumer spending habits and customer traffic, which may result in lower revenue. A prolonged economic downturn in any of the Company's markets could have a material negative impact on its business, financial condition and performance. Such would equivalently impact the Company.

Management of Growth
The Company and its subsidiaries may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require continued implementation and improvement of their operational and financial systems and to expand, train and manage their respective employee bases. The inability of the Company to deal with growth may have a material adverse effect on their respective businesses, financial conditions, results of operations and prospects.

Reliance on Management and Principal Shareholder
The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management and Shareholder, Jeff Thomas. While employment agreements and incentive programs are customarily used as primary methods of retaining the services of key employees, these agreements and incentive programs cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Tax Matters
The Company cannot provide assurance that it will not be subject to U.S. federal, state or local income tax in the future. There is a risk that U.S. and other foreign jurisdictions could assert that the Company is liable for U.S. state and local or other foreign business activity taxes, which are levied upon income or gross receipts, or for the collection

of U.S. state and local sales and use taxes. U.S. states are becoming increasingly active in asserting nexus for business activity tax purposes and imposing sales and use taxes on products and services provided over the internet. The application of federal, state, provincial, local and foreign tax laws to e-commerce businesses continues to evolve. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, possibly with retroactive effect, and could be applied solely or disproportionately to e-commerce businesses. A successful assertion by one or more jurisdictions requiring the Company to collect sales or other taxes on the sale of its products could result in substantial tax liabilities for past transactions and otherwise harm the Company's business. The Company cannot provide assurance that it will not be subject to sales and use taxes or related penalties for past sales in jurisdictions where the Company currently believes no such taxes are required.

Product Liability and Intended Health Effects
As a distributor of products designed to be ingested by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of products involves the risk of injury or loss to consumers due to tampering by unauthorized third parties, product contamination, unauthorized use by consumers or other third parties. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other substances could occur. The Company may be subject to various product liability claims, including, among others, that its products caused injury, illness or loss, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, adversely affect its reputation with its clients and consumers generally, and adversely affect the results of operations and financial conditions of the Company.

The products could also have certain side effects if not taken as directed or if taken by a consumer that has certain medical conditions. Such product-related risks, exacerbated by the difficulty with which consumers can isolate the Company's products' negative or positive effects on health, could lead to claims or litigation which could negatively affect the business' reputation, financial condition, and results of operations. See also the descriptions of the risk factors as set out in "*Reliance on Strength of Reputation and Brands*".

Product Recalls
Manufacturers and distributors of products may be subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with prohibited substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the Company's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention.

Success Depends on Product Development and Innovation
The Company's business will be subject to changing consumer trends and preferences and dependent, in part, on continued consumer interest in our new products, including line extensions, reformulations, new formulations and new formats. There can be no assurance that consumers will accept any such new products or that the Company will be able to attain sufficient market share for such products. The success of any new product offerings depends upon a number of factors, including the Company's ability to: (i) accurately anticipate customer needs; (ii) develop new products that meet these needs; (iii) successfully commercialize new products in a timely manner; (iv) price products competitively; (v) manufacture and deliver products in sufficient volumes and in a timely manner; (vi) differentiate product offerings from those of competitors; and (vii) maintain relationships with its employees and consultants in order to benefit from their expertise and innovations.

New products of the Company's competitors may beat the Company's products to market, be more potent or effective, have more features or be less expensive than its products. They may obtain better market acceptance than the Company's products or render its products obsolete. If the Company does not introduce new products to meet the changing needs and tastes of consumers in a timely manner and more effectively than its competitors, it may experience declining sales, which could have an adverse effect on its operating results. Additionally, the development and introduction of new products may require substantial research, development and marketing expenditures, which the Company may be unable to recoup if new products do not gain widespread market acceptance or if the market for such products does not develop as expected. Efforts to accelerate its innovation capabilities may exacerbate risks associated with innovation. If the Company is unsuccessful in meeting its objectives with respect to new products, its financial condition, reputation and results of operations could be harmed.

Changes in Legal and Regulatory Standards

In the Company's markets, the formulation, manufacturing, packaging, labelling, handling, distribution, importation, exportation, licensing, sale and storage of its products are affected by extensive laws, governmental regulations, administrative determinations, court decisions and similar constraints. Such laws, regulations and other constraints may exist at the federal, provincial or local levels in Canada and at all levels of government in foreign jurisdictions. There is currently no uniform regulation applicable to natural health products worldwide. There can be no assurance that the Company is in compliance with all of these laws, regulations and other constraints. The Company's failure to comply with these laws, regulations and other constraints or new laws, regulations or constraints could lead to the imposition of significant penalties or claims and could negatively impact the Company's business. In addition, the adoption of new laws, regulations or other constraints or changes in the interpretations of such requirements may result in significant compliance costs or lead the Company to discontinue product sales and may have an adverse effect on the marketing of its products, resulting in significant loss of sales. The introduction of new environmental laws affecting the size or materials composition of our packaging could impact the visibility of our products on the display shelves of our retail partners, resulting in significant loss of sales.

Governmental regulations in countries where the Company operates or plans to operate may prevent or delay entry into those markets or require it to incur additional costs. In addition, the Company's ability to sustain satisfactory levels of sales in its existing markets is dependent in significant part on its ability to introduce additional products into such markets. However, governmental regulations in the existing markets, both domestic and international, can delay or prevent the introduction, or require the reformulation or withdrawal, of certain products. Further, such regulatory action, whether or not it results in a final determination adverse to the Company, could create negative publicity, with detrimental effects on sales.

Competition

There is potential that the Company will face intense competition from other companies, some of which can be expected to have more financial resources, industry, manufacturing and marketing experience than the Company. Increased competition by larger, better-financed competitors with geographic or other structural advantages could materially and adversely affect the business, financial condition and results of operations of the Company. To remain competitive, the Company will require a continued 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 and adversely affect the business, financial condition and results of operations of the Company.

Sources for Materials May Fail to Support Demand and Increasing Raw Materials Could Adversely Affect Margins

In carrying out the Company's operations, the Company is dependent on a stable and consistent supply of raw materials and other inputs, including ingredients and packaging products. Although most of its products and inputs are generally available from multiple sources, certain materials may be sourced and controlled by a limited number of suppliers. Certain materials are commodities that may experience price volatility due to changing supply and demand conditions, especially if they are sourced and controlled by a limited number of suppliers. Although we believe our current arrangements for the supply of products and inputs are adequate to cover existing demand and anticipated growth, there can be no assurance that the Company's suppliers will be able to meet its demand, especially if its business experiences significant growth. Furthermore, there also can be no assurance that the Company will be able, in the future, to continue to purchase products and inputs from its current suppliers or any other suppliers on favourable terms or at all. If it experiences supply issues or price increases with certain products or inputs, the Company may not be able to reformulate its products so as to avoid using those materials. An interruption in the availability of certain materials or products, or significant increases in the prices paid by the Company for them, could have a material adverse effect on its business, financial condition, liquidity and operating results.

Natural Disasters, Unusual Weather and Geo-Political Events

The occurrence of one or more natural disasters, such as hurricanes and earthquakes, unusually adverse weather, pandemic outbreaks, boycotts and geo-political events, such as civil unrest and acts of terrorism, or similar disruptions could impact the Company's supply chain and, thereby, its operations. These events could materially adversely affect the Company's business, results of operations or financial condition.

An outbreak of infectious disease, a pandemic or a similar public health threat, such as the recent outbreak of the novel coronavirus known as "COVID-19", or a fear of any of the foregoing, could adversely impact us by causing operating and supply chain delays and disruptions, labour shortages, travel and shipping disruption and shutdowns (including as a result of government regulation and prevention measures). It is unknown whether and how we may be affected if such a pandemic persists for an extended period of time. We may incur expenses or delays relating to such events outside of our control, which could have a material adverse impact on our business, operating results and financial condition.

Effect of COVID-19 Pandemic

Subsequent to September 30, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Company's business is not yet known. While the situation is changing quickly, and the ultimate impact on the Company's business is, as yet, unknown, the pandemic may result in supply chain issues, transportation delays, changes to governmental regulation and ongoing economic uncertainty, any of which may have a material and adverse effect on the Company's business, financial condition and results of operations. The duration and impact of the COVID-19 pandemic is unknown at this time, and it is not possible to reliably estimate the length of the outbreak or the severity of its impact on the Company. The Company expects to remain well positioned as a business to sustain through the disruption of the COVID-19 pandemic as all product sales are completed online.

NUBREED NUTRITION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the financial year ended December 31, 2019

This Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with the audited financial statements and notes thereto for the financial year ended December 31, 2019 of Nubreed Nutrition, Inc. (the "**Company**"). Such financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

Date

This MD&A is prepared as of September 30, 2020.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements that relate to our current expectations and views of future events. Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this MD&A. In making the forward- looking statements included in this MD&A, we have made various material assumptions, including but not limited to: (1) general business and economic conditions; (2) our ability to successfully execute our plans and intentions; (3) our ability to attract and retain skilled staff; (4) market conditions; (5) foreign currency and exchange rates; (6) that our current good relationships with our suppliers, service providers, and other third parties will be maintained; and (7) the global economic environment.

Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties, and assumptions, prospective purchasers of Common Shares should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to our expectations and predictions is subject to several known and unknown risks, uncertainties, assumptions and other factors, including those listed under "Risk Factors".

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward- looking statements.

Information contained in forward-looking statements in this MD&A is provided as of Effective Date and we disclaim any obligation to update any forward-looking statements, whether because of new information or future events or results, except to the extent required by applicable securities laws. Accordingly, potential investors should not place undue reliance on forward-looking statements or the information contained in those statements.

DESCRIPTION OF BUSINESS

The Company was incorporated under the Michigan Business Corporations Act on February 21, 2013. It is a consumer focused, health and nutrition company that develops, manufactures, markets and distributes NuBreed Nutrition branded health and nutrition product supplements. It offers a wide range of performance powders and capsules, which seek to help a broad range of consumers, including athletes and health conscious consumers of all types, achieve a heightened level of health, nutrition, performance and satisfaction. The Company markets and sells these products in over 15 countries globally.

In the three most recently completed financial years the Target did not conduct any sales of its securities, or enter into any material contracts.

OVERALL PERFORMANCE

For the year ended December 31, 2019, the Company reported net income of $32,952 compared to net income of $254,954 for the year ended December 31, 2018. For the year ended December 31, 2019, Comprehensive Income was $55,765, compared to Comprehensive Income of $294,954 for the year ended December 31, 2018. As at December 31, 2019, the Company had an accumulated deficit of $183,504.

Cash used in operating activities of the Company was $31,863 for the year ended December 31, 2019, compared to cash used by operations of $8,066 for the year ended December 31, 2018. Cash used by financing activities was $31,934, supported by a loan repayment of $42,829 to the shareholder for the year ended December 31, 2019. Cash provided by financing of $63,654 in 2018 was mainly due to a positive effect on exchange rates.

Operating risks include but are not limited to the Company's reliance on strength of reputation and brands, third party manufacturing, transportation and distribution, ability to protect its intellectual property, reliance on ecommerce sites, and other risk factors. Financial risks include but are not limited to the availability of capital, liquidity risk, market risk, currency risk, credit risk and interest rate risk.

The Company financial performance can be measured in the same way as any typical consumer health company, or similarly structured private company of comparable form. Additionally, we look at certain key performance indicators which are more indicative of the health of an e-commerce business. These include: customer ratings, customer reviews, supply chain metrics (customer order fill rates, days of inventory on hand, inventory turns and replenishment metrics), as well as marketplace inventory score metrics.

The Company cannot anticipate or prevent all of the potential risks to its success, nor predict the impact of any such risk. To the extent possible, management implements strategies aimed at reducing or mitigating risks and uncertainties associated with its business.

SELECTED ANNUAL INFORMATION

The following information sets out the Company's audited selected annual information for the years ended December 31, 2019 and December 31, 2018.

	For the Year Ended December 31	
	2019	**2018**
Revenue	$1,503,440	$1,436,191
Net Income (Loss)	$32,952	$254,924
Net Income per Share	$3.29	$203.93
Total Assets	$228,017	$387,401
Total Liabilities	$465,273	$680,422
Cash Dividends Declared	$Nil	$Nil

Revenue

Revenue is recognized when transfer of control occurs, which is upon shipment of product. Customers pay in full at the point of sale via credit-card or an electronic payment service, such as PayPal, therefore there are no trade accounts receivable. The Company has determined that control has transferred when its products are shipped to its customers because the Company has a present right to payment at that time, legal title and risk of loss have passed to the customer, and the customer is able to direct the use of and obtain substantially all of the benefits from the products. Each individual product in an order is considered a separate performance obligation. The amount of revenue recognized for the sale of a product is adjusted for expected returns, which are estimated based on the historical data, adjusted as necessary to estimate returns for new products. Returned goods are exchanged either for new goods or a cash refund is offered under a 30-day money-back guarantee program. Historically, returns have not been significant. Variable consideration has not historically been significant and is not constrained. Sales and other similar taxes are recorded as a liability when collected from customers and is not recognized as a revenue or as an expense. Expenses are recognized for goods and services received when supplied in accordance with contractual terms.

Revenue maintained at levels seen in 2018 while we shifted our focus from traditional retail to e-commerce platforms. This change resulted in the loss of Vitamin Shoppe as our largest customer however, the addition of e-commerce sales made for a similar year in revenue.

Cost of Goods Sold and Gross Profit

Costs of goods sold increased by 26% of gross revenue to $1.146.0 million for the year ended December 31, 2019, compared to $.705 million for the same period in 2018. This change was related to: (i) increases in raw material and logistics costs for the period compared to the previous years; and (ii) a shift away from some product lines and business. During 2019, the Company reduced the number of line extensions in its product mix to better match consumer tastes and references. These reductions were mainly accomplished through decreasing the number of flavours in each product category to reflect consumer preferences. The Company will continue to offer specialty flavours, although they will be more situated as Limited Time Offers. The Company also ended its supplier relationship with some brick and mortar retailers, the largest being Vitamin Shoppe. As part of a strategic review of its marketing and distribution channels, the Company moved its focus to smaller retail and online sales and away from larger, traditional retailers. These changes did increase obsolescence with some products and these costs were absorbed into the Manufacturing Process resulting in increased costs for the period. Accordingly, net income for the year ended December 31, 2019 decreased to $32,952 compared to $254,924 for the same period in 2018.

Operating Expenses

Operating expenses for the year ended December 31, 2019 were $300,130, compared to $384,841 for the same period in 2018. This decrease was driven largely by a shift from employee-based compensation to a pay-for-performance by product consultants.

SUMMAY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Quarter Ended June 30, 2020 $	Quarter Ended March 31, 2020 $	Quarter Ended December 31, 2019 $	Quarter Ended September 31, 2019 $	Quarter Ended June 30, 2019 $	Quarter Ended March 31, 2019 $	Quarter Ended December 31, 2018 $	Quarter Ended September 30, 2018 $
Revenue	85,187	166,624	122,500	183,750	585,555	611,635	268,335	202,365
Net income (loss)	(14,941)	(3,500)	32,952	20,501	(28,962)	8,461	42,502	44,005

	Quarter Ended June 30, 2020 $	Quarter Ended March 31, 2020 $	Quarter Ended December 31, 2019 $	Quarter Ended September 31, 2019 $	Quarter Ended June 30, 2019 $	Quarter Ended March 31, 2019 $	Quarter Ended December 31, 2018 $	Quarter Ended September 30, 2018 $
Net income (loss) per share	(11.95)	(2.80)	26.36	16.40	(23.17)	6.77	34.00	35.20

LIQUIDITY

The Company had cash and cash equivalents of $35,081 at December 31, 2019 and $98,878 at December 31, 2018. The Company had working capital of $35,081 at December 31, 2019 and $98,878 at December 31, 2018.

The cash used by the business is generated primarily by the sales of our products. Cash is primarily used in the business of the Company in connection with inventory purchases, advertising and promotion expenses, personnel-related expenditures, manufacturing costs, professional fees, costs related to our facilities, and legal fees. We expect our cash flows from operating activities will continue to be affected principally by the results of operations and the extent to which we increase spending on personnel expenditures, sales and marketing activities, and our working capital requirements.

CAPITAL RESOURCES

The Company has no commitments for capital expenditures at this time and does not expect the need for additional capital expenditures in the near or mid-terms.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

The Company has on its Balance Sheet, loans to related parties, including Management of $273,000. These loans are unsecured and are not subject to penalty provisions in the case of default.

SUBSEQUENT EVENTS

On July 31, 2020, the Company and its sole shareholder entered into a share purchase agreement with Emergence Global Enterprises Inc. ("**Emergence**"), pursuant to which Emergence agreed to acquire all of the Company's issued and outstanding common shares subject to the terms and conditions set out therein.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company applied IFRS 15 retrospectively using the practical expedient in paragraph C5(c) of IFRS 15, under which the Group does not disclose the amount of consideration allocated to the remaining performance obligations or an explanation of when the Group expects to recognize that amount as revenue for all reporting periods presented before the date of initial application on January 1, 2018. there was no significant effect on the Company's financial statements as a result of applying this standard. For additional information, see the notes to the audited annual financial statements of the Company for the financial year ended December 31, 2019.

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative financial information has not been restated and continues to be reported under IA5 17 and IFRIC 4. Management has evaluated lease contracts under both current and legacy standards and has elected to continue to not recognize right-of-use assets and lease abilities for short-term leases of facilities that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. There was no significant effect on the Company's financial statements as a result of applying this standard. For additional information, see the notes to the audited annual financial statements of the Company for the financial year ended December 31, 2019.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company’s financial instruments consist of cash, amounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management’s opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company's common shares are not listed for trading on any exchange. The Company's authorized share capital consists of an unlimited number of common shares without par value. As at December 31, 2019 the Company had 1,250 common shares issued and outstanding.

RISK FACTORS

The following risk factors may not be a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's business and operations.

Reliance on Strength of Reputation and Brands

Any negative publicity about health and/or nutritional supplements generally, or concerning any actual or purported failure by the Company to meet high quality standards or comply with applicable laws and regulations could do significant damage to the Company's reputation and brands and could harm its financial condition and operating results. The Company may be impacted as the perceptions of consumers and others are formed based on modern communication and social media tools over which it has no control. The increasing use of social media has especially heightened the need for reputational risk management procedures. Any actions the Company takes that cause negative public opinion have the potential to negatively impact its reputation, which may materially adversely affect its business, results of operations or financial condition.

Adverse publicity, such as negative media about the nutritional supplement segment generally or about specific types of products within this segment, whether or not accurate, resulting from individuals' use or misuse of our products or new scientific research findings about such products, that associates consumption of the Company's products or any similar products with illness or other adverse effects, questions the benefits of its products or similar products or claims that any such products are ineffective, inappropriately labelled or have inaccurate instructions as to their use, could negatively impact the Company's reputation or the market demand for its products.

Third-Party Manufacturing, Transportation and Distribution

The Company currently operates its business using a supply-chain management system known as "dropshipping" whereby subsidiaries of the Company facilitate the delivery of the goods from a third-party manufacturer to a third party distributor and then to the end-point consumer who places the associated order. None of the Company's subsidiaries take physical possession of the goods in its inventory at any point during the ordering or delivery process.

This system requires that the Company rely on the efforts and services of third-party manufacturers, carriers and distributors. If issues arise at any step of the supply chain, it could cause logistical problems and delays in customers obtaining their orders beyond the direct control of the Company. There can be no assurance that the third-party manufacturers will continue to reliably manufacture products for us at the levels of quality or in the quantities we require, nor can there be any assurance that the third-party carriers and distributors fulfill their obligations pursuant to their committed timelines. Any insufficiency or delay by third-party services would adversely affect the Company's financial performance.

These third-party business relationships, transactions and contracts will require that such third parties have performance, payment and other obligations to the Company. If any of these third parties were to become subject to bankruptcy, receivership or similar proceedings, the Company's rights and benefits in relation to such business relationships, contracts and transactions with such third parties could be terminated, modified in an adverse manner, or otherwise impaired. No assurances can be made that the Company would be able to arrange for alternate or replacement business relationships, transactions, or contracts on terms as favorable as the initial business relationships, transactions or contracts, if at all. Any inability on the Company's part to do so could have a material adverse effect on its business and results of operations.

Protection of Intellectual Property

The Company's products are not currently protected by patents. The applicable labeling regulations governing natural health products require that the ingredients of such products be precisely and accurately indicated on product containers. Accordingly, patent protection for natural health products often is impractical given the large number of manufacturers who produce natural health products having many active ingredients in common. Additionally, certain of the Company's current and planned products are affected by rapid change and frequent reformulations, as the body of scientific research and literature refines the current understanding of the application and efficacy of certain substances and the interactions among various substances. In this respect, the Company maintains an active research and development program, which will be continued under the Company's operations that is devoted to developing purer more potent and more effective formulations of its products. The Company protects its investment in research, as well as the techniques it uses to improve the purity and effectiveness of our products, by relying on trade secret and trademark laws. Notwithstanding the Company's efforts, there can be no assurance that efforts to protect the Company's trade secrets and trademarks will be successful. The Company intends to maintain and keep current all of its trademark registrations and to pay all applicable renewal fees as they become due. Beyond merely its trademarks, if for any reason the Company is unable to maintain its current or future intellectual property rights, its sales of any related products could be materially and negatively affected.

Reliance on E-Commerce Sites

The Company's main source of revenue is through the sales of products through e-commerce sites, including Amazon and NuBreed's own website. Third Party e-commerce sites have the right to terminate this relationship under certain circumstances. User behavior on e-commerce websites is rapidly evolving, and if the Company fails to successfully adapt to these changes, its competitiveness and market position may suffer.

Disruption or Breaches in Information Technology Systems

The Company's business operations are currently managed through a variety of information technology systems. The Company will be dependent on these systems for sale transactions, supply-chain management and inventory management. While the systems are designed to operate without interruption, the Company may in the future experience interruptions to the availability of its computer systems from time to time. The failure of the computer systems to operate effectively, keep pace with growing capacity requirements, smoothly transition to upgraded or replacement systems or integrate with new systems could adversely affect the Company's business.

In addition, the Company's computer systems may be subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, cyber-attacks, denial-of-service attacks, security breaches, catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes, acts of war or terrorism, and usage errors by the Company's or its affiliates' employees. If the computer systems are damaged or cease to function properly, the Company may have to make an investment to fix or replace them, and it may suffer loss of critical data, compromise to the integrity or confidentiality of customer and employee information in its systems or networks, disruption to any systems or networks of third parties on which it relies, and interruptions or delays in its operations. A lack of relevant and reliable information that enables management to effectively manage the Company's business could preclude it from optimizing its overall performance. Any significant loss of data or failure to maintain reliable data may have an adverse effect on the business and results of operations. Any such disruption may increase the Company's costs, diminish its growth prospects, expose it to litigation, decrease customer confidence and damage its brand, and a material interruption to any of its computer systems could adversely affect the business or results of operations and reputation.

Litigation

The Company may become party to litigation from time to time in the ordinary course of their respective businesses which could adversely affect their respective operations. Should any litigation in which the Company becomes involved be determined against the Company, such a decision may adversely affect the Company's respective abilities to continue operating, adversely affect the market price of Company Common Shares and use significant resources. Even if the Company, as the case may be, is involved in litigation and succeeds, litigation can redirect significant company resources. Litigation may also create a negative perception of the Company's brand.

Inability to Successfully Implement Growth Strategy on a Timely Basis

The Company's future success depends, in part, on its ability to implement its growth strategy, including (i) product innovations within existing categories and growth into adjacent categories and continued growth of existing products in existing categories; (ii) further penetration into international markets and new geographies; (iii) in support of its profitability targets, improvements in its operating income, gross profit and Adjusted EBITDA margins. The Company may not be able to successfully implement its growth strategy and reach its revenue and profitability improvement targets. The Company may need to change its strategy. If the Company fails to implement its growth strategy or if it invests resources in a growth strategy that ultimately proves unsuccessful, its business, financial condition and results of operations may be materially adversely affected.

Difficulty Expanding Sales in Targeted International Markets

International markets have been, and will continue to be, a focus for sales growth, and the Company intends for international sales to comprise a larger percentage of their total sales. Several factors, including weakened economic conditions in any targeted international markets, could adversely affect such growth. Additionally, the Company's entry into and development of business in new international markets requires management attention and financial resources that would otherwise be spent on other parts of its business. The country in which the Company sells its products, or otherwise has an international presence, is to some degree subject to political, economic and/or social instability. The Company's sales expose it to risks and expenses inherent in operating or selling products in foreign jurisdictions, and developing and emerging markets in particular where the risks may be heightened. The Company's international efforts may not produce desired levels of sales. Furthermore, its experience with selling products in its current international markets may not be relevant or may not necessarily translate into favourable results if it sells in other international markets. As the Company enters into new markets, it may experience different competitive conditions, less familiarity with its brands and/or different consumer tastes and discretionary spending patterns. As a result, the Company may be less successful than expected in expanding its sales in its current and targeted international markets. Sales into new international markets may take longer to ramp up and reach expected sales and profit levels, or may never do so, thereby affecting the Company's overall growth and profitability. To build brand awareness in these new markets, the Company may need to make greater investments in advertising and promotional activity than originally planned, which could negatively impact the profitability of its sales in those markets. These or one or more of the factors listed above may harm the Company's business, results of operations or financial condition. Any material decrease in its international sales or profitability could also adversely impact its business, results of operations or financial condition.

Changes in General Economic Conditions

Current and future conditions in the economy have an inherent degree of uncertainty. As a result, it is difficult to estimate the level of growth or contraction in the general economy of any of the countries in which the Company's products are sold. It is even more challenging to estimate growth or contraction in various parts, sectors and regions of the economy of those countries. Our budgeting and forecasting are dependent upon estimates of demand for our products and growth or contraction in the markets we serve. Economic uncertainty complicates reliable estimation of our future income and expenditures. Adverse changes in general economic conditions may occur as a result of weakening global economic conditions, tightening of consumer credit, falling consumer confidence, political events or uncertainty, increasing unemployment, declining stock markets or other factors affecting economic conditions generally or in the various countries in which the Company's products are sold. These changes may adversely affect demand for the Company's products, increase the cost or decrease the availability of financing to fund its business and growth plans or increase costs associated with manufacturing and distributing its products, any of which could have a material and adverse effect on the Company's revenue and profitability.

In addition, consumer spending habits, including spending on the Company's products, are affected by, among other things, prevailing economic conditions, levels of employment, fuel prices, salaries and wages, the availability of consumer credit, consumer confidence and consumer perception of economic conditions. A general economic slowdown in any of the Company's active markets could decrease demand for its products, which would adversely affect the Company's revenue. In addition, an uncertain economic outlook may adversely affect consumer spending habits and customer traffic, which may result in lower revenue. A prolonged economic downturn in any of the Company's markets could have a material negative impact on its business, financial condition and performance. Such would equivalently impact the Company.

Management of Growth

The Company and its subsidiaries may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require continued implementation and improvement of their operational and financial systems and to expand, train and manage their respective employee bases. The inability of the Company to deal with growth may have a material adverse effect on their respective businesses, financial conditions, results of operations and prospects.

Reliance on Management and Principal Shareholder

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management and Shareholder, Jeff Thomas. While employment agreements and incentive programs are customarily used as primary methods of retaining the services of key employees, these agreements and incentive programs cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Tax Matters

The Company cannot provide assurance that it will not be subject to U.S. federal, state or local income tax in the future. There is a risk that U.S. and other foreign jurisdictions could assert that the Company is liable for U.S. state and local or other foreign business activity taxes, which are levied upon income or gross receipts, or for the collection of U.S. state and local sales and use taxes. U.S. states are becoming increasingly active in asserting nexus for business activity tax purposes and imposing sales and use taxes on products and services provided over the internet. The application of federal, state, provincial, local and foreign tax laws to e-commerce businesses continues to evolve. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, possibly with retroactive effect, and could be applied solely or disproportionately to e-commerce businesses. A successful assertion by one or more jurisdictions requiring the Company to collect sales or other taxes on the sale of its products could result in substantial tax liabilities for past transactions and otherwise harm the Company's business. The Company cannot provide assurance that it will not be subject to sales and use taxes or related penalties for past sales in jurisdictions where the Company currently believes no such taxes are required.

Product Liability and Intended Health Effects

As a distributor of products designed to be ingested by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of products involves the risk of injury or loss to consumers due to tampering by unauthorized third parties, product contamination, unauthorized use by consumers or other third parties. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other substances could occur. The Company may be subject to various product liability claims, including, among others, that its products caused injury, illness or loss, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, adversely affect its reputation with its clients and consumers generally, and adversely affect the results of operations and financial conditions of the Company.

The products could also have certain side effects if not taken as directed or if taken by a consumer that has certain medical conditions. Such product-related risks, exacerbated by the difficulty with which consumers can isolate the Company's products' negative or positive effects on health, could lead to claims or litigation which could negatively affect the business' reputation, financial condition, and results of operations. See also the descriptions of the risk factors as set out in "*Reliance on Strength of Reputation and Brands*".

Product Recalls

Manufacturers and distributors of products may be subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with prohibited substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the Company's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention.

Success Depends on Product Development and Innovation

The Company's business will be subject to changing consumer trends and preferences and dependent, in part, on continued consumer interest in our new products, including line extensions, reformulations, new formulations and new formats. There can be no assurance that consumers will accept any such new products or that the Company will be able to attain sufficient market share for such products. The success of any new product offerings depends upon a number of factors, including the Company's ability to: (i) accurately anticipate customer needs; (ii) develop new products that meet these needs; (iii) successfully commercialize new products in a timely manner; (iv) price products competitively; (v) manufacture and deliver products in sufficient volumes and in a timely manner; (vi) differentiate product offerings from those of competitors; and (vii) maintain relationships with its employees and consultants in order to benefit from their expertise and innovations. New products of the Company's competitors may beat the Company's products to market, be more potent or effective, have more features or be less expensive than its products. They may obtain better market acceptance than the Company's products or render its products obsolete. If the Company does not introduce new products to meet the changing needs and tastes of consumers in a timely manner and more effectively than its competitors, it may experience declining sales, which could have an adverse effect on its operating results. Additionally, the development and introduction of new products may require substantial research, development and marketing expenditures, which the Company may be unable to recoup if new products do not gain widespread market acceptance or if the market for such products does not develop as expected. Efforts to accelerate its innovation capabilities may exacerbate risks associated with innovation. If the Company is unsuccessful in meeting its objectives with respect to new products, its financial condition, reputation and results of operations could be harmed.

Changes in Legal and Regulatory Standards

In the Company's markets, the formulation, manufacturing, packaging, labelling, handling, distribution, importation, exportation, licensing, sale and storage of its products are affected by extensive laws, governmental regulations, administrative determinations, court decisions and similar constraints. Such laws, regulations and other constraints may exist at the federal, provincial or local levels in Canada and at all levels of government in foreign jurisdictions. There is currently no uniform regulation applicable to natural health products worldwide. There can be no assurance that the Company is in compliance with all of these laws, regulations and other constraints. The Company's failure to comply with these laws, regulations and other constraints or new laws, regulations or constraints could lead to the imposition of significant penalties or claims and could negatively impact the Company's business. In addition, the adoption of new laws, regulations or other constraints or changes in the interpretations of such requirements may result in significant compliance costs or lead the Company to discontinue product sales and may have an adverse effect on the marketing of its products, resulting in significant loss of sales. The introduction of new environmental laws affecting the size or materials composition of our packaging could impact the visibility of our products on the display shelves of our retail partners, resulting in significant loss of sales.

Governmental regulations in countries where the Company operates or plans to operate may prevent or delay entry into those markets or require it to incur additional costs. In addition, the Company's ability to sustain satisfactory levels of sales in its existing markets is dependent in significant part on its ability to introduce additional products into such markets. However, governmental regulations in the existing markets, both domestic and international, can delay or prevent the introduction, or require the reformulation or withdrawal, of certain products. Further, such regulatory action, whether or not it results in a final determination adverse to the Company, could create negative publicity, with detrimental effects on sales.

Competition

There is potential that the Company will face intense competition from other companies, some of which can be expected to have more financial resources, industry, manufacturing and marketing experience than the Company. Increased competition by larger, better-financed competitors with geographic or other structural advantages could materially and adversely affect the business, financial condition and results of operations of the Company. To remain competitive, the Company will require a continued 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 and adversely affect the business, financial condition and results of operations of the Company.

Sources for Materials May Fail to Support Demand and Increasing Raw Materials Could Adversely Affect Margins

In carrying out the Company's operations, the Company is dependent on a stable and consistent supply of raw materials and other inputs, including ingredients and packaging products. Although most of its products and inputs are generally available from multiple sources, certain materials may be sourced and controlled by a limited number of suppliers. Certain materials are commodities that may experience price volatility due to changing supply and demand conditions, especially if they are sourced and controlled by a limited number of suppliers. Although we believe our current arrangements for the supply of products and inputs are adequate to cover existing demand and anticipated growth, there can be no assurance that the Company's suppliers will be able to meet its demand, especially if its business experiences significant growth. Furthermore, there also can be no assurance that the Company will be able, in the future, to continue to purchase products and inputs from its current suppliers or any other suppliers on favourable terms or at all. If it experiences supply issues or price increases with certain products or inputs, the Company may not be able to reformulate its products so as to avoid using those materials. An interruption in the availability of certain materials or products, or significant increases in the prices paid by the Company for them, could have a material adverse effect on its business, financial condition, liquidity and operating results.

Natural Disasters, Unusual Weather and Geo-Political Events

The occurrence of one or more natural disasters, such as hurricanes and earthquakes, unusually adverse weather, pandemic outbreaks, boycotts and geo-political events, such as civil unrest and acts of terrorism, or similar disruptions could impact the Company's supply chain and, thereby, its operations. These events could materially adversely affect the Company's business, results of operations or financial condition.

An outbreak of infectious disease, a pandemic or a similar public health threat, such as the recent outbreak of the novel coronavirus known as "COVID-19", or a fear of any of the foregoing, could adversely impact us by causing operating and supply chain delays and disruptions, labour shortages, travel and shipping disruption and shutdowns (including as a result of government regulation and prevention measures). It is unknown whether and how we may be affected if such a pandemic persists for an extended period of time. We may incur expenses or delays relating to such events outside of our control, which could have a material adverse impact on our business, operating results and financial condition.

Effect of COVID-19 Pandemic

Subsequent to June 30, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Company's business is not yet known. While the situation is changing quickly, and the ultimate impact on the Company's business is, as yet, unknown, the pandemic may result in supply chain issues, transportation delays, changes to governmental regulation and ongoing economic uncertainty, any of which may have a material and adverse effect on the Company's business, financial condition and results of operations. The duration and impact of the COVID-19 pandemic is unknown at this time, and it is not possible to reliably estimate the length of the outbreak or the severity of its impact on the Company. The Company expects to remain well positioned as a business to sustain through the disruption of the COVID-19 pandemic as all product sales are completed online.

SCHEDULE "E"

PRO-FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE COMPANY AND THE TARGET

(See Attached)

EMERGENCE GLOBAL ENTERPRISES INC.

Pro-forma Consolidated Statement of Financial Position (Unaudited)
As at September 30, 2020
(Expressed in Canadian Dollars)

EMERGENCE GLOBAL ENTERPRISES INC.
Pro Forma Statement of Financial Position
As at September 30, 2020
(Expressed in Canadian Dollars)

	VCT / EMRG as at July 31, 2020	NuBreed Nutrition Inc. as at September 30, 2020	Notes	Post Closing Pro Forma Adjustments	Pro Forma Combined
Assets					
Current Assets					
Cash and A/R	$5,038	$74,389	6 (c)		$79,427
Shareholder Cash Infusion					$0
Inventory		$166,125			$166,125
Current Assets	**$5,038**	**$240,514**			**$245,552**
Goodwill			6 (b)	$671,333	$671,333
Total Assets	**$5,038**	**$240,514**		**$671,333**	**$916,885**
Liabilities and Shareholders' Deficit					
Current Liabilities and Total Liabilities					
Accounts Payable and Accrued Liabilities	$143,061	$143,476			$286,537
Current Liabilities	**$143,061**	**$143,476**			**$286,537**
Long Term Liabilites					
Loans Payable	$799,974		6 (e)		$799,974
Due to Related Parties	$102,959	$268,371	6 (e)		$371,330
Long Term Liabilities	**$902,933**	**$268,371**			**$1,171,304**
Total Liabilities	**$1,045,993**	**$411,847**			**$1,457,840**
Shareholders' Deficit					
Share Capital	$1,322,218	$1,250	6 (a)	$498,750	$1,822,218
Share-based payment reserve	$301,934				$301,934
Accumulated Comprehensive Income (Loss)	-$32,500	-$67,112	6 (d)	$67,112	-$32,500
Deficit	-$2,632,607	-$105,471	6 (d)	$105,471	-$2,632,607
Total Shareholders' Deficit	**-$1,040,955**	**-$171,333**		**$671,333**	-$540,955
Total Liabilities and Shareholders' Deficit	**$5,038**	**$240,514**		**$671,333**	**$916,885**

1. BASIS OF PRESENTATION

This unaudited pro-forma consolidated statement of financial position has been compiled as at end of July 31, 2020 for purposes of submission to the Canadian Securities Exchange as part of the approval process for the proposed transaction (the “Agreement”)between Velocity Data, Inc. / Emergence Global Enterprises Inc. (“Velocity”, “EMRG” or the “Company”) and NuBreed Nutrition Inc.(“NuBreed”) dated July 31, 2020. The new year end for the combined entity will be December 31 and the end of Q3 will be September 30. For this pro-forma, we have calculated the financial position at July 31, 2020 for VCT / EMRG and September 30, 2020 for NuBreed Nutrition Inc.

Under the proposed transaction noted within the Agreement, the Company will acquire 100% of the issued and outstanding common shares of NuBreed in exchange for the issuance of 1,000,000 common shares of VCT / EMRG. The unaudited pro-forma consolidated statement of financial position is the effect of combining the unaudited statement of financial positions of VCT / EMRG and Nubreed on a stand-alone basis and the combined entity after some adjustments.

EMERGENCE GLOBAL ENTERPRISES INC.
Pro-forma Consolidated Statement of Financial Position (Unaudited)
As at September 30, 2020
(Expressed in Canadian Dollars)
It is management's opinion that the pro-forma consolidated statement of financial position provides a fair presentation, in all material respects, of the financial position of the proposed entity in accordance with International Financial Reporting Standards applied on a basis consistent with both companies accounting policies. The pro-forma consolidated statement of financial position is intended to reflect the financial position of the Company had the proposed transactions been affected on the date indicated. This proforma also reflects the removal of ACL from VCT/EMRG as described in the July 31, 2020 Financial Statements.

2. FOREIGN EXCHANGE

For the purposes of these Pro Forma Financial Statements, figures relating to the Statement of Financial Position of VCT / EMRG, presented on SEDAR in United States dollars ("USD") were translated to Canadian dollars ("CAD"). The USD/CAD exchange rate of 1.341 represents the USD/CAD exchange rate per the Bank of Canada on July 31, 2020. Rates of exchange on the closing date of the Transactions will not impact the purchase price consideration.

3. PURCHASE BY JOSEPH BYRNE

On November 29, 2019, a change of control of the Company has been affected by the purchase by Mr. Joe Byrne of a controlling interest of approximately 82% of the outstanding capital of the Company for a total consideration of $525,000. Regarding the composition of the Board of Directors, Mr. Byrne, Mr. Cameron Canzellarini and Mr. Chris Gallant have been appointed as directors. In addition, Mr. Byrne has been appointed President and CEO of the Company and Mr. Bates remains as CFO.

4. SALE OF ACL TO ACLH

On February 28, 2018, the Company announced its intention to exit its business of selling computer systems and related components ("Former Business") and focus on new investments and projects. The Former Business of the Corporation was conducted by its wholly owned subsidiary ACL Computers and Software, Inc. ("ACL"). As of October 31, 2018, ACL had accumulated over $6,000,000 in accounts payable and accrued liabilities and was not generating enough cashflow to predictably service its ongoing obligations. Over the past two years the Corporation has considered different alternatives for ACL and concluded that a sale of the business of ACL back to ACLH, LLC ("ACLH"), the original shareholders of ACL, was the best alternative for the Corporation and its shareholders. Adam Radly, the former CEO and director of the Corporation, is the majority shareholder of ACLH. Mr. Radly no longer holds a position with the Corporation and owns no shares of the Corporation.

On July 31, 2020, the Company sold 100% of the issued and outstanding shares of ACL and its underlying assets and liabilities to ACLH LLC for consideration of $10, which has been recorded in amounts receivable, and that ACLH will assume all of the assets, debt, and obligations the Company may have in connection with ACL and the indemnification of the Company for any future liability associated with ACL. The transaction resulted in a gain on the sale of ACL of $6,866,132.

	$ (USD)
Disposition of assets on sale of ACL	–

EMERGENCE GLOBAL ENTERPRISES INC.
Pro-forma Consolidated Statement of Financial Position (Unaudited)
As at September 30, 2020
(Expressed in Canadian Dollars)

Disposition of liabilities on sale of ACL	$6,866,122
Disposal of net liabilities on sale of ACL	$6,866,122
Proceeds receivable on sale of ACL	$10
Gain on sale of ACL	$6,866,132

The Company initially re-presented the disclosures for discontinued operations for prior periods presented in the financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period. For the latest period presented at July 31, 2020, following the sale of ACL, the impact of the discontinued operations presented in the statement of comprehensive income and statement of cash flows in the comparative period excludes all operations that have been discontinued by the end of the most recent reporting period. The unaudited pro-forma consolidated statement of financial position should be read in conjunction with the historical financial statements and notes thereto of NuBreed and the Company.

5. ACQUISITION AGREEMENT BETWEEN VELOCITY AND NUBREED NUTRITION INC. AND CONSIDERATION OF VALUE

On July 31, 2020, Velocity and NuBreed entered into an Agreement whereby Velocity acquired all of the issued and outstanding common shares of NuBreed in exchange for the issuance of 1,000,000 common shares of Velocity. The Agreement between Velocity and NuBreed is subject to, amongst other things, regulatory, board, and other approvals. Any difference in the Price per Share on the closing date of the Transactions will not impact the purchase price consideration.

Purchase Consideration Calculation for Emergence Global Enterprises Inc.
Target Company: NuBreed Nutrition Inc.
Date of Acquisition: July 31, 2020
Date of Closing: December 15, 2020
Currency: CAD

Amount of Shares Offered	1,000,000
PPS on December 7, 2020	$0.50
Value of Acquisition	$500,000

At September 30, 2020

Current Assets	$240,515
Current Liabilities	$143,476
Current Shareholders Deficit	-$171,333

Valuation Calculation	**2019**	**2018**	**2017**	**Average**
Revenue	$1,503,440	$1,436,191	$2,625,319	$1,854,983
Net Profit	$32,952	$254,924	$295,361	$194,412
EBITDA	$70,426	$267,974	$308,861	$215,754
Value Considered vs EBITDA				$500,000
Multiplier (Trailing EBITDA)				**2.32**
Multiplier (2019 Year Only)				7.10

Industry Averages for EBITDA Multipliers

Sector	**Multiplier**	**Source**
Specialty Retailers	10.3	Equidam (https://www.equidam.com/ebitda-multiples-trbc-industries/)
Healthcare Products	16.99	Enterprise Value Multiples by Sector (http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/vebitda.html)
Nutraceutical Manufacturing	12.8	http://www.mossadamscapital.com/moss-adams-capital/media/Documents/Market%20Monitors/Healthy-Living-Market-Monitor-Spring-2015.pdf?ext=.pdf

6. PRO FORMA ADJUSTMENTS

The following adjustments have been made to the Pro Forma Statement:

a. The Share Capital amount has been adjusted to reflect the fair market value of $500,000 of shares issued as consideration and for the purchase, less the $1,250 of common shares of NuBreed to be retired.
b. Goodwill in the amount of $671,333 has been recognized, reflecting the difference between the value of consideration issued and the fair market value of the net liabilities acquired in the transaction.
c. The cost of the transaction has not been quantified to date. The cost of the transaction has not been quantified in the Pro Forma Statement.
d. The NuBreed Shareholders Deficit of $171,333 ($67,112 – Accumulated Loss) and ($105,471 – Deficit) has been reflected in the liabilities in reference to 6 (b) above.
e. NuBreed amounts owed are to a related party with market interest rates, are unsecured and not payable on demand.
    i. The liabilities for VCT / EMRG are long term notes payable with the note being market based interest rates, unsecured debt with no repayment timetable.

7. PRO-FORMA ASSUMPTIONS

The pro-forma balance sheet gives effect to the following transactions as if they had occurred at July 31, 2020:

- As a result of the Agreement and Acquisition, the consolidated shareholders' equity only reflects the new share structure of Velocity together with the actual share capital of NuBreed, calculated in CDN Funds using the same exchange rate of 1.341.
- Transaction costs relating to the Agreement cannot be quantified and have not been accounted for as part of the pro-forma adjustments.

8. COMBINED SHARE CAPITAL AND SHARES OUTSANDING

The following is the proposed issued and outstanding share capital of the Company:

	Number of shares	**$ (CAD)**
Pre-consolidated balance, Velocity at July 31, 2020	16,156,971	1,322,218
Pre-consolidated balance, NuBreed at July 31, 2020	1,250	1,250
Issuance of shares for acquisition of NuBreed at Closing	1,000,000	500,000
Retirement of NuBreed Common Shares at Closing	-1,250	-1,250
Post-consolidated balance at July 31, 2020	17,156,971	1,822,218

9. DIVIDENDS

There are no restrictions on the Issuer's ability to pay dividends. The Issuer has not paid dividends in the past and has no present intention of paying dividends in the future.