PLANT FUEL®

PLANTFUEL LIFE INC.
(Formerly Sire Bioscience Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2021, AND 2020

Report Date – February 28, 2022

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") is a review of operations, current financial position, and outlook of PLANTFUEL LIFE INC. (Formerly Sire Bioscience Inc.) (the "Company" or "FUEL") has been prepared by management in accordance with the requirements of National Instrument 51-102. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended September 30, 2021, and unaudited condensed interim consolidated financial statements for the three-month period ended December 31, 2021.

The following information has been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). All financial results are expressed in Canadian dollars, the reporting and functional currency of the Company unless specifically noted.

Additional information relating to the Company, including the financial statements is available on the FUEL website at http://www.plantfuel.com or on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com.

FORWARD-LOOKING STATEMENTS

The following Management's Discussion and Analysis ("MD&A") contains statements which, to the extent that they are not recitations of historical facts, may constitute forward-looking information under applicable Canadian securities legislation. Such forward-looking statements or information include financial and other projections as well as statements regarding the Company's future plans, objectives, performance, revenues, growth, profits, operating expenses, or the Company's underlying assumptions. Forward-looking statements and information relating to the Company are based on the beliefs of management as well as assumptions made by and information currently available to us. The words "may", "would", "could", "will", "likely", "expect", "anticipate", "intend", "plan", "forecast", "project", "estimate" and "believe" or other similar words and phrases may identify forward-looking statements or information. Persons reading this MD&A are cautioned that such statements or information are only predictions and that the Company's actual future results or performance may be materially different. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, and the estimated cost and availability of funding. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties, and assumptions. Factors that could cause actual events or results to differ materially from those suggested by these forward-looking statements include, but are not limited to: the possibility of development or deployment difficulties or delays; the timing of entering into significant contracts; the performance of the global economy; industry analyst perception of the Company and its vision and future prospects; the success of certain business combinations engaged in by the Company or by its competitors; possible disruptive effects of organizational or personnel changes; new products and standards; risks related to acquisitions and international expansion; reliance on large customers; dependence upon key personnel and hiring; reliance on a limited number of suppliers; risks related to the Company's competition; the Company not adequately protecting its intellectual property; currency exchange rate risk; and including, but not limited to, other factors described in the Company's reports filed on SEDAR, its listing statement and those referred to under the heading "Risks and Uncertainties".

FORWARD-LOOKING STATEMENTS (continued)

In drawing a conclusion or making a forecast or projection set out in the forward-looking information, the Company takes into account the following material factors and assumptions in addition to the above factors: the Company's ability to execute on its business plan; timing of execution of outstanding or potential customer contracts by the Company; sales opportunities available to the Company; the Company's subjective assessment of the likelihood of success of a sales lead or opportunity; the Company's historical ability to generate sales leads or opportunities; and that sales will be completed at or above the Company's estimated margins. This list is not exhaustive of the factors that may affect the Company's forward-looking information. These factors should be considered carefully, and readers should not place undue reliance on forward-looking information. All forward-looking statements made in this MD&A are qualified by this cautionary statement and there can be no assurance that actual results or developments anticipated by the Company will be realized. The Company disclaims any intention and obligation to update and revise forward-looking information, whether as a result of new information, future events, or otherwise, except as required by law.

COMPANY OVERVIEW

PlantFuel Life Inc. (the "Company") formerly Sire Bioscience Inc. ("Sire") is a company incorporated under the Business Corporations Act of British Columbia. The head office of the Company is located at 2500 Meadowpine Blvd. Ste 202, Mississauga, Ontario L5N 6C4.

On March 12, 2021, the Company completed the acquisition of PlantFuel, Inc.

In April 2021, the Company received approval and changed its operating name to PlantFuel Life Inc. The Company is listed for trading on the CSE under the symbol "FUEL.CN", OTC "PLFLF", and the Frankfurt stock exchange in Germany under the symbol "BR1B".

The Company now focuses on health supplements, nutraceuticals, and plant protein-based products.

<u>Management Changes</u>

Effective July 21, 2021, Volodymyr Ivanov was appointed the CFO and Secretary of the Company, following the resignation of Domenic Crudo on July 20, 2021.

Effective July 31, 2021, the Company appointed Brad Pyatt as CEO and director, Maria Dane as President, and Brian Cavanaugh as Chairman of the Board.

Together, these powerhouse experts have managed more than one billion in sales and bring more than 50 years of combined experience across a broad range of industries.

Plant Fuel founder Brad Pyatt a former NFL athlete turned entrepreneur, Mr. Pyatt was once named among the Top 50 Successful Athlete Entrepreneurs of All Time and the Top 100 Influential Leaders in the Food Industry. Mr. Pyatt has a reputation for upending traditional thinking to create multi-million-dollar brands.

Maria Dane spent more than seven years in various business development roles for Amazon, including leading global partnerships and growth initiatives for Reckitt Benckiser, Colgate, J&J, Kimberly Clark; and building the Direct-to-Consumer Emerging Brands program for Amazon's Marketplace (3P), where she helped launch and scale over 100 hand-picked, strategic brands. Most recently, Ms. Dane has been working privately with companies looking to transform the digital channel footprint and win in their respective categories, including GlaxoSmithKline (GKS) and LG Electronics.

Brian Cavanaugh, who joined Plant Fuel's Life Inc. Board of Directors in May 2021, has been appointed Chairman of the Board. Mr. Cavanaugh is a highly respected brand building, strategic marketing, and retail merchandising leader. He brings 22 years of experience, having led the ascent of numerous iconic multi-million-dollar, industry-standout brands from leading organizations.

Volod Ivanov is an innovative leader with a team-oriented outlook, effective in leading the development and execution of financial strategies, financial reporting and consolidation, controllership, treasury, governance, risk management, and internal audit functions within private and public corporations. He holds a master's degree in business and is a member of the Chartered Professional Accountants of Ontario (Canada) and the Association of Chartered Certified Accountants (UK).

Effective September 10, 2021, the Company announced the resignation of Brian Polla as a director of the Company.

Effective September 17, 2021, the Company appointed Dr. Anthony Galea (MD) as its newly appointed Chief Medical Officer. Dr. Anthony will be working closely with the team to offer his unmatched medical expertise as the brand continues to develop the most technically advanced and environmentally conscious sports nutrition and wellness supplements possible.

Effective November 8, 2021, the Company announced former NFL player Derek West as its newly appointed Vice President of Sales. West will be responsible for building out the overall mass channel strategy and pipeline for Plant Fuel.

PLANTFUEL INC.

On March 12, 2021, the Company completed its acquisition of PlantFuel, Inc. (PF), an American-based plant protein company. PF is focused on delivering plant-fueled nutritional supplements to consumers using world-class formulations and using clinically proven ingredients. The transaction was completed by issuing 10,833,333 common shares. According to the terms of the agreement, the consideration shares are held in escrow and are to be distributed as follows: The shares were subject to the following release provisions, 10% on closing, 30% three months from closing, 30% six months from closing, and 30% 12 months from closing.

The acquisition of PF does not meet the definition of a business combination under IFRS 3. Consequently, the transaction has been accounted for as an asset acquisition.

On May 17, 2021, the Company announced it has signed a master strategic research alliance (SRA) agreement with the Center for Applied Health Sciences (CAHS) to research its PlantFuel plant-based, sports nutrition product line, which represents the latest advancements in plant-based wellness.

CAHS is a premier interdisciplinary natural product, functional food, and nutritional supplement contract research organization with a robust network of academic colleagues at various Division 1 universities.

The Company will begin conducting its first university study on its Performance Protein to demonstrate that it is as effective as whey protein for recovery, muscle growth, and performance.

PlantFuel is an all-new, premium plant-based nutritional supplement brand developed in conjunction with GNC to deliver the absolute best-possible products available, successfully bridging the gap between healthy, plant-based nutrition and peak performance – and that does so with compostable, eco-conscious, and responsibly sourced packaging.

On May 19, 2021, the Company announced that leading retail GNC has placed an initial $3.4 million purchase order for PlantFuel products. The official product launch is anticipated launching August 19th at all US GNC locations.

On July 21, 2021, the Company announced that its PlantFuel brand has signed an agreement with Tough Mudder, global sports and active lifestyle brand with over six million participants and growing, spanning 19 countries. Tough Mudder hosts more than 130 non-competitive and competitive events annually and effectively reaches millions of fitness-minded consumers every month.

PLANTFUEL INC.(Continued)

As an innovative and breakthrough plant-based performance brand, PlantFuel will provide Mudders access to its category-leading Performance Protein to support strength and recovery. Performance Protein is a tri-blend of 20g of vegan- and plant-based proteins that contain all nine essential amino acids, and is fortified with performance mushrooms and BCAAs. The brand will also have recovery stations on-course at select events to provide participants with performance and recovery support when they need it most.

On August 31, 2021, the Company announced Lil Yachty and Terrell Owens have made a strategic investment in the emerging sports nutrition brand coming to market in early September. The commitment of Lil Yachty and Terrell Owens to the Company and its innovative, premium plant-based brand further strengthens PlantFuel's breakthrough into the nutritional retail sector.

On September 22, 2021, the Company announced members of its official College Athlete Partnerships Program. Following the NCAA's recent rule change, college athletes are now allowed to profit from their names, images, and likeness (NIL), and PlantFuel is tapping into a diverse group of student-athletes from a range of athletic talents. Leading PlantFuel's partnership program is Heisman Candidate and Oklahoma Sooners' quarterback, Spencer Rattler, Louisiana State University All-American Gymnast, Olivia Dunne, who has the largest social media following of any college athlete, and All-American Clemson defensive lineman and former number one recruit in the country, Bryan Bresee. Additional athletes joining PlantFuel's College Athlete Partnerships Program include: John Metchie, Jordan Battle, Brian Robinson, and Josh Jobe from Alabama, Kayvon Thibodeaux from Oregon, Brook Roberts from Arkansas, McKenzie Milton from Florida State, Julian Flemming from Ohio State, and Chris Steele from USC.

Corporate Update

On August 10, 2021, FUEL announced that it has officially announced its launch strategy, as it prepares to break the mold and add an entirely new dimension to the plant-based wellness industry.

The Strategy

PlantFuel's strategy is simple: Break the mold and shatter expectations by creating a disruptive brand that can stand out within a very crowded space and support it with the best-in-class team, product formulations, marketing, and distribution partnerships.

Team
PlantFuel recently named Brad Pyatt (CEO), Maria Dane (President), and Volod Ivanov (CFO) to its executive leadership team, while appointing Brian Cavanaugh as Chairman of the Board. Together, these powerhouse experts have managed more than one billion in sales and bring more than 50 years of combined experience across a broad range of industries. The Company appointed Dr. Anthony Galea (MD) as its newly appointed Chief Medical Officer and announced former NFL player Derek West as its newly appointed Vice President of Sales.

Marketing
PlantFuel lives at the intersection of Cool and Smart. "We know exactly who we are and exactly what we are not," comments Pyatt. "We have assembled a team of brand experts and agencies to create and drive the brand forward. We will utilize a variety of traditional and non-traditional marketing tactics to build our brand platform."

Highlighting the FUEL's marketing efforts will be a list of soon-to-be-announced A-List actors and musicians, as well as Hall of Fame and top college athletes. PlantFuel's No F***ING Whey Campaign will be featured on billboards, and ESPN radio, and several other media outlets starting in mid-August.

PLANTFUEL INC. (Continued)

Corporate Update (Continued)

The Strategy (Continued)

Distribution
PlantFuel signed an exclusive agreement to launch in all US GNC locations on August 19, 2021, with initial purchase orders of $3.9 million. On November 24, 2021, the Company announced plant-based supplements are now available on Amazon.

Financing
FUEL has secured a $2 million credit facility to fund its inventory and closed during the year ended September 30, 2021, with around a $9 million equity raise. Subsequent to the yearend additional $2 and $3.5 million of equity was raised, which will give the Company capital to execute on its launch of the PlantFuel brand strategy.

Product
PlantFuel is solving plant-based wellness with clinically proven ingredients and eco-friendly packaging. The touchpoints of everything done as a company are: Good for the Body, Good For The Planet. All PlantFuel products feature banned-substance-free and tested ingredients to push athletes past their plateaus, without compromising on nutritional needs, performance output, or flavor. Doctor formulated, these precise formulations were designed based on extensive and innovative research of plant-based ingredients, sourced from multiple leading ingredient suppliers, with efficacy and safety in mind.

- PlantFuel is initially launching five products:

  - All-in-One Nutrition features 20g of complete plant-based protein plus 29 fruits and vegetables, as well as clinically studied Wellmune® beta-glucan for immune system health, to provide you with complete nutrition on the go. The initial flavor offerings include Chocolate and Vanilla.

  - Performance Protein delivers 20g of complete, plant-fueled protein with added vegan-fermented BCAAs as InstAminos® and PeakO2® performance mushrooms. The initial flavor offerings include Chocolate and Vanilla.

  - All-in-One Pre-Workout uniquely features patented 3DPump -Breakthrough™ with vegan-fermented citrulline, glycerol, and Amla fruit extract to support exercise performance, recovery, and nitric oxide; along with 250mg of Purcaf® Organic Caffeine plus 85mg of Dynamine® to increase perceived energy and alertness. The initial flavor offerings include Fruit Punch, Watermelon, and Blue Raspberry.

  - All-in-One Recovery provides vegan fermented BCAAs as InstAminos® with essential amino acids as vegan Amino9® plus vegan fermented Creatine and BetaPrime® to reduce soreness and recovery time and optimize muscle protein synthesis. The initial flavor offerings include Blood Orange and Berry Breeze.

  - Daily Immunity + Hydration features clinically proven ingredients Wellmune® to strengthen the immune system, and Aquamin™ calcified sea algae to provide superior hydration benefits. PlantFuel® Daily Immunity + Hydration is the proven choice to fuel your daily active lifestyle. The initial flavor offerings include Citrus Burst, Tropical Punch, and Raspberry Lemonade.

PLANTFUEL INC.(Continued)

Corporate Update (Continued)

Engagement of Marketing Firm BLK SWN INC.

The Company engaged BLK SWN Inc. of Christ Church, Barbados for a marketing program commencing on August 10, 2021, and ending on or about October 8, 2021. BLK SWN Inc. shall write and distribute articles and banner ads to bring awareness to FUEL's business in consideration of USD 235,000. The promotional activity shall occur on GlobalInvestmentDaily.com, PRNewswire, Social Media Channels, Display, Search, and third-party email distribution lists. BLK SWN Inc. does not have any prior relationship with the Company

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Engagement of Financial Star News Inc.

The Company engaged Financial Star News Inc. ("Financial Star") to provide marketing services as part of a Marketing Agreement on October 22, 2021, for a one-month period. The marketing services will include social media marketing and media distribution. The promotional activity in this contract will take place through various social media platforms including Facebook, and Google. In consideration for the services provided by Financial Star, the Company has agreed to pay CAD$430,500, including tax.

FUSION NUTRITION INCORPORATED

On May 3, 2020, the Company completed its acquisition of Fusion Nutrition Inc. (Fusion), a Canadian-based supplement company with national distribution which hosts 12 brands. This transaction will accelerate the Company's speed to market in the nutraceutical space taking advantage of Fusion's sales channels with 800 points of distribution as well as strong brand recognition in the marketplace. The Company believes this transaction will allow it to launch more relevant and highly customized products at a faster pace. Fusion customers include but are not limited to Popeye's Supplements, Sport Chek, Supplement King, GNC, and Herc's Nutrition. The transaction was affected by issuing 48,561 common shares (the consideration shares) of the Company at a value of $1.20 per share (CSE required no value under $1.20). According to the terms of the agreement, the consideration shares are held in escrow and are to be distributed as follows: i) upon satisfaction of certain terms in the agreement 50% on the six (6) month anniversary of the closing transaction ii) remaining consideration shares are to be released on the nine (9) and twelve (12) month anniversary in equal portions.

As part of the acquisition, the Company negotiated a ten-year royalty and licensing agreement with Acenzia Inc. a supplier of Fusion. Fusion had an outstanding liability of $238,520 with Acenzia. Rather than payout this liability, the Company and Acenzia came to terms on a royalty and licensing agreement whereby Acenzia has the right to sell Fusion products to a select number of countries in the Middle East. Royalty amounts due under the agreement will be applied to the outstanding balance owed at the date of acquisition for three years at which point the Company has the discretion to pay out any outstanding balance or continue to apply royalties due against said sum. Once paid out in full, the Company will receive license and royalty fees to the end of the agreement.

Subsequent to September 30, 2021, management has decided it will no longer devote any resources to operating Fusion Nutrition Inc. This decision resulted in a negative impact on the CGU impairment analysis and judgment was applied in developing the key assumptions. Based on the impairment analysis performed, the Company concluded the recoverable amount of the CGU is less than the carrying value, resulting in goodwill, intangible asset, and inventory impairment charge. The Company recorded an impairment expense during the year ended September 30, 2021, of $606,022 on the statement of operations.

SELECTED QUARTERLY INFORMATION

Quarterly data for the consolidated group is reflected below for the previous eight quarters.

	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21
	($)	($)	($)	($)
Total assets	30,997,986	31,232,710	33,774,430	30,461,195
Total liabilities	4,129,505	1,555,538	2,365,967	1,111,509
Revenue	178,313	255,538	261,350	241,802
Net profit (loss)	(4,625,694)	(8,486,581)	(2,672,023)	(1,790,007)
Loss per share	(0.16)	(0.66)	(0.02)	(0.02)

	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20
	($)	($)	($)	($)
Total assets	7,182,297	7,182,560	8,885,231	8,101,865
Total liabilities	6,903,332	6,448,702	5,993,411	5,327,848
Revenue	294,442	285,285	206,843	-
Net loss	(536,759)	(1,220,884)	39,475	(405,026)
Loss per share	(0.01)	(0.28)	-	(0.01)

Significant variations in the most recent quarters are discussed below:

a) During the last 4 quarters ended December 31, 2021, the Company's assets increased significantly due to successfully closing of the private placements and the acquisition of PlantFuel Inc. The Company has placed production orders and obtained funds for the first purchase orders with the use of this additional capital.

b) During the last 4 quarters, liabilities decreased mainly to the settlement of the secured loan associated with the disposal of the property and buildings in one of the subsidiaries. The secured loan of $5,383,328 plus all accrued interest has been discharged in full. Remainder relates to the deferred income for the accounting purposes.

SELECTED ANNUAL INFORMATION

Selected annual information for the years ended September 30, 2021, and 2020 is presented below:

	2021	**2020**
	($)	($)
Total assets	31,232,710	7,182,560
Total liabilities	1,555,538	6,448,702
Shareholders' equity	29,677,172	733,858
Revenue	1,053,081	294,442
Net loss	(13,395,005)	(2,073,561)
Loss per share	(0.71)	(0.30)

RESULTS OF OPERATIONS

Three Month Period Ended December 31, 2021

Revenues
The Company generated revenues of $35k from the Fusion subsidiary during the three months ended December 31, 2021 ("Current Quarter") due to supplement sales. The cost of goods sold associated with this revenue totaled $4k resulting in a gross loss of $31k before operating expenses.

The Company recognized revenues of $143k from the PlantFuel Inc. subsidiary during the three months ended December 31, 2021 ("Current Quarter") due to supplement sales. It also recognized $1,829k of the deferred revenues for the funds collected. The cost of goods sold associated with this revenue totaled $78k resulting in a gross loss of $65k before operating expenses.

Expenses

The Company incurred following expenses during the 3-month period ending December 31, 2021: marketing and promotion $1,010k, consulting and professional fees - $490k, administration $$389k, wages - $180k and R&D - $168k. It also includes amortization $$1,525k and share-based compensation of $723k.

The Company incurred a one-time loss on the disposal of its Leamington property and buildings. Readers are directed to the notes in the associated unaudited interim financial statements for the period ended June 30, 2021, for more information. The Company believes the opportunity for growth is embedded with the sale of and expansion of its supplements business, therefore decided to divest itself of the property.

LIQUIDITY AND CAPITAL RESOURCES

The Company's approach to managing liquidity risk is to have sufficient liquid capital to meet its current liabilities as they come due. On December 31, 2021, the Company had a working capital surplus of $1,482,012 (September 30, 2021 - $2,621,265).

This surplus is due to several successful private placements and secured loan settlement during the year. These proceeds are to be used for the growth and expansion of PlantFuel Inc.

The Company has successfully utilized both debt and equity financing in the past, but there is no assurance that such funding will be available in the future or if it is that it will be on acceptable terms. Management anticipates that its working capital is sufficient to meet its expected ongoing obligations for the coming year and to use the proceeds from the Private Placement to support its GNC launch and for general working capital.

On July 16, 2021, the Company had entered into a revolving loan facility and security agreement with Colby Capital Limited, a non-related lender. The facility of $2,000,000 has an interest rate of 10% per annum, calculated daily, which shall be reduced to 8% per annum, calculated daily once a Permitted Purchase Order has been repaid in full. On July 20, 2021 The Company, issued 33,333 common shares to the lender at a deemed price of $1.80 per share to settle fees.

LIQUIDITY AND CAPITAL RESOURCES (Continued)

On March 12, 2021, the Company completed a non-brokered private placement whereby it issued 3,904,556 shares at $0.90 per share for total gross proceeds of $3,514,100. All shares are subject to a four-month hold period pursuant to securities laws in Canada. The Company paid cash finder's fees totaling $126,747 to certain registered dealers of up to 6% of the proceeds derived from subscriptions introduced to the Company under the private placement.

On March 31 and August 11, 2021, the Company issued 22,741 common shares for past services to settle fees of $50,000 owing to consultants for two quarters payable in shares. The fair value of the shares was estimated based on the quoted market price of the Company's shares.

On August 9, 2021, the Company completed a non-brokered private placement whereby it issued 2,000,000 units at a price of $1.50 per share for gross proceeds of $3,000,000. Each Unit was comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional share of the Company at a price of $2.40 per Share for a period of 18 months from the date of issuance.

On August 30, 2021, the Company issued 171,905 common shares for past services to settle fees of USD$200,000 (CAD$268,171) owing to consultants. The fair value of the shares was estimated based on the quoted market price of the Company's shares.

On November 30, 2021, the Company closed a non-brokered private placement offering issuing an aggregate of 768,976 units ("Units") at $1.56 per Unit raising gross proceeds of $1,199,602. The majority of the proceeds will be used for working capital purposes in the Company. Each Unit is comprised of one common share and one-half of one common share purchase warrant with each whole warrant entitling the holder to purchase one additional share of the Company at $2.40 per share for 24 months from the date of issuance. The Company paid finder's fees of $68,502.14 and 43,912 finder's warrants The Finder's Warrants are exercisable at $1.56 per Share for a period of 12 months from the date of issuance.

OUTSTANDING SHARE DATA

Issued and Outstanding

As of the Report Date, there are 29,577,247 common shares issued and outstanding.

Stock Options

As of December 31, 2021, the total number of stock options outstanding are summarized below:

	Number of Stock Options	Weighted Average Exercise Price
		($)
Balance, September 30, 2019	**181,333**	**3.00**
Expired Options	(75,500)	3.00
Cancelled options	(84,167)	2.40
Issuance	461,667	1.20
Balance, September 30, 2020	**483,333**	**1.20**
Expired options	(24,722)	2.45
Issuance	3,404,167	2.15
Cancelled options	(946,945)	2.20
Exercised options	(50,000)	1.20
Balance, September 30, 2021 and December 31, 2021	**2,865,833**	**1.99**

Under the Company's current Stock Option Plan (the "Plan"), the Company may grant stock options to the Company's directors, officers, employees, and consultants, or a corporation wholly owned by such directors, officers, employees, and consultants. The aggregate number of shares reserved for issuance under the Plan is up to 10% of the number of outstanding common shares, which was 28,651,468 as at September 30, 2021. The exercise price of options granted is subject to a minimum price of $0.20 per share and must meet or exceed the closing market price of the shares on the trading day immediately preceding the grant of the option.

During the year ended September 30, 2021, 24,722 options expired, 946,945 options were canceled, and 3,404,167 options were granted, 50,000 options exercised.

On March 22, 2021, the Company announced that it has granted an aggregate of 1,033,333 incentive stock options to certain consultants, directors, and officers of the Company at an exercise price of $2.85 per common share for two years.

On May 31, 2021, the Company announced that it has granted an aggregate of 916,667 incentive stock options to certain consultants, directors, and officers of the Company at an exercise price of $1.98 per common share for two years.

On August 3, 2021, the Company announced that it has granted an aggregate of 666,667 incentive stock options to certain consultants of the Company at an exercise price of $1.74 per common share for three years.

On August 10, 2021, the Company announced that it has granted an aggregate of 500,000 incentive stock options to certain directors and officers of the Company at an exercise price of $1.95 per common share for three years.

On August 10, 2021, 50,000 incentive stock options were exercised by the former director and officer of the company at an exercise price of $1.20 per common share

LIQUIDITY AND CAPITAL RESOURCES (continued)

OUTSTANDING SHARE DATA (Continued)

Stock Options (Continued)

On September 16, 2021, the Company announced that it has granted an aggregate of 250,000 incentive stock options to certain consultants of the Company at an exercise price of $1.38 per common share for three years.

On September 16, 2021, the Company announced that it has granted an aggregate of 37,500 incentive stock options to certain consultants of the Company at an exercise price of $1.68 per common share for ten years.

Share Purchase Warrants

As at December 31, 2021the total number of share purchase warrants outstanding are summarized below:

	Number of Warrants	Weighted Average Exercise Price
		($)
Balance, September 30, 2019	**376,200**	**3.00**
Expired November 27, 2019	(338,700)	-
Balance, September 30, 2020	**37,500**	**3.60**
Expired October 9, 2020	(37,500)	-
Issued, August 9, 2021	1,000,000	2.40
Balance, September 30, 2021	**1,000,000**	**2.40**
Issued, November 25, 2021	384,488.00	2.40
Issued, November 25, 2021	43,912.00	1.56
Balance, December 31, 2021	**1,428,400**	**2.39**

225,000 warrants expired on October 9, 2020.

On August 9, 2021, the Company completed a non-brokered private placement whereby it issued 2,000,000 units at a price of $1.50 per share for gross proceeds of $3,000,000. Each Unit was comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional share of the Company at a price of $2.40 per Share for a period of 18 months from the date of issuance.

In connection with the November 25, 2021, private placement the Company issued 384,4088 warrants with an exercise price of $2.40 per warrant and 43,912 with an exercise price of $1.56 per warrant. These warrants were assigned an estimated fair value of $563,833 assigned to the warrants using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 188% and 266%, a risk-free interest rate of 0.50%, share price of $1.71 an expected maturity of 2 and 1 years respectively.

RELATED PARTY TRANSACTIONS

Key management personnel included the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and directors and officers and companies controlled or significantly influenced by them.

During the period ended December 31, 2021, the following amounts were paid to or accrued for key management personnel $170,416 (September 30, 2021 - $618,517).

As at March 23, 2020, the Company entered into loan agreements with each of 1610896 Ontario Inc., a company controlled by the former CFO, Natural Lines Inc., a company controlled by a former director of the board of Sire and Layton Hipfner, the former master grower of the Company. On September 29, 2021, the Company has entered into set-off agreements with each debtor and set-off the loan amounts of $350,000 each owing to the Company by each Debtor against the surrender and cancellation of 116,667 post-consolidated common shares (the "Shares") of the Company by each Debtor. The Company confirms that a total of 350,000 Shares were cancelled and returned to treasury and, henceforth it has released the Debtors of all obligations in connection with the loans.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

Significant accounting policies used by the Company are disclosed in Note 3 to September 30, 2021, audited annual consolidated financial statements. Preparing financial statements in accordance with IFRS requires management to make certain judgments and estimates. Changes to these judgments and estimates could have a material effect on the Company's financial statements and financial position.

Revenue

Revenues are recognized when control of the products has transferred to the customer, being when the products are shipped by the Company's shipping service provider. The customer takes control of the goods, has full discretion over the use of the products and there are no unfulfilled obligations by the Company that could affect the customer's acceptance of the products. The Company's sales and performance obligations occur at the point the goods are received by the customer. Revenue is measured based on the consideration the Company expects to be entitled to receive in exchange of assets as specified in contracts with customers. If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. Where the Company cannot reasonably estimate the future returns, revenue is deferred and recognized when the right to return the product is no longer available to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company derives all its revenue in Canada and the United States via sales of supplements products under its Fusion and PlantFuel brand names. Most of its sales are to wholesale customers, but the Company does maintain a direct-to-consumer sales website. General terms for sales vary from prepayment to net 30-60 on a customer-by-customer basis. The Company assesses the recoverability of the each of its accounts on a regular basis.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined on a first in first out basis. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable costs.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES (Continued)

Financial Instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are classified as FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income/loss.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Impairment

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable, accrued liabilities, due to shareholder, lease liability, and royalty agreement liability are classified as other financial liabilities and carried on the statement of financial position at amortized cost.

As at December 31, 2021, and 2020, the Company does not have any derivative financial liabilities.

The following table summarizes the classification categories for the Company's financial assets and liabilities.

Financial Assets	**IFRS 9**
Cash	Amortized cost
Trade receivable	Amortized cost
Financial Liabilities	**IFRS 9**
Accounts payable and accrued liabilities	Amortized cost
Due to shareholder	Amortized cost
Lease liability	Amortized cost
Royalty liability	Amortized cost
Secured Loan	Amortized cost

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES (Continued)

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains a lease, if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a lease liability with a corresponding right-of-use ("ROU") asset on the date at which the leased asset is available for use by the Company. The lease liability is initially measured at the present value of the lease payments outstanding at the commencement date, discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate is used, being the rate that it would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost and decreased by lease payments made over the lease period. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the Company's estimate of any residual amount payable, or if applicable, the Company changes its assessment of whether it will exercise a purchase, extension, or termination option.

The ROU asset is depreciated using the straight-line method from the recognition date to the earlier of the end of the useful life of the asset or the end of the lease term.

Payments associated with short-term leases and leases of low-value assets are expensed as they are incurred in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Share Loans

As identified in Note 10, the Company entered into three separate loan agreements with related parties. Recourse on these loans is restricted to the shares pledged as collateral. As such, the Company records the transaction as a grant of options in the prior year.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES (Continued)

Share Capital

Common shares are classified as equity. Transaction and other incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity. In situations where the Company issues units, the value of the units is bifurcated based on their relative fair values of the share and warrant value. The fair value of the warrant is determined by using the Black-Scholes pricing model. The value assigned to the warrants is included as a separate reserve of the Company's equity.

Share-based Payment Transactions

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees, and consultants. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amounts is recorded to option reserve. The fair value of options is determined using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Impairment of Non-Financial Assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Loss per Share

Basic loss per share is computed by dividing the net income or loss by the weighted average number of shares outstanding during the year.

Diluted losses per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES (Continued)

Property, Plant, and Equipment

All items of property and equipment are initially recorded at cost. Subsequent to recognition, property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for capital work-in-progress. Cost includes expenditures that are directly attributable to the creation or acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are or are to be located. Borrowing costs for qualifying assets that are directly attributable to acquisition, construction or production of an asset are included in the cost of that asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income when incurred.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The periods generally applicable are as follows:

	Useful life
Computer equipment	20%, declining balance
Furniture and fixtures	20% declining balance

The residual value, depreciation method, and the useful life of each asset are reviewed at each year-end, with the effect of any changes in estimates accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Fully depreciated property and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

Intangible Asset

Intangible assets acquired as part of a business combination or asset acquisition, other than goodwill, are initially measured at their fair value at the date of acquisition. Intangible assets acquired separately are initially recognized at cost. Indefinite life intangible assets are not amortized and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortization and impairment. The gains or losses recognized in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in useful life are accounted for prospectively by changing the amortization method or period.

The Company amortizes brands over a straight-line period of ten years and unpatented technological know-how over a straight-line period of five years.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES (Continued)

Business Combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued, or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination the non-controlling interest in the acquiree is measured at the fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Contingent consideration to be measured by the acquirer is recognized at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognized in the profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognized as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognized as a gain directly in profit or loss by the acquirer on the acquisition-date but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on provisional basis. The acquirer retrospectively adjusts the provisional amounts recognized and recognizes additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (1) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

The Company determines whether a business is acquired when the integrated set of assets and activities includes at a minimum, an input and substantive process and whether the acquired set has the ability to contribute to the creation of outputs.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES (Continued)

Business Combinations (Continued)

The Company also has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. If substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the concentration test is met, and the transaction is determined not to be a business combination. If the assets acquired are not a business, the transaction is accounted for as an asset acquisition.

Income Taxes

The reader is directed to Note 17 of its September 30, 2021, audited consolidated financial statements for full disclosure of its Income Taxes, Deferred Taxes, and Tax Loss Carry forwards.

NEW ACCOUNTING STANDARDS NOT YET ADOPTED

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they become mandatorily effective.

IAS 16, Property, Plant and Equipment

The IASB issued an amendment to IAS 16, Property, Plant and Equipment to prohibit the deducting from property, plant and equipment amounts received from selling items produced while preparing an asset for its intended use. Instead, sales proceeds and its related costs must be recognized in profit or loss. The amendment will require companies to distinguish between costs associated with producing and selling items before the item of property, plant and equipment is available for use and costs associated with making the item of property, plant, and equipment available for its intended use. The amendment is effective for annual periods beginning on or after January 1, 2022, with earlier application permitted. The extent of the impact of adoption of this standard has not yet been determined.

IFRS 3 – Business Combinations

The IASB has issued an amendment to IFRS 3, Business Combinations adding an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. This exception specifies that for some assets and liabilities, an entity applying IFRS 3 should instead refer to IAS 37, Provisions, Contingent Liabilities and Contingent Assets.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

IFRS 9 – Financial Instruments

The IASB has issued an amendment to IFRS 9, Financial Instruments clarifying which fees to include in the test in assessing whether to derecognize a financial liability. Only those fees paid or received between the borrower and the lender, including fees paid or received by either the entity or the lender on the other's behalf are included.

The amendment is effective for annual periods beginning on or after January 1, 2022 with early adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

IAS 1 – Presentation of Financial Statements

The IASB has issued an amendment to IAS 1, Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as

NEW ACCOUNTING STANDARDS NOT YET ADOPTED (Continued)

opposed to management's intentions or expectations of exercising the right to defer settlement of the liability. Management would classify debt as non-current only when the Company complies with all the conditions at the reporting date.

The amendments further clarify that settlement of a liability refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendments are effective for annual periods beginning on or after January 1, 2023, and are to be applied retrospectively, with early adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

RISKS AND UNCERTAINTIES

Conflicts of Interest Risk

Certain of the Company's directors and officers are, and may continue to be, involved in other business ventures in the industry through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the products the Company intends to provide. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors' and officers' conflict with or diverge from the Company's interests. In accordance with the Business Corporations Act of British Columbia, directors who have a material interest in any person who is a party to a material contract or where a proposed material contract is required, subject to certain exceptions, have to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the Company's best interests. However, in conflict-of-interest situations, the Company's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Company. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavorable to us.

Key Personnel Risk

The Company's success will depend on its directors and officers to develop the Company's business and manage its operations and on the Company's ability to attract and retain key technical, sales, and marketing staff or consultants. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on the Company's business. Competition for qualified technical, sales, and marketing staff, as well as officers and directors, can be intense and no assurance can be provided that the Company will be able to attract or retain key personnel in the future, which may adversely impact the Company's operations. There are no compensatory plans or arrangements with respect to the executive officers resulting from the resignation, retirement, or any other termination of employment of the officer's employment or from a change of named executive officers' responsibilities following a Change of Control. The Company has not granted any termination or change of control benefits. In case of termination of executive officers, common law and statutory law applies.

Uninsured or Uninsurable Risk

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

Speculative Nature of Investment Risk

An investment in the Company's common shares carries a high degree of risk and should be considered as a speculative investment by purchasers. The Company has not paid dividends and is unlikely to pay dividends in the immediate or near future. The Company is in the development phase of its business. The Company's operations are not yet sufficiently established such it can mitigate the risks associated with its planned activities.

RISKS AND UNCERTAINTIES (Continued)

Dividend Risk

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company plans to retain potential earnings to finance further growth and, when appropriate, retire debt.

Liquidity and Future Financing Risk

The Company may require additional financing to fund future operations and expansion plans. The Company plans to raise further funds to carry out its business plan, but it does not yet have a commitment from anyone to invest the funds. The Company's ability to secure any required financing to sustain its operations will depend in part upon prevailing capital market conditions, as well as the Company's business success. There can be no assurance that the Company will be successful in the Company's efforts to secure any additional financing or additional financing on terms satisfactory to the Company's management. If additional financing is raised by issuing common shares in the Company's authorized capital, control of the Company may change and shareholders may suffer additional dilution. If adequate funds are not available or are not available on acceptable terms, the Company may be required to scale back its business plan or cease operating.

Going Concern Risk

The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financing or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Global Economy Risk

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

Share Price Volatility Risk

The Company's common shares are listed for trading on the CSE. External factors outside of the Company's control such as announcements of quarterly variations in operating results, revenues, and costs, and sentiments toward technology sector stocks may have a significant impact on the market price of the Company's common shares. Global stock markets, including the CSE, have from time to time experienced extreme price and volume fluctuations that have often been unrelated to the operations of particular companies. The same applies to companies in the technology sector. There can be no assurance that an active or liquid market will develop or be sustained for the Company's common shares.

Increased Costs of Being a Publicly Traded Company

As a company with publicly traded securities, the Company will incur significant legal, audit, and filing fees. Securities legislation and the rules and policies of the CSE require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which will significantly increase the Company's legal and financial compliance costs.

CAPITAL MANAGEMENT

The Company considers its capital resources to be the shareholders' equity, comprising share capital, contributed surplus, warrants, and deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, to support the acquisition and development of its cannabis business. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain the future development of the business.

The Company is primarily dependent on external financing to fund its activities. To carry out the planned business development and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended September 30, 2021. The Company is not subject to externally imposed capital requirements.

FINANCIAL INSTRUMENTS

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

The Company's credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's accounts receivables are exposed to credit risk which the Company manages by performing credit assessments of customers and provides allowances for uncollectible accounts receivable.

Accounts receivable are past due when a customer fails to make a payment when contractually due. The following is an aging of accounts receivable past due but not impaired as of September 30, 2021.

	$
1-30 days	-
30-60 days	1,412
More than 60 days	-
	1,412

Foreign currency risk

As the Company operates on an international basis, foreign exchange risk exposures arise from transactions and balances denominated in foreign currencies. The Company's foreign currency risk arises primarily with respect to the United States Dollar. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition, and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

As at December 31, 2021, the Company had the following financial assets and liabilities denominated in foreign currency presented below in Canadian dollars:

	US Dollars
Cash	$ 262,420
Receivables	$ 1,412
Prepaids	$ 871,036
Accounts payable and accrued liabilities	$ 1,395,707
Total	$ 2,530,576
Effect of +/- 10% change in exchange rate	$ 253,058

CAPITAL MANAGEMENT (Continued)

Interest rate risk

The Company is not exposed to interest rate risk. The Company does not have significant variable interest-bearing assets or liabilities that are tied into market rates.

Liquidity risk

The Company's approach to managing liquidity risk is to have sufficient liquid capital to meet its current liabilities as they come due. On December 31, 2021, the Company had a working capital surplus of $1,482,012 (September 30, 2021, $2,621,265).

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities.

	Less than 1 year	1 to 2 years	2 to 3 years
Accounts payable and accrued liabilities	$1,395,707	-	-
Lease liability	$25,552	$3,381	-
Secured load	$637,500	-	$238,520
Total	$2,058,759	$3,381	$238,520

The carrying value of the cash and cash equivalents and accounts payable and accrued liabilities approximate their fair value, due to the short-term maturities of these instruments. The fair value of a short-term investment is measured using level 1 of the fair value hierarchy.

Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes to market prices (other than those arising from the interest rate or currency risk) caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or segment.

OFF-BALANCE SHEET ARRANGEMENTS

As at the Report Date, the Company did not have any off-balance sheet debt nor did it have any transactions, arrangements, obligations (including contingent obligations), or other relationships with any unconsolidated entities or other persons that may have a material current or future effect on financial conditions, changes in the financial conditions, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenue or expenses.

SUBSEQUENT EVENTS

On January 31, 2022, the Company announced that it has granted an aggregate of 138,753 incentive stock options to certain consultants of the Company at an exercise price of $0.55 per common share to settle the fees owing to the consultant.

On February 11, 2022, the Company announced a non-brokered private placement offering issuing an aggregate of 7,000,000 units at $0.50 per unit raising gross proceeds of $3,500,000. Each unit is comprised of one common share and one-half of one common share purchase warrant with each whole warrant entitling the holder to purchase one additional share of the Company at $0.62 per share for 24 months from the date of issuance.

OUTLOOK

FUEL is focused on creating maximum value for its shareholders. As a result, the Company has refocused its strategy on building its supplements business in Canada, the United States, and internationally.

ADDITIONAL DISCLOSURE

Additional information regarding the Company can be accessed via the Company website at http://www.plantfuel.com or on SEDAR at www.sedar.com.

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Brian Cavanaugh - *Chairman*
Maria Dane - *President*
Volodymyr Ivanov – *CFO and Secretary*
Dr. Anthony Galea – *Chief Medical Officer*
Derek West – VP, Sales

Listings
Canadian Securities Exchange: **FUEL.CN**
OTC: **PLFLF**
Frankfurt Stock Exchange: **BR1B**

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Michael Lines – *Independent*
Wally Rudensky CPA – *Independent*
Brian Cavanaugh - *Independent*

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