BluKnight Aquafarms Inc.

Management's Discussion and Analysis

For the six-month period ended January 31, 2021 and 2020

March 26, 2021

This management's discussion and analysis provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the period ended January 31, 2021, compared to the period ended January 31, 2021. This report prepared as at March 26, 2021 intends to complement and supplement our condensed interim financial statements (the "financial statements") as at January 31, 2021 and should be read in conjunction with the condensed interim financial statements and the accompanying notes. Readers are also advised to read the Company's audited financial statements and accompanying notes for the year ended July 31, 2020, which have been prepared in accordance with International Financial Reporting Standards.

Our condensed interim financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" or "BluKnight", we mean BluKnight Aquafarms Inc. as it may apply.

Management is responsible for the preparation and integrity of the condensed interim financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the condensed interim financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at www.sedar.com*.*

OVERVIEW AND DESCRIPTION OF BUSINESS

Description of Business

The Company is a business development services company. It provides business development services to new and emerging businesses, including making introductions to accountants, lawyers, brokers, transfer agents, and various other professionals and service providers to assist companies in raising capital and going public. The Company is a reporting issuer in the provinces of British Columbia and Alberta. The Company is investigating new business opportunities.

COMPANY HIGHLIGHTS

During the year ended July 31, 2020, the Company received loans of $117,500 from a private company controlled by a director. The loans were unsecured, non-interest bearing and due on demand. During the same year, the Company repaid $12,500.

OVERALL PERFORMANCE

At January 31, 2021, the Company had not yet achieved profitable operations, had accumulated losses of $558,151 (July 31, 2020 - $602,227) since its inception, and has working capital deficit of $122,729 (July 31, 2020 - $94,805). The Company incurred losses of $27,924 for the six-month period ending January 31, 2021 (2020 – $38,004). The company used $12,182 cash (2020 - $68,074) in operating activities and raised a net of $Nil cash (2020 - $80,000) in financing activities.

RESULTS OF OPERATIONS

For the six-month period ended January 31, 2021, the Company incurred a loss of $27,924 compared to a loss of $38,004 in the comparative period. The larger loss in the prior year is mainly attributable to the Company paying for consulting services of $23,522.

- The Company recorded consulting and management fees of $11,130 (2020 - $23,522). The expense is attributed to the Company's ongoing search for new business opportunities and consulting activity to develop the business of the Company.
- The Company recorded professional fees of $16,249 (2020 - $11,743) includes accounting and legal fees. During the comparative period, the Company accrued lower accounting costs and lower legal costs associated with audits.
- The Company recorded transfer agent and filing fees of $495 (2020 - $1,901) as the Company had recorded filing fees.
- The Company recorded rent of $Nil (2020 - $725) from decreased rental charges.

SUMMARY OF QUARTERLY RESULTS

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's condensed interim financial statements. All dollar amounts are in Canadian dollars.

Quarter Ended	Loss for the period	Loss per Share (Basic & Diluted)	Total Assets
January 31, 2021	$15,505	$0.00	$2,478
October 31, 2020	$12,419	$0.00	$7,292
July 31, 2020	$11,309	$0.00	$14,660
April 30, 2020	$12,568	$0.00	$850
January 31, 2020	$13,145	$0.00	$12,287
October 31, 2019	$23,436	$0.00	$355
July 31, 2019	$36,754	$0.00	$4,433
April 30, 2019	$893	$0.00	$10,312

SUMMARY OF QUARTERLY RESULTS - DISCUSSION

The Company incurred a loss of $15,505 for the quarter ending January 31, 2021 compared to a loss of $14,168 for the comparative period due to higher legal fees accrued for audit and higher accounting fees. The Company incurred a loss of $12,419 for the quarter ending October 31, 2020 compared to a loss of $23,436 for the same quarter the prior year. The main reason was the preservation of resources and cutting back on spending on consultants. The Company incurred a loss of $11,309, during the quarter ending July 31, 2020 compared to loss of $36,754 in the same quarter in the previous year. The main reason for the decrease in losses was because the Company spent less on consulting fees in the current quarter. During the quarter ending January 31, 2020, the Company incurred a loss of $13,145 compared to a profit of $136,199 in the same period the prior year. The main reason for the general trend of the Company reducing losses in the past eight quarters is due to the decrease in spending as the Company is focusing on minimizing overhead.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital position at January 31, 2021 was a deficiency of $122,729 (2020 - $94,805) including cash of $2,478 (2020 - $14,660). The Company does not currently have an active business generating positive cash flows. The Company is reliant on equity or debt financing or shareholder loans to provide the necessary cash to acquire or participate in an active business. There can be no assurance that equity or debt financings will be available to the Company in the future that will be obtained on terms satisfactory to the Company.

As at January 31, 2021, the Company owed loans of $105,000 (July 31, 2020 - $105,000) to a non-arm's length party. The loans are unsecured, non-interest bearing and due on demand.

RELATED PARTIES

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

Gregory Baron – Director, President and CEO
Eugene Beukman - Director
Troy Grant – Director
Jessica Ross – CFO

Directors that resigned during the period:
Shaun Babcock – Director
Erik Nielson – Director

TRANSACTIONS WITH RELATED PARTIES

Amounts due to related parties

The following amounts due to related parties are included in trade payables and accrued liabilities:

		January 31, 2021		**July 31, 2020**
Companies controlled by directors of the Company	$	14,827	$	-

The following amounts are included in loans payable by the Company (Note 4):

		January 31, 2021		**July 31, 2020**
A private company controlled by a director of the Company	$	105,000	$	105,000

The loans are unsecured, non-interest bearing and due on demand.

During the six-month period ended January 31, 2021, the Company paid and/or accrued accounting, management and consulting fees of $22,155 (2020 - $27,922) to companies controlled by directors of the Company.

PROPOSED TRANSACTIONS

There is no material proposed transactions to report on.

SIGNIFICANT JUDGEMENTS

The preparation of condensed interim financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's condensed interim financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- The determination of the functional currency of the parent company and its subsidiaries.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

The preparation of the Company's condensed interim financial statements in conformity with IFRS requires management to make estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation relate to the fair value measurements for financial instruments and stock-based compensation and other equity-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

In preparing these condensed interim financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited financial statements for the year ended July 31, 2020, including the new accounting standards adopted by the Company discussed below.

The preparation of condensed interim financial statements requires that the Company's management make judgments and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company's condensed interim financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

FINANCIAL INSTRUMENTS AND RISKS

Fair Values

The fair values of cash and equivalents, loan receivables, accounts payables and loan payable approximate their book values because of the short-term nature of these instruments.

(a) *Financial Risk Management*

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

(b) *Financial Instrument Risk Exposure*

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit Risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of tax receivables due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency risk

The Company is not exposed to foreign currency risk on fluctuations in exchange rates.

Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

OTHER INFORMATION

Off Balance Sheet Items

The Company has no off-balance sheet arrangements.

Contingencies

The Company is not aware of any contingencies or pending legal proceedings.

Additional share information

Shareholders returned a total of 3,820,000 common shares to treasury and these common shares were subsequently cancelled on November 22, 2020.

At the date of this MD&A the Company had the following number of securities issued and outstanding:

Securities	Number
Common shares	34,545,601
Fully diluted share capital	**34,545,601**

Additional disclosure for venture issuers without significant revenue

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's statement of loss and comprehensive loss and note disclosures contained in its condensed interim financial statements for the period ended January 31, 2021. These statements are available on SEDAR - Site accessed through www.sedar.com.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Cautionary Statement on Forward Looking Information

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements.