



Management's Discussion & Analysis

For the Three and Six Months Ended May 31, 2022 and 2021

August 2, 2022

This Management's Discussion and Analysis ("MD&A") relates to the consolidated financial position and financial performance of Better Plant Sciences Inc. ("Better Plant"), and all our subsidiaries, including our 100% owned subsidiary Metaverse Holdings Inc. ("Metaverse Holdings"), previously Urban Juve Provisions Inc. ("Urban Juve") amalgamated with our 100% owned subsidiary Jusu Bars Corp. ("Jusu Bars"), and our 100% owned subsidiary Jusu Wellness Inc. ("Jusu Wellness"), and our 100% owned subsidiary 1233392 B.C. Ltd. (formerly Jack n Jane Essentials Inc.) for the three months ended May 31, 2022 and 2021. Collectively, Better Plant and all our subsidiaries are referred to as the "Company". All references to "us" "we" and "our" refer to the Company. All intercompany balances and transactions have been eliminated.

Except where otherwise indicated, the financial information contained in this MD&A was prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A should be read in conjunction with our unaudited condensed interim financial statements for the three months ended May 31, 2022 and 2021, and audited annual consolidated financial statements for the years ended November 30, 2021 and 2020 (collectively referred to as the "Financial Statements").

Financial information contained in this MD&A has been prepared on the basis that we will continue as a going concern, which assumes that we will be able to realize our assets and satisfy our liabilities in the normal course of business for the foreseeable future. Management is aware, in making our going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon our ability to continue as a going concern.

We had a net loss from continuing operations of \$1,373,520 and used \$177,764 of cash for operating activities from continuing operations during the three months ended May 31, 2022. As at May 31, 2022, we had working capital deficit of \$817,187 including cash of \$42,098 and had an accumulated deficit of \$39,672,931. Our continued operations are dependent on future profitable operations, management's ability to manage costs and the future availability of equity or debt financing. Whether and when we can generate sufficient operating cash flows to pay for our expenditures and settle our obligations as they fall due is uncertain. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption be inappropriate. These adjustments could be material.

On January 24, 2022, we effected a consolidation of all issued and outstanding common shares on the basis of one post-consolidated common share for every ten pre-consolidated common shares. All share and per share amounts in this MD&A have been retroactively adjusted for the share consolidation.

The COVID-19 pandemic has led to broad adverse impacts on the Canadian and global economies. The COVID-19 pandemic has impacted and could further impact our operations and the operations of our suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. As a result of the pandemic, our sales were negatively affected. Our associates and investment companies may have experienced the adverse impact of COVID-19 as well. Below is an analysis the impact of COVID-19 on our business:

Except where otherwise indicated, all financial information is expressed in Canadian dollars.

CORPORATE OVERVIEW

Our Business

We offered plant-based products for optimum health and wellness and were engaged in wholesale sales and direct-to-consumer distribution of our products under the brands Urban Juve, Jusu Bar, Jusu Wellness and Wright & Well. We also sold functional mushroom infused coffees in the U.S. under the brand NeonMind.

We discontinued operations of Urban Juve and we shut down our Jusu Bar business in February 2022, and we sold our Wright & Well business on November 30, 2021.

On April 15, 2022, we sold Jusu Wellness, which included existing liabilities and ongoing obligations with the exception of intercompany balances between Jusu Wellness and the Better Plant group. The sale also included all

inventory, packaging, raw ingredients, and intellectual property related to Jusu Wellness' plant-based products, as well as the e-Commerce site that sells Jusu Wellness products, and consumer lists. The consideration received for the sale was \$1 plus assumption of current and future liabilities. Also in Q2 we discontinued sale of our functional mushroom infused coffees.

We continue to offer accounting, marketing, corporate and other support services.

Reverse Merger Transaction with FreedomX Metaverse Networks Inc. (formerly Metaverse Networks Inc.) ("Metaverse")

On April 26, 2022, the Company entered into a merger agreement (the "Merger Agreement") for a reverse merger transaction (the "Transaction") between the Company, Metaverse, and our wholly-owned subsidiary, 1233392 B.C. Ltd. ("Subco"). Metaverse is a private technology company in the business of developing a suite of online and mobile products and services to enable organizations and individuals to interact and do business within the Metaverse. The transaction, if completed, is anticipated to constitute a fundamental change in accordance with the policies of the CSE. As a result, trading in the common shares of the Company has been halted and will remain halted until the close of the Transaction or termination of the Merger Agreement..

The Transaction is subject to number of conditions precedents. If the Transaction proceeds, it will be completed by way of a three-cornered amalgamation between the Company, Metaverse and Subco (the "Amalgamation"), pursuant to which Metaverse and Subco will amalgamate to form Amalco and the Company will acquire 100% of the issued and outstanding Metaverse Shares from the holders of the Metaverse Shares in exchange for common shares of the Company on a 1:1 basis. Upon the closing of the Transaction, Amalco will become a wholly-owned subsidiary of the Resulting Issuer. Pursuant to the completion of the Transaction, the Company is obligated to complete a 2-for-1 consolidation of its stock and change its name from Better Plant Sciences Inc. to FreedomX Metaverse Inc. prior to completion of the Transaction.

On completion of the Amalgamation, each previously issued common share of Subco owned by the Company will be cancelled and the Company will receive one common share of Amalco for each common share of Subco held by it. In addition, each previously issued Metaverse Share will be cancelled and each Metaverse Shareholder will receive one common share of the Company for each Metaverse Share formerly held by them. The outstanding warrants and options of Metaverse will be exchanged into warrants and options of the Resulting Issuer on an identical basis.

Each of the Company and Metaverse is permitted to complete a pre-closing equity financing. The Company may undertake a financing at a price not less than \$0.35 per unit for gross proceeds of not more than \$6,000,000 or otherwise as the Company (the "BPS Financing") and Metaverse mutually agree. Metaverse may undertake a financing at a price of not less than \$0.35 per unit, for gross proceeds of not more than \$1,152,299, or otherwise on such terms and conditions as the Company and Metaverse agree.

The Merger Agreement may be terminated by BPS if all of the conditions precedent for the benefit of BPS have not been satisfied or waived by BPS or if the Amalgamation cannot be completed because Metaverse is in default of its covenants or if there is a material breach of the Merger Agreement by Metaverse.

The Merger Agreement may be terminated by Metaverse if all of the conditions precedent for the benefit Metaverse have not been satisfied or waived by Metaverse or if the Amalgamation cannot be completed because BPS is in default of its covenants, or if there is a material breach of the Merger Agreement by BPS. If the BPS Financing is not completed by September 30, 2022 or such other date to be mutually agreed upon by the Company and Metaverse; Metaverse may, when not in default in the performance of any of its obligations under the Merger Agreement, without prejudice to any other rights, terminate the Merger Agreement by written notice to the Company.

OVERALL PERFORMANCE

As of May 31, 2022, our total assets decreased to \$2.0 million from \$3.4 million at November 30, 2021. The decrease in total assets was mainly due to unrealized loss on marketable securities, and the write-off of inventory in the current three months and divestment of a subsidiary.

During the three months ended May 31, 2022, we divested our Jusu Wellness branded consumer product business which is now included in the discontinued operations. For the three and six months ended May 31, 2022 and 2021, we did not realize any product sales or licensing revenue in continuing operations. Consulting revenue was \$184,474 and \$309,036 respectively for the three and six months ended May 31, 2022 as compared to \$205,683 and \$395,913 for the same periods of the prior year.

We had a net loss from continuing operations of \$647,778 and \$1,373,520 respectively for the three and six months ended May 31, 2022 as compared to net loss of \$1,331,970 and net income of \$329,654 for the same periods of the prior year respectively. The increase in net loss was primarily driven by a decrease in revenue in the current period, and due to a one-time gain on deconsolidation of NeonMind recognized in the prior year.

SELECTED ANNUAL INFORMATION

The following table sets forth selected financial information from our unaudited condensed interim financial statements for the years ended November 30:

	2021	2020
Continuing operations:		
Revenues	\$ 671,415	\$ 51,198
Loss before other items	(3,227,246)	(6,638,033)
Net loss from continuing operations	(1,408,798)	(8,993,813)
Basic and diluted loss per share from continuing operations	(0.06)	(0.67)
Total assets	3,001,758	1,874,910
Dividends declared and paid out in cash	-	-
Discontinued operations:		
Revenues	\$ 979,851	\$ 1,084,088
Loss before other items	(1,061,762)	(748,273)
Net loss from discontinued operations	(3,683,022)	(918,032)
Basic and diluted loss per share from discontinued operations	(0.19)	(0.07)
Total assets	353,423	2,783,279
Dividends declared and paid out in cash	-	-

DISCUSSION ON OPERATIONS

Revenues

During the three months ended May 31, 2022, we divested our Jusu Wellness branded consumer product business which is now included in the discontinued operations. For the three and six months ended May 31, 2022 and 2021, we did not realize any product sales or licensing revenue in continuing operations. Consulting revenue was \$184,474 and \$309,036 respectively for the three and six months ended May 31, 2022 as compared to \$205,683 and \$395,913 for the same periods of the prior year.

Advertising, Marketing and Media

Advertising, marketing and media expenses are related to our activities in promoting our corporate brand, our plant-based line of products, which includes market studies, brand design, labelling artwork, primary packaging design, social media launch and maintenance, and creatives and contents for our websites. For the three and six months ended May 31, 2022, we incurred \$46,868 and \$95,190 in advertising, marketing and media expenses, as compared to \$270,032 and \$606,815 in the same periods of the prior year. The reduction in advertising, marketing and media expenses was due to larger investments in the same period of the prior year in launching new brands.

Amortization & Depreciation

Depreciation and amortization are mainly related to computer equipment, furniture, leasehold improvements and right-of-use assets. For the three and six months ended May 31, 2022, we incurred depreciation and amortization expenses of \$24,759 and \$49,533 respectively, as compared to \$26,474 and \$53,124 for the same periods of the prior year.

Consulting Fees

We engage consultants regularly to obtain expertise in various business areas to limit our fixed commitments on staffing and salaries expenses including but not limited to marketing, technology, finance and accounting. Consulting services provided consisted primarily of corporate finance, accounting, director services, and regulatory advisory services. For the three and six months ended May 31, 2022, we incurred consulting expenses of \$26,700 and \$153,783 respectively, as compared to \$95,764 and \$287,574 for the same periods of the prior year respectively. The decrease in consulting fees was a result of tightened expense policies at the Company.

Investor Relations

Investor relations expenses were incurred to enhance our investor relations program and included investor relations consulting services and fees paid for news releases. For the three and six months ended May 31, 2022, we did not incur any investor relations expenses, as compared to \$17,500 and \$42,500 for the same periods of the prior year respectively.

Listing fees

Listing fees are related to expenses to maintain listing with CSE. For the three and six months ended May 31, 2022, we incurred listing fees of \$8,210 and \$10,210 respectively as compared to \$3,400 and \$11,252 for the same periods of the prior year respectively.

Office and Administrative Expenses

For the three and six months ended May 31, 2022, we incurred office and administrative expenses of \$39,717 and \$93,109 respectively, as compared to \$58,137 and \$98,764 for the same periods of the prior year respectively.

Professional Fees

Professional fees are primarily related to legal, accounting and audit services. For the three and six months ended May 31, 2022, we incurred professional fees of \$46,800 and \$95,749 respectively, as compared to \$75,120 and \$134,452 for the same periods of the prior year respectively. The decrease in professional fees were mainly related to increased reliance on internal resources to drive efficiency.

Share-based Compensation

Share-based compensation granted to our directors, officers, employees and consultants included stock options in the Company. For the three and six months ended May 31, 2022, we incurred share-based compensation recovery of \$18,001 and expense of \$49,471 respectively, as compared to \$453,329 and \$987,320 in the same periods of the prior year respectively. We expect to continue to utilize stock options, and other forms of equity instruments, to incentivize our teams.

Wages

Wages for the three and six months ended May 31, 2022 were \$137,533 and \$249,093 respectively, as compared to \$4,684 and \$102,878 for the same periods of the prior year respectively. The increase in wages was due to the growth of the corporate team compared to the same period of the prior year.

Investment Loss

During the three and six months ended May 31, 2022, we incurred investment loss of \$400,758 and \$613,575 respectively as compared to \$387,348 and \$1,121,593 for the same periods of the previous year. A breakdown of investment loss is as follows:

	Three months ended May 31,		Six months ended May 31,	
	2022	2021	2022	2021
Realized gain on marketable securities	\$ -	\$ -	\$ 43,924	\$ -
Unrealized gain (loss) on marketable securities	(140,039)	(656)	(292,389)	3,104
Gain on reclassification of investment	-	366,230	-	366,230
Gain on sale of equity accounted investee	-	9,925	130,000	9,925
Dilution gain on equity accounted investee	-	-	17,173	-
Share of net loss of equity accounted investee	(260,719)	(762,847)	(512,284)	(1,505,852)
	\$ (400,758)	\$ (387,348)	\$ (613,576)	\$ (1,121,593)

Other Income (Expenses)

During the three and six months ended May 31, 2022, we incurred other loss of \$58,268 and \$122,904 respectively as compared to other income of \$6,552 and \$3,686,431 for the same periods of the previous year. A breakdown of other income (expenses) is as follows:

	Three months ended May 31,		Six months ended May 31,	
	2022	2021	2022	2021
Gain (loss) on loss of control and disposal of subsidiaries	\$ (21,099)	\$ -	\$ (21,099)	\$ 3,680,165
Gain on disposal of assets	-	-	1,200	-
Gain (loss) on foreign exchange	(213)	3,943	(466)	10,935
Gain on settlement of debt	28,377	10,870	28,377	10,870
Interest and accretion	(65,333)	(8,260)	(130,916)	(15,539)
	\$ (58,268)	\$ 6,552	\$ (122,904)	\$ 3,686,431

Income (Loss) from Continuing Operations

Loss from continuing operations for the three months ended May 31, 2022 was \$647,778 and \$0.03 per share, basic and diluted for the three months ended May 31, 2022 and \$1,373,520 and \$0.07 per share basic and diluted, as compared to loss from continuing operations of \$1,331,970 and \$0.07 per share, basic and diluted for the three month period in the prior year and income of \$329,654 and \$0.02 per share for the six months period in the prior year.

Loss from Discontinued Operations

On April 20, 2022, the Company announced the completion of the sale of all the issued and outstanding shares of its previously wholly owned subsidiary, Jusu Wellness pursuant to a purchase of business agreement between the Company and the Purchaser. The sale includes existing liabilities and ongoing obligations, plus all inventory, packaging, raw ingredients, and intellectual property related to Jusu Wellness' plant-based products, as well as the e-Commerce site that sells Jusu Wellness products, and consumer lists. The Company previously acquired Jusu as part of an all stock deal on October 14, 2020. The consideration received for the said was \$1 plus assumption of current and future liabilities.

During the six months ended May 31, 2022, the Company wound down the operations of Jusu Bars and Urban Juve, closing the physical retailer of Jusu Bars and discontinuing the product lines of both subsidiaries. On February 14, 2022, the Company dissolved its wholly owned subsidiary, W&W Manufacturing.

The Company entered into a purchase of business agreement dated November 30, 2021 with AREV Life Sciences Global Corp. in which the Company agreed to sell all of the issued and outstanding shares of Wright & Well in consideration for \$20,000. On November 30, 2021, the Company wound up its subsidiary Yield Botanicals. On April 6, 2021, the Company wound up its subsidiary UJ Asia. As a result of the discontinued operations, purchase of business agreement and wound-up subsidiaries, Jusu Bars, Urban Juve, W&W Manufacturing, Wright & Well, Yield Botanicals, and UJ Asia meet the criteria to be classified as discontinued operations at May 31, 2022 and therefore, the results of operations of these six entities relevant cash generating units for all periods have been classified as discontinued operations on the condensed interim consolidated statements of operations and comprehensive loss.

Loss from discontinued operations was \$101,759 and \$0.01 per share, basic and diluted for the three months ended May 31, 2022 and \$374,789 and \$0.02 per share for the six months ended May 31, 2022, as compared to \$174,879 and \$0.01 per share, basic and diluted, and \$513,436 and \$0.03 per share, in the same periods of the prior year.

Net Income (Loss)

We incurred a net loss of \$749,537 and \$1,748,309 for the three and six months ended May 31, 2022, as compared to \$1,506,849 and \$183,782 for the same periods of the prior year. The increase in net losses was primarily driven by a decrease in revenue and increased losses from discontinued operations in the current year, and due to a one-time gain on deconsolidation of NeonMind recognized in the prior year.

Dividends

No dividends were declared or paid for the three and six months ended May 31, 2022 and 2021.

SUMMARY OF QUARTERLY RESULTS

For the quarters ended:

	May 31, 2022	February 28, 2022	November 30, 2021	August 31, 2021
Revenue	\$ 184,474	\$ 177,154	\$ 133,618	\$ 257,842
Net income (loss) from continuing operations	(647,778)	(823,079)	(2,285,349)	812,885
Net income (loss) from discontinued operations	(101,759)	(175,693)	(1,011,452)	(2,424,122)
Basic & diluted income (loss) per share:				
From continuing operations	(0.03)	(0.04)	(0.12)	0.04
From discontinued operations	(0.01)	(0.01)	(0.05)	(0.13)

	May 31, 2021	February 28, 2021	November 30, 2020	August 31 2020
Revenue	\$ 268,387	\$ 254,341	\$ 540,940	\$ 32,000
Net income (loss) from continuing operations	(1,448,422)	1,392,408	(2,099,943)	(1,449,893)
Net income (loss) from discontinued operations	(58,426)	(69,342)	(934,126)	(262,674)
Basic & diluted income (loss) per share:				
From continuing operations	(0.08)	0.08	(0.13)	(0.10)
From discontinued operations	(0.00)	(0.00)	(0.06)	(0.02)

SEGMENTED INFORMATION

The Company has two reporting segments: Licensing and product sales, and corporate and consulting. Licensing and product sales are aggregated as one segment as they are focused around the same product line and share similar economic characteristics. Performance is measured based on operating income (loss) and net income (loss) before taxes, as management believes that this information is the most relevant in evaluating the results of the operating segments relative to other entities that operate within these industries. Operating income (loss) is calculated as revenue less operating expenses.

The following is a summary of the Company's results by operating segment for the three and six months ended May 31, 2022 and 2021:

	Licensing and product sales	Corporate and consulting	Total
For the three months ended May 31, 2022:			
Revenue – Consulting	\$ -	\$ 184,474	\$ 184,474
Net income (loss) before taxes from continuing operations	-	(674,778)	(674,778)
Net loss before taxes from discontinued operations	(101,759)	-	(101,759)
For the six months ended May 31, 2022:			
Revenue – Consulting	\$ -	\$ 309,036	\$ 309,036
Net income (loss) before taxes from continuing operations	-	(1,373,530)	(1,373,530)
Net loss before taxes from discontinued operations	(374,789)	-	(374,789)
As at May 31, 2022:			
Total assets	\$ 65,953	\$ 1,886,922	\$ 1,952,875
Total liabilities	303,529	1,878,079	2,181,608

	Licensing and product sales	Corporate and consulting	Total
For the three months ended May 31, 2021:			
Revenue – Consulting	\$ -	\$ 205,683	\$ 205,683
Net income (loss) before taxes from continuing operations	-	(1,331,970)	(1,331,970)
Net income (loss) before taxes from discontinued operations	(174,879)	-	(174,879)
For the six months ended May 31, 2021:			
Revenue – Consulting	\$ -	\$ 395,913	\$ 395,913
Net income (loss) before taxes from continuing operations	-	329,654	329,654
Net income (loss) before taxes from discontinued operations	(513,436)	-	(513,436)
As at May 31, 2021:			
Total assets	\$ 2,489,555	\$ 4,401,367	\$ 6,890,922
Total liabilities	262,694	657,030	919,724

Significant customers:

For the three months ended May 31, 2022, the Company had three significant customers in the corporate and consulting segment, comprising 79% of the Company's total revenue.

For the six months ended May 31, 2022, the Company had three significant customers in the corporate and consulting segment, comprising 59% of the Company's total revenue.

As at May 31, 2022, the Company had two significant accounts receivable balances outstanding relating to the corporate and consulting segment, comprising 50% of the Company's total accounts receivable.

For the three months ended May 31, 2021, the Company had two significant customers relating to licensing revenue, comprising 34% of the Company's total revenue, and two significant customers in the corporate and consulting segment, comprising 33% of the Company's total revenue.

For the six months ended May 31, 2021, the Company had two significant customers relating to licensing revenue, comprising 31% of the Company's total revenue, and two significant customers in the corporate and consulting segment, comprising 36% of the Company's total revenue.

As at May 31, 2021, the Company had two significant accounts receivable balances outstanding relating to licensing revenue, comprising 36% of the Company's total accounts receivable.

LIQUIDITY

	May 31, 2022	November 30, 2021
Current ratio ⁽¹⁾	0.31	1.08
Cash	\$ 42,098	\$ 24,562
Working capital surplus (deficit) ⁽²⁾	\$ (817,187)	\$ 75,636
Loan payable ⁽³⁾	\$ 209,374	\$ 101,019
Convertible debentures ⁽⁴⁾	\$ 746,750	\$ 627,614
Equity (deficit)	\$ (228,733)	\$ 1,451,718

(1) Current ratio is current assets divided by current liabilities.

(2) Working capital is current assets minus current liabilities.

(3) Loan payable included related party loans and government loans related to Covid 19.

(4) We issued convertible debentures with face value of \$900,000, bearing interest at 10% per annum, convertible in full or in part at the holders' option into common shares of the Company at \$0.80 per common share, at anytime up to maturity date of November 30, 2023.

Cash Position

As at May 31, 2022, we had \$42,098 of cash as compared to \$24,562 at November 30, 2021. For the six months ended May 31, 2022, cash used in operating activities for continuing operations was \$177,764 consisting of operating expenditures during the period to support brand development activities, as compared to \$396,506 for the same period of the prior year to support brand development activities and the acquisition of Jusu, and the development of other product lines and formulas. Cash provided by investing activities was \$334,040 for the six months ended May 31, 2022, from proceeds from sale of investments, as compared to \$14,478 for the same period of the prior year. Cash used in financing activities was \$68,712 for the six months ended May 31, 2022, for lease payments, as compared to cash received from financing activities of \$916,318 for the same period of the prior year, primarily from proceeds received from the issuance of common shares and special warrants through private placements, as well as the exercise of warrants and options by investors.

Working Capital

We had a working capital deficit of \$817,187 as at May 31, 2022 as compared to a working capital surplus of \$75,636 as at November 30, 2021. The decrease in working capital was primarily due to a decrease in marketable securities and inventory, as well as an increase in accounts payable and accrued liabilities.

CAPITAL RESOURCES AND MANAGEMENT

We are authorized to issue an unlimited number of common shares. As at May 31, 2022, there were 19,917,970 common shares issued and outstanding. We also had 5,576,840 share purchase warrants with weighted average exercise price of \$1.40 and 1,372,476 stock options with weighted average exercise price of \$1.84.

OFF-BALANCE SHEET ARRANGEMENTS

As at May 31, 2022 and 2021, we had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the three and six months ended May 31, 2022 and 2021, compensation of key management personnel and directors were as follows:

	For the three months ended		For the six months ended	
	May 31,		May 31	
	2022	2021	2022	2021
Consulting fees	\$ 3,600	\$ 88,950	\$ 19,433	\$ 169,518
Share-based compensation	(876)	70,250	64,891	124,833
Wages	78,471	279,725	163,956	620,256
	\$ 81,195	\$ 438,925	\$ 248,280	\$ 914,607

During the six months ended May 31, 2022, the Company recognized consulting revenue of \$55,432 (2021 - \$207,127) from an associated company, Komo YUM and its subsidiary, Komo Foods. As at May 31, 2022, the Company was owed \$33,215 from (November 30, 2021 – owed \$3,423 to) Komo YUM, which is included in due from related parties, and is unsecured, non-interest bearing, and due on demand. At May 31, 2022, the Company held \$482 in deposits from Komo YUM and Komo Foods (November 30, 2021 - \$14,831), which is included in deferred revenue and deposits.

During the six months ended May 31, 2022, the Company recognized licensing revenue of \$nil (2021 - \$160,695), consulting revenue of \$77,920 (2021 - \$184,474), rent recovery of \$8,000 (2021 - \$4,000) and interest income of \$nil (May 31, 2021 - \$17,668) from an associated company, NeonMind.

On September 10, 2021, the Company entered into an agreement with NeonMind for the purchase of functional food assets related to the NeonMind’s consumer division. The following assets were transferred by NeonMind to the Company: four mushroom coffee products currently being sold in Canada and four mushroom coffee dietary products, including existing inventory, raw materials and packaging for all eight products, social media accounts related to the products, a domain neonmind.com and the neonmind.com Shopify-enabled website in Canada and the US, as well as associated marketing materials and a license to use the brand NeonMind in association with the products. In consideration for the assets, the Company paid \$645,000 including taxes, which was offset by the balance due on a promissory note of \$645,000 owed by NeonMind to the Company which had a maturity date in February 2022. The fair value of the assets received was determined to be \$68,617, resulting in a loss on settlement of the promissory note of \$576,383. In addition, a 3% royalty of net product sales for a term of 25 years will be payable to NeonMind after the Company reaches cumulative net product sales of over \$1,000,000.

As at May 31, 2022, the Company was owed \$37,119 from (November 30, 2021 – owed \$16,948 to) NeonMind, which is included in due from related parties, and held a \$10,000 (November 30, 2021 - \$10,000) deposit from NeonMind, which is included in deferred revenue and deposits.

During the six months ended May 31, 2022, the Company recognized consulting revenue of \$57,809 (2021 - \$nil) from an associated company, Mylk Cart. The Company’s President and CEO is an officer and shareholder of Mylk Cart and the Company’s corporate secretary is a director of Mylk Cart. As at May 31, 2022, the Company owed \$2,395 to (November 30, 2021 - was owed \$10,325 from) Mylk Cart, which is included in due to related parties, and held a \$50,000 (November 30, 2021 - \$50,000) deposit from Mylk Cart, which is included in deferred revenue and deposits.

On October 21, 2021 the Company’s wholly owned subsidiary, Jusu Bars, purchased 3,000,000 common shares of Mylk Cart at \$0.02 per share for a total cost of \$60,000, which has been accounted for as an investment in associate. During the six months ended May 31, 2022, the Company sold 1,000,000 shares of Mylk Cart.

At November 30, 2021, the Company owed \$28,570 (November 30, 2021 - \$26,740) to directors and officers of the Company, \$28,406 of which is included in accounts payable and accrued liabilities and \$164 of which is included in due to related parties. These amounts are unsecured and non-interest bearing.

On February 15, 2022, the Company announced the execution of a binding letter agreement dated February 14, 2022 (the “Letter Agreement”) with respect to a reverse merger transaction between the Company, Metaverse Networks Inc. (“Metaverse”) and 1233392 B.C. Ltd., a wholly owned subsidiary of the Company. The transaction is expected to be treated as a fundamental change in accordance with the policies of the CSE. As a result, trading in the common shares of the Company has been halted and will remain halted until such time as all required documentation in connection with the transaction has been filed with and accepted by the CSE and permission to resume trading has been obtained by the CSE. Metaverse is a private corporation in the business of developing and acquiring assets in the Metaverse.

Under the terms of the Letter Agreement, the Company will complete a 2:1 consolidation of shares, and then the transaction will be completed by way of a three-cornered amalgamation between the Company, Metaverse, and 1233392 B.C. Ltd., our wholly owned subsidiary. Metaverse and 1233392 B.C. Ltd. will amalgamate to form one corporation (“Amalco”) and we will acquire 100% of the issued and outstanding common shares of Metaverse from the holders of Metaverse shares in exchange for common shares of the Company on a 1:1 basis. Upon closing the transaction, Amalco will become a wholly-owned subsidiary of the resulting issuer. In connection with the transaction, we will reconstitute our board of directors and senior officers and promptly following the closing of the transaction, we will change our corporate name and the resulting issuer will conduct its business under the new name. This will be a related party transaction as our CEO and President, Penny White, is also the President, Director and a shareholder of Metaverse.

Pursuant to the Letter Agreement, each of the Company and Metaverse is permitted to complete a pre-closing equity financing consisting of units for gross proceeds of up to \$3,000,000. Each unit will consist of one share and one half warrant, with each whole warrant exercisable into one share at \$1.00 for a period of 2 years from issuance. All units that may be issued by Metaverse in advance of the closing of the transaction will be exchanged into a corresponding number of units of the resulting issuer on a one-to-one basis. Since entering into the Letter Agreement, Metaverse has completed approximately \$2.1 million of pre-closing equity financing.

During the six months ended May 31, 2022, the Company recognized consulting revenue of \$12,500 from Metaverse. During the six months ended May 31, 2022, the Company received a \$150,000 deposit from Metaverse in accordance with the merger agreement for services related to the completion of the transaction. The Company recognized \$105,375 of this revenue during the six months ended May 31, 2022 based on services performed.

During the six months ended May 31, 2022, the Company received a \$100,000 loan from Metaverse in accordance with the merger agreement. The loan is non-interest bearing and due on demand.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include:

- impairment of inventory
- useful lives and carrying values of equipment and intangible assets
- impairment of investments in associates and marketable securities
- deferred revenue
- fair value of share-based compensation
- measurement of unrecognized deferred income tax assets

Significant judgments made by management in the application of IFRS that have a significant effect on the condensed interim consolidated financial statements include the following:

Going concern

The factors that are used in determining the application of the going concern assumption which requires management to consider all available information about the future, which is at least but not limited to 12 months from the year end of the reporting period.

Licensing revenues

In recognizing licensing revenue from contracts with multiple obligations, management's judgment with respect to contracts with multiple performance obligations are determined based on identifying distinct goods or services and uses judgment to estimate the proportion of each distinct good or service within a contract.

Significant Accounting Estimates and Judgments (continued)

Website development costs

Website development costs related to the development of an e-commerce website for Jusu Wellness. Management's judgment is used in determining that the Company will realize significant economic benefit from the website to justify the capitalization of all costs relating to its development. All operational website costs incurred after its launch was expensed as incurred. Website costs were being amortized on a straight-line basis over an estimated useful life of 3 years.

Incremental borrowing rate

Judgment was used to determine the incremental borrowing rate for lease liabilities under IFRS 16. The incremental borrowing rate applied to the lease liabilities was 16%. The rate was estimated based on the Company's ability to source debt financing to fund its operations.

Fair value of investments in private companies

The fair value of shares and warrants held in private companies is determined by valuation techniques such as recent arm's-length transactions, option pricing models, or other valuation techniques commonly used by market participants. The investments in common shares and warrants are measured at fair value through profit or loss and the change in fair value is recorded in the consolidated statement of operations.

Business combinations

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. In a business combination, all identifiable assets, liabilities, and contingent liabilities acquired are recorded at their fair values. In determining the allocation of the purchase price in a business combination, including any acquisition related contingent consideration, estimates including market based and appraisal values are used. The contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Reclassification of Prior Year Presentation (continued)

	November 30, 2020	Restatement	November 30, 2020
	Original		Restated
Share capital	\$ 27,954,370	\$ (959,141)	\$ 26,995,229
Deficit	(34,283,361)	959,141	(33,324,220)

This restatement has no effects to the consolidated statements of loss and comprehensive loss and consolidated statement of cashflows for the year ended November 30, 2020.

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no material effect on the statement of financial position or the reported results of operations. An adjustment has been made to the consolidated statements of operations and comprehensive loss to separate licensing revenue from product sales, to group distribution fees with consulting fees, to separate out selling expenses from office and administrative expenses, and to reclassify loss on write-off of inventory from cost of product sales to a separate line item under other items.

Future Accounting Pronouncements

Certain pronouncements have been issued by the IASB, or the IFRS Interpretations Committee that are not mandatory for the current period and have not been early adopted.

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

The amendment clarifies the requirements relating to determining if a liability should be presented as current or non-current in the statement of financial position. Under the new requirement, the assessment of whether a liability is presented as current or non-current is based on the rights that are in existence at the end of the reporting period and specifies that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. It also defines a 'settlement' as the transfer to the counterparty of cash, equity instruments, other assets or services. In July 2020, due to the COVID-19 pandemic, the IASB deferred the effective date by one year to provide companies with more time to implement any classification changes resulting from these amendments. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The implementation of these amendments is not expected to have a significant impact on the Company.

Management has assessed that there are no other future accounting pronouncements that are expected to have a material impact on the Company's financial statements in the current or future reporting periods.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's consolidated statement of financial position as at May 31, 2022, as follows:

	Fair Value Measurements Using			Balance May 31, 2022
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Marketable securities	\$ 118,439	\$ -	\$ -	\$ 118,493

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

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. The Company's credit risk is primarily attributable to accounts receivable. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada, and has no other significant concentration of credit risk arising from operations. Accounts receivable is primarily comprised of trade accounts receivable. For accounts receivable, the Company limits its exposure to credit risk by dealing with what management believes to be financially sound counter parties. The carrying amount of financial assets represents the maximum credit exposure.

Foreign Exchange Rate and Interest Rate Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates. The Company is mainly exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in US dollars:

	May 31, 2022	November 30, 2021
	USD	USD
Cash	\$ 1,650	\$ 4,415
Accounts receivable	-	-
Accounts payable and accrued liabilities	(30,849)	(65,779)
Net exposure	\$ (29,199)	\$ (61,364)
Canadian dollar equivalent	\$ (36,931)	\$ (78,497)

A 10% change in the foreign exchange rate of US dollars is not expected to have a material impact on the condensed interim consolidated financial statements. The Company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there are sufficient funds to meet short-term and specific obligations.

Price Risk

The Company is exposed to price risk with respect to its marketable securities, which consists of common shares held in publicly-traded companies and is dependent upon the market price or the fair value of the common shares for those companies. The market price or the fair value of the common shares of those companies can fluctuate significantly, and there is no assurance that the future market price or the fair value of those companies will not decrease significantly.

COMMITMENTS AND CONTINGENCIES

Commitments

The Company has entered into various agreements for warehousing and consulting. The Company's annual contractual commitments for the next five years related to these items are as follows:

	Payments Due by Period			
	1 Year	2-3 Years	4-5 Years	Total
Lease payment obligations	\$ 106,343	\$ 51,135	\$ -	\$ 157,478
Loans	80,000	-	-	80,000
Convertible debentures	-	900,000	-	900,000
	\$ 186,343	\$ 951,135	\$ -	\$ 1,137,478

Loan:

The Company received an interest free Canada Emergency Business Account loan of \$120,000. If the Company repays \$80,000 by December 31, 2022, the remaining \$40,000 will be forgiven. If any portion of the loan is unpaid by December 31, 2022, the balance of the loan will convert to a 5% interest term loan with extended maturity to December 31, 2025.

Convertible debentures:

The debenture holders have the option at any time prior to the maturity date on August 31, 2023, to convert in whole or in part being \$1,000 or an integral multiple thereof, of the principal amount of the Debenture into common shares of the Company. On maturity, the Company shall satisfy its obligation to pay the principal amount of the Debentures which have matured in cash.

Contingencies:

On February 26, 2021, a claim was commenced against the Company and 8931429 Canada Inc. (formerly Jusu Bars Inc.), which sold its assets to the Company during the year ended November 30, 2020, regarding the failure of 8931429 Canada Inc., to pay rent on its retail unit located in Calgary, Alberta. The landlord is seeking payment for the amounts owing in arrears and damages for breach of contract. As the damages claimed by the plaintiff were not directly against the Company, the Company believes this claim lacks merit and intends to defend this claim. Due to the uncertainty of timing and the amount of estimated future cash outflows relating to this claim, no provision has been recognized.

On October 9, 2020, the Company entered into an acquisition agreement with Jusu Body Inc., Jusu Bars Inc. and Jusu CBD Inc. (collectively, "Jusu") for the purchase of Jusu's inventory, equipment for its retail location in Victoria, BC, and other intangible assets including primarily the brand names, product formulas and customer lists. Pursuant to the agreement, the Company issued 2,200,000 share units which were comprised of one common share and one share purchase warrant exercisable at \$1.00 per share for a period of two years. 300,000 of the share units were subject to holdback conditions for the purpose of ensuring that Jusu was discharged from certain security registrations. As of May 31, 2022, the holdback amount had not been released to Jusu.

In addition, there is a contingent consideration payable of an additional 250,000 units of the Company if within three years, the quarterly or annual financial statements for any period indicate that the Company has generated \$5 million in gross revenues through the sale of Jusu products. Each unit will be comprised of one common share and one share purchase warrant exercisable at a price equal to the closing price of the shares on the date of issuance. The fair value of the contingent consideration was \$31,420 and was determined by an independent valuation.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all material information related to us, including our consolidated subsidiaries, is made known to senior management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") on a timely basis so that appropriate decisions can be made regarding public disclosure.

Internal Control over Financial Reporting ("ICOFR")

Our management, with the participation of our CEO and CFO, are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the CEO and CFO, our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Our internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that our receipts and expenditures are made only in accordance with authorization of management and our directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the annual or interim financial statements.

Limitations on the Effectiveness of Disclosure Controls and the Design of ICFR

Our management, including the CEO and CFO, do not expect that our disclosure controls and procedures and ICFR will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable assurance that the control system objectives will be met. The likelihood of achievement is affected by limitations inherent in all internal control systems. These inherent limitations include the realities that judgments or decision making can be faulty, and that breakdowns occur because of simple errors or mistakes. Controls can also be circumvented in numerous ways including collusion, overrides and deception. In addition to the inherent limitations, the design of a control system must reflect that there are resource constraints, and the expected benefit of controls must be considered relative to the expected costs. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Further, no evaluation of controls can provide absolute assurance that all control issues within a company will be detected.