



Management's Discussion & Analysis

For the three months ended February 28, 2023 and 2022

May 1, 2023

This Management's Discussion and Analysis ("MD&A") relates to the consolidated financial position and financial performance of Better Plant Sciences Inc. ("Better Plant", the "Company"), 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")), our 100% owned subsidiary 1233392 B.C. Ltd. (formerly Jack n Jane Essentials Inc.) and our formerly owned subsidiaries Jusu Wellness Inc. ("Jusu Wellness") until the date of sale on April 20, 2022, and W & W Manufacturing Inc. ("W&W Manufacturing") until the date of dissolution on February 14, 2022 for the three months ended February 28, 2023 and 2022. 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. As of the date of this MD&A we have two wholly owned subsidiaries, Metaverse Holdings and 1233392 B.C. Ltd.

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 audited annual consolidated interim financial statements for the three months ended February 28, 2023 and 2022 and audited consolidated financial statements for the years ended November 30, 2022 and 2021 (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.

The Company has incurred a net loss from continuing operations of \$12,840 and used \$52,775 of cash in operating activities from continuing operations during the three months ended February 28, 2023. As at February 28, 2023, the Company had a working capital deficiency of \$2,068,488 including cash of \$11,315 and had an accumulated deficit of \$40,248,171. The Company had limited cash reserves at February 28, 2023, and currently relies on issuing new debt and equity instruments to fund its operations until the growth in its business generates sufficient cash flow from operations. The continued operations of the Company are dependent on future profitable operations, management's ability to manage costs, and the future availability of equity or debt financing. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due is uncertain. The terms of any future debt or equity issuance may be at terms that are unfavorable to the Company. These factors, among others, could have a significant impact on the Company's operations. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and the consolidated statement of financial position classifications that would be necessary were the going concern assumption be inappropriate. These adjustments could be material.

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

CORPORATE OVERVIEW

Our Business

We offer accounting, corporate and business development services.

We previously manufactured and sold plant-based products under the brands Urban Juve, Jusu Bar, Jusu Wellness, NeonMind and Wright & Well. 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. During this fiscal year we discontinued sales and operations of all of our remaining consumer products brands.

OVERALL PERFORMANCE

For three months ended February 28, 2023, we recorded consulting revenue of \$73,675 as compared to \$124,562 for the same period in the prior year. The decrease in revenue was a result of reduced services offered to our clients.

Operating expenses decreased to \$78,322 for three months ended February 28, 2023 from \$483,550 of the same period in the prior year. The decrease in operating expenses was driven by reduced operating activities and cost saving measures.

We had a net loss from continuing operations of \$12,840 for the three months ended February 28, 2023 as compared to a net loss from continuing operations of \$725,742 of the same period in the prior year. The decrease in net loss from continuing operations was the result of cost management programs.

SELECTED ANNUAL INFORMATION

The following table sets forth selected financial information from our Financial Statements For the years ended November 30, 2022 and 2021.

	2022	2021
Revenues	\$ 526,164	\$ 671,415
Loss before other items	(835,440)	(3,227,246)
Net loss from continuing operations	(1,945,985)	(1,408,798)
Basic and diluted loss per share from continuing operations	(0.10)	(0.06)
Total assets	1,440,680	3,355,181
Dividends declared and paid out in cash	-	-

DISCUSSION ON OPERATIONS

Revenues

We have discontinued our consumer product segments and currently we are focused on providing consulting services. For three months ended February 28, 2023, we recorded consulting revenue of \$73,675 as compared to \$124,562 for the same period in the prior year. The decrease in revenue was a result of reduced services offered to our clients.

Cost of Consulting Services

Cost of Consulting Services primarily consisted of compensation and related costs for our team members performing services to our clients. For three months ended February 28, 2023, we incurred cost of consulting services of \$58,940 as compared to \$89,300 for same period of the prior year.

Advertising, Marketing and Media

Advertising, marketing and media expenses are related to our activities in promoting our corporate brand, our former 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 three months ended February 28, 2023, we incurred \$626 in advertising, marketing and media expenses, as compared to \$48,322 for the same period in 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 marketing support for new brands.

Depreciation

Depreciation expenses are mainly related to computer equipment, furniture, leasehold improvements and right-of-use assets. For three months ended February 28, 2023, we incurred depreciation and amortization expenses of \$6,332 as compared to \$24,774 for the same period in 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, business development, finance and accounting. Consulting services provided consisted primarily of corporate finance, accounting, director services, and regulatory advisory services. For three months ended February 28, 2023, we incurred consulting expenses of \$24,834 as compared to \$127,083 for the same period in the prior year. The decrease in consulting fees was a result of tightened expense policies at the Company.

Listing fees

Listing fees are related to expenses to maintain listing with CSE. For three months ended February 28, 2023, we incurred listing fees of \$1,500 as compared to \$2,000 for the same period of the prior year.

Office and Administrative Expenses

For three months ended February 28, 2023, we incurred office and administrative expenses of \$18,613 as compared to \$53,390 for same period of the prior year.

Professional Fees

Professional fees are primarily related to legal, accounting and audit services. For three months ended February 28, 2023, we incurred professional fees of \$nil as compared to \$48,949 for the same period of the prior year. 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 three months ended February 28, 2023, we incurred share-based compensation expense of \$829 as compared to \$67,472 for the same period in the prior year.

Wages

Wages for three months ended February 28, 2023 were \$25,588 as compared to \$111,560 for the same period in the prior year. The decrease in wages was due to reduction of headcounts to control expenses.

Investment Loss

During three months ended February 28, 2023, we incurred an investment loss of \$16,296 as compared to \$212,818 for the previous year. A breakdown of investment loss is as follows:

	Three months ended	
	February 28,	
	2023	2022
Realized gain on marketable securities	\$ -	\$ 43,924
Unrealized gain (loss) on marketable securities	(32,316)	(152,350)
Gain on sale of equity accounted investee	-	130,000
Dilution gain on equity accounted investee	-	17,173
Share of net income (loss) of equity accounted investees	16,020	(251,565)
	<u>\$ (16,296)</u>	<u>\$ (212,818)</u>

Other Income (Expenses)

During three months ended February 28, 2023, we recorded other income of \$67,043 primarily drive by gain from debt settlements as compared to other expense of \$64,636 for the previous year. A breakdown of other income (expenses) is as follows:

	Three months ended February 28,	
	2023	2022
Gain on disposal of assets	\$ -	\$ 1,200
Loss on foreign exchange	(2,031)	(253)
Interest and accretion	(62,182)	(65,583)
Gain on debt settlement	131,256	-
	\$ 67,043	\$ (64,636)

Loss from Continuing Operations

Loss from continuing operations for three months ended February 28, 2023 was \$12,840 and \$0.00 per share, basic and diluted, as compared to loss from continuing operations of \$725,742 and \$0.04 per share basic and diluted for the same period 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 included 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 sale was \$1 plus assumption of current and future liabilities.

During three months ended February 28, 2023, 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.

Loss from discontinued operations was \$nil for three months ended February 28, 2023 as compared to \$273,030 for the same period in the prior year.

Net Loss

We incurred a net loss of \$12,840 for three months ended February 28, 2023, as compared to \$998,772 for the same period of the prior year. Loss per share was \$0.00 for three months ended February 28, 2023 as compared to loss per share of \$0.05 for the same period of the prior year.

Dividends

No dividends were declared or paid for three months ended February 28, 2023 and 2022.

SUMMARY OF QUARTERLY RESULTS

For the quarters ended:

	Feb. 28, 2023	Nov. 30, 2022	Aug. 31, 2022	May 31, 2022
Revenue	\$ 73,675	\$ 116,875	\$ 100,253	\$ 184,474
Net loss, continuing operations	(12,840)	(385,119)	(187,346)	(647,778)
Net income (loss), discontinued operations	(12,840)	15,653	(37,008)	(101,759)
Basic & diluted loss per share:				
From continuing operations	(0.00)	(0.02)	(0.01)	(0.03)

	Feb. 28, 2022	Nov. 30, 2021	Aug. 31, 2021	May 31, 2021
Revenue	\$ 124,562	\$ 80,251	\$ 195,251	\$ 205,683
Net loss, continuing operations	(725,742)	(848,594)	(889,858)	(1,331,970)
Net loss, discontinued operations	(273,030)	(2,448,207)	(721,379)	(174,879)
Basic & diluted loss per share:				
From continuing operations	(0.04)	(0.04)	(0.05)	(0.06)

LIQUIDITY

	February 28, 2023	November 30, 2022
Current ratio ⁽¹⁾	0.05	0.13
Cash	\$ 11,315	\$ 54,741
Working capital surplus (deficit) ⁽²⁾	(2,068,488)	(1,200,828)
Loan payable ⁽³⁾	119,211	118,422
Convertible debentures ⁽⁴⁾	913,970	851,513
Equity (deficit)	\$ (823,655)	\$ (811,645)

(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) Amount includes accrued interest.

Cash Position

As at February 28, 2023, we had \$11,315 of cash as compared to \$54,741 at November 30, 2022. For three months ended February 28, 2023, cash used operating activities for continuing operations was \$52,775 consisting of mostly operating expenses as compared to cash used in operating activities of \$392,625 for the same period in 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 from continuing operations was \$30,797 for three months ended February 28, 2023, from proceeds from sublease payments received, as compared to \$334,040 for the same period in the prior year from sale of marketable securities and equity interests in investees. Cash used in financing activities from continuing operations was \$21,448 for the three months ended February 28, 2023, for lease payments, as compared to cash used financing activities of \$32,461 for the same period in the prior year.

Working Capital

We had a working capital deficit of \$2,068,488 as at February 28, 2023 as compared to a working capital deficit of \$1,200,828 as at November 30, 2022. 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 February 28, 2023, there were 19,917,970 common shares issued and outstanding. We also had 1,792,250 share purchase warrants with weighted average exercise price of \$2.30 and 724,801 stock options with weighted average exercise price of \$1.30.

OFF-BALANCE SHEET ARRANGEMENTS

As at February 28, 2023, we had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the three months ended February 28, 2023 and 2022, compensation of key management personnel and directors were as follows:

	For the three months ended	
	February 28,	
	2023	2022
Consulting fees	\$24,834	\$15,833
Share-based compensation	449	65,767
Wages	-	85,485
	<u>\$25,283</u>	<u>\$167,085</u>

At February 28, 2023, we owed \$38,550 (November 30, 2022 - \$58,125) to our officers, which is included in due to related parties. These amounts are unsecured and non-interest bearing.

During the three months ended February 28, 2023, we recognized consulting revenue of \$12,250 (2022 - \$45,646), rent recovery of \$nil (2022 - \$8,000) from an associated company, NeonMind. As at February 28, 2023, we was owed \$20,415 (November 30, 2022 – was owed \$7,553) by NeonMind, which is included in due from related parties.

During the three months ended February 28, 2023, we recognized consulting revenue of \$56,250 (2022 - \$43,625) from an associated company, Lancaster. As at February 28, 2023, we owed \$764 to (November 30, 2022 - owed \$8,741 to) Lancaster and held a \$50,000 (November 30, 2022 - \$50,000) deposit for services from Lancaster, which are included in due to related parties.

As at February 28, 2023, we owed \$100,000 (November 30, 2022 - \$100,000) to Tevera Energy Corp. which amalgamated into Lancaster in March 2023. This amount was subsequently settled on March 14, 2023.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these 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
- 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 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.

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.

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. 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 February 28, 2023, as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance February 28, 2023
Marketable securities	\$ 43,089	\$ -	\$ -	\$ 43,089

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:

	February 28, 2023 USD	November 30, 2022 USD
Cash	\$ 718	\$ 4,251
Accounts payable and accrued liabilities	(8,516)	(30,809)
Net exposure	\$ (7,798)	\$ (26,558)
Canadian dollar equivalent	\$ (10,641)	\$ (35,785)

A 10% change in the foreign exchange rate of US dollars is not expected to have a material impact on the 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'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	\$ 12,730	\$ –	\$ –	\$ 12,730
Loans	80,000	–	–	80,000
Convertible debentures	913,970	–	–	913,970
	<u>\$1,006,700</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 1,006,700</u>

Loan:

The Company received an interest free Canada Emergency Business Account loan of \$120,000. If the Company repays \$80,000 by December 31, 2023 the remaining \$40,000 will be forgiven. If any portion of the loan is unpaid by December 31, 2023, 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.

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 ICOFR

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.

SUBSEQUENT EVENT

On March 14, 2023, We repaid a loan from Tevera in the amount of \$100,000 through a three-party settlement with Tevera and Lancaster by returning 500,000 common shares of Lancaster with a fair value of \$0.20 per share. The fair value per share was determined based on a recent share issuance by Lancaster through a private placement. Lancaster and Tevera completed an amalgamation on March 9, 2023.