better
PLANT SCIENCES

Management's Discussion & Analysis

For the three and nine months ended August 31, 2023 and 2022

October 30, 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 Metaversive Holdings Inc. ("Metaversive 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 and nine months ended August 31, 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, Metaversive 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 and nine months ended August 31, 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 $1,262,268 and used $82,481 of cash in operating activities from continuing operations during the nine months ended August 31, 2023. As at August 31, 2023, the Company had a working capital deficiency of $2,214,337 and had an accumulated deficit of $41,638,886. The Company had limited cash reserves at August 31, 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 are currently inactive as management strategies and identifies future business opportunities.

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 and nine months ended August 31, 2023, we recorded consulting revenue of $nil and $83,675 respectively as compared to $100,253 and $409,289 for the same periods in the prior year. The decrease in revenue was a result of reduced services offered to our clients. At the current time, our business is inactive.

We had a net loss of $1,262,268 and $1,403,555 for the three and nine months ended August 31, 2023, primarily driven by the reclassification of equity accounted investee to marketable securities due to loss of significant influence in investments, as compared to a net loss of $224,354 and $1,972,663 of the same periods in the prior year.

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

Revenue

We have discontinued our consumer product segments and consulting services, and currently our business is inactive. For three and nine months ended August 31, 2023, we recorded consulting revenue of $nil and $83,675 respectively as compared to $100,253 and $409,289 for the same periods in the prior year. The decrease in revenue was a result of reduced services offered to our clients.

Cost of revenue

Cost of revenue primarily consisted of compensation and related costs for our team members performing services to our clients. For three and nine months ended August 31, 2023, we incurred cost of revenue of $nil and $66,440 as compared to $80,966 and $230,904 for 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 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 and nine months ended August 31, 2023, we incurred $nil and $626 in advertising, marketing and media expenses, as compared to $44,684 and $139,874 for the same periods 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.

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 and nine months ended August 31, 2023, we incurred consulting expenses of $7,500 and $46,234 as compared to $35,549 and $189,332 for the same periods in the prior year. The decrease in consulting fees was a result of tightened expense policies at the Company.

Depreciation

Depreciation expenses are mainly related to computer equipment, furniture, leasehold improvements and right-of-use assets. For three and nine months ended August 31, 2023, we incurred depreciation and amortization expenses of $nil and $6,332 as compared to $10,891 and $60,424 for the same period in the prior year. All of our leases expired on March 31, 2023.

Listing fees

Listing fees are related to expenses to maintain listing with CSE. For three and nine months ended August 31, 2023, we incurred listing fees of $3,131 and $6,881 as compared to $4,000 and $14,210 for the same periods of the prior year.

Office and Administrative Expenses

For three and nine months ended August 31, 2023, we incurred office and administrative expenses of $2,019 and $33,028 as compared to $30,173 and $123,282 for same periods of the prior year.

Professional Fees

Professional fees are primarily related to legal, accounting and audit services. For three and nine months ended August 31, 2023, we incurred professional fees of $1,494 and $41,644 as compared to $10,028 and $105,777 for the same periods 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 and nine months ended August 31, 2023, we incurred share-based compensation expense of $nil and $963 as compared to a recover of $2,640 and expense of $52,111 for the same periods in the prior year.

Wages

Wages for three and nine months ended August 31, 2023 were $nil and $88,477 as compared to $13,208 and 262,301 for the same periods in the prior year. The decrease in wages was due to reduction of headcounts to control expenses.

Investment Loss

	Three months ended August 31,		Nine months ended August 31,	
	2023	2022	2023	2022
Realized gain on marketable securities	$ -	$ -	$ (1,875)	$ 43,924
Unrealized loss on marketable securities	(76,980)	(32,316)	(124,478)	(324,705)
Gain on sale of equity accounted investee	-	-	-	130,000
Dilution gain on equity accounted investee	-	-	-	17,173
Share of loss of equity accounted investees	(68,715)	(36,512)	(71,937)	(548,796)
Reclassification of equity accounted investee	(930,333)	-	(930,333)	-
	$ (1,076,028)	$ (68,828)	$ (1,128,623)	$ (682,404)

Investment in Lancaster Resources Inc.

Lancaster Resources is a company engaged in drug development research into potential therapeutic uses of psychedelic compounds. On April 18, 2022, Lancaster Resources effected a 4:1 share consolidation and on January 24, 2023, Lancaster Resources effected a 30:1 share consolidation. All share and per share amounts in these financial statements have been retroactively adjusted for the share consolidation. The Company has determined that it has significant influence in Lancaster Resources as it held 276,925 representing 24.7% of the voting rights in Lancaster Resources as of June 9, 2023 (November 30, 2022 – 22.9%). The Company's investment in Lancaster Resources was accounted for as an investment in associate using the equity method. The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for the Company's proportionate share of the profit or loss, other comprehensive income or loss and any other changes in the associate's net assets, such as further investments or dividends.

Investment in Lancaster Lithium Inc. ("Lancaster Lithium")

Lancaster Lithium's principal business is to acquire, explore, and develop mineral properties and ultimately seek earnings by exploiting mineral claims. Currently, the Company is evaluating and reviewing potential resource properties and other business opportunities as possible options or joint ventures. As of August 31, 2023, the Company held 1,750,000 (November 30, 2022 - 2,000,000) shares of Lancaster Lithium, which represented 8.5% (November 30, 2022 – 10.5%) ownership in Lancaster. The corporate secretary of the Company is a director of Lancaster who represents 33.3% of the board of Lancaster. The Company determined that it has significant influence in Lancaster. The Company's investment in Lancaster is accounted for as an investment in associate using the equity method.

Merger between Lancaster Resources and Lancaster Lithium

On June 9, 2023, Lancaster Resources and Lancaster Lithium completed a merger as a reverse takeover transaction. The common shares of the resulting entity, Lancaster LCR, continued to trade on the Canadian Security Exchange. Immediately after the merger, the Company owned 1,526,924 of Lancaster LCR, representing 3.6% of the total issued and outstanding shares of Lancaster LCR. The Company determined it no longer held significant influence in Lancaster LCR. The Company reclassified the shares it held in Lancaster LCR from equity invested associates to marketable securities. A loss from the reclassification was reflected in the Company's results of operations for the period ended August 31, 2023.

Other Income (Expenses)

During three and nine months ended August 31, 2023, we recorded other expense of $172,097 and $67,983 primarily drive by gain from debt settlements as compared to other income of $13,368 and other expense of $109,536 for the same periods of the previous year. A breakdown of other income (expenses) is as follows:

	Three months ended August 31,		Nine months ended August 31,	
	2023	2022	2023	2022
Bad debt expense	$ -	$ (18,571)	$ -	$ (18,571)
Gain on loss of control of subsidiaries	-	31,420	-	10,321
Gain on disposal of assets	-	(15,225)	-	(14,025)
Gain (Loss) on foreign exchange	-	54	(2,031)	(412)
Interest and accretion	(82,827)	(67,140)	(207,937)	(198,056)
Gain on sublease agreement	-	46,282	-	46,282
Interest income on sublease	1,965	2,287	1,965	2,287
Interest and penalty on taxes payable	(91,235)	-	(91,235)	-
Gain on debt settlement	-	34,261	231,255	62,638
	$ (172,097)	$ 13,368	$ (67,983)	$ (109,536)

Loss from Continuing Operations

Loss from continuing operations for three and nine months ended August 31, 2023 was $1,262,168 and $1,403,555 as compared to loss from continuing operations of $187,346 and $1,560,866 for the same periods of 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 and nine months ended August 31, 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 and nine months ended August 31, 2023 as compared to $37,008 and $411,797 for the same periods in the prior year.

Net Loss

We incurred a net loss of $ 1,262,268 and $1,403,555 for three and nine months ended August 31, 2023 respectively, as compared to $244,354 and $1,972,663 for the same periods of the prior year.

Loss per share for three and nine months ended August 31, 2023 was $0.06 and $0.07 as compared to loss per share of $0.01 and $0.10 for the same periods of the prior year.
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Dividends

No dividends were declared or paid for three and nine months ended August 31, 2023 and 2022.

SUMMARY OF QUARTERLY RESULTS

For the quarters ended:

	Aug. 31, 2023	May 31, 2023	Feb. 28, 2023	Nov. 30, 2022
Revenue	$ -	$ 10,000	$ 73,675	$ 116,875
Net loss, continuing operations	(1,262,268)	(128,447)	(12,840)	(385,119)
Net income (loss), discontinued operations	-	-	(12,840)	15,653
Basic & diluted loss per share:				
From continuing operations	(0.06)	(0.01)	(0.00)	(0.02)

	Aug. 31, 2022	May 31, 2022	Feb. 28, 2022	Nov. 30, 2021
Revenue	$ 100,253	$ 184,474	$ 124,562	$ 80,251
Net loss, continuing operations	(187,346)	(647,778)	(725,742)	(848,594)
Net loss, discontinued operations	(37,008)	(101,759)	(273,030)	(2,448,207)
Basic & diluted loss per share:				
From continuing operations	(0.01)	(0.03)	(0.04)	(0.04)

LIQUIDITY

	August 31, 2023	November 30, 2022
Current ratio[1]	0.08	0.13
Cash	$ -	$ 54,741
Working capital surplus (deficit)[2]	(2,214,337)	(1,962,341)
Loan payable [3]	119,211	118,422
Convertible debentures [4]	1,057,562	851,513
Equity (deficit)	$ (2,214,336)	$ (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 August 31, 2023, we had $nil of cash as compared to $54,741 at November 30, 2022. For nine months ended August 31, 2023, cash used operating activities for continuing operations was $82,481 consisting of mostly operating expenses as compared to cash used in operating activities from continuing operations of $168,236 for the same period in the prior year to support brand development activities of Jusu. Cash provided by investing activities from continuing operations was $46,338 for nine months ended August 31, 2023, from proceeds from sublease payments received, as compared to $335,240 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 $29,848 for the nine months ended August 31, 2023, for lease payments, as compared to cash used financing activities of $69,411 for the same period in the prior year.

Working Capital

We had a working capital deficit of $2,214,337 as at August 31, 2023 as compared to a working capital deficit of $1,962,341 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 August 31, 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 407,200 stock options with weighted average exercise price of $0.79.

OFF-BALANCE SHEET ARRANGEMENTS

As at August 31, 2023, we had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the three and nine months ended August 31, 2023 and 2022, compensation of key management personnel and directors were as follows:

	Three months ended August 31,		Nine months ended August 31,	
	2023	2022	2023	2022
Consulting fees	$7,500	$24,400	$46,234	$43,833
Share-based compensation	134	1,300	583	68,401
Wages	-	18,500	-	182,456
	$7,634	$44,200	$46,817	$294,690

At August 31, 2023, the Company owed $10,200 (November 30, 2022 - $5,800) to the Chief Executive Officer of the Company, which is included in due to related parties. These amounts are unsecured and non-interest bearing.

At August 31, 2023, the Company owed $68,2750 (November 30, 2022 - $32,750) to the Chief Financial Officer of the Company, which is included in due to related parties. These amounts are unsecured and non-interest bearing.

During the nine months ended August 31, 2023, the Company recognized revenue of $12,250 (2022 - $85,920) from an associated company, Lancaster LCR. As at August 31 2023, the Company was owed $9,414 (November 30, 2022 – was owed $7,553) by Lancaster LCR, included in due from related parties.

During the nine months ended August 31, 2023, the Company recognized consulting revenue of $10,000 (2022 - $57,809) from an associated company, Lancaster Lithium. As at August 31 2023, the Company owed $414 to (November 30, 2022 - owed $8,741 to) Lancaster Lithium and held a $50,000 (November 30, 2022 - $50,000) deposit for services from Lancaster, which are included in due to related parties.

During the three and nine months ended August 31, 2023, the Company settled a loan of $100,000 with Tevera Energy Corp. which amalgamated into Lancaster in March 2023, by returning 500,000 common shares of Lancaster that the Company owned valued at $0.20 per share.

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 August 31 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 August 31, 2023
Marketable securities	$ 149,717	$ -	$ -	$ 149,717

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 not exposed material foreign exchange rate and interest rate risks.

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.