



HAPPY BELLY FOOD GROUP INC.
(Previously Plant & Co Brands Ltd)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

(Expressed in Canadian Dollars)

INTRODUCTION

This management discussion and analysis (“**MD&A**”), prepared on November 21, 2022, should be read in conjunction with the unaudited condensed consolidated financial statements for the period ended September 30, 2022 and the audited consolidated financial statements for the year ended December 31, 2021 and 2020. All amounts are stated in Canadian dollars unless otherwise indicated. These financial statements together with this MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of Happy Belly Food Group Inc. (the “**Company**” or “**Happy Belly**”).

Management of the Company is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, are complete and reliable. The Company’s board of directors (the “**Board**”) follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Company’s Audit Committee meets with management quarterly to review the financial statements and the MD&A and to discuss other financial, operating and internal control matters. The read is encouraged to review the Company’s statutory filing on www.sedar.com.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as “expects”, “anticipates”, “believes”, “intends”, “estimates”, “potential”, “possible”, and similar expressions, or statements that events, conditions or results “will”, “may”, “could”, or “should” occur or be achieved. The forward-looking statements may include statements regarding exploration results and budgets, mineral resource estimates, work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties, and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company’s expectations include uncertainties involved in disputes and litigation, fluctuations in commodity prices and currency exchange rates; uncertainty of estimates in capital and operating costs, recovery rates, production estimates and economic return; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; uncertainty regarding legalization; uncertainty regarding changes in laws, regulations and guidelines; and uncertainty as to timely availability of licenses, permits and other government approvals and other risks and uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies.

It is the Company’s policy that all forward-looking statements are based on the Company’s beliefs and assumptions, which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are as at November 21, 2022 and are subject to change after this date and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is a significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties, and other factors such as those described above. The Company has no policy for updating forward-looking information beyond the procedures required under applicable securities laws.

Additional information related to the Company is available for view on SEDAR at www.sedar.com or by requesting further information from the Company’s head office in Vancouver.

Company Background

Happy Belly Food Group Inc. (previously Plant & Co. Brands Ltd.) (the “Company” or “Happy Belly”) was incorporated pursuant to the Canada Business Corporations Act on November 24, 2014. On August 12, 2019, the Company changed its name from Cannvas MedTech Inc. to Eurolife Brands Inc. On December 4, 2020, the Company changed its name from Eurolife Brands Inc. to Plant & Co. Brands Ltd. On September 1, 2022, the Company changed its name from Plant & Co. Brands Ltd. to Happy Belly Food Group Inc.

On June 23, 2017, the Company continued from the federal jurisdiction to the jurisdiction of British Columbia. The Company's corporate office is located at Suite 400, 1681 Chestnut Street, Vancouver, British Columbia V6J 4M6.

Happy Belly is a modern health and wellness company curating delicious plant-based foods. It offers a growing number of delicious plant-based food products through four plant-based brands Holy Crap Foods Inc., YamChops, Lumberheads and Heal Wellness.

The Company shares trade on the CSE under the symbol “HBFG”, on the Frankfurt Stock Exchange as “VGP” and on the over-the-counter market exchange as “VGANF”.

Company Operations

Happy Belly is focused on the health and wellness sector in North America. The Company has made four acquisitions in the plant-based food sector over a two-year period. These acquisitions establish the foundation to which Happy Belly will grow its operations. With these acquisitions, Happy Belly has acquired businesses with revenue and the Company will continue to grow this base business organically and by acquiring additional assets that provide synergies to existing assets as well as expand the product base and geographical footprint of the business.

Happy Belly's M&A strategy continues to be one of accretive business acquisitions. With the creation of a new board in June 2021, the wealth of knowledge added to the business with such people as Kevin Cole (20 years building consumers package goods businesses), Alex Rechichi and Mark Rechichi from the CraveIT Restaurant Group (founders of Mucho Burrito, Extreme Pita and other successful business ventures). Happy Belly is well situated to accelerate revenue on our path to profitability. Happy Belly can also improve operations through the development and execution of multiple brand and channel strategies within this same resource pool of the company, including leveraging shared distribution networks within Happy Belly's network.

In addition to the seasoned Board of Directors and Management, Happy Belly added to its corporate team in the second quarter with the appointment of Sean Black as Chief Investment Officer. Mr. Black is currently the Chief Development Officer of CraveIT Restaurant Group. He oversees brand growth and franchise development of the CraveIT brand portfolio. He has held this position since 2014. In 2021, CraveIT Restaurant Group sold its interest in The Burgers Priest restaurant brand, including its 25 franchised and corporately owned stores, to Recipe Unlimited, a publicly traded company on the Toronto Stock Exchange. From 2013 to 2014, Mr. Black held the executive level position of Chief Development Officer at MTY Food Group.

Happy Belly operations are focused on growing our Quick Service Restaurants (“QSR”) and Consumer Packaged Goods (“CPG”) businesses. With the two business units, Happy Belly intends to add additional brands and businesses over the balance of 2022 and 2023.

YamChops, specializes in the preparation, distribution, and retail sales of dozens of proprietary plant-based meats, chicken, pork, fish, and various other vegan style food products in both a business-to-business (“B2B”) and business-to-consumer (“B2C”) revenue models. YamChops is a plant-based QSR, butcher and marketplace offering protein alternatives, prepared foods, meals and specialty food products. In addition to our current location in Toronto, our products are in over a dozen retail, wholesale, and food service establishments. Over the past 18 months, Yamchops has continued to improve menus and operations to optimize their restaurant offerings, day-to-day deli counter and CPG operations with the help of Happy Belly management team and Directors. As the COVID19 restrictions ease and the business environment continues to change, the YamChops team has been focused on building sales, improving operations and building distribution via new retailers and food service contracts, all while reducing costs to remain fiscally responsible during these times.

YamChops has a new strategic roadmap to profitability. Efforts to increase store traffic and revenue have been implemented, as we continue to see a return for direct orders. YamChops has increased its marketing campaign on social media platforms, digital food service platforms such as UberEats, and as a result have seen steady sales throughout its operating platforms this quarter. Improved marketing efficiencies will contribute to profitability. Our objective is to expand distribution, evolve product development and introduce new innovative products within YamChops as we continually grow the YamChops brand and business. Our Toronto location has recently re-modelled to add the Heal Wellness (see below) Brand we recently acquired.

Holy Crap Brands is a line of high-fiber, plant-based super-seed cereals and oatmeal's that helps you maintain good gut health. When you have a healthy gut, it impacts your total wellbeing and is proven to help your mental health. Based on this premise, the strategy of this brand is to implement both a B2B as well as a B2C revenue model to reach more consumers and accelerate growth.

Since acquisition in February 2021, Holy Crap Cereals has increased its retail distribution by adding several new retailers to its portfolio, which have contributed to growth, and an increase of retail presence across Canada. In addition, it has also added DSM and Rabba Fine Foods as a broker to further expand its distribution in the Canadian market.

In its B2C execution, Holy Crap has increased sales since acquisition by Happy Belly. As consumers increasingly return to stores with the easing of COVID-19, online sales have pulled back vs record highs however the team continues to improve operations and is back to adding new users month over month. In 2022, Holy Crap will continue to push forward and drive sales revenue and increase its distribution at key retailers and digitally.

Heal Lifestyle – On May 9, 2022, Happy Belly acquired a controlling interest in Heal Lifestyle Inc. Heal operates three Heal Wellness plant-based quick serve restaurants in Southern Ontario and has recently opened a fourth location in our Yamchops facility in Toronto.

Heal Wellness provides fresh plant-based wellness foods that power and support a busy, active lifestyle. The Company offers a wide variety of smoothie bowls, smoothies, waffles, tea and coffee,. Every superfood ingredient in the Heal Wellness menu is carefully selected with the intention of fueling the body with a reduced ecological footprint.

The Heal Lifestyles acquisition was the second acquisition for Happy Belly in 2022. The acquisition of a controlling interest in Heal Lifestyle was accretive and is a key part of Happy Belly's growth plans moving forward. Additional locations for Heal Wellness are currently being evaluated.

LumberHeads Food Co. - On February 1, 2022, Happy Belly acquired a controlling interest in LumberHeads Food Co. LumberHeads offers an incredible tasting and handcrafted plant-based Kettle Corn snack food. Their products are peanut and nut free, gluten free, dairy free and allergen free. The company has earned a reputation for high quality and great customer service from a growing and loyal customer base. The acquisition allows Happy Belly to assist LumberHeads in growing its business and support its growing product line of plant based foods.

Lettuce Love - On October 11, 2022 the Company completed an asset purchase agreement for substantially all of the assets and property of 2563434 Ontario Incorporated ("Lettuce Love acquisition") in exchange for assuming the liabilities of approximately \$171,493.

Company Highlights and Outlook

In 2021-2022, the Company completed a number of key initiatives and transactions that have enhanced overall operations of the Company in the food services industry. From such initiatives, the Company has diversified its business, created economics of scale within the operations and enhanced its financial growth plans in revenue and cost reductions.

- On October 11, 2022, the Company completed the asset acquisition of Lettuce Love, a Plant based, gluten free café that focuses on a healthy lifestyle food menu.
- In July 2022, the Company closed two tranches of a non-brokered private placement (the "Private Placement") of unsecured convertible debentures (the "Debentures") for a total of \$2,000,000. The Debentures have a term of 24 months, and pay interest at a rate of twelve percent (12%) per annum payable quarterly after the closing date of September 30, 2022 for the first tranche of \$1,295,000 and July 8, 2022 for the second tranche of \$705,000 (the "Closing Date"), maturing on the date that is the second anniversary of the first date that the Debentures are issued (the "Maturity Date") and are convertible at the holder's option into common shares of the Company every three months after the Closing Date, but prior to the Maturity Date, into common shares at a conversion price equal to (a) C\$0.20 per common share if converted in the first 12 months after the Closing Date; or (b) C\$0.25 per common share if converted after the first 12 months after the Closing Date, provided that not less than 25% of the outstanding principal, and any interest amounts owed, is converted (the "Conversion Price").
- On May 27, 2022, Sean Black joined the Happy Belly team as Chief Investment Officer.
- On May 5, 2022, the Company acquired a 50% controlling interest in Heal Lifestyle Inc. ("Heal Wellness"), which operates three Heal Wellness Plant-Based Quick Serve Restaurants in Southern Ontario. A joint venture company

was set up and Happy Belly issued 2,777,777 common shares to the joint venture for the purchase of its ownership interest.

- On February 1, 2022, pursuant to a share purchase agreement, the Company acquired 51% of the issued and outstanding common shares of Lumber Heads Food Co. in exchange for providing an interest free loan of \$75,000 to Lumber Heads Food Co. Lumber Heads Food Co. is a boutique plant-based snack food manufacturer based in Ontario, Canada.
- In September 2021, the Company announced the spinout of all cannabis assets to Blackwell Intelligence Inc, a private company. The purpose of the spinout was to allow the Company to remain strategically focused on the plant-based food sector. Blackwell will continue with new management, with a focus on emerging technologies. Upon closing of the arrangement, each shareholder of Happy Belly received 0.09582494 common shares of Blackwell for every common share of Happy Belly held on the share distribution record date of December 29, 2021.
- In July 2021, the Company completed its Notice of Meeting and Management Information Circular to Shareholders. The document outlined the Company's plans to carve-out all businesses and activities related to the cannabis sector. Later in 2021, the Company intends to distribute these assets in a single company to current shareholders. On September 2, 2021, shareholders voted in favour of all matters tabled.
- In June 2021, the Company entered into a strategic advisory agreement (the "Advisory Agreement") with Maricom Inc., and 2085086 Ontario Inc. (the "Advisors") represented by Sean Black, Mark Rechichi and Alex Rechichi to assist with the Private Placement and to arrange for Alex Rechichi, Mark Rechichi and Kevin Cole to join the board of directors of the Company (the "Board"). In consideration for the assistance with the Private Placement and the arrangement of strategic appointments to the Board (the "Strategic Board Appointments"), the Company has issued an aggregate of 27,000,000 non-transferrable share purchase performance warrants ("Advisory Warrants") to the Advisors. Each Advisory Warrant entitles the holder to acquire one common share at a price of \$0.20 for a period of five (5) years from their date of issue and vest upon the occurrence of performance and market vesting triggers. The vesting triggers occur when the stock reaches a price target of \$0.50, \$0.75, \$1.00, \$1.50 and \$2.00. Jerry Habuda and Lindsay Hamelin resigned as Directors at this time.
- In June 2021, the Company closed a non-brokered private placement for total gross proceeds of \$600,000. The Company issued 3,000,000 units at a price of \$0.20 per unit, where each unit consisted of one common share of the Company and one common share purchase warrant of the company, where each warrant entitles the holder to purchase one common share within three years of the closing date at a price of \$0.20 per common share.
- In February 2021 the Company via its wholly owned subsidiary Plant & Company Brands Group Inc. completed an amalgamation with Holy Crap Brands Inc. ("Holy Crap") whereby the Company issued 29,300,000 common shares and 4,000,000 share purchase warrants (expiring May 2022) entitling the current Holy Crap warrant holders to purchase one common share of the Company at a price of \$0.40.

Holy Crap produces a high fiber plant based super-seed nutritional cereal that is sold online and in retail locations across Canada and USA.

- In January 2021, pursuant to a share purchase agreement, the Company acquired 100% of the issued and outstanding common shares of 2574578 Ontario Inc. and JDB Innovations Ltd., collectively referred to as "YamChops" in exchange for payment of \$770,000 and the issuance of 344,828 common shares of the Company.

YamChops is a plant-based butcher and marketplace restaurant offering protein alternatives, prepared foods, meals and specialty food products in Toronto.

FINANCIAL PERFORMANCE

SELECTED FINANCIAL INFORMATION

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Total Revenue	794,460	323,897	1,739,318	1,028,977
Net (loss) for the period	(636,753)	(711,303)	(1,639,001)	(21,932,105)
Net (loss) per share-basic	(0.01)	(0.01)	(0.02)	(0.26)
Total comprehensive (loss)	(636,753)	(711,303)	(1,639,001)	(21,932,105)
Capital expenditures	20,953	nil	58,429	3,996
			As at September 30, 2022	As at December 31, 2021
Total assets			4,865,148	3,667,618
Total liabilities			3,021,820	592,709
Working capital			1,608,962	1,013,621

RESULTS OF OPERATIONS

The following paragraphs provide information about the results of the Company's on-going operations for the three and nine months ended September 30, 2022 and 2021.

Revenue

For the three and nine months ended September 30, 2022, the Company generated revenue of \$794,460 and \$1,739,318 respectively as compared to \$323,897 and \$1,028,977 for the corresponding periods of 2021. Revenue is primarily generated from the sale of plant-based products through its Yamchops, Holy Crap, LumberHeads and Heal Lifestyles subsidiaries. The increase in revenues can mostly be attributed to the acquisition of Heal Lifestyles in the second quarter of 2022.

Net Loss for the period-end

For the three and nine months ended September 30, 2022, the Company recorded a net loss of \$636,753 and \$1,639,001 respectively as compared to a net loss of \$711,303 and \$21,932,105 for the respective periods of 2021. The decrease in losses were primarily as a result of the goodwill impairment charge and the high share-based compensation for performance warrants in 2021. The loss for 2022 has also been a result of administration costs from acquisition activities.

General and administrative expense

The following table provides a breakdown of general and administrative expense:

	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Legal and accounting	61,684	68,936	217,690	198,353
Advertising and marketing	95,976	73,021	216,234	180,152
Investor relations	-	8,000	3,000	1,803,900
Consulting	68,439	26,177	135,958	435,974
Management	95,333	77,854	313,033	361,412
Office and sundry	98,955	58,879	212,598	109,733
Business development	39,873	40,689	96,140	444,516
Salaries and wages	247,322	130,624	543,625	339,260
Total General and Administrative	707,582	484,180	1,738,278	3,873,300

General and administrative costs increased 55% in the three months ended September 30, 2022, as compared to the same period of 2021, mostly as a result of increased salaries and wages as well as higher consulting fees for acquisition activity. On a year-to-date basis general and administrative cost were down 55% from the same period of 2021 mostly due to the reduction in investor relation costs. The company is working on reducing its general and administrative costs. The increase to management fees, accounting and legal, salaries and wages are a reflection of the Heal Wellness acquisition and assessment of other opportunities in the marketplace.

Depreciation and amortization expense

Amortization expense for the capital assets for the three and nine months ended September 30, 2022, was \$155,048 and \$417,461 respectively, as compared to \$79,649 and \$235,369 for the same periods of 2021, the increase relates to the depreciation of assets acquired in the three corporate acquisitions.

Capital expenditures

The following table shows the Company's capital additions for the period ended September 30, 2022:

	Capital expenditures	Asset dispositions
Computer equipment	1,520	-
Furniture and fixtures	24,325	(6,000)
Leasehold improvements	25,198	-
Total Property and equipment additions	51,043	(6,000)

BUSINESS UNIT PERFORMANCE

The Company has four operating segments: Yamchops, Holy Crap, Heal Lifestyles and Lumberheads. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in stand-alone sales of identical goods or services.

Holy Crap

On February 12, 2021 the Company, via its wholly owned subsidiary Plant & Company Brands Group Inc., completed an amalgamation with Holy Crap Brands Inc. ("Holy Crap") whereby the Company issued 29,300,000 common shares to the current Holy Crap shareholders and 4,000,000 share purchase warrants entitling the current Holy Crap warrant holders to purchase one common share of the Company at a price of \$0.40 until May 2, 2022. The warrants were valued at \$1,600,857 using the Black-Scholes Option Pricing Model with the following inputs: expected price volatility of 160%, risk free interest rates of 0.12%, expected life of 1.22 years and no dividend yield.

Holy Crap produces and sells breakfast cereal and related food products. The company offers its products under the brand Holy Crap, which is a gluten-free, organic, kosher, plant-based, and non-gmo project verified cereal. It markets its products through retailers as well as through online retailers and its own website.

The following table show the results of operations for the Holy Crap segment:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Revenue	184,500	169,761	573,119	496,773
Cost of goods sold	122,771	128,129	366,659	331,231
Gross Margin	61,729	41,632	206,460	165,542
Gross Margin %	33%	25%	36%	33%
General and administrative	78,083	159,731	243,325	266,470
Interest, depreciation and amortization	65,279	30,736	195,236	11,192,180
Other (Income)/expense	(263)	4,131	(5,883)	(21,934)
Segmented loss	(81,370)	(152,966)	(226,218)	(11,271,174)

Since acquisition there have been changes to the operating structure at Holy Crap Foods. We have cut external 3rd party costs with an objective of internalizing to achieve greater efficiencies and leverage across the multiple brand entities.

Operations have been streamlined to achieve maximum cost benefits. In 2022, we have invested in direct sales with the hiring of dedicated sales people and a focus on social media advertising. We are moving towards a sales oriented organizational structure, and thus new resources are focused solely on the organic growth of the brand.

Yamchops

On January 18, 2021, pursuant to a share purchase agreement, the Company acquired 100% of the issued and outstanding common shares of 2574578 Ontario Inc. and JDB Innovations Ltd., collectively referred to as "Yamchops" in exchange for payment of \$770,000 and the issuance of 344,828 common shares of the Company. The Company issued an additional 109,589 common shares as a finder's fee.

YamChops operates as a plant-based butcher shop. Its products are good for vegan, vegetarian, & flexitarian eaters and offer meat-free, dairy-free, and gluten-free choices to its customers.

The following table show the results of operations for the Yamchops segment:

	For the Three Months Ended September 30, 2022	September 30, 2021	For the Nine Months Ended September 30, 2022	September 30, 2021
Revenue	124,780	125,131	374,060	421,459
Cost of goods sold	64,682	55,220	183,783	183,901
Gross Margin	60,098	69,911	190,277	237,558
Gross Margin %	48%	56%	51%	56%
General and administrative	108,212	193,286	347,423	330,291
Interest, depreciation and amortization	53,204	50,722	158,151	318,429
Other (Income)/expense	(8,849)	21,967	(14,751)	8,821
Segmented loss	(92,469)	(196,064)	(300,546)	(419,983)

We continue to streamline the operating and production structure of Yamchops throughout 2022. We have hired a part time Chef to produce new and exciting menu options and have engaged a co-packer to produce our more labour-intensive items. The Company continues to strive towards reducing our labour costs, ingredient costs. Our Toronto location has expanded to include products from Heal Wellness, Lettuce Love and Lumberheads.

We are also looking forward to not having COVID-19 shutdowns which has significantly impacted our ability to produce revenue throughout 2021. The mandated city-wide shutdowns in Toronto significantly impacted our walk-in traffic. We have made the necessary changes to reduce staffing costs and increase focus on sales-driven activities at Yamchops. This plan coupled with the cost savings of using a co-packer for our production needs enables Yamchops to achieve profitability in the near-term.

Heal Lifestyles

On May 5, 2022, pursuant to a share exchange agreement the Company acquired 50% of Heal Lifestyles and through the accompanying shareholders agreement acquired control of Heal Lifestyles Inc.

Heal Lifestyles Inc. operates three Heal Wellness Plant-Based Quick Serve Restaurants in Southern Ontario.

The following table show the results of operations for the Heal Lifestyles segment:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Revenue	425,533	-	672,984	-
Cost of goods sold	223,778	-	365,276	-
Gross Margin	201,755	-	307,708	-
Gross Margin %	47%	0%	46%	0%
General and administrative	193,587	-	280,706	-
Interest, depreciation and amortization	41,249	-	72,505	-
Other (Income)/expense	(12,049)	-	(6,698)	-
Segmented loss	(21,032)	-	(38,805)	-

Heal Lifestyles revenues in the second quarter of 2022 were \$247,451 which represented the revenues for the 56 day period from acquisition on May 5th.

Heal Lifestyles is expanding its franchise in the later half of 2022 with the addition of locations in the Toronto GTA area.

LumberHeads

LumberHeads continues to operate its' outdoor market model and is building wholesale distribution. The number of stores carrying Lumberheads continues to increase with increased market share added through increased distribution at Sobey's and DSM.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of selected financial information compiled from the quarterly interim unaudited financial statements for the eight quarters ending September 30, 2022:

Quarter Ended	Revenue	Loss for the Period (\$)	Loss per Share-Basic (\$)
30-Sep-22	794,460	(636,753)	(0.01)
30-Jun-22	620,176	(587,599)	(0.01)
31-Mar-22	324,682	(414,649)	-
31-Dec-21	220,376	(4,645,268)	(0.04)
30-Sep-21	323,897	(711,303)	(0.01)
30-Jun-21	443,145	(17,150,372)	(0.22)
31-Mar-21	261,935	(4,070,430)	(0.05)
31-Dec-20	(29,392)	(2,370,520)	(0.05)

LIQUIDITY AND CAPITAL RESOURCES

Cash and Working Capital

The Company's cash on hand at September 30, 2022 is \$1,651,337 up from \$936,167 at December 31, 2021, due to the \$2,000,000 issuance of the convertible debenture in the third quarter of 2022, offset by negative cash flow from operating activities, due to the general and administrative costs being higher than the Company's revenues and as reviewed in this report. The Company had a working capital of \$1,608,962 on September 30, 2022 up from \$1,013,621 on December 31, 2021. As at the date of this MD&A, the Company has sufficient working capital to meet its ongoing financial obligations for the coming year.

Cash Used in Operating Activities

For the three and nine months ended September 30, 2022, cash used in operating activities was \$446,737 and \$1,154,607 respectively as compared to \$503,426 and \$3,704,636 in the respective periods of 2021. Cash used in operating activities was used for general operating activities.

Outstanding Share Data

The common shares of the Company trade on the CSE under the symbol "HBFG".

As at September 30, 2022 the Company has 106,935,198 shares issued and outstanding (December 31, 2021 – 104,157,421).

The following is a summary of the share transactions

	Number	Amount (\$)
Balance at December 31, 2020	67,813,414	18,300,070
Private placement	3,000,000	600,000
Issuance of common shares for debt and services	109,589	85,480
Issuance of common shares upon exercise of options	1,577,000	890,285
Issuance of common shares upon exercise of warrants	2,212,590	632,337
Share exchange -corporate acquisitions	29,644,828	15,058,646
Cancellation of shares returned to treasury	(200,000)	(100,000)
Balance at December 31, 2021	104,157,421	35,466,818
Share exchange - corporate acquisition	2,777,777	222,222
Balance at September 30, 2022	106,935,198	35,689,040

Share Purchase Warrants

A continuity of the share purchase warrants is summarized as follows:

	September 30, 2022		December 31, 2021	
	Number of Warrants	Weighted average exercise price \$	Number of Warrants	Weighted average exercise price \$
Warrants outstanding, beginning of year	54,832,660	0.25	27,232,150	0.35
Issued February 12, 2021	-	-	4,000,000	0.40
Issued June 18, 2021	-	-	3,000,000	0.20
Issued June 18, 2021	-	-	27,000,000	0.20
Exercised	-	-	(2,212,590)	0.26
Expired/forfeited	(5,111,000)	0.48	(4,186,900)	0.75
Warrants outstanding, end of period	49,721,660	0.22	54,832,660	0.25

On June 1, 2021, the Company entered into a strategic advisory agreement (the "Advisory Agreement") with Maricom Inc. and 2085086 Ontario Inc. (the "Advisors") represented by Sean Black, Mark Rechichi and Alex Rechichi to assist with the private placement and to arrange for Alex Rechichi, Mark Rechichi and Kevin Cole to join the board of directors of the Company. In consideration for the assistance with the private placement and the arrangement of strategic appointments to the Board (the "Strategic Board Appointments"), the Company agreed to issue an aggregate of 27,000,000 non-transferrable share purchase warrants ("Advisory Warrants") to the Advisors. Each Advisory Warrant entitles the holder to acquire one share at a price of \$0.20 for a period of five years from their date of issue and vest upon the occurrence of the vesting triggers noted below:

Number of Advisory Warrants Vested	Vesting Trigger
5,200,000	Closing of the June 2021 private placement
2,700,000	\$0.50 ⁽¹⁾
2,750,000	\$0.75 ⁽¹⁾
5,400,000	\$1.00 ⁽¹⁾
5,450,000	\$1.50 ⁽¹⁾
5,500,000	\$2.00 ⁽¹⁾

Note: (1) Closing price of the common shares on the Canadian Securities Exchange (or any other stock exchange that the Common Shares may trade) required to trigger vesting of Advisory Warrants.

The Company recognized \$3,174,062 in share-based compensation on the issuance on the Advisory Warrants in 2021. The warrants were valued using the Black-Scholes Option Pricing Model with the following inputs: expected price volatility of 179%, risk free interest rates of 0.97%, expected life of 5 years and no dividend yield. A Monte Carlo probability model was applied to the various vesting trigger points resulting in probabilities of between 13% and 56% which were applied to the five unvested tranches.

As at September 30, 2022, the Company had outstanding warrants as follows:

Expiry date	Exercise price	Remaining life(years)	Warrants outstanding	Warrants exercisable
March 11, 2023	0.75	0.44	200,000	200,000
December 14, 2022	0.25	0.21	19,521,660	19,521,660
June 18, 2024	0.20	1.72	3,000,000	3,000,000
June 18, 2026	0.20	3.75	27,000,000	5,200,000
	0.22		49,721,660	27,921,660

Stock Options

The Company has a stock option plan and restricted share units plan that allows it to grant options to its directors, officers, employees and consultants, provided that the aggregate number of options granted shall not at any time exceed 15% of the total number of issued and outstanding common shares of the Company.

A summary of the Company's stock option transactions is presented below:

	September 30, 2022		December 31, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of year	9,870,000	0.27	4,670,091	0.33
Granted	185,000	0.38	12,145,000	0.36
Exercised	-	-	(1,577,000)	0.34
Expired	(75,000)	0.50	(20,000)	0.50
Cancelled/ forfeited	(10,000)	0.30	(5,348,091)	0.51
Options outstanding, end of period	9,970,000	0.27	9,870,000	0.27

The share options outstanding as at September 30, 2022 are as follows:

Grant date	Number of options outstanding	Exercise price	Expiry date
November 23, 2020	2,250,000	0.26	November 22, 2022
January 5, 2021	350,000	0.45	January 5, 2023
January 19, 2021	200,000	0.78	January 19, 2023
April 30, 2021	5,625,000	0.25	April 30, 2023
May 10, 2021	1,275,000	0.26	May 10, 2023
July 21, 2021	85,000	0.30	July 21, 2022
April 1, 2022	50,000	0.50	April 1, 2023
April 1, 2022	75,000	0.40	April 1, 2023
April 1, 2022	60,000	0.25	April 1, 2024
	9,970,000	0.27	

The Company recognized \$2,117 (2021 - \$2,197,449) in share-based compensation on options during the period ended September 30, 2022.

RELATED PARTY TRANSACTIONS

The Company incurred the following transactions with companies that are controlled by directors and related parties of the Company:

	Period ended September 30, 2022	Period ended September 30, 2021
	\$	\$
Consulting and other fees	225,533	317,384
Stock-based compensation	-	9,637,556
	225,533	9,954,940

As at September 30, 2022, the Company had no outstanding payables or receivables with its related parties. As at September 30, 2022, the Company had no outstanding payables or receivables with its related parties.

ADDITIONAL INFORMATION

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet transactions.

Legal proceedings

As at the current date, management was not aware of any legal proceedings involving the Company.

Commitments - Contingent liabilities

As at the current date, management was not aware of any outstanding contingent liabilities or commitments relating to the Company's activities.

FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of the Company approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist primarily of cash. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments and with property exploration and development. The Company manages liquidity risk by maintaining adequate cash balances.

The Company's expected source of cash flow in the upcoming year will be through equity financing, Revenue from its digital platforms, and through revenue producing M&A activities. Cash on hand as of September 30, 2022 and expected cash flows for the next 12 months are sufficient to fund the Company's ongoing operational needs.

Based on the contractual obligations of the Company as at September 30, 2022, cash outflows of those obligations are estimated and summarized as follows:

Payment Due by Year	2022	2023	2024 and beyond	Total
	\$	\$	\$	\$
Accounts payable and accrued liabilities	438,732	-	-	438,732
Long-term debt*	1,402	160,279	106,647	268,328
Lease obligations	92,197	187,841	618,554	898,592

	532,331	348,120	725,201	1,605,652
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*These amounts do not include interest payable.

Market risk

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

Interest rate risk

Interest rate risk consists of two components: to the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk at minimal levels.

Current financial assets and current financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity. As at September 30, 2022, the Company was not affected by interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency. Foreign currency risk is assessed as low.

Capital risk management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

FORWARD-LOOKING INFORMATION

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company, and other factors.

CAPITAL DISCLOSURE

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition of a new business. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to acquire and sustain future development of a business. The Company has recently reactivated and acquired a business, which will require additional financial resources. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the current period. The Company is not subject to externally imposed capital requirements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board. The financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility. Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board supervises the financial statements and other financial information through its audit committee.

This committee's role is to examine the financial statements and recommend that the Board approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances.

In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

As at the date of this MD&A, the directors of the Company are Shawn Moniz, Marco Contardi, Alex Rechichi, Mark Rechichi and Kevin Cole.