ASIA GREEN BIOTECHNOLOGY CORP.

MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023

MANAGEMENT'S DISCUSSION & ANALYSIS

The following management's discussion and analysis ("MD&A") should be read in conjunction with Asia Green Biotechnology Corp.'s ("AGBC" or the "Corporation") unaudited condensed interim financial statements as at and for the three and six months ended June 30, 2024 and 2023, and the audited annual financial statements for the year ended December 31, 2023 and 2022. The financial data presented herein, including comparative periods, have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". Accordingly, certain information and disclosure normally included in audited annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed.

The MD&A is dated August 26, 2024. The reader should be aware that historical results are not necessarily indicative of future performance.

Additional information about the Corporation, filed with the Canadian securities commissions, including periodic yearly and quarterly reports, is available online at www.sedarplus.ca.

Asia Green Biotechnology Corp. ("AGBC" or the "Corporation") is a publicly traded corporation, listed on the Canadian Securities Exchange ("CSE") since January 24, 2029, under the symbol "ASIA". The address of the registered office of the Corporation is Suite 1150, 707 – 7th Avenue S.W., Calgary, Alberta, T2P 3H6. The Corporation (formerly; Asia Cannabis Corp.) was incorporated by Certificate of Incorporation pursuant to the provisions of Alberta, Canada on December 19, 2017. On April 16, 2020, the Corporation changed its name to Asia Green Biotechnology Corp. by Certificate of Amendment pursuant to the provisions of Alberta, Canada.

On April 12, 2024, the Corporation issued a news release that it has discontinued any further activities in Asia, and in particular, to cease activities in Cambodia and Thailand. Prior to this news release and during the years ended December 31, 2023 and 2022, the Corporation's principal activities remained that of an early-stage international agro-technology company, that had a business focus on the development, evaluation, testing, application and, ultimately, suppling to the market of proprietary organic hybridization technology and certain products derived from that technology (the "Technology"). The core approach of the business was centered on the planting, growth and harvesting of new and valuable strains of hemp and related crops in commercial quantities under the terms of the license agreement with InPlanta Biotechnology Inc. ("InPlanta") and the evaluation and development of medicinal and related cannabinoidal extracts under the terms of license agreements with Swysh Inc. ("Swysh"), and Pathway Rx Corp ("Pathway"). InPlanta, Swysh and Pathway are three separate Alberta companies owned by a director of the Corporation; thus, they are considered related parties.

FORWARD-LOOKING STATEMENTS

This MD&A may contain forward-looking or outlook information which reflects management's expectations regarding the Corporation's growth, results of operations, performance and business prospects and opportunities. The use of words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "outlook", "forecast" and similar expressions are intended to identify forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results of events to differ materially from those anticipated in these forward-looking statements. Although management believes the expectations reflected in these forward-looking statements are reasonable, there can be no assurance that actual results will be consistent with these forward-looking statements. Readers should not put undue reliance on forward-looking information. These statements are made as of the date hereof and management assumes no obligation to update or revise these statements to reflect new events or circumstances, except as required by securities legislation.

Risk Factors

General Risk Factors

Going concern

As at June 30, 2024, there exists material uncertainty that may cast doubt on the Corporation's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Corporation be unable to continue as a going concern for a reasonable period of time.

To date, the Corporation has not generated revenues from operations and the Corporation may have additional capital requirements to continue its operations but they might not be available to the Corporation on favorable terms or at all, and if unavailable its ability to run its business will be impaired.

As of the date hereof, the Corporation has limited working capital. If the Corporation is unable to generate revenues to cover operating expenses or raise additional funds in the next 12 months should the Corporation determine to undertake additional projects outside of its current business plan, the Corporation will be unlikely to expand its business operations.

The Corporation has a limited history of operations and unless it is able to successfully execute its business plan in the near future, its business and operating results will suffer resulting in the complete failure of its business.

The Corporation's operations remain subject to all of the risks inherent in the establishment of a new business. The likelihood of the Corporation's success must be considered in light of the risks, problems, expenses and delays frequently encountered in connection with the formation of a new business in general, as well as the highly competitive environment in which the business is operating. To address these risks, the Corporation must, among other things, continue to respond to competitive developments, product failure causing personal injury and property damage, attract, retain and motivate qualified personnel, commercialize products, and implement and successfully execute its marketing strategy and advertising sales strategy. There can be no assurance that the Corporation will be successful in addressing such risks.

The Corporation is currently dependent on its officers and directors for its success and its future operations may require that the Corporation can attract and retain qualified employees, which it may not be able to do.

The Corporation's current operations are managed by its officers and directors, and should its officers and directors resign, the Corporation would have no personnel to undertake its operations and therefore the Corporation would be adversely affected. The Corporation has no key-person insurance policy for the CEO or any other officers and/or directors and at this time, the Corporation has no intention of acquiring same. The Corporation's future operations may depend, in part, on its ability to attract, employ and retain additional qualified employees. No assurance can be given that the Corporation will be able to attract or retain such personnel, if required.

The Corporation will rely on consultants and employees and if it is unable to retain these or other similarly qualified individuals, the Corporation may not be able to carry out its business operations.

The Corporation expects to be dependent upon contract service providers and loss of their services could adversely affect the Corporation's business and its ability to maintain its operations or develop new products. The Corporation has not entered into any employment or non-competition agreements with any individuals and do not plan to in the future. The Corporation's success will depend on its ability to attract and retain qualified personnel. If the Corporation cannot attract and retain the necessary individuals, its operating results will suffer.

The Corporation will incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could harm the Corporation's operating results.

As a public company, the Corporation will incur significant additional legal, accounting and other expenses that it would not incur as a private company, including costs associated with public company reporting requirements. These rules and regulations substantially increase its legal and financial compliance costs and to make some activities more time-consuming and costly. These rules and regulations also make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage previously available. As a result, it may be more difficult for the Corporation to attract and retain qualified individuals to serve on the Board or as executive officers.

The Corporation is subject to certain uninsured or uninsurable risks.

The Corporation may be subject to liability for risks against which it cannot insure or against which the Corporation may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Corporation's usual business activities. Payment of liabilities for which the Corporation does not carry insurance may have a material adverse effect on the Corporation's financial position and operations.

Risk Factors Relating to the Corporation:

Insufficient Capital

The Corporation does not currently have any revenue producing operations and may, from time to time, report a working capital deficit. To maintain its activities, the Corporation will require additional funds which may be obtained either by the sale of equity capital or by entering into an option or joint venture agreement with a third party providing such funding. There is no assurance that the Corporation will be successful in obtaining such additional financing; failure to do so could result in failure of the Corporation and total loss of your investment.

Financing Risks

The Corporation has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Corporation will be profitable. The Corporation has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Corporation is through the sale of its equity shares and there is no assurance that any such funds will be available on terms acceptable to the Corporation, or at all. If available, future equity financing may result in substantial dilution to purchasers under the Offering. At present it is impossible to determine what amounts of additional funds, if any, may be required.

The Corporation does not plan to pay dividends in the foreseeable future, and, as a result, shareholders will need to sell shares to realize a return on their investment.

The Corporation has not declared or paid any cash dividends on its capital stock since inception. The Corporation intends to retain any future earnings to finance the operation and expansion of its business and does not anticipate paying any cash dividends in the foreseeable future. As a result, shareholders will need to sell shares of common stock in order to realize a return on their investment, if any. If no market develops for the common shares in the future investors would lose their entire investment.

Common Shares/Market Risk

Despite a CSE listing of the Corporation’s common shares, there is no guarantee that a market will develop for the Common Shares and therefore, investors may find it difficult or impossible to sell their Common Shares.

If a market develops, it is anticipated that the market price of the Common Shares will be subject to wide fluctuations in response to several factors including:

- the ability to generate revenues from sales;
- the ability to generate brand recognition of the products and services and acceptance by consumers;
- increased competition from competitors who offer competing services;

- the financial condition and results of operations; and
- the ability to continue to generate or otherwise acquire new products and develop those assets into viable commercial products.

Furthermore, the stock market may experience extreme price and volume fluctuations, which, without a direct relationship to the Corporation's operating performance, may affect the market price of the Common Shares.

The Corporation may, in the future, issue additional Common Shares which would reduce investors' percentage ownership and may dilute the value of the Common Shares.

The Corporation's Articles of Incorporation authorize the issuance of unlimited Common Shares. There are no other classes of securities authorized other than preferred shares. The Corporation may value any securities issued in the future on an arbitrary basis. The issuance of additional securities for future services or acquisitions or other corporate actions may also have the effect of diluting the value of the Common Shares held by the Corporation's investors and might have an adverse effect on the trading market for the Common Shares.

Resale of Common Shares

The continued operation of the Corporation will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Corporation is unable to generate such revenues or obtain such additional financing, any investment in the Corporation may be lost.

Negative Operating Cash Flow

Since inception, the Corporation has had negative operating cash flows. The Corporation expects to incur losses over the next several years. The losses and negative operating cash flow are expected to continue for the foreseeable future as funds are expended on the business plan. The Corporation cannot predict when it will reach positive operating cash flow.

SELECTED FINANCIAL INFORMATION ($)

	December 31, 2023	**December 31, 2022 (Restated)**	**December 31, 2021**
Revenue	-	-	-
Net loss and comprehensive loss	(221,174)	(164,016)	(524,517)
per share (basic and fully diluted)	(0.01)	(0.00)	(0.02)
Non-current liabilities	-	59,675	-
Total assets	65,338	68,177	116,301

QUARTERLY DATA ($)

Period ended	Revenue	Expenses	Net Loss	Basic and Fully Diluted	Total Assets
June 30, 2024	-	(107,388)	(107,388)	(0.00)	62,539
March 31, 2024	-	(46,167)	(46,167)	(0.00)	67,220
December 31, 2023	-	(153,114)	(153,114)	(0.00)	65,338
September 30, 2023	-	(24,059)	(24,059)	(0.00)	60,264
June 30, 2023	-	(27,143)	(27,143)	(0.00)	60,207
March 31, 2023	-	(16,858)	(16,858)	(0.00)	59,758
December 31, 2022	-	(66,773)	(66,773)	(0.00)	68,177
September 30, 2022	-	(40,638)	(40,638)	(0.00)	58,067

SUMMARY OF RESULTS ($)

	Three Months Ended Jun. 30 2024	Three Months Ended Jun. 30 2023	Six Months Ended Jun. 30 2024	Six Months Ended Jun. 30 2023
Revenue	-	-	-	-
Expenses				
General and administrative expenses	(98,984)	(19,563)	(136,993)	(29,262)
Research and Development	-	-	-	-
Interest	(8,404)	(7,580)	(16,562)	(14,739)
(Loss) gain on change in fair value of promissory notes	-	-	-	-
Net loss and comprehensive loss	(107,388)	(27,143)	(153,555)	(44,001)
Loss per share – basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Net cash from (used in) operating activities	40	(25,473)	25	(34,238)
Total assets	62,539	60,207	62,539	60,207
Working capital [1]	(615,531)	(219,102)	(615,531)	(219,102)

[1] *Working capital is calculated as current assets less current liabilities. This is a non-IFRS measure.*

GENERAL AND ADMINISTRATIVE ("G&A") EXPENSES ($)

	Three Months Ended Jun. 30 2024	Three Months Ended Jun. 30 2023	Six Months Ended Jun. 30 2024	Six Months Ended Jun. 30 2023
G&A expenses	98,984	19,563	136,993	29,262

G&A expenses for the six months ended June 30, 2024 totaled $136,993 (2023 - $29,262).

G&A expenses for the three months ended June 30, 2024 totaled $98,984 (2023 - $19,563).

The increase in G&A expenses during the three and six months ended June 30, 2024 as compared to the previous periods are mostly due to increased audit and legal fees and 2023 consulting fees that were not recorded previously.

The following table breaks down G&A expenses by category ($):

	Three Months Ended Jun. 30 2024	**Three Months Ended Jun. 30 2023**	**Six Months Ended Jun. 30 2024**	**Six Months Ended Jun. 30 2023**
Audit and legal fees	36,607	8,449	40,650	9,181
Consulting fees	45,000	-	75,000	-
Filing and registration fees	12,620	8,549	16,571	15,980
Office	4,757	2,565	4,772	4,101
	98,984	**19,563**	**136,993**	**29,262**

PROMISSORY NOTE

(i) $150,000 12% secured convertible promissory note:

On December 6, 2021, the Corporation obtained a secured convertible promissory note of $150,000 from a company owned by a late director and shareholder (the "lender"). This secured convertible promissory note carried interest of 12% per annum and was secured by the licence agreement between the Corporation and Pathway.

This secured convertible promissory note was convertible at any time after the date of issue at the option of the lender into common shares of the Corporation or automatic conversion upon occurrence of a qualifying financing, defined in the lending agreement as the Corporation raising gross proceeds of at least $1,000,000 from issuance of common shares, before the maturity date. This secured convertible promissory note was also convertible upon occurrence of a liquidity event, which is defined in the lending agreement as: (a) an amalgamation, arrangement or consolidation, (b) the sale, lease, transfer, exclusive license or other disposition, and (c) the sale of common shares to the public in a firm-commitment underwritten public offering pursuant to an effective registration statement under the United States Securities Act of 1933, among other things.

The conversion price would be equal to the trading price of the Corporation's common shares as traded on the CSE, with a maximum discount applied (if permitted under CSE rules) or $0.05 per common share, whichever is lower. At any time before conversion or repayment in full, whether prior to, on or after the maturity date (24 months from issuance), the lender may elect, in its sole discretion, by written notice delivered to the Corporation, to convert the outstanding amount in full into common shares of the Corporation.

Upon initial recognition on December 6, 2021, the cash proceeds received was determined to approximate the fair value of this secured convertible promissory note.

As at December 31, 2021, the fair value of the secured convertible promissory note was determined to be $150,000.

As at December 31, 2022, the fair value of this secured convertible promissory note was determined to be $131,026. Accordingly, the decrease in fair value of $18,974 was recorded as a reduction in the secured convertible promissory note balance with a corresponding gain on change in fair value recorded in the statement of loss and comprehensive loss.

This secured convertible promissory note matured on December 6, 2023.

As at December 31, 2023, the promissory note had matured and the fair value of the secured convertible promissory note was determined to be $150,000. The increase in fair value of $18,974 was recorded in the secured convertible promissory note balance with a corresponding loss on change in fair value recorded in the statement of loss and comprehensive loss.

During the year ended December 31, 2023, interest expense on this secured convertible promissory note was $20,814.

During the six months ended June 30, 2024, interest expense on this secured convertible promissory note was $11,345 (2023 - $10,012). As at June 30, 2024, the unpaid accrued interest on the secured convertible promissory note was $46,279 (December 31, 2023 - $34,934).

(ii) $75,000 12% secured convertible promissory note:

On December 13, 2022, the Corporation obtained another loan of $75,000 also by way of a convertible promissory note from the same late director and shareholder (the “lender”). This secured convertible promissory note also carries interest of 12% per annum and is secured by the licence agreement between the Corporation and Pathway. This secured convertible promissory note will mature on December 13, 2024.

This secured convertible promissory note is also convertible under the same conversion terms as the $150,000 secured convertible promissory noted above.

Upon initial recognition on December 12, 2021, the cash proceeds received was determined to approximate the fair value of this secured convertible promissory note.

As at December 31, 2022, the fair value of the secured convertible promissory note was determined to be $59,675. Accordingly, the decrease in fair value of $15,325 was recorded as a reduction in the secured convertible promissory note balance with a corresponding gain on change in fair value recorded in the statement of loss and comprehensive loss.

As at December 31, 2023, the fair value of the secured convertible promissory note was determined to be $62,407 so the increase in fair value of $2,732 was recorded in the secured convertible promissory note balance with a corresponding loss on change in fair value recorded in the statement of loss and comprehensive loss.

During the year ended December 31, 2023, interest expense on this secured convertible promissory note was $9,571.

During the six months ended June 30, 2024, interest expense on this secured convertible promissory note was $5,217 (2023 - $4,604). As at June 30, 2024, the unpaid accrued interest on the secured convertible promissory note was $15,257 (December 31, 2023 - $10,040).

(iii) Loan

On June 16, 2023, the Corporation obtained a loan of $25,000 from the same late director and shareholder (the “lender”). This loan is unsecured, carries no interest and is due on demand.

SHARE CAPITAL

a) **Authorized**

Unlimited number of voting common shares, without par value.

Unlimited number of preferred shares issuable in series, as determined by the directors.

b) **Issued**

Common shares	**Number of shares**		**Amount**
Balance, June 30, 2024 and December 31, 2023	36,247,100	$	1,738,186

c) **Share Options**

Under the Corporation's share option plan, the Corporation may grant options to its directors, officers, employees and consultants up to a maximum of 10% of the issued common shares. The exercise price of each option is determined by the Board of Directors of the Corporation when such option is granted. The options fully vest and are expensed at grant date. The option's maximum term is five years.

During the three and six months ended June 30, 2024 and year ended December 31, 2023, the Corporation did not issue any options.

The following is a summary of changes to the Corporation's share options:

	June 30, 2024			**December 31, 2023**		
	Number	**Weighted average exercise price $**	**Weighted average remaining life (years)**	**Number**	**Weighted average exercise price $**	**Weighted average remaining life (years)**
Outstanding, beginning of period	250,000	0.10	2.07	2,390,003	0.23	0.47
Expired	-	-	-	(2,140,003)	0.25	-
Outstanding, end of period	**250,000**	**0.10**	**1.56**	**250,000**	**0.10**	**2.07**
Exercisable, end of period	**250,000**	**0.10**	**1.56**	**250,000**	**0.10**	**2.07**

2,140,003 share options expired unexercised on March 1, 2023.

NET LOSS AND COMPREHENSIVE LOSS, AND CASH FLOWS FROM OPERATING ACTIVITIES ($)

	Three Months Ended Jun. 30 2024	**Three Months Ended Jun. 30 2023**	**Six Months Ended Jun. 30 2024**	**Six Months Ended Jun. 30 2023**
Net loss and comprehensive loss	(107,388)	(27,143)	(153,555)	(44,001)
Per share – basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Net cash from (used in) operating activities	40	(25,473)	25	(34,238)

During the six months ended June 30, 2024, the Corporation recorded a net loss and comprehensive loss of $153,555 (2023 - $44,001). On a per share basis, this loss equates to $0.00 per share (2023 - $0.00 per share).

During the three months ended June 30, 2024, the Corporation recorded a net loss and comprehensive loss of $107,388 (2023 - $27,143). On a per share basis, this loss equates to $0.00 per share (2023 - $0.00 per share).

RELATED PARTY TRANSACTIONS

Financing transactions

See Note 6 to the unaudited condensed interim financial statements for the three and six months ended June 30, 2024 and 2023.

Operating transactions

See also Notes 1 and 4 to the unaudited condensed interim financial statements for the three and six months ended June 30, 2024 and 2023.

As at June 30, 2024, Swysh provided research and development services to the Corporation totaling $Nil (2023 - $Nil). As at June 30, 2024 the Corporation had $15,750 (December 31, 2023 - $15,750) payable to Swysh.

Key management compensation

Key management personnel include executive officers and directors. Executive officers include the Chief Executive Officer and Chief Financial Officer, who are also directors of the Corporation.

Executive officers receive consulting fees by virtue of their consulting agreements with the Corporation, and also participate in the Corporation's share option program.

During the six months ended June 30, 2024, consulting fees charged by the executive officers amounted to $70,000 (2023 - $Nil), which is recorded in consulting fees in the statement of loss and comprehensive loss. As at June 30, 2024, the Corporation had balance payable of $281,925 (December 31, 2023 - $203,175) in relation to consulting fees charged by the executive officers and former executive officers which is included in accounts payable and accrued liabilities.

RESEARCH AND DEVELOPMENT COSTS ("R&D")

During the three and six months ended June 30, 2024, the Corporation incurred research and development expense of $Nil (2023 - $Nil).

SUPPLEMENT TO THE FINANCIAL STATEMENTS

The outstanding common shares and share options are summarized below (also see note 7 of the financial statements):

	August 22, 2024	**June 30, 2024**	**December 31, 2023**
Common shares	36,247,100	36,247,100	36,247,100
Share options	250,000	250,000	250,000

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2024, the Corporation had a working capital deficit of $615,531, which included cash of $1,337.

RESTATEMENT

During the years ended December 31, 2022 and 2021, the Corporation received secured convertible promissory notes from a late director and shareholder. The Corporation did not determine the fair values of those secured convertible promissory notes as required under IFRS 9 *Financial Instruments* and it was also subsequently determined that the conversion feature did not meet the fixed-for-fixed equity classification criteria under IAS 32 *Financial Instruments: Presentation*, as such the conversion feature was a derivative liability.

For additional information, refer to note 14 to the audited financial statements for the years ended December 31, 2023 and 2022.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

CONTRACTUAL OBLIGATIONS AND CAPITAL COMMITMENTS

There are no contractual obligations or capital commitments.

CAPITAL MANAGEMENT

The Corporation's capital consists of share capital. The Corporation's objectives when managing capital are:

(i) to maintain a flexible capital structure, which optimizes the cost of capital and acceptable risk; and,

(ii) to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Corporation sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Corporation is not subject to any externally or internally imposed capital requirements at June 30, 2024.

There were no changes in the Corporation’s approach to capital management during the three and six months ended June 30, 2024.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Financial instruments

<u>Fair value measurement</u>

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Corporation’s financial instruments are recorded at fair value or at amounts that approximate fair value in the financial statements.

At June 30, 2024 and December 31, 2023, the Corporation's financial instruments consist of cash, accounts payable and accrued liabilities and promissory notes.

The carrying values of cash, accounts payable and accrued liabilities approximate their fair values due to their relatively short periods to maturity or the terms and conditions of their repayment. The promissory notes are recorded at fair value as explained in note 6 to the audited annual financial statements for the years ended December 31, 2023 and 2022.

(b) Risk management

The Corporation's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk. This note presents information about the Corporation's exposure to each of these risks, the Corporation's objectives, policies and processes for measuring and managing risk, and the Corporation's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements. The Corporation employs risk management strategies and polices to ensure that any exposures to risk are in compliance with the Corporation's business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for the Corporation's risk management framework, management has the responsibility to administer and monitor these risks.

Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Corporation's cash.

The Corporation's maximum exposure to credit risk associated with financial assets is in relation to cash is equivalent to their carrying amount.

As noted in Note 4 to the unaudited condensed interim financial statements for the three and six months ended June 30, 2024 and 2023, as at June 30, 2024, the Corporation's cash were held jointly at a financial institution as well as in trust. The credit risk exposure on this cash is minimal.

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Corporation's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

As at June 30, 2024, the Corporation has cash of $1,337 (December 31, 2023 - $1,312) to settle the above liabilities. See Note 2 (b) going concern to the unaudited condensed interim financial statements for the three and six months ended June 30, 2024 and 2023.

Market risk

Market risk is the risk that changes in market prices – e.g., foreign exchange rates, interest rates and equity prices – will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

- Interest rate risk:

Interest rate risk is part of market risk and is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Corporation's promissory notes (note 6 to the unaudited condensed interim financial statements for the three and six months ended June 30, 2024 and 2023) carry fixed rate of interest. As such, the Corporation is not exposed to the risk of interest rate fluctuation.

- Foreign currency risk

As at June 30, 2024 and December 31, 2023, the Corporation did not have any foreign currencies.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Corporation reviewed all new and revised accounting standards and pronouncements that are not yet effective and not implemented in the financial statements and determined that there were none issued up to June 30, 2024 that would have a material impact.

MATERIAL TRANSACTIONS

On August 21, 2024, the Corporation announced that it has elected to the terminate the previously announced agreement dated February 9, 2024 pursuant to which the Company was to acquire all of the issued and outstanding shares in two private companies being Burton Growers Ltd. and Green-Sight Agri-Holdings Inc. The Corporation cited delays in obtaining regulatory approval and the ongoing impact of other negative market conditions as the principal reasons for its withdrawal and emphasizes that such withdrawal was in no way a reflection on the quality of the properties.

On August 22, 2024, the Corporation announced that it has entered into a non-binding letter of intent ("LOI") dated August 22, 2024 to acquire all of the issued and outstanding common shares of Paladin Services Group Ltd. ("Paladin"), a private company that owns a Class II Disposal Well in the Bonnie Glen field area of central Alberta and which has secured disposal commitments from several major producers in the area to inject Class II fluids into the Leduc Formation.

About Paladin's Duvernay Disposal Facilities

Paladin recently acquired an existing Class II Disposal Well in the Bonnie Glen field of central Alberta. Paladin has also received Crown mineral authorization for Class Ib disposal into the Cooking Lake formation for its proposed waste management disposal facility located near Rimbey, Alberta (Bonnie Glen and Rimbey projects, collectively referred to as the "Waste Management Facilities").

Having recently received Crown mineral authorization, Paladin anticipates drilling a Class Ib well and constructing related facilities at Rimbey in early 2025, subject to completion of the Financing (as defined below).

Paladin has engaged Keystone Field Engineering to assist with applications to the Alberta Energy Regulator (the "AER") and the AER has approved the construction of surface infrastructure at the Bonnie Glen facility. Paladin expects Bonnie Glen to be operational by Q4 2024 and Rimbey by Q2 2025.

The Transaction

Pursuant to the LOI, the Company will issue to the shareholders of Paladin, prior to completion of the minimum Financing described below, approximately 15,053,333 common treasury shares in exchange for all of the issued and outstanding common shares of Paladin (the "Transaction"). The final number of common shares to be issued will depend on the actual number of common shares issued by Paladin under the Financing.

It is currently anticipated the Transaction will be structured as a three-cornered amalgamation whereby Paladin shall amalgamate with a newly formed wholly owned subsidiary of the Company. Pursuant to the Transaction, the Company shall:

(i) *Issue to the Paladin shareholders, one common share of the Company for each outstanding Paladin share on the closing date of the Financing and Transaction, being approximately 15,053,333 common shares;*

(ii) *Exchange all outstanding stock options held by the directors and officers of Paladin on a one for one (1:1) basis on the same terms as the existing Paladin options, being 2,000,000 options exercisable at $0.25 until June 30, 2029;*

(iii) *Exchange all outstanding warrants of Paladin on a one for one (1:1) basis, on the same terms as the existing Paladin warrants, being 2,005,000 warrants exercisable at $0.40 until July of 2027; and*

(iv) *Cancel all outstanding stock options of the Company.*

On closing of the Transaction, assuming completion of the minimum Financing, the shareholders of Paladin will own approximately 90% of the outstanding common shares of the resulting issuer. It is a condition of the closing of the Transaction that a private placement financing for a minimum $5,000,000 be completed, which can be increased or decreased as determined by Paladin depending on the final capital requirements to complete the construction of the Bonnie Glen facility. Additional conditions, including the execution of a formal agreement, completion of the Consolidation (described below), shareholder approval and receipt of regulatory approval, must be met in order for the Transaction to close. The proposed Transaction will be a reverse takeover of the Company by Paladin and their respective shareholders. The proposed Transaction is not considered a related party transaction.

Concurrent Financing

In conjunction with the closing of the Transaction, Paladin and the Company intend to complete a financing by way of private placement for aggregate minimum proceeds of $5,000,000 and up to a maximum of $10,000,000 (the “Financing”). It is anticipated the Financing will proceed as a combination of: (i) Paladin common shares at an issue price of $0.75 for gross proceeds of approximately $2.5 million and releasable immediately upon closing to fund completion of the Bonnie Glen facility, and (ii) $2.5 million of subscription receipts issued by the Company (the “Subscription Receipts”) at a price of $0.75 per Subscription Receipt (after giving effect to the Consolidation described below) and will be subject to the rules of, and approval by, the Canadian Securities Exchange (the “CSE”). Upon satisfaction of the escrow release conditions relating to the Financing, including all conditions precedent to the closing of the Financing being satisfied, each Subscription Receipt will automatically convert without any further action on the part of the Subscription Receipt holder into one common share of the resulting issuer upon closing of the Transaction.

Debt Conversion

From the Financing proceeds, the Company and or Paladin shall pay $300,000 to its non-arms length debt holders of the Company currently owed approximately $450,000, with the remainder of such being converted into common shares of Paladin at a deemed issued price of $0.25. This will result in the issuance of approximately 600,000 Paladin common shares.

Capitalization

As of the date hereof, the Company has 36,247,100 common shares issued and outstanding. As a prerequisite to closing the Transaction, the Company shall complete a share consolidation of its outstanding common shares on a 15:1 basis (the “Consolidation”), resulting in 2,416,473 outstanding common shares of the Company immediately prior to closing.

The anticipated capital structure of the Company after closing of the Transaction will be approximately as follows:

	Minimum Financing ($5,000,000)	**Maximum Financing ($10,000,000)**
Owned by the Company's shareholders post-Consolidation	2,416,473	2,416,473
Shares to be issued to Paladin pursuant to the Transaction	15,053,333	15,053,333
Shares to be issued under the Financing	6,666,667	13,333,333
Shares to be issued for debt conversion	600,000	600,000
Total Resulting Issuer Common Shares Outstanding	24,736,473	31,403,139

Trading Halt

The Company's common shares are currently halted and management anticipates they will remain halted until the Transaction has closed.

Go Forward Management

After closing of the Transaction, senior management of the Company will be members of the current management team of Paladin, including Kevin Baumann as President and CEO of the resulting issuer. With decades of experience in the waste disposal industry, Mr. Baumann has a proven track record of success, having founded and grown previous waste disposal companies in Alberta, namely, Producers Disposal and White Swan Environmental, whose assets were later sold for more than $300 million. Under his leadership, Paladin is positioned to capitalize on this expertise, driving exceptional value creation for investors and stakeholders. The resulting issuer will also include two directors from the Company.

Mr. Baumann, as the founding shareholder, director, and officer of Paladin, commented "As we continue to advance our operations in the Alberta Duvernay play, the development of Paladin's Waste Management Facilities marks a significant milestone. Once completed, these facilities will not only set new standards in environmental responsibility but also be highly accretive to shareholder value. We are confident that our strategic growth initiatives will drive long-term success while delivering meaningful returns for our investors".

Further information regarding the background of directors and officers of the resulting issuer will be included in a follow-up news release.

Selected Financial Information

Paladin is currently preparing audited financial statements which are expected to be included in the information circular being prepared in connection with the proposed Transaction. Further details will be provided in a future news release.

CRITICAL ACCOUNTING ESTIMATES

The following discussion sets forth management's most critical estimates, judgments and assumptions in preparation of the financial statements:

Judgments

Going concern - Assessment as to whether there are material uncertainties that may cast significant doubt on the Corporation's ability to continue as a going concern.

Estimates

Secured convertible promissory notes - The Corporation issues secured convertible promissory notes, which may be comprised of embedded derivatives such as the conversion feature (equity or derivative liability components), the debt host and an element related to below-market interest rate. The identification of components within the secured convertible promissory notes is based on interpretations of the substance of the contractual arrangement and therefore requires judgments and estimates from management.

In line with its accounting policy, the Corporation measures convertible debentures, in its entirety (debt host and convertible component), at fair values at the reporting date. This method requires the input of a number of assumptions including estimated market rate of interest and volatility. These assumptions are determined using management’s best estimates and involve inherent uncertainties.