KOMO PLANT BASED FOODS INC.

change can start with a single bite™

MANAGEMENT DISCUSSION & ANALYSIS

For the Three Months Ended October 31, 2022 and 2021

(Expressed in Canadian Dollars)

December 29, 2022

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This Management's Discussion and Analysis ("MD&A") relates to the consolidated financial position and financial performance of Komo Plant Based Foods Inc. ("Komo Foods" or the "Company") and our 100% owned subsidiaries Komo Plant Based Comfort Foods Inc., Fasttask Inc. and 10758914 Canada Inc. for the three months ended October 31, 2022 and 2021. All references to "us" "we" and "our" refer to the Company. All intercompany balances and transactions have been eliminated.

Except where otherwise indicated, the financial information contained in this MD&A was prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A should be read in conjunction with our audited annual consolidated financial statements for the years ended July 31, 2022 and 2021 and condensed interim consolidated financial statements for the three months ended October 31, 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 its 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. During the three months ended October 31, 2022, the Company incurred a net loss of $243,640 and incurred negative cash flows in the operating activities of $177,504. As at October 31, 2022, the Company has a working capital deficit of $232,997 and an accumulated deficit of $16,434,876. Our continued operations are dependent on future profitable operations, management's ability to manage costs and the future availability of equity or debt financing. Whether and when we can generate sufficient operating cash flows to pay for our expenditures and settle our obligations as they fall due is uncertain. The consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

The outbreak of the coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to our supply chain and operations. The COVID-19 pandemic has impacted and could further impact our operations and the operations of our suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts our business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic; the effects of the COVID-19 pandemic on our suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments; and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Company. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Company cannot reasonably estimate the impact at this time our business, liquidity, capital resources and financial results.

CORPORATE AND BUSINESS OVERVIEW

At Komo Foods, we believe plant-based eating is the future and **change can start with a single bite**™. Our mission is to make plant-based meals a staple on every dinner table by sharing our love for feel-good food that connects the people to the planet.

Komo Foods is an emerging plant-based food company engaged in the development, production, marketing, and distribution of a variety of premium plant-based meals. Our products are plant-based versions of classic favourites that are traditionally meat and dairy-centric. By incorporating only wholesome, plant-based ingredients, we aim to create the same satisfying experience without compromise. We launched our flagship product line on our direct-to-consumer eCommerce platform in March 2021. Since then, we have continued our plant-based innovation and added new items to our product line. Our products are available at approximately 790 retail locations in Canada and through our own eCommerce website www.komocomfortfoods.com. Our Lasagna was awarded the VegNews Best of Show Award 2022 for Best New Vegan Product of the 2022 Natural Expo West show in California, USA.

We offer multi-serve plant-based meals and entrees with our Ready-to-Bake Classics and our Plant-Based Meal Helpers™. All our products are 100% plant-based, made with wholesome ingredients, free from preservatives, frozen for freshness and have an 18-month frozen shelf life. Our products, which include Lasagna, Shepherd's Pie, Chickenless Pot Pie, Bolognese Sauce, BBQ Pulled Mushroom & Lentils, Mac & Greens, and Vegan Sea Salt Chocolate Cookies, have garnered excellent consumer reviews, with approximately 400 reviews from verified buyers on our eCommerce website.

The demand for plant-based alternatives is growing. This is driven by consumer awareness of major issues with animal protein diets, including health, sustainability, and animal welfare. In recent years, there has been a rise in meat and dairy alternative products into the market as plant-based eating becomes more mainstream.

As the plant-based food market grows, consumers have increasing scrutiny for the ingredients in plant-based alternatives. There is a preference towards more real food ingredients, yet consumers may not be willing to sacrifice familiar food experiences and convenience. A key differentiator for our plant-based products is our flavour-forward, wholesome comfort meals that help make plant-based eating easy. Our product development is focused on bringing back the nostalgic feelings of comfort and family for both plant-based consumers and plant-based explorers alike.

Our products will always be wholesome, hearty and shareworthy to make plant-based eating easier for our consumers. At Komo Foods, we take comfort favourites and make them 100% plant based.

Our Products

We commercially launched our plant-based comfort foods products in March 2021. Our strategy is to continually expand our innovation product portfolio with a focus on both the frozen plant-based food category and comfort foods. As of the date of this MD&A, our frozen product portfolio consisted of 10 product SKUs:

Product/SKU	Size	Launch Date
Plant-Based Lasagna	5-6 servings	March 2021
	2 servings	March 2021
Plant-Based Shepherd's Pie	5-6 servings	March 2021
	2 servings	March 2021
Plant-Based Chickenless Pot Pie	4-5 servings	March 2021
Plant-Based Walnut Mushroom Bolognese Sauce	3-4 servings	June 2021
Plant-Based BBQ Pulled Mushroom Lentil Taco Filling	3-4 servings	June 2021
Plant-Based Mac & Greens	5-6 servings	February 2022
	2 servings	February 2022
Vegan Sea Salt Chocolate Cookies	6 per unit	July 2022

OUR DISTRIBUTION CHANNELS

Our goal is to share the love of plant-based foods through different means and reach consumers across various channels. We distribute and sell our products through an omnichannel business model:

- Wholesale through online and brick-and-mortar retailers; and
- Direct-to-Consumer through our own eCommerce platform and through local farmer's markets

Wholesale

We are continuing our wholesale expansion across Canada and into the US with a focus on the natural grocery channel, building Komo Comfort Foods as a natural plant-based food brand. This channel is our main focus to meet consumers at the places they are looking for easy meal options.

Through wholesale, we work with seven distribution companies to distribute our products across Canada. Retailers order directly from these distributors in case quantities. In our local region of the greater Vancouver area, we also have accounts which we deliver directly, and these are mainly smaller independent stores.

Wholesale distribution expansion is our focus in the short and long term. As we specialize in frozen food entrees, ensuring the cold chain being maintained is integral for both food quality and safety.

We currently have the following distribution partners in Canada:

- TransCold Distribution Ltd: a wholesale supplier of frozen foods and ice cream throughout Western Canada and Western US and distributes to over 10,000 distribution points, including major grocery, convenience, drug, chain retailers, food service and independent retailers
- BRR Logistics: a distributor who directly services all national grocery banners with weekly service points including the following jurisdictions: Saskatchewan, Manitoba, Nunavut, Ontario, Quebec and the Atlantic provinces.
- Dean's Dairy and Specialty Foods: a distributor of all natural and organic products in Vancouver, the Lower Mainland, and Vancouver Island, established in 1986.
- Goodness Distributors Ltd: a distributor with a focus of health-conscious products and materials that are manufactured ethically.
- Nationwide Natural Foods: a distributor carrying a wide selection of natural, organic, gluten free, vegan, & vegetarian products to retailers in Canada.
- Co-op Alentour: a Quebec based full-service distributor to natural, independent and grocery banners.
- Freshspoke: an Ontario based sales & logistics platform that provides wholesale buyers with a convenient purchase and delivery pipeline to thousands of food & beverage products.
- PSC Natural Foods: a natural and organic food distributor serving Vancouver Island and the Lower Mainland.

We also initiated US distribution through HLC Distributing located in central Oregon, USA.

New and anticipated listings

Loblaws

We recently concluded a national listing with Loblaws. We received sales orders from Loblaws through our distributor BRR Logistics in November 2022. Komo products are listed nationally in eight Loblaws warehouses located across Canada and will also be distributed to Loblaw banner stores directly from our distribution partners to retail locations across Western Canada. Recently, in December 2022, over 300 new Loblaws stores began carrying Komo products.

Loblaw Companies is Canada's largest Canadian food retailer with over 2,400 stores across the country including corporate and franchise supermarkets operating under 22 regional and market segment banners including Loblaws. Banner stores anticipated to soon be carrying Komo Food products include Loblaws, Superstores including Great Canadian Superstore, No Frills, City Markets, Extra Foods, Fortino's and Provigo.

We are also in discussion with several other large retail chains for a listing of our products in their stores.

Distribution Points

Distribution points are defined as the number of retail locations carrying one or more Komo products. As of the date of this MD&A, our products are sold in approximately 790 retail locations in Canada. We are currently being carried by many multi-location retail customers including: Your Independent Grocer Stores of Loblaws, Safeway, IGA, Metro, Thrifty Foods, Whole Foods Market, Foodland, Fresh St. Market, Choices, Stong's Market, Country Grocer, Nestors, Nature's Fare Market, Foodland, Aisle24, Goodness Me!, Nature's Emporium, Ambrosia, Highland Farms, La Boite à Grains, Pasquier and Fairway Market. Our products are also available in various specialty and independent stores and online stores.

eCommerce

Our eCommerce website, www.komocomfortfoods.com, sells our product assortment individually and in bundles. Consumers order through our website for deliveries or pick-up within Metro Vancouver in British Columbia, Canada. We also participate in local farmer's markets to introduce our products directly to consumers.

The eCommerce channel locally in Metro Vancouver provides us direct communication with our consumer base. A relationship with early adopters of our products provides us with an avenue to gather feedback to continuously improve our products and messaging. We aim to continue using this channel to test new products with speed and purpose.

We continue to build this direct communication with our consumers to ensure our brand is connected with consumer needs and feedback as we continually improve our products and brand. Our eCommerce channel and its consumer base also provide a unique opportunity to launch new products and concepts at a smaller scale for testing and feedback. We intend to utilize this approach to validate product-market fit of innovation before scaling for further retail launch in the wholesale channel.

Our eCommerce channel has allowed us to encourage and capture customer reviews of our products, all of which are displayed on our website. To date, we have received approximately 400 five-star reviews from verified customers on our website.

OUR STRATEGIS

Asset Light and Scalable Production Capacity

Currently our main production is with our co-packing partners in British Columbia, Canada. We launched our brand from a leased shared kitchen. We are now using this facility primarily to make products by our kitchen staff supplementary to co-packing. We also use this facility for product development. This strategy allows us to launch to market quickly though our kitchen space and innovate rapidly to respond to feedback from consumers. Our goal is to outsource all ten SKUs with co-packing partners. The co-packing strategy enables us to scale up production quickly while remaining asset and overhead-light. Meanwhile, we work closely with our co-manufacturing partners to ensure that quality meets our established standards. As we grow, we continue to build capacity through co-packing partners across Canada.

Plant-based Innovation

During the year ended October 31, 2022, we continued to advance our innovation pipeline. We initiated our innovation in early 2021 by launching the following innovative product lines:

- Ready-to-Bake Classics: these are wholesome favourites in two-serving and family-sized offerings that are ready to bake in one hour or less, including Shepherd's Pie, Chickenless Pot Pie, Mac & Greens and our top selling product, Lasagna.
- Plant Based Meal Helpers: these are versatile meal starters that serve four, which our consumers can defrost, heat and use in a variety of meals. They include our Walnut Mushroom Bolognese and BBQ Pulled Mushroom & Lentil Taco Filling.

Our innovation pipeline will take into account consumer feedback received through our multiple channels: direct-to-consumer (DTC) through eCommerce, farmer's market connections with consumers, and trade shows. Pairing this with sales data and market trend analysis, we determine which products to develop and launch. Our DTC serves as an easy, rapid method of testing innovative ideas.

We launch new products through DTC locally and complete testing through our food delivery platform to validate product-market fit before scaling products commercially. This gives our products a greater chance of success in a retail environment and alleviates some of the risk of bringing a product to market. This approach also allows us to hone our messaging to consumers and innovate more boldly.

Brand Awareness

As a new brand in the plant-based food space, we are focused on building awareness around our mission, brand and products. Our brand marketing efforts since launch include developing our social media channels, participating in weekly local farmer's markets to meet new consumers and attending local trade shows.

Social media platforms, including Facebook and Instagram, are our primary channels for interacting with and reaching new consumers. We currently produce our social content internally to ensure agility in sharing our authentic brand story with consumers. We also engage regularly with our growing list of email subscribers using promotions, plant-based content, and product information to build consumer loyalty and trust. We see both social media and email as important platforms that can be utilized to further our mission to share more plant-based meals through content, including recipes and other plant-based information.

During the past year, we exhibited at the 2022 Natural Expo West, California, USA (where we won a best new vegan product award from VegNews), CHFA West Now, Planted Expo (BC and Ontario), The Wellness Show (BC), and CHFA East Now. We received excellent feedback and reviews at these shows to help our growth.

Currently, we have approximately 11,900 social media followers and email subscribers and approximately 400 validated consumer reviews on our eCommerce website. Email and social media followers include followers on Facebook, Instagram, Twitter and email subscribers for both investor relations and product information.

OUTLOOK

In the next 12 months, we will continue to strengthen our sales channels and strategy, and onboard new distributors and brokers to expand our presence across Canada and USA. We aim to grow our distribution network to reach over 1,000 distribution points by the end of 2023.

We plan to continue to emphasize a wholesale distribution focused business model to speed up our growth in sales, to simplify distribution operations, and to save operating costs.

We will continue to follow an asset-light strategy and focus on developing co-packing partnerships to increase capacity and commercialize new products. We aim to hone our innovation process through local launches to validate new product ideas before scaling through co-manufacturing partners.

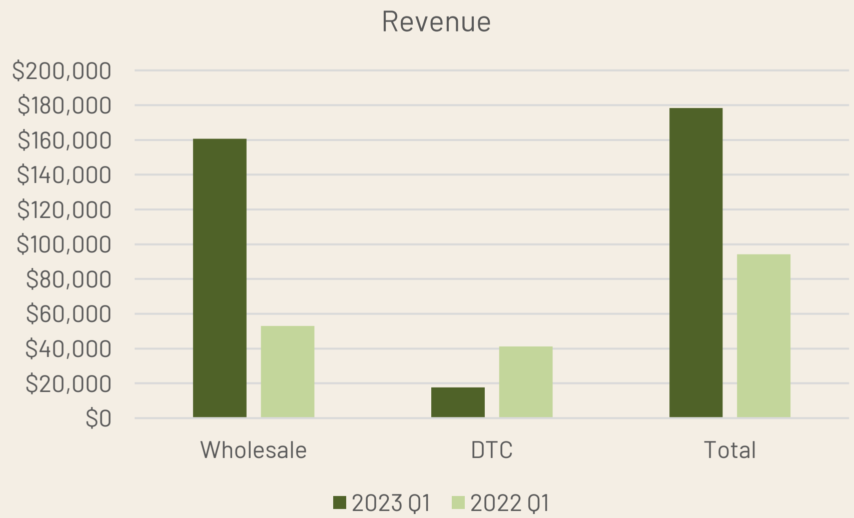
Based on estimated sales and costing saving measures in place, we plan to become cash flow positive on a monthly basis within a year. Through our recently announced distribution arrangement with Loblaws, we expect to significantly increase our revenues throughout fiscal 2023. The strong sales of our products within retail stores have allowed us to show large retail customers that our products do well and have repeat customers. As a result, we are in discussions with several other large national chains which could lead to additional significant revenues in fiscal 2023. Despite our strong growth in product sales, we have been successful in significantly reducing our overhead by cutting costs not directly related to our most profitable division, which is wholesale sales. For example, in the fall of 2022 we stopped offering our foods for food delivery services such as Uber Eats. Although our food received very high ratings from customers of all three food delivery services, the margins were significantly lower than our margins through wholesale and eCommerce sales. Cutting these services allows our kitchen staff to focus on creating frozen foods to support our co-manufacturer to meet the high demand of wholesale orders, which are continuously growing. We also cut marketing expenses and cut our senior management costs by over 50%, allowing us to focus on key operational personnel and expenses.

Based on current sales and customer onboarding trajectory and cost management initiatives, our goal is to achieve profitability in the near term and to be cash flow positive on a monthly basis within the next 12 months.

OVERALL PERFORMANCE

Sales performance

	2022 Q1	2021 Q1	Growth
Wholesale	$160,666	$53,069	203%
DTC	$17,624	$41,187	-57%
Total	$178,290	$94,256	89%

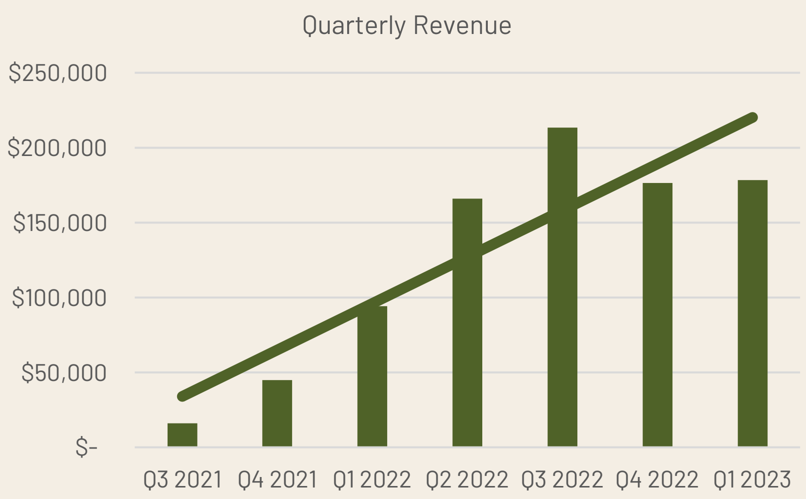


During the three months ended October 31, 2022, we grew revenue by 89% as compared to the same period of the prior year. Revenue growth was driven by greater market presence through wholesales distributions. Wholesale revenue growth by 203% and accounted for 90% of total revenue. Direct to consumer (DTC) sales declined by 57% and accounted for 10% of total revenue.

We strategically positioned DTC sales as a tool to engage consumers and test new product recipes. DTC is currently limited to the Greater Vancouver Area. We do not expect to focus on DTC for growth due to the complexity in logistics for frozen food products.

We have been growing our revenue steadily since we launched our products commercially in Q3 2021 as shown below.

We recently finalized a national listing with Loblaws. We received and delivered the first sales order from Loblaws in the month of November 2022.



<u>Gross margin</u>

Our gross profit margin for the three months ended October 31, 2022 was 39% which is consistent with management expectation, as compared to 35% in the same period of the prior year. The increase in gross margin was primarily driven by increased efficiency at higher production scales.

Currently our products are produced at two locations:

- Co-packing partner Nova Foods located in Richmond, British Columbia, Canada
- Our own kitchen at a leased premise located in Vancouver, British Columbia, Canada

We are actively looking for additional co-packing partners, especially in the eastern provinces of Canada.

SELECTED ANNUAL INFORMATION

Management considers that the main indicators of our performance are the following: revenues, net income and loss, total assets, earnings/loss per share. The following information was derived from our audited financial statements for the years ended July 31, 2022 and 2021.

	2022	2021
	$	$
Revenues	650,249	62,835
Loss before other income (expenses)	(4,136,874)	(2,129,900)
Net Loss from continuing operations	(4,602,803)	(6,457,300)
Basic and diluted loss per shares from continuing operations	(0.05)	(0.08)
Total Assets	760,531	738,599
Dividends declared and paid out in cash	-	-

DISCUSSION ON OPERATIONS

Revenue

During the quarter ended October 31, 2022, we continued to focus on expanding our market penetration through wholesale distribution channels across Canada, which enabled us to expand our market coverage quickly and efficiently. Our DTC sales are limited to the greater Vancouver area.

During the quarter ended October 31, 2022, we grew revenue to $178,290, which is an increase of 89% as compared to the same period of the prior year. Revenue growth was driven by greater market presence through wholesales distributions. Wholesale revenue growth by 203% and accounted for 90% of total revenue. Direct to consumer (DTC) sales declined by 57% and accounted for 10% of total revenue.

For the quarter ended October 31,

	2022	2021	Growth
	$	$	
Wholesale	160,666	53,069	203%
DTC	17,624	41,187	-57%
Total	178,290	94,256	89%

Gross profit

Gross profit for the three months ended October 31, 2022 was $68,658, or 39% of revenue, as compared to $33,178 or 35% of revenue for the same period of the prior year, presenting a growth of 107%. Increase in gross profit was driven by growth in sales and greater efficiency in product costs.

As we build out our distribution network across the country and grow our sales through wholesale, we anticipate achieving increasing efficiencies in production.

Advertising and promotion

Advertising and promotion expenses are related to our activities in promoting our corporate and product brand, Komo Comfort Foods, and our plant-based comfort food products. These expenses included corporate media advertising, brand design, labelling artwork, primary packaging design, social media launch and maintenance, and creatives and contents for the website.

For the three months ended October 31, 2022, we incurred $32,689 in advertising and promotion expenses as compared to $617,506 in the same period of the prior year. The decrease in advertising and promotion expenses was driven by lower advertising spending as we focused on wholesale distributions.

Consulting fees

We engage consultants regularly to obtain expertise in various business areas including but not limited to product research and development, marketing, technology, finance and accounting.

For the three months ended October 31, 2022, we incurred consulting expenses of $36,362 as compared to $133,779 in the same period of the prior year. Higher spend in the prior year was due to the preparation of the launch of products. We scaled back such activities this year as we have already commercialized 10 productions and started to focus on building sales.

Depreciation

Depreciation expenses are related to equipment, furniture and fixtures, computers, and other office equipment.

For the three months ended October 31, 2022, we incurred depreciation expenses of $3,534 as compared to $4,501 in the same period of the prior year. We expect depreciation expenses to be stable going forward as we deploy our asset light strategy and utilize co-packing partners for production of our products.

Fulfillment

Fulfillment costs consist of outbound shipping, freight, delivery, warehousing, quality assurance and other logistics costs.

For the three months ended October 31, 2022, we incurred fulfillment costs of $21,809 as compared to $3,245 in the same period of the prior year. Fulfillment costs were 12% of sales for the three months ended October 31, 2022. We anticipate fulfillment costs as a percentage of sales to gradually decrease as we increase our sales volumes.

General and administrative

For the three months ended October 31, 2022, we incurred general and administrative expenses of $36,574 as compared to $124,758 in the same period of the prior year. The decrease in general and administrative expenses was largely driven by cost saving initiatives.

General and administrative expenses is comprised of the following:

	Three months ended October 31,	
	2022	2021
	$	$
Directors' fees	-	36,000
Rent	6,985	12,955
Dues and subscriptions	10,903	11,807
Listing	3,000	6,467
Courier	5,568	4,269
Insurance	679	-
Office expenses	5,566	29,926
Other	3,873	23,334
Total	36,574	124,758

Investor relations

For the three months ended October 31, 2022, we incurred investor relations expenses of $22,953, which included advertising and media, new releases and capital market event costs, as compared to $162,323 in the same period of the prior year. Investor relations expenses decreased as we scaled back capital market activities and focused on sales.

Professional fees

Professional fees consist of legal, accounting, recruiting and audit services.

For the three months ended October 31, 2022, we incurred professional fees of $12,000 as compared to $37,264 in the same period of the prior year. We have built out internal capabilities to manage a public company, and therefore we expect professional fees to remain low.

Research and development

Research and development costs are related to our plant-based food products.

For the three months ended October 31, 2022, we incurred research and development costs of $1,754 as compared to $38,259 in the same period of the prior year. The decrease in research and development costs are driven by decreased new product development as we have already built out our initial production lineup. However, we do plan to continuously bring our plant-based innovations to the market and we anticipate incurring research and development costs consistently going forward.

Selling costs

Selling costs consist of fees paid to sales agencies, brokers, listing fees on third party delivery platforms, and transaction fees of our eCommerce selling platforms.

For the three months ended October 31, 2022, we incurred selling costs of $23,377 as compared to $5,887 in the same period of the prior year. Selling costs are 13% of sales for the three months ended October 31, 2022 and we expect this percentage to stay stable going forward.

Share-based compensation

Share-based compensation is related to stock options granted to directors, officers, employees and consultants.

For the three months ended October 31, 2022, we incurred share-based compensation expenses of $27,251 as compared to $532,649 in the same period of the prior year. The decrease in share-based compensation expenses was driven by the vesting schedules of underlying stock options. Most of the options we granted in the prior year in preparation of IPO have already vested. We did not grant any new options during the three months ended October 31, 2022.

Travel expenses

Travel expenses are related to employee business travel participating in trade fairs and exhibitions.

For the three months ended October 31, 2022, we incurred travel expenses of $3,816 as compared to $3,834 in the same period of the prior year. We expect to maintain similar travel expenses going forward.

Wages

Wages expenses are related to our senior management and employees.

During the three months ended October 31, 2022, we paid wages of $115,291 as compared to wages expenses of $131,055 in the same period of the prior year. The decrease in wages expense was due to scaled efficiency in staffing as we focus on a wholesale centered distribution model.

Other income (expenses)

Other income (expenses) is comprised of interest and accretion expenses related to our convertible debentures, impairment, gain or loss on settlement of liabilities and asset disposals.

For the three months ended October 31, 2022, we recorded other income of $25,112 as compared to other expenses of $16,489 in the same period of the prior year.

A breakdown of other expenses is shown below:

	Three months ended October 31,	
	2022	2021
	$	$
Accretion	(61,633)	(12,093)
Bad debt	(1,964)	-
Foreign exchange gain (loss)	-	(2,892)
Gain (loss) on change in fair value of derivative liability	131,735	14,582
Interest expense	(43,026)	(16,086)
	25,112	(16,489)

Net loss

We incurred a net loss of $243,640 for the three months ended October 31, 2022, as compared to $1,778,371 in the same period of the prior year. The decrease in net loss was primarily driven by an increase in sales and gross margin and a decrease in operating expenses.

Loss per share, basic and diluted, was nil as compared to $0.02 per share of the same period of the prior year.

Dividends

During the three months ended October 31, 2022 and 2021, no dividends were declared or paid.

SEGMENTED INFORMATION

We have two reporting segments: plant-based comfort foods and corporate. The plant-based comfort foods segment research, manufactures and distributes plant-based comfort foods products. The corporate segment is engaged in business development, corporate branding and marketing, stock listing, and investor relations activities. Performance is measured based on gross profit and net income (loss) before taxes, as management believes that this information is the most relevant in evaluating the results of the operating segments relative to other entities that operate within these industries. Gross profit is calculated as revenue less the cost of goods sold. The following is a summary of our results by operating segment for the three months ended October 31, 2022.

	2022			2021		
	Plant-based Comfort Foods	Corporate	Total	Plant-based Comfort Foods	Corporate	Total
	$	$	$	$	$	$
Three months ended October 31,						
Revenue	178,290	-	178,290	94,256	-	94,256
Gross profit	68,658	-	68,658	33,178	-	33,178
Gross profit margin	39%	-	39%	35%	-	35%
Net loss before taxes	(94,288)	(149,352)	(243,640)	(371,361)	(1,407,010)	(1,778,371)
			As at October 31, 2022:			**As at October 31, 2021:**
Total assets	189,553	439,551	629,104	220,551	749,937	970,488
Total liabilities	1,885,095	229,588	2,114,683	139,335	1,026,194	1,165,529

Geographically, the Company's revenue is primarily generated in Canada.

SUMMARY OF QUARTERLY RESULTS

We launched our plant-based foods business in March 2021 and have been growing our sales every quarter since then. Generally, our plant-based foods business is not seasonal.

For the quarters ended:

	October 31, 2022	July 31, 2022	April 30, 2022	January 31, 2022
	$	$	$	$
Revenue	178,290	176,536	213,405	166,052
Net loss from continuing operations	(243,640)	(905,074)	(797,486)	(1,121,872)
Basic and diluted loss per share from continuing operations	(0.00)	(0.01)	(0.01)	(0.01)

	October 31, 2021	July 31, 2021	April 30, 2021	January 31, 2021
	$	$	$	$
Revenue	94,256	44,940	16,029	-
Net loss from continuing operations	(1,778,371)	(5,581,069)	(376,606)	(358,789)
Basic and diluted loss per share from continuing operations	(0.02)	(0.07)	(0.01)	(0.01)

LIQUIDITY

	October 31, 2022	July 31, 2022
Current ratio(1)	0.7	0.9
Cash	$ 46,840	$ 224,344
Working capital deficiency(2)	$ (232,997)	$ (86,047)
Long Term Debt(3)	$ 1,309,161	$ 1,243,256
Shareholders' equity (deficit)	$ (1,485,579)	$ (1,269,190)

(1) Current ratio is current assets divided by current liabilities.
(2) Working capital is current assets minus current liabilities.
(3) Long Term Debt consists of convertible debentures and Canada Emergency Business Account interest-free loans.

Working Capital

We had a working capital deficit of $232,997 as at October 31, 2022 as compared to a working capital deficit of $86,047 as at July 31, 2022. As we grow our plant-based foods business, we anticipate our requirement on working capital to increase. We plan to utilize equity instruments and third-party financing opportunities to fund our working capital requirements.

CAPITAL RESOURCES AND MANAGEMENT

As at October 31, 2022, we had cash of $46,840. Our objective is to maintain a strong capital base to support the development of the business including the commercialization of our plant-based food products.

We do not have significant capital expenditure commitments as of the date of this MD&A. However, we do require capital resources in the range of $300,000 to $500,000 before we break even within the next 12 months to sustain our operations and to grow our business. We expect to utilize equity instruments and third-party financing opportunities to satisfy our capital needs.

OUTSTANDING SHARE INFORMATION

We are authorized to issue an unlimited number of common shares. As at October 31, 2022, there were 97,070,939 common shares issued and outstanding. We also had 62,267,920 share purchase warrants with a weighted average exercise price of $0.28 and 16,060,500 stock options with a weighted average exercise price of $0.13.

During the year ended July 31, 2022, we closed a non-brokered private placement of 1,000 units at $1,000 per unit for gross proceeds of $1,000,000. The private placement closed in two tranches, with the first 500 units closing on September 29, 2021, and the next 500 units closing on October 8, 2021. Each unit consisted of one convertible unsecured debenture (the "Debentures") and 7,000 common share purchase warrants of the Company (the "Warrants"). The Debentures bear interest at a rate of 10% per annum on an accrual basis from issuance, calculated and payable semi-annually in arrears on January 31 and October 31 of each year with such payment having commenced on January 31, 2022 with a redemption date that is 24 months from issuance. The Debentures are convertible in full or in part, at the holders' option, into common shares in the capital of the Company at a price of $0.14 per common share, at any time prior to their redemption. Each Warrant will entitle the holder to acquire one common share of the Company at a price of $0.16 per share for a period of 36 months from the date of issue.

During the year ended July 31, 2022, we issued 285,714 common shares to a debenture holder upon an election of early conversion.

On June 21, 2022, we closed a non-brokered private placement of 593.87 units at $1,000 per unit for gross proceeds of $502,000 and settlement of accounts payable of $91,875. Each unit consisted of one convertible unsecured debenture (the "Debentures") and 16,000 common share purchase warrants of the Company (the "Warrants"). The debentures bear interest at a rate of 10% per annum on an accrual basis from issuance, calculated and payable semi-annually in arrears on May 31 and November 30 of each year with each such payment commencing on November 30, 2022 with a redemption date that is 24 months from issuance (the "Maturity Date"). The Debentures are convertible in full or in part, at the holders' option, into common shares in the capital of the Company at a 15% discount to the 30-day moving average as at the Maturity Date, subject to CSE regulations, at a price not less than $0.05 per share, at any time prior to their redemption. Each Warrant will entitle the holder to acquire one common share of the Company at a price of $0.07 per share for a period of 36 months from the date of issue.

OFF-BALANCE SHEET ARRANGEMENTS

As at October 31, 2022, we had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

During the three months ended October 31, 2022 and 2021, compensation of key management personnel and related parties were as follows:

	Three months ended October 31,	
	2022	2021
	$	$
Wages	34,434	63,750
Consulting fees	30,000	60,000
Share-based Compensation	18,045	165,906
Total	82,479	289,656

(a) During the three months ended October 31, 2022, we incurred consulting fees of $nil, (2021 – $30,000) to a company controlled by the spouse of the president and Chief Executive Officer ("CEO") of the Company, William White.

(b) As at October 31, 2022, we owed $65,042 (July 31, 2022 - $45,949) to Better Plant Sciences Inc. ("BPS"), an associated company whose former CEO is the spouse of the Company's president and CEO, which is included in due to related parties. During the three months ended October 31, 2022, the Company incurred operating expenses of $18,750 (2021 - $42,325) to BPS under an operating agreement for shared services comprised of professional services of $12,000 (2021 - $17,751), advertising and promotions of $3,000 (2021 - $19,426), and general and administration of $3,750 (2021 - $5,149).

(c) As at October 31, 2022, we owed $80,000 (July 31, 2022 - $nil) to the CEO of the Company, William White, which is included in due to related parties. The balance is unsecured, non-interest bearing, and due on demand. During the three months ended October 31, 2022, the Company incurred wages of $20,500 (2021 - $30,000) and director's fees of $nil (2021 - $30,000) to the CEO.

(d) As at October 31, 2022, we owed $21,000 to the Chief Financial Officer ("CFO") of the Company, Rick Huang, which is included in due to related parties. During the three months ended October 31, 2022, the Company incurred consulting fees of $30,000 (2021 - $30,000) to the CFO.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 and judgement include the collectability of accounts receivable, net realizable value of inventory, the useful lives and carrying values of property and equipment and intangible assets, fair value of share-based compensation and derivative liabilities, discount rates used for convertible debentures, revenue recognition, and measurement of unrecognized deferred income tax assets. Judgments include 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, and factors used in determining the discount rate for convertible debentures, and use of volatility for the determination of fair value of stock-based compensation.

Accounting Standards Issued but Not Yet Effective

Certain pronouncements have been issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after January 1, 2022 or later years. Management does not believe the adoption of these future standards will have a material impact on the Company's financial statements.

Amendment to IAS 1, Classification of Liabilities as Current or Non-Current

On January 23, 2020, and amended on July 15, 2020, the IASB issued an amendment to IAS 1, Classification of Liabilities as Current or Non-Current ("IAS 1") and has been revised to: i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets, or services.

The amendment to IAS 1 is effective for annual reporting periods on or after January 1, 2023 and is applied retrospectively. Early adoption of this amendment is permitted. We are currently evaluating the impact of this amendment to our consolidated financial statements.

Amendment to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors

On February 12, 2021, the IASB issued an amendment to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") to introduce the definition of an accounting estimate and include other amendments to help entities to distinguish changes in accounting estimates from changes in accounting policies.

The amendment to IAS 8 is effective for annual reporting periods on or after January 1, 2023 and early adoption is permitted. We are currently evaluating the impact of this amendment on our consolidated financial statements.

Amendment to IAS 12, Income Taxes

On May 7, 2021, the IASB issued an amendment to IAS 12, Income Taxes ("IAS 12") to clarify how companies account for deferred taxes on transactions such as leases and decommissioning obligations. The amendment requires companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable deductible temporary differences.

The amendment to IAS 12 is effective for annual reporting periods on or after January 1, 2023 and early adoption is permitted. We are currently evaluating the impact of this amendment on our consolidated financial statements. Other new standards and amendments to standards and interpretations are not effective for the period ended October 31, 2022 and have not been adopted by the Company and are not expected to have a material impact on our consolidated financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair Values

The fair values of other financial instruments, which includes cash, accounts receivable, amounts due to and from related parties, accounts payable and accrued liabilities, convertible debentures, and loans payable approximate their carrying values due to the relatively short-term maturity of these instruments. Derivative liabilities of $202,733 (July 31, 2022 - $334,468) is classified as a Level 2 financial instrument.

(b) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents, prepaid amounts, deposits and receivables. The carrying amount of cash and accounts receivable represent the maximum exposure to credit risk, and as at October 31, 2022, this amounts to $208,958 (July 31, 2022 - $338,823)

The Company is subject to credit concentration risk. For the three months ended October 31, 2022, three customers (2021 – two) comprised of 77% (2021 – 36%) of the Company's total sales. As at October 31, 2022, accounts receivable from three customers (October 31, 2021 - two) comprised of 90% (October 31, 2021– 57%) of the Company's total trade accounts receivable.

(c) Foreign Exchange Rate Risk

The Company's functional currency is the Canadian dollar. Currency risk is the risk that the fair value of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates.

The Company is mainly exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in US dollars:

A 10% change in the foreign exchange rate of US dollars is not expected to have a material impact on the Company's condensed interim consolidated financial statements.

(d) Interest Rate Risk

The Company's exposure to interest rate risk is limited as it does not carry any commercial loans. The Company's convertible debenture carries a fixed 10% annual coupon rate.

(e) 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 is sufficient capital in order to meet short-term and other specific obligations.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of raw materials to determine the appropriate course of action to be taken by the Company.

RISK FACTORS

An investment in the Common Shares should be considered highly speculative due to the nature of our business and the present stage of development. An investment in the Company should only be made by investors who are willing and able to risk and can afford the loss of their entire investment and who are able to understand the unique nature and risks of the Issuer and the plant-based meat alternative sector. Potential investors should consult with their professional advisors to assess an investment in the Company. In evaluating the Company's business, investors should carefully consider, in addition to other information contained in this MD&A, the risk factors relating to the Company and its business.

A detailed discussion of the general risks relating to the Company and those relating to its business can be found in our annual Management Discussion and Analysis for the years ended July 31, 2022 and 2021 filed on SEDAR.

Those risk factors are not a definitive list of all risk factors associated with an investment in the Resulting Issuer or in connection with its operations. They are certain factors relating to the Company's business, which prospective investors should carefully consider before deciding whether to invest in the Company. They are a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information set out elsewhere in this MD&A. Those risks and uncertainties are not the only ones the Company is facing. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also impair operations. If any such risks actually occur, the business, financial condition, liquidity and results of operations could be materially adversely affected.

DISCLOSURE

Disclosure Controls and Procedures

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

Internal Control over Financial Reporting ("ICOFR")

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

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that our receipts and expenditures are made only in accordance with authorization of management and our directors; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the annual or interim financial statements.

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

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