Form 51-102-F1

YELLOW STEM TECH INC.

MANAGEMENT DISCUSSION & ANALYSIS
For the period ended October 31, 2022

Directors and Officers as at December 22, 2022

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Gary Arca
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Tanya Lutzke

Officers:

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YELLOW STEM TECH INC.

MANAGEMENT'S DISCUSSION & ANALYSIS
For the period ended October 31, 2022

1.1 Date of This Report

This Management's Discussion & Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated financial statements of Yellow Stem Tech Inc. (the "Company") for the period ended October 31, 2022. All dollar amounts herein are expressed in Canadian Dollars unless stated otherwise.

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

This MD&A is prepared as of December 22, 2022.

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

1.2 Overall Performance

Description of Business

Until recently, the Company was in the business of growing, processing, packaging and selling cannabidiol and related hemp based products in Italy through its wholly owned Italian subsidiary, Hemp For Health H4H S.R.L,("H4Hsrl"). **See *Section 1.5 -Results of Operations* for disclosure of a "Hemp for Health Completes COB and Name Change to Yellow Stem Tech Inc."**, whereby the Company changed its business to mining for cryptocurrencies from growing and processing hemp into CBD products.

Recent Events

The Company has entered into a Product Distribution Agreement (the Distribution Agreement") with Sweet Poison Spirits S de RL de CV, a Mexican company headquartered in Guadalajara, Mexico, and Sweet Poison Spirits LLC, a California limited liability corporation headquartered in San Diego, California (collectively, "Sweet Poison"). The Distribution Agreement grants the Company the worldwide distribution rights to Sweet Poison's premium Tequila and Mezcal products under the "Sweet Poison" brand names for an initial period of ten years, renewable for a further ten years and beyond.

In consideration of the rights and licences granted by Sweet Poison, the Company will issue and deliver an aggregate of 5,000,000 common shares (the "Shares") at a deemed price of US$0.20 per share, subject to resale restrictions as follows:

(i) 25% of the Shares will become free-trading four months following the date of issuance ("Closing");
(ii) an additional 25% of the Shares will become free-trading 12 months following Closing;
(iii) an additional 25% of the Shares will become free-trading 18 months following Closing; and
(iv) the remaining 25% of the Shares will become free-trading 24 months following Closing.

The Distribution Agreement also provides for the Company to engage two principals of Sweet Poison as consultants on terms to be negotiated, and for Sweet Poison to have board representation with two directors being appointed to the Board of Directors.

Concurrent with the Distribution Agreement, the Company also entered into an agreement (the "Option Agreement") with the shareholders of Sweet Poison, whereby the Company was granted the option to acquire all of the shares of Sweet Poison subject to the Company fulfilling its obligations under the Distribution Agreement. The terms of the Option Agreement include:

(i) The option price is US$1,000,000, exercisable by the Company at any time after 24 months from the date of the Option Agreement and prior to 36 months;
(ii) The option price will be payable as to US$400,000 in cash and US$600,000 in common shares of the Company (based on a share price of $0.20 per share for the first tranche, and the following tranches at the volume weighted average price per share for the 10 trading days prior to issue) in three equal tranches over 18 months from exercise of the option.

Subject to regulatory policies, the Company will pay Finder's Fees of 10% on each of the Sweet Poison transactions, such Finder's Fees payable in the form of Yellow Stem shares at a deemed price of US$0.20 per share.

Closing under the Distribution Agreement is subject to all necessary regulatory approvals, including the Canadian Securities Exchange.

About Sweet Poison Spirits:

Sweet Poison Spirits are creators and distributors of premium quality spirits. The company is committed to respecting traditional and ancestral processes, sustainability and the environment. For more on Sweet Poison, visit www.sweetpoisonspirits.com

1.3 Selected Annual Information

The highlights of financial data for the Company's three most recently completed year-ends, which are calculated in accordance with International Financial Reporting Standards ("IFRS"), are as follows:

	April 30, 2022 $	April 30, 2021 $	April 30, 2020 $
(a) Total revenues	-	-	Nil
(b) Total expenses	(672,525)	(1,116,445)	(2,136,754)
(c) Net loss	(588,670)	(1,508,166)	(2,125,740)
(d) Loss per share–basic and diluted	(0.03)	(0.12)	(0.20)
(e) Total assets	953,966	31,373	1,143,223
(f) Total long-term liabilities	Nil	Nil	Nil
(g) Cash dividends declared per share	Nil	Nil	Nil

1.4 Discussion of Acquisitions, Operations and Financial Condition

The following should be read in conjunction with the October 31, 2022 unaudited condensed consolidated financial statements of the Company and notes attached thereto.

Subsequent Sale of Italian Operations

The Company sold H4Hsrl and all Italian hemp operations in March 2022 for a nominal value to dispose of all Italian assets and liabilities, including the remaining inventory, the right to recover Italian VAT taxes and any outstanding Italian liabilities and is currently in the process of transferring ownership.

Prior to this, payments to farmers were fully expensed to research and development as the Company was testing plant strains and has had no significant revenue. During the year ended April 30, 2022, research and development costs were $420,175 (including VAT taxes due to uncertainty of recovery), with respect to planting in 2022, including seedling costs crop costs from the farmers. Any revenue realized from this crop was credited against the research and development costs as realized.

Environmental Protection

The operation of our business has no extraordinary environmental protection requirements. As a result, the Company does not anticipate that any environmental regulations or controls will materially affect the business.

1.5 Results of Operations

The loss and comprehensive loss for the six month period ended October 31, 2022, is $200,184 and for the comparative period ended October 31, 2021, there was a loss and comprehensive loss of $395,359:

For the six month period ended October 31,	***2022***	***2021***	***Variance***
Expenses			
Audit and accounting	**$ 29,442**	$ 13,214	16,228
Foreign exchange loss	**1,094**	99	995
Legal and corporate services	**34,116**	3,916	30,200
Management and consulting	**33,000**	33,000	-
Office and administration	**17,479**	23,241	(5,762)
Research and development	**-**	310,734	(310,734)
Shareholder communication and marketing	**21,169**	4,386	16,783
Transfer agent and filing fees	**23,585**	6,769	16,816
Travel and accommodations	**40,299**	-	40,299
Total Expenses	**200,184**	395,359	(195,175)
Total loss and comprehensive loss for the period	**$ (200,184)**	$ (395,359)	$ (195,175)

During the period the Company incurred legal expenses of $34,116, transfer agent fees of $23,585, marketing expenses of $21,169, travel expenses of $40,299 and accounting expenses of $29,442. These costs are much higher than in the comparative period ended October 31, 2021 mainly due to the change of business in the current period, and due to COVID restrictions resulting in a lack of funding and lower activity over 2021. All expenses related to the Italian subsidiary were included in the related expense categories, including office and administration, and the decrease of $310,734 in Research and development relates directly to ceasing the activities of the Italian subsidiary, as discussed in *section 1.4*.

Financings, Principal Purposes & Milestones

Hemp for Health Completes COB and Name Change to Yellow Stem Tech Inc.

Yellow Stem Tech Inc. (formerly Hemp for Health Inc.) closed the transactions comprising its change of business ("COB"), from growing and processing hemp to mining for cryptocurrencies.

The Company's COB involved acquiring 150 Siacoin mining rigs for the aggregate purchase price of US$525,000 and engaging Enigma Data Technologies LLC, a Delaware based company ("Enigma") to set-up, host and operate the cryptocurrency mining activities, in exchange for which Enigma received 2,668,000 shares of the Company. The shares were valued at $0.03, or $80,040, the fair market value on June 29, 2022, the date of issue. The Company will be responsible for ongoing operating costs, to be at an all-in cost of US$0.055 per kilowatt hour per mining rig. The Company may add additional mining rigs from time to time. The shares of the Company received by Enigma will be subject to a hold period of four months and one day. Currently, the mining rigs have not been placed into operations due to the low cryptocurrency market pricing which exists thereby making the operations marginal at this time.

The above transactions resulted in a change of business for the Company and required CSE and shareholder approval. The Company received approval from shareholders holding over 59% of the Company's outstanding shares, by way of consent resolution.

The Company's common shares commenced trading under its new name, Yellow Stem Tech Inc., on the CSE, with trading symbol "YY", effective at the opening on June 20, 2022.

There is no consolidation or change in the share capital of the Company. Shareholders are not required to exchange their existing share certificates for new certificates bearing the new Company name, and Company shares held electronically in Direct Registration System will be booked automatically.

Consolidation

On December 2, 2021, the Company's outstanding common shares were consolidated on the basis of two existing shares for one new share (the "Consolidation"). Prior to the consolidation, the Company's authorized share capital was an unlimited number of common shares without par value, of which 24,162,001 shares were issued and outstanding, with a further 8,529,000 shares reserved for issuance upon the exercise of outstanding warrants. Upon completion of the share consolidation, there were 12,081,001 common shares issued and outstanding, subject to further share issuances, post-consolidation, as discussed below pursuant to the financing and the settlement of debts. Subsequent to the consolidation and the share issuances noted below under the "Financing" and "Debt Settlement", there are 44,033,501 post consolidated common shares outstanding and 12,797,500 Warrants expiring from May 2022 to February 2024, exercisable at prices between $0.10 and $0.60 per share.

Financings

The Company completed a financing in two tranches to raise a total of $1,197,500 in gross proceeds as follows:

On December 9, 2021, the Company closed Tranche 1 of its non-brokered private placement, raising $672,500 in gross proceeds through the issuance of 13,450,000 units at a price of $0.05 per Unit. Each Unit consisted of one post-consolidated share and one-half of one common share purchase warrant, with each whole Warrant entitling the holder to purchase one post-consolidated common share of the Company at a price of $0.10 per share for a period of 2 years, provided that in the event the closing price of the Company's Shares is equal to or greater than $0.20 per share for 30 consecutive trading days at any time following four months after the date of closing, the Company may, by notice to the Warrant holders, reduce the remaining exercise period of the Warrants to not less than 30 days following the date of such notice.

Aggregate compensation of $52,000 and 520,000 finders' warrants (having the same general terms as the Warrants forming part of the Units) was paid by the Company as finders' fees, valued at $7,200 using the Black Scholes method.

On February 2, 2022, the Company closed the final tranche of its non-brokered private placement, with the final tranche raising $525,000 through the issuance of 10,500,000 units at a price of $0.05 per Unit. Each Unit has the same terms as Tranche 1 above. No finders' fees were payable in this final tranche. A total of $10,000 was outstanding subsequent to April 30, 2022 and is included within equity as at April 30, 2022.

Debt Settlement

During the year ending April 30, 2022, the Company issued 8,002,500 post-consolidated shares in full settlement of outstanding debt in the aggregate amount of $400,125, representing $59,625 in fees and $340,500 in advances owing. Included in this were 1,452,500 shares issued to officers and directors for outstanding fees and advances of $72,625.

1.6 Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Q2 31-Oct-22	Q1 31-Jul-22	Q4 30-Apr-22	Q3 31-Jan-22
Loss for period	$ (107,693)	$ (92,491)	$ (130,721)	$ (62,590)
Per share – basic and diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
	Q2 31-Oct-21	**Q1 31-Jul-21**	**Q4 30-Apr-21**	**Q3 31-Jan-21**
Loss for period	$ (353,658)	$ (41,701)	$ (480,426)	$ (132,816)
Per share – basic and diluted	$ (0.02)	$ (0.00)	$ (0.04)	$ (0.01)

Discussion

The Company reports a loss of $107,693 for the quarter ending October 31, 2022 compared to a loss of $353,658 in the comparative quarter ended October 31, 2021. For more detailed discussion on the quarterly production results and financial results for the quarter ended October 31, 2022, please refer to *Sections 1.5 under "Results of Operations"*.

1.7 Liquidity and Capital Resources

As at October 31, 2022, the Company had $83,361 (April 30, 2022 - $270,100) in cash, working capital deficit of $312,420 and no long-term debt. The Company's ability to continue as a going concern is dependent upon its existing working capital and obtaining the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due.

The Company's working capital will not meet corporate, development, administrative and property obligations for the coming period. As a result, the Company will require additional financing and, while the Company has been successful in raising equity financing through the issuances of common shares in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. As such, there remains significant doubt as to the Company's ability to continue as a going concern (see financing - *section 1.5 - Financings, Principal Purposes & Milestones).*

1.8 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions with Related Parties

The following is a summary of charges incurred by the Company with related parties during the period ended October 31, 2022 and 2021:

Period ended October 31,		2022		2021
Audit and accounting	**$**	**-**	$	3,000
Management fees		**33,000**		33,000
Office and administrative expense		**16,500**		16,416
Total	**$**	**49,500**	$	52,416

During the period ended October 31, 2022, the Company incurred fees and operational expenses totalling $49,500 (October 31, 2021: $52,416) from companies controlled by an officer and director of the Company and by another officer and director. As of October 31, 2022, the Company had amounts payable to officers and directors, and companies with directors in common of $45,000 (April 30, 2022: $8,363).

During the year ending April 30, 2022, the CEO and director of the Company advanced 260,000 Euros (approximately $373,520) to the Company's Italian subsidiary, H4Hsrl on behalf of the Company, to pay certain crop costs and administrative expenses of H4Hsrl. These advances are non-interest bearing and are due on demand.

During the year ended April 30, 2022, $83,855 in amounts payable for fees, expenses and advances were forgiven as debts to the Company. Included in these amounts was $64,629 of amounts owing to officers and directors and companies controlled by officers and directors which included amounts payable for fees and advances. See *Section 1.5 – Debt Settlement* for related party share issuances for settlement of advances and fees.

1.10 Critical Accounting Estimates

a) Going concern

Management makes an assessment about the Company's ability to continue as a going concern by taking in to account the consideration of the various factors discussed in Note 2 of the April 30, 2022 consolidated financial statements.

b) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences applicable to the Company. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recuperated.

1.11 Changes in Accounting Policies

N/A

1.12 Financial and Other Instruments

As at October 31, 2022, the Company's financial instruments consist of cash, amounts receivable, advances payable, and trade and other payables.

The fair value of the Company's amounts receivable, advances payable, and trade and other payables approximates their carrying value, which is the amount on the statement of financial position, due to their short-term maturities or ability of prompt liquidation.

a) Currency Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. At October 31, 2022, US dollar amounts were converted at a rate of $1.3482 Canadian dollars to $1 US. A 10% increase or decrease in the US dollar exchange rate may increase or decrease loss for the period by approximately $203.

b) Interest Rate Risk

The Company's cash earns interest at a variable interest rate. Because of the nature of this financial instrument, fluctuations in market rates do not have a significant impact on estimated fair values as of October 31, 2022. Future cash flows from interest income on cash will be affected by interest rate fluctuations. Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(ii) To the extent that changes in prevailing market interest rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's exposure to interest rate fluctuations is minimal.

c) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk with respect to its cash, the balance of which at October 31, 2022 is $83,361 (April 30, 2022 - $270,100). As at that date, cash and short-term investment were held at a chartered Canadian financial institution and the Company does not consider the risks to be significant.

d) Liquidity Risk

Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. Additional cash requirements could be met with the issuance of additional share capital; however there is no assurance the Company will be able to raise funds in this manner in the future. As at October 31, 2022, the Company was holding cash of $83,361 (April 30, 2022 - $270,100).

1.13 Disclosure of Outstanding Share Capital as at December 22, 2022:

	Number		Book Value
Common Shares	46,701,501	$	4,932,645

A summary of the Company's outstanding share purchase warrants is presented below:

Number of Shares	Exercise Price	Expiry Date
7,245,000	$0.10	December 9, 2023
5,250,000	$0.10	February 2, 2024
12,495,000	**$0.10**	

During the period ending October 31, 2022, 302,500 warrants exercisable at $0.60 per share expired unexercised.

1.14 Approval

The Board of Directors, upon the recommendation of the Audit Committee, has approved the disclosure contained in this MD&A.