ELEMENT NUTRITIONAL SCIENCES INC.

(formerly PJ1 Capital Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Months Ended March 31, 2021

(Expressed in Canadian Dollars)

This Management's Discussion and Analysis ("MD&A") provides discussion and analysis of the financial condition and results of operations of Element Nutritional Sciences Inc. (formerly PJ1 Capital Corp. ("PJ1 Capital")) (the "Company") for the three months ended March 31, 2021. The discussion below should be read in conjunction with the Company's condensed interim consolidated financial statements for the three months ended March 31, 2021 (the "Interim Financial Statements"), and the audited consolidated financial statements for the years ended December 31, 2020 and 2019. Those consolidated financial statements and accompanying notes have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

The information contained within this MD&A is current to May 31, 2021.

All dollar amounts in the MD&A are stated in Canadian dollars unless otherwise indicated.

Forward-looking Statements

This MD&A, including any information incorporated by reference, contains statements that, to the extent that they are not historical fact, may constitute "forward-looking statements" within the meaning of applicable securities legislation.

Forward-looking statements may include, but are not limited to, statements with respect to:

- financial and other projections, future plans, objectives, performance, revenues, growth, profits or operating expenses;
- the use of available funds;
- plans to research, develop, implement, adopt, market and sell new technology or products, including continued research, development and commercialization regarding the Company's products and proposed products;
- estimates and projections regarding the industry in which the Company operates or will operate, including the global nutrition and dietary supplement market, nutritional drinks market, adult nutritional food and drinks market and expectations relating to trends and the adoption of new products;
- requirements for additional capital and future financing options;
- plans to launch new products, obtain new customers or expand the customer base, and enter into new markets;
- expansion and acceptance of the Company's products in markets across different jurisdictions;
- manufacturing and distribution partnerships and agreements;
- plans to identify, pursue, negotiate and/or complete strategic acquisitions;
- marketing plans and strategic advertising results;
- the timing and possible outcome of regulatory and legislative matters, including, without limitation, matters relating to the Food and Drug Administration ("FDA"), Health Canada and other regulatory approval processes;
- future plans, objectives or economic performance, or the assumption underlying any of the foregoing; and

- other expectations of the Company.

Such forward-looking statements, made as of the date hereof, reflect the Company's current views with respect to future events and are based on information currently available to the Company and are subject to and involve certain known and unknown risks, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed in or implied by such forward-looking statements. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated, or expected. These risks, uncertainties, assumptions, and other factors should be considered carefully, and prospective investors and readers should not place undue reliance on the forward-looking statements.

These risks, uncertainties, assumptions and other factors include, but are not limited to: the risks and factors set out below under the heading "Financial Risk Management"; risks posed by the economic and political environments in which the Company operates and intends to operate; market instability due to the COVID-19 pandemic; the potential for losses arising from the expansion of operations into new markets; increased competition; assumptions regarding market trends and the expected demand and desires for the Company's products and proposed products; reliance on industry manufacturers, suppliers and others; the failure to adequately protect intellectual property; a failure to adequately manage future growth; adverse market conditions; failure to satisfy ongoing regulatory requirements; and the additional risk factors as set out in the Company's prospectus dated May 13, 2021 (the "Prospectus").

Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statement or information or statements to reflect information, events, results, circumstances or otherwise after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by law including securities laws. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such fact on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements or information.

Description of the Company

The Company (formerly PJ1 Capital) was incorporated under the *Business Corporations Act* of British Columbia on June 25, 2018.

The Company acquired Element Nutrition Inc. ("Element") and Hammock Pharmaceuticals, Inc. ("Hammock"), effective August 31, 2020 as follows:

(i) a share exchange agreement (the "Element Share Exchange Agreement") under which the Company acquired all of the issued and outstanding shares of Element in consideration of the issuance of 24,375,000 common shares to the former shareholders of Element; and

(ii) a merger agreement (the "Hammock Merger Agreement") under which the Company acquired all of the issued and outstanding shares of Hammock in consideration of the issuance of 9,375,000 common shares to the former shareholders of Hammock.

As part of the Element Share Exchange Agreement and the Hammock Merger Agreement, the Company reserved for issuance an aggregate of 24,000,000 management performance warrants.

Each of the Element Share Exchange Agreement and the Hammock Merger Agreement contains voluntary lock-up provisions that apply to the former shareholders of Element and Hammock. 400,000 common shares of the Company were issued on August 31, 2020 as a finder's fee in connection with the acquisition of

Element and Hammock.

RTO Transaction

On August 31, 2020, the Company (PJ1 Capital at the time) acquired all of the issued and outstanding shares of Element by way of a reverse take-over transaction (the "RTO Transaction"), pursuant to the Element Share Exchange Agreement, whereby all of the issued and outstanding shares of Element (28,870,602) were exchanged for 24,375,000 common shares of PJ1 Capital.

In the RTO Transaction, although legally PJ1 Capital is the parent of Element, Element is deemed to be the accounting acquirer and PJ1 Capital is deemed to be the acquiree for accounting purposes. Upon completion of the RTO Transaction, the former shareholders of Element have become the controlling shareholders of PJ1 Capital. As Element is deemed to be the acquirer in the RTO Transaction, the assets and liabilities of Element have been accounted for at cost, and PJ1 Capital's assets and liabilities have been accounted for at fair value on acquisition at August 31, 2020. Since PJ1 Capital's operations did not constitute a business prior to August 31, 2020, the transaction has been accounted for as an asset acquisition that is not a business combination. Therefore, PJ1 Capital's share capital, reserves and deficit at the time of the RTO Transaction have been eliminated and the RTO Transaction costs have been expensed. The capital structure recognized in the audited consolidated balance sheet is that of the Company, but the dollar amount of the issued share capital prior to the RTO Transaction will be that of Element, including the value of shares issued prior to the RTO Transaction.

In the accounting for the reverse takeover, the RTO Transaction consideration was determined by reference to the fair value of equity of the legal subsidiary, being Element, would have issued to the legal parent entity, being PJ1 Capital, for the shareholders of PJ1 Capital to obtain the same percentage ownership interest of approximately 41% in the combined entity. The fair value of the issued equity was determined based on the most reliable and observable fair value measures being the value of shares and warrants the legal parent had outstanding at the time of the RTO Transaction (22,233,162 common shares and 550,000 special warrants) and a market price per share from a recent transaction between third party market participants ($0.15/share) and 521,600 special warrants with a fair value of $0.08/share determined using a Black-Scholes pricing model.

The excess of the fair value of the RTO Transaction consideration to PJ1 Capital over the fair value of the liabilities of PJ1 Capital acquired by Element on August 31, 2020 is as follows:

Fair value of consideration given up:		
22,233,162 shares at $0.15 / share	$	3,334,974
550,000 special warrants at $0.15 / share		82,500
521,600 special warrants at $0.08 / share		41,728
		3,459,202
Fair value of net assets acquired		
Cash		1,479,183
Loan receivable		250,000
Amounts receivable		9,855
Accounts payable and accrued liabilities	-	6,921
Net Assets Acquired		1,732,117
Excess of RTO Transaction consideration over net assets acquired	**$**	**1,727,085**

Capital Transactions

On June 25, 2018, the Company issued 1 common share for $1.00.

On June 25, 2018, the Company issued 335,000 special warrants. An additional 215,000 special warrants were issued on July 9, 2020. The special warrants converted to common shares of the Company on November 7, 2020. The warrants are recorded at their estimated fair value which is based on $0.15/share on August 31, 2020.

On July 3, 2020, the Company completed a private placement and issued 11,200,000 common shares at $0.02 per share for a total of $224,000.

On August 10, 2020, the Company completed a private placement and issued 11,033,162 common shares at $0.15 per share for a total of $1,654,974. The Company issued 521,600 special warrants as a finder's fee on August 10, 2020 to Canaccord Genuity Corp. The special warrants entitle the holder to purchase common shares at $0.15/share for a period of two years from the date of grant. The warrants are recorded at their estimated fair value which is based on $0.08/share on August 10, 2020 using the Black-Scholes pricing model with the following assumptions: (i) expected option life of 1.9 years; (ii) risk free rate of 0.5%; (iii) dividend yield of nil; (iv) expected volatility of 100%; and (v) fair value of the share price of $0.15.

On August 31, 2020, all shareholders of Element exchanged all their issued and outstanding shares to the Company pursuant to the Element Share Exchange Agreement. As consideration, the Company issued 24,375,000 common shares to the former shareholders of Element.

On August 31, 2020, the Company acquired all of the issued and outstanding shares of Hammock in consideration for the issuance of 9,375,000 common shares of the Company.

On August 31, 2020, the Company issued 400,000 common shares as a finder's fee related to the Element share exchange and the Hammock acquisition. The shares were recorded at the fair value of $0.15/share on August 31, 2020.

The Element Share Exchange Agreement and the Hammock Merger Agreement contain voluntary lock-up provisions that apply to the former shareholders of Element and Hammock.

Pursuant to a concurrent private placement completed on January 18, 2021, and March 29, 2021, the Company issued an aggregate of 22,480,000 subscription receipts at a price of $0.25 each to raise aggregate gross proceeds of $5,620,000. The gross proceeds were placed into escrow. Upon conversion of the subscription receipts, and without additional payment therefor, the Company would issue 22,480,000 common shares, which were qualified for distribution under the Prospectus. On May 13, 2021, the Company completed its Prospectus filing. On May 19, 2021, the funds were released from escrow and the subscription receipts were converted to common shares.

As part of the concurrent private placement, the Company entered into a finder's agreement with Canaccord Genuity Corp. Under the terms of the finder's agreement, the Company paid a finder's fee of $426,360 and issued 1,705,440 broker warrants (the "Broker Warrants") exercisable for 1,705,440 common shares at a price of $0.25/share for a period of two years from the date of issuance. A corporate finance fee of $200,000 was also payable to Canaccord Genuity Corp. Of the $200,000, $100,000 was payable by the issuance of fully paid shares at $0.25 per share.

On January 18, 2021, the Company issued 1,300,000 options to the President and Chief Executive Officer to purchase common shares of the Company. All options vested immediately at the date of issuance, have an exercise price of $0.25/share, and expire five years from the date of issuance. The options are recorded at their estimated fair value which is based on $0.185/share at March 10, 2020 using the Black-Scholes pricing model with the following assumptions: (i) expected option life of 5 years; (ii) risk free rate of 0.5%; (iii) dividend yield of nil; (iv) expected volatility of 100%; and (v) fair value of the share price of $0.25.

On January 18, 2021, the Company issued 24,000,000 management performance warrants (the "Management Performance Warrants") to the President and Chief Executive Officer in connection with the Element Share Exchange Agreement. No value has been assigned to these warrants. Upon issuance, the management performance warrants are exercisable based on the following criteria:

(a) 7,200,000 management performance warrants shall become exercisable upon the Company reaching $10,000,000 in revenue and a positive net profit for a financial year;
(b) 8,400,000 management performance warrants shall become exercisable upon the Company reaching $25,000,000 in revenue and $2,500,000 in EBITDA for a financial year; and
(c) 8,400,000 management performance warrants shall become exercisable upon the Company reaching $50,000,000 in revenue and $5,000,000 in EBITDA for a financial year.

On February 1, 2021, February 4, 2021 and March 15, 2021, the Company issued 6,012,000 common shares for $1,503,000 ($0.25/share) through multiple private placements. As part of the private placements, Canaccord Genuity Corp. received a finder's fee of $92,240 and 386,960 special warrants exercisable at $0.25/share for a period of two years from the date of grant.

On March 10, 2021, the Company issued 3,400,000 options to certain employees and officers of the Company to purchase common shares of the Company at $0.25/share for a period of five years. One-third of all options vested immediately on the grant date, one-third will vest on the one-year anniversary of the grant date, with the remaining one-third vesting on the two-year anniversary of the grant date. The vested options, one-third, are recorded at their estimated fair value which is based on $0.185/share at March 10, 2021 using the Black-Scholes pricing model with the following assumptions: (i) expected option life of 5 years; (ii) risk free rate of 0.5%; (iii) dividend yield of nil; (iv) expected volatility of 100%; and (v) fair value of the share price of $0.25.

On April 27, 2021, the Company entered into a bridge loan agreement with L5 Capital Inc. to borrow up to $1,250,000 in three tranches of $500,000, $500,000 and $250,000 whereby it would pay an interest rate of 10% and, in addition to the interest, issue two (2) warrants for each one (1) dollar loaned. The 2,500,000 warrants were issued on May 19, 2021. The Company repaid the loan with the escrowed funds as noted in above.

Description of the Business

The Company, through Element, has principally been focused on the development and commercialization of its Rejuvenate brand. Rejuvenate is a muscle health product designed to help slow and/or prevent muscle loss due to aging (Sarcopenia). The formulation is based on 17 years of clinical research with 25 peer reviewed clinical studies supporting the formula and its efficacy. Based on the potential of the formula in delivering a clinically proven nutritional intervention for muscle loss, Rejuvenate is now Element's flag ship brand. Since this new technology makes the initial Boomer formulations obsolete, Element is slowly transitioning out of the Boomer Nutrition brand. The first Rejuvenate product developed was a single serve powdered product sold in a carton holding 30 single serve pouches delivering the 3.6 grams of the essential amino acid formula. Each pouch is mixed with 8-10 ounces of water and consumed 1-2 times per day. Element began commercialization of this brand in April of 2019. Initial sales were through e-commerce on Element's web sites in the US and Canada and also on Amazon.ca and Amazon.com. Retail sales commenced in the second half of the year at 6,000 CVS retail stores and 2,838 Walmart stores in the United States. Total sales for Rejuvenate for 2019 were $1,402,663. It can generally take 24 months or more to get a product into significant distribution. However, due to what Element believes is the product's innovative value proposition, it was able to get retail acceptance at an early stage. Element's goal is to continue to build sales and distribution throughout the United States by adding additional retailers and increasing consumer brand awareness through its marketing efforts. The production of the single serve plant based beverage has commenced in the United States.

In 2020, the brand started selling at Canadian retailers. The Rejuvenate Sachet Products went on sale at Rexall Drug stores in Q2 of 2020. It is now also available at select Shoppers Drug Mart stores and was made available at Loblaws stores in October of 2020. Element is currently in discussions with multiple retailers in North America to increase its distribution of the Rejuvenate Sachet Products.

Over the past year, Element has been developing the Rejuvenate RTD Products. Expanding the brand line by offering a single serve beverage, such as the Rejuvenate RTD Product, is a growth opportunity for Element. Element believes that the Rejuvenate organic plant based beverage will bring added variety and give consumers an alternate choice to what has traditionally been offered. The product is now in the process of moving to production and commercialization. Initial production began in November 2020. Element commenced sales of the product on its e-commerce platform in February of 2021 and commenced retail sales in April of 2021 in the United States. Due to different regulations in Canada, a specific formula must be developed for the Canadian market. Formulation work has commenced and the final formulation is expected to be completed by the end of Q2 2021. This formulation will require Health Canada approval and commercialization will depend on the approval. Approval can take up to 8 months and may be longer due to the COVID-19 pandemic. Element expects to have approval by April of 2022. Once approval is completed the product will be moved to production and commercialization. Initial sales are expected to commence on our e-commerce platforms (Rejuvenate.ca and Amazon.ca) in Q3 of 2022. On March 24, 2021 Element shipped the Rejuvenate RTD to Food Lions in the United States. Food Lions is a grocery chain with 1,000 stores in the mid-Atlantic and South Eastern United states. Element has received confirmation from Walgreens in the US that they will be placing the Rejuvenate RTD in 8,438 stores, coast to coast in the US in the middle of June of 2021.

In March of 2018, Element acquired the JAKTRX product line of protein powders and other nutritional supplements targeting the sports nutrition market. The North American sports nutrition market is valued at $17 billion and is forecast to be $31 billion by 2027, (Grand View Research, Sports Nutrition Market Size, Share & Trends Analysis Report Feb 2020). This represents another significant growth opportunity for Element. Additionally, the Rejuvenate formula can be incorporated into new product offerings within the JAKTRX brand. JAKTRX is a brand designed and developed for the CrossFit consumer. The JAKTRX brand is made up of a line of protein powders and other nutritional supplements. The products were sold through e-commerce on the JAKTRX website and direct to consumers through CrossFit gyms. However, due to the declining popularity of CrossFit and to expand the brand to more consumers encompassing all sports, Element is executing a strategy to change the branding and marketing so as to appeal to the entire sports nutrition consumer and take advantage of the projected growth in the North American sports nutrition market. This change is expected to increase the size of the product's target market and help improve sales.

Element has recently announced the introduction of the Rejuvenate RTD Product in a 330 ml resealable Tetra Pak. The product comes in three flavor options for the consumer, chocolate, vanilla and mocha. The Rejuvenate drink went into production in November 2020. The product will be the first Rejuvenate liquid beverage to enter the marketplace. Sales commenced in February of 2021 through Element's e-commerce platform. The product is now sold at retail stores in the USA. The Canadian formulation was completed in October of 2020 and then moved to trial production. Sales are expected to commence in Canada upon receiving approval from the NHPD.

New products are developed using the patented method of administering a formulation of essential amino acids. Element has plans to launch beverage products under the Rejuvenate brand over the next 3-5 years. Other powdered formulations will also be developed. Additionally, a new digital and social media program will be launched to increase brand awareness of all Rejuvenate products. This strategy is designed to also allow Element to utilize its infrastructure in the United States and start selling the product via e-commerce in the US market. Expansion into the US is a potential growth opportunity for Element. Element Nutrition Ltd., the wholly owned USA subsidiary, was formed to expand brand recognition, open access to new markets, attract new customers and expand its market share for existing and new products within the United States.

Commercialization

Element is currently a vendor of record with Walgreens, CVS, Walmart, Food Lion and Meijer in the United States. This represents a total of 24,577 potential points of distribution in the United States. Element becomes a vendor of record once it has completed all the internal paperwork with the retailer necessary to set up a product in the retailers system so that the retailer can issue purchase orders for the product. For most retailers there is a vendor agreement that outlines the agreed upon guidelines for conducting business together. This agreement includes but is not limited to, pricing, delivery, payment terms, damage allowance and return policies. Element has entered into a Brokerage Agreement with Advantage Solutions to lead Element's sales expansion in the US. Advantage Solutions is a market leader in sales and brand development operating in 40 countries globally.

Element is currently a vendor of record in Canada with Loblaws, Shoppers Drug Mart and Rexall. This represents a total of 3,700 potential points of distribution. Brewin and Associates is Element's broker in Canada.

Element currently has a distribution and sales agreement with Natural Made Company Ltd in South Korea. This agreement was entered into in October of 2019. All product is purchased directly from Element and shipped to the distributor. All purchases are paid up front in US dollars prior to shipping. There are no other current planned distributions outside of Canada and the US. As Element grows and opportunity presents itself, Element may enter into similar agreements in other foreign markets.

Marketing and Branding

In January 2020, Element engaged DEG Productions in the United States to develop and produce content for social media, digital media and direct to consumer marketing. Completion of this was delayed due to the COVID-19 pandemic. In October 2020, they completed the production, and the program is moving forward.

In March 2020, Element engaged the Sasha Group, part of Vayner Media in the United States, a national branding agency. Sasha Group will be managing and executing a complete digital and social media campaign for the Company's Rejuvenate brand.

In August 2020, Element signed Denise Austin as a brand ambassador for the Rejuvenate brand. Denise has over 450,000 followers and is one of the most influential social media celebrities for women 45-65 years old in the United States for fitness and nutrition.

In September 2020, Element engaged Lockard and Wechsler, a national full-service media agency in the United States. Lockard and Wechsler specialize in direct-to-consumer marketing. They are executing a nationwide direct to consumer marketing campaign in the United States.

In September 2020, Element engaged Flinnwest Solutions, a digital marketing agency in White Rock, British Columbia. Flinnwest is providing optimized e-commerce websites that work in conjunction with Element's social media, customer relationship management system and email marketing.

Manufacturing, Supply and Production

All production is contracted to independent contractors. Element currently utilizes three independent contract manufacturers to produce all products sold in North America. There is a large number of contract manufacturers in the US and Canada that have the capabilities to produce the Rejuvenate powder beverage. Element has secondary suppliers so that it is not reliant on one manufacturer. Element enters into quality agreements with all manufactures to ensure the high quality of the products is maintained. Element's current principal manufacturer for its plant based beverage has just completed a full expansion and increased its production capacity. Accordingly, there is significant line time currently available for the production of the Rejuvenate plant based beverage A secondary manufacturer for this product is brought on board so that Element is not relying on just one manufacturer for the plant based beverage. Element's raw material supply chain is managed internally by its operations team in conjunction with its manufacturers. Real time inventory controls allow Element to forecast the need for raw materials and finished goods. The current situation surrounding the COVID-19 pandemic has had no material effect on Element's supply chain. Besides the quality control agreements, Element does not enter into manufacturing agreements with its contract manufacturers. This is done to provide Element with the flexibility to be able to move manufacturing as needed to other manufacturers for the benefit of the business and maintaining supply. If Element entered into agreements with manufacturers, it would limit options on supply should the manufacturer have any production issues. Therefore, if the manufacturer had a production issue or supply issue Element would have no other manufacturer to acquire supply from. Element would then be at risk for out of stocks and not being able to meet demand. This structure is used for all brands and products. Also, by not signing exclusive manufacturing agreements it gives Element the ability to negotiate pricing on a consistent basis as business increases. Element also supplies the manufacturers with forecasts which ensures consistent pricing on raw materials and creates the opportunity to lower the cost of goods on a consistent basis. This model ensures that Element has a predictable supply of all products it sells.

Hammock Pharmaceuticals, Inc.

Hammock was incorporated under the state of Delaware on January 26, 2016. Hammock's main office is at 11922 General Drive, Unit C, Charlotte, North Carolina, 28273.

Hammock's prior focus was to build a prescription-based company focused on women's health and urology. In January 2017, Hammock executed a licensing agreement with MilanaPharm, LLC providing Hammock exclusive North American rights to MilanaPharma's TRI-101 hydrogel technology ("TRI-101"). Hammock continued to develop the technology throughout 2017. However, due to prescription pricing pressure, management made a decision to redirect its focus to the consumer health product segment.

On December 5, 2019, Hammock assigned and transferred to Daré Biosciences, Inc ("Daré") all of its right, title and interest in and to the MilanaPharm license agreement and agreed to transfer to Daré all of the data, materials and the licensed technology in its possession pursuant to a technology transfer plan as agreed upon by the parties.

Upon execution of the assignment agreement, Hammock received $250,000 from Daré, with additional payments of $125,000 paid December 5, 2019, and $137,500 paid on January 31, 2020. On July 13, 2020 Hammock received an additional $100,000 from Daré upon the first patient dosing within its Phase 3 clinical trial in bacterial vaginosis ("BV"). Additional milestone payments are due to Hammock within fifteen (15) days of the following achievements related to certain clinical and regulatory development milestones: i) $250,000 upon submission of a New Drug Application ("NDA") to the FDA for BV; ii) $500,000 upon NDA approval by the FDA for BV; and $250,000 after NDA approval by the FDA for a total of one additional indication for any intravaginal and/or urology indication other than BV.

Subsequent to the acquisition date of August 31, 2020 by the Company, a distribution agreement and license for distributing the Athlete's Gel product in the United States and Canada was not renewed by management due to certain decisions to refocus the Element group on operations that generate positive margins and cash flows. While management had the view of eventually restructuring Hammock operations to be accretive to the group when entering into the Hammock Merger Agreement, it was later determined that the investment required could not provide the returns management had planned pre-merger. As a result, those plans were abandoned and the distribution license was allowed to lapse and as such, both parties signed a mutual release on December 3, 2020. The parties to the mutual release were Athletes Gel PTY Limited, Hammock and the Company. Hammock ceased its business operations in January of 2021. The Company does not plan to make any future material investments to grow the business of Hammock.

Regulatory

The United States and Canada have separate regulatory environments applicable to the sale of the Element's products. In the United States the sale of nutritional and dietary supplements is governed by the FDA. All of Element's products sold in the United States are compliant with FDA regulations. The guidelines for the sale of supplements in the United States was set forth in the *Dietary Supplement Health and Education Act* ("DSHEA"). There is no current process of approval for the sale of nutritional products or any dietary supplements. It is the responsibility of Element and the manufacturers to ensure that products manufactured and sold are compliant with DSHEA.

Within Canada there is the Natural Health Product Directorate ("NHPD") that governs the sale of nutritional products and dietary supplements. The NHPD is a division of Health Canada. Depending on the delivery form (powder, pill, capsule, bar, etc.) and formulation of the product, it may be necessary to get approval of the NHPD to sell the product in Canada. Once the application process is complete and accepted, the product receives a Natural Product Number ("NPN"). This signifies that it is approved for sales in Canada. All of Element's products that are currently sold in Canada that require an NPN have an NPN. Element currently has applications in process with the NHPD for the following new product formulations: Rejuvenate Organic Protein Beverage, Rejuvenate Immune Support and Rejuvenate Omega Health. These products are expected to be brought to market in 2021 once approved.

Intellectual Property

A vital part of Element's business strategy is to protect its products and technologies through the use of patents, proprietary technologies and trademarks, to the extent available. Success will depend, in part, upon the ability to obtain and enforce strong patents, to maintain trade secret protection and to operate without infringing the proprietary rights of others. The most important intellectual property for Element is the brand name for its Rejuvenate products. The patented method of administering a formulation of essential amino acids (US Patent 9,364,463) developed from the University of Arkansas is utilized in both the Rejuvenate Sachet Products and Rejuvenate RTD Products. Element holds rights to this method of administering an amino acid formulation under the License Agreement (as defined below) which provides Element with limited exclusive rights to utilize the patent for the production of dietary supplements and RTD shakes primarily marketed to adults over 60 and non-exclusive rights for the sports nutrition market. Element's rights are non-exclusive in Malaysia, Singapore, Thailand, Brunei, Philippines, Cambodia, Vietnam, Indonesia, Myanmar, Laos, Taiwan and Hong Kong. Element may sell products in China with the prior approval of Eight IP.

The method of administering an amino acid formula as used in Rejuvenate formula has two US patents filed and Element has licensed rights to use this intellectual property. Additionally, Element has partnered with an independent research firm to conduct further research that may result in more patent filing opportunities. Element has filed trademark applications for both the word mark and design mark for "Rejuvenate Muscle Health" in the United States and Canada. Additionally, Element has filed a trademark application for its JAKTRX brand in both the United States and Canada. Element will continue to look for opportunity to protect and solidify its intellectual property and concurrently its market advantage with patents and trademarks wherever possible.

Pursuant to the first amended and restated sublicense agreement (the "License Agreement") dated October 27, 2020, as amended, between Eight IP LLC ("Eight IP") as the licensor and Element as the licensee, Element licensed the use of certain patent rights from Eight IP consisting of the use of amino acid supplementation for improved muscle recovery for a term of ten years commencing on November 1, 2020. Upon expiry, the License Agreement shall automatically renew for an additional ten years provided Element is not in breach of the License Agreement and the parties agree upon minimum purchase requirements for the renewal term. Eight IP sublicensed the intellectual property pursuant to an underlying license agreement with the University of Arkansas. The patent rights are currently held by BioVentures, LLC, an affiliated entity of the University of Arkansas that manages its intellectual property.

The brand has growing customer acceptance, brand loyalty and brand equity. The increased brand equity allows Element to further expand into other retail categories (grocery, vitamins, food supplements etc.) and health conditions (heart health bone health etc.) relating to products that are not dependent on the patent rights under the License Agreement. Increased brand equity and innovation within the brand creates brand longevity. This strategy allows the brand to remain in the market for many decades. Patents eventually expire but brand equity and consumer loyalty does not.

Research and Development

The Company had engaged KGK Science in London, Ontario. KGK Science is a full-service contract research organization specializing in the nutritional science. The Company is currently working with KGK Science in the development of research protocols with the Rejuvenate formulation. Results from these studies will contribute to the formation of new intellectual property and new applications in human health and wellness.

Use of Proceeds

The Company raised $1,878,974 in the two private placements on July 3, 2020 and on August 10, 2020. The company also raised an aggregate of $1,503,000 in a third private placement on February 1, 2021, February 4, 2021 and on March 15, 2021. The Company budgeted to use the funds as follows in the table below. A comparison of the actual use of proceeds is also included.

Use of Available Funds	**Budgeted Use of Funds ($)**	**Actual Use of Funds($)**
Marketing[(1)]	$1,100,000	$1,043,050
Finder's fee	170,480	170,480
Payment of debt	235,000	235,000
Professional fees	400,000	458,000
Working capital	1,476,494	1,475,444
TOTAL	3,381,974	3,381,974

Notes:

(1) Marketing costs are an effective and essential expense towards engaging the Company's customers and branding. The Company's marketing campaign costs include activities associated with:
- (i) digital content
- (ii) social media and paid media,
- (iii) direct to consumers

The difference between the budgeted amount and the actual amount is $35,000. This difference is due to the timing of some initiatives.

Selected Financial Information

(For the three months ended and as at March 31, 2021 and March 31, 2020)

The following tables show selected financial information for the 3 months ended and as at March 31, 2021 compared to the 3 months ended March 31, 2020. The selected financial information set out below may not be indicative of the Company's future performance. The information contained in each table should be read in conjunction with the Interim Financial Statements for the 3 months ended March 31, 2021 and 2020 and related notes.

Summary Information	(Unaudited)	
(expressed in thousands of Canadian dollars)	As at and for the 3 months ended, March 31,	As at and for the 3 months ended, March 31,
	2021	**2020**
	$	$
Revenue	346	177
Operating Loss	(1,461)	(394)
Net loss	(1,428)	(430)
Basic and diluted loss per common share	(0.02)	(0.12)
Total current assets	2,540	897
Total non-current assets	162	146
Total current liabilities	4,689	4,247
Total non-current liabilities	79	27
Total shareholders' deficiency	(2,067)	(3,231)

Results of Operations

The Company recorded a net loss of $1,428 for the 3 months ended March 31, 2021 compared to a net loss of $430 for the 3 months ended March 31, 2020.

The table below provides a more detailed break-down of the Company's financial results for the 3 months ended March 31, 2021 compared to the 3 months ended March 31, 2020:

(expressed in Canadian dollars)	**For the 3 months ended, March 31,**	**For the 3 months ended, March 31,**
	(unaudited)	(unaudited)
	2021	**2020**
	$	$
Revenue	345,734	177,047
Cost of sales	345,015	123,541
	719	**53,506**
Operating Expenses		
Salaries and wages	724,303	219,977
Advertising and marketing	203,327	73,352
General and administrative	42,523	81,293
Depreciation	18,632	38,251
Professional fees	471,827	3,770
Product development	2,035	30,929

Total operating expenses	**1,462,647**	**447,572**
Loss before other income (expenses)	**(1,461,928)**	**(394,066)**
Other Income (Loss) and (expenses):		
Foreign exchange (loss) gain	46,201	(20,566)
Interest expense	(6,362)	(7,580)
Bank charges and Interest	(9,463)	(7,757)
Other Income	3,188	-
Net Loss	**(1,428,364)**	**(429,927)**

Revenue

(expressed in Canadian dollars)	**For the 3 months ended March 31,**		**For the 3 months ended March 31,**	
	2021		2020	
Brand	Gross Sales	%age	Gross Sales	%age
Rejuvenate	$ 310,135	89.7%	$ 175,753	99.3%
JAKTRX	60,136	17.4%	72,088	40.7%
BOOMER	1,072	0.3%	5,984	3.4%
Sub-total	**$ 371,343**	107.4%	**$ 253,825**	143.4%
Sales returns, allowances, listing fees and discounts	25,609	7.4%	76,778	43.4%
Total	**$ 345,734**	100.00%	**$ 177,047**	100.00%

Analysis of the Results of Operation for the 3 months ended March 31, 2021 and March 31, 2020

(***expressed in thousands of Canadian dollars***)

The Company generated an increase in revenue of $169 during Q1 2021, (for the 3 months ended March 31, 2021, $346, compared to $177 for the 3 months ended March 31, 2020). The increase over the same period last year is mainly a result of the combined effect of its Rejuvenate ready to drink plant based product and powdered mix product in the marketplace.

Operating Expenses

Operating expenses of $1,462 (for the 3 months ended March 31, 2020, $448) increased by $1,014 from the previous period. The major drivers of the increase are the following.

- Professional fees, $724, (for the 3 months ended March 31, 2020, $4). The increase of $472 was directly related to the increased audit and legal fees associated with the Prospectus filing and RTO Transaction.
- Salaries and wages of $504 (for the 3 months ended March 31, 2020, $220). This expense consists of management and employee wages associated with sales, operations, research and development, and administration. This amount also includes stock based compensation. The increase of $504 is largely attributed to the issuance of stock options to key personnel which amounted of $459 for the period.
- Advertising and marketing of $203 (for the 3 months ended March 31, 2020, $73) relates to costs associated with new product launch campaigns. The increase of $130 from the previous year was impacted by the Company's decision to support the launch campaign of the Rejuvenate Plant based product.

Summary of Quarterly Results

The following table sets out selected unaudited financial data in respect of the last 8 (eight) quarters of the Company.

	Q2	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**
	2019	**2019**	**2019**	**2020**	**2020**	**2020**	**2020**	**2021**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
			(note 1)			(note 2)	(note 3)	(note 4)
Revenue	541	714	331	177	301	182	318	346
Net Loss	(287)	(108)	(649)	(430)	(154)	(4,608)	(2,529)	(1,428)

Notes to Quarterly Results

(expressed in thousands of Canadian dollars)

(1) Q4 2019 included significant costs that reflected the Net Loss of $649 such as salaries and wages of $209, sales & marketing of $215, general & administrative of $135.

(2) Q3 2020 included operating costs which were significant such as impairment of intangible asset, business acquisition of Hammock, and the RTO Transaction with PJ1 Capital.

(3) Q4 2020 included additional legal and audit fees associated with the filing of the Prospectus, listing fees for the new distributors and TV media costs to support the Rejuvenate organic plant based beverage.

(4) Q1 2021 included warrants and options, additional legal and audit fees associated with the filing of the Prospectus, TV media costs to support the Rejuvenate organic plant based beverage.

Liquidity and Capital Resources

The Company's approach to managing its liquidity is to ensure that it has sufficient resources to meet its liabilities as they come due and have sufficient working capital to fund operations for the ensuing fiscal year. As of the date of this MD&A, the Company's financing of operations has been achieved from product sales and by equity financing. The Company anticipates that it will require significant funds from its operations and either equity or debt financing to support its operations.

Pursuant to a concurrent private placement completed on January 18, 2021, and March 29, 2021, the Company issued an aggregate of 22,480,000 subscription receipts at a price of $0.25 each to raise aggregate gross proceeds of $5,620,000. The gross proceeds were placed into escrow. Upon conversion of the subscription receipts, and without additional payment therefor, the Company would issue 22,480,000 common shares, which were qualified for distribution under the Prospectus. On May 13, 2021, the Company completed its Prospectus filing. On May 19, 2021, the funds were released from escrow and the subscription receipts were converted to common shares.

In addition, on February 1, 2021, February 4, 2021 and March 15, 2021, the Company issued 6,012,000 common shares for $1,503,000 ($0.25/share) through multiple private placements. As part of the private placements, Canaccord Genuity Corp. received a finder's fee of $92,240 and 386,960 special warrants exercisable at $0.25/share for a period of two years from the date of grant.

Going Concern

The Interim Financial Statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has a working capital deficiency of $2,149,246 and a shareholders' deficiency of $2,066,638 as at March 31, 2021, (as at March 31, 2020, $3,350,428 and $1,042,272, respectively). In addition, the Company has experienced negative cash outflows from operations in 2021 and 2020. While the Company has experienced an increase in sales from the same period in 2021 compared to 2020 and has increased the number of locations in which its products are sold, the Company is dependent on additional sources of liquidity to finance continued growth and operations. While the Company has secured additional sources of liquidity as described in the Prospectus, the Company's ability to continue as a going concern and manage any risks associated with the response to COVID-19 pandemic is dependent upon raising additional capital and sources of liquidity. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The Interim Financial Statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate for the Interim Financial Statements, adjustments would be necessary to the balance sheet of financial position and classifications used.

Cash Flows

The change in the Company's use of cash in the period ended March 31, 2021 compared to the 3 month period ended March 31, 2020 for operating activities, investing activities and financing activities are reflected in the following table:

(unaudited) (expressed in thousands of Canadian dollars)	For the 3 months ended March 31,	For the 3 months ended March 31,
	2021	2020
Cash used in operating activities	($1,135)	($307)

Cash used in investing activities	($14)	($34)
Cash provided by financing activities	$1,293	$240
Net increase/(decrease) in cash and cash equivalents	$143	($101)

Working Capital (expressed in thousands of dollars)

Working capital represents the Company's current assets less its current liabilities. As at March 31, 2021, the Company had net working capital deficiency of $2,149,246, a decrease of $1,201,182 from March 31, 2020. Working capital included cash, accounts receivable, prepaid expenses, inventories, bank demand loan, accounts payable and accrued liabilities, current portion of notes payable, current portion of government loans, working capital loan, current portion of lease obligation, other financial liabilities and loans provided by the principal shareholder. The Company anticipates receiving cash proceeds from future revenue and public offerings.

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions. Any quoted market for the Company's shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating new revenues, cash flows, or earnings.

As of the date of this MD&A, the Company has not yet achieved profitable operations, and as at March 31, 2021 has an accumulated deficit of $15,404,985. Whether, and when, the Company can attain profitability and positive cash flows from its operations remains uncertain. While the Company has been successful in obtaining financing to date, there can be no assurance that it will be able to do so in the future on terms favorable to the Company.

Critical Accounting Estimates

The Company's financial statements are impacted by the significant accounting policies used, and the estimates and assumptions made, by management during their preparation. The Company's accounting policies are described in Note 2 to the Interim Financial Statements for the 3 months ended March 31, 2021.

Off-Balance Sheet Financing

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or with respect to any obligations under a variable interest equity arrangement.

Transactions with Related Parties

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured. Repayment terms, if any, are determined at the time of the advance.

Key Management Compensation

The Company's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. Key management personnel are defined as those individuals having authority and responsibility for planning, directing, and controlling the activities of the Company and include the Company's CEO. The Company recorded $62,500 for the 3 months ended March 31, 2021 (for the 3 months ended March 31, 2020, $25,000) related to key management personnel salaries and benefits.

Financial Risk Management

The Company's activities expose it to a variety of financial risks that arise as a result of its activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies, and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout the Interim Financial Statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's customers are subject to an internal credit review, together with ongoing monitoring of the amount and age of balances in order to minimize the risk of non-payment. The carrying amount of accounts receivable reflects the maximum credit exposure and management's assessment of the credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due. The continued operation of the Company is dependent upon the Company's ability to secure equity financing to meet its existing obligations and finance operations. Accounts payable and accrued liabilities are subject to normal trade terms.

Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates and interest rates will affect the Company's income or the value of its financial instruments.

Currency risk

Currency risk arises from financial instruments and sales and purchases that are denominated in a currency other than the Canadian dollar, the Company's functional currency. The Company operates in Canada and the United States and the Company incurs the majority of its operating expenses in Canadian dollars. In the future, the proportion of international sales is expected to increase. Any fluctuation in the exchange rates of foreign currencies may negatively impact the Company's business, financial condition, and results of operations. The Company manages risk to foreign currency exposure by monitoring financial assets and liabilities denominated in US dollars and exchange rates on an ongoing basis. The Company has not engaged in foreign currency hedging.

Disclosure of Outstanding Share Data

The Company had 64,362,662 common shares issued and outstanding as of March 31, 2021 and 87,242,662 common shares issued and outstanding as of May 31, 2021.

In addition to the Broker Warrants and the Management Performance Warrants, as of May 31, 2021, the Company had 3,408,560 warrants outstanding as follows:

Issue date	Exercise price	Number of warrants
August 10, 2020	$0.15	521,600
February 1, 2021	$0.25	231,440
March 15, 2021	$0.25	155,520
May 13, 2021	$0.25	2,500,000
Total	$0.25	3,408,560

As of May 31, 2021, the Company had 5,200,000 options outstanding as follows:

Grant date	Exercise price	Number of options	Number of vested options
December 22, 2020	$0.25	500,000	500,000
January 18, 2021	$0.25	1,300,000	1,300,000
March 10, 2021	$0.25	3,400,000	1,116,667
Total	$0.25	5,200,000	2,916,667

Additional Information

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com.

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