Boosh Plant-Based Brands Inc.

Interim Management's Discussion and Analysis

For the Nine Months Ended December 31, 2022 and 2021

The following discussion and analysis is prepared as of March 1, 2023, and should be read in conjunction with the condensed consolidated interim financial statements of Boosh Plant-Based Brands Inc. (the "Company" or "BPBB") for the three and nine months ended December 31, 2022 and 2021 which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the notes thereto.

Introduction

This section contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those discussed in forward-looking statements as a result of various factors, including those described under "Forward-Looking Information".

Forward Looking Information

Certain statements in this report are forward-looking statements which reflect management's expectations regarding future growth, results of operations, performance, business prospects and opportunities, the Company's ability to meet financial commitments and its ability to raise funds when required. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, the global economic environment, and the Company's ability to manage its operating costs, may prove to be incorrect. A number of risks and uncertainties could cause actual results to differ materially from those expressed or implied by the forward-looking statements.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include:

- Limited Operating History
- Regulatory Risks
- Permits and Governmental Regulations
- Supply and Demand Risk
- Reliance on Third-Party Suppliers
- Reliance on Third-Party Co-Packer
- Third-Party Supplier Compliance
- Limited Number of Distributors
- Transportation Providers
- Competition
- Damage to the Company's Reputation
- Maintaining the Brand
- Food Safety and Illness Incidents
- Product Innovation and Development
- Acquiring and Retaining Customers
- Changing Consumer Preferences
- Ingredient and Packing Costs
- Reliance on Management

- Operational Risks
- COVID-19 Pandemic Risks
- Intellectual Property Protection
- Holding Company
- Conflicts of Interest

Company Overview

Boosh Plant-Based Brands Inc. (the “Company” or “BPBB”) was initially incorporated under the BCBCA on August 6, 2020 as “Terra Sol Essential Inc.” On October 21, 2020, the Company’s name was changed to 1260389 B.C. Ltd. On December 21, 2020, the Company completed the acquisition of Boosh Food Inc. (“Boosh”) through a share exchange agreement (note 5). As a result, Boosh became a wholly owned subsidiary of the Company, and the outstanding shares of Boosh were cancelled. This transaction is accounted for as a reverse asset acquisition of the Company by Boosh (“RTO”). On January 18, 2021, the Company’s name was changed to “Boosh Plant-Based Brands Inc. Prior to the RTO, the Company had no operations.

The Company’s head office, principal address and records office is located at #205-18428 53rd Ave, Surrey, BC V3S 7A4. The registered office is located at 2080 - 777 Hornby Street, Vancouver, BC, V6Z 1S4. The Company is in the business of producing and selling plant-based frozen meals and gluten-free snacks.

On May 26, 2021 the Company completed its initial public offering and commenced trading on the Canadian Stock Exchange (“CSE”) under the symbol “VEGI”. The Company also trades on the OTCQB under the stock symbol “VGGIF” and on the Frankfurt Stock Exchange under the stock symbol “77I”.

Acquisitions

The Company completed four significant acquisitions during the previous fiscal period, including the transformative acquisition of a well-known U.S. brand (Beanfields) which significantly expanded the Company’s product and geographic breadth. The Company continues to focus on the integration and optimization of the acquired entities with the Company’s legacy brands.

<u>Beanfields Acquisition</u>

On February 16, 2022, the Company brought a leading brand into its portfolio, by acquiring Beanfields Inc. Beanfields produces and sells gluten-free, non-GMO, vegan, top eight allergen-free flavored bean-based chips. Beanfields’s portfolio includes a broad offering of nine flavors, including Black Bean, Sour Cream and Onion, Firey Hot and Nacho flavors. They have capitalized on the industry trends of 'Better For You' in the salty snack category and have quickly gained popularity and are sold in over 7,000 retail locations across the United States. The Company believes there is opportunities to leverage the popularity of the Beanfields brand to further expand its footprint across the United States and into Canada and achieve synergies with the Company’s other brands.

<u>Pulse Kitchen Specialty Foods Ltd. Acquisition</u>

The Company expanded its product line to include plant-based, gluten free cheese resulting from the strategic acquisition of Pulse Kitchen, which closed on October 15, 2021.

Pulse Kitchen produces high quality 100% plant-based, gluten free cheese, made from nuts, seeds, pulses and other fine ingredients. Cheese flavors include Sharp Cashew Cheddar, Almond Chevre, Dill Havarti, Almond Swiss, Vegan Pepper Jack, Cashew Kind of Blue and Smoky Cashew Cheddar as well as a Feta style cheese ready to bring to market. Products are sold in approximately 250 grocery stores in Canada including Whole Foods, Healthy Planet, Nature's Fare, IGA, Fresh St Market, Choices, Urban Fare, and Nesters. The production facility is located in Penticton BC and was established in 2016.

Saltspring Harvest Acquisition

On July 14, 2021, the Company entered into an agreement with Saltspring Harvest Ltd. (“Saltspring Harvest”), to acquire all the assets related to Saltspring Harvests’ business (“the Asset Purchase Agreement”). The transaction closed on July 23, 2021. Through this acquisition, the Company added a line of végé-pâtés, as well as seed-based spreadable dips. The vegan végé-pâtés and spreadable dips use organic sunflower seeds, vegetables and other whole-foods ingredients. The products have a high content of plant-based protein and are free from gluten, eggs, dairy and nuts.

Third Quarter Update

Operations

Throughout the third quarter Management continued to work diligently on cost saving measures, primarily to reduce the cost of operations and production related to Beanfields, including:

- Switching to a primary spice ingredient supplier to reduce shipping costs and increase purchasing power through consolidation;
- Focusing production on top selling products for quick sell through and more efficient production;
- Reduction of labour costs by eliminating one high paying operations position and fulfilling the role with current staff and management.

The Company also expanded our team through arranging c-suite executives on as needed basis to strengthen our team without having to pay full time salaries.

The Company announced the addition of Mike Lund to its Board of Directors which increased the current board slate from four to five. Mr. Lund will also serve as a consultant in the areas of sales growth and operations. Mr. Lund is a seasoned executive with over 35 years of experience in retail, consumer packaged goods, food manufacturing and global agribusiness.

The Company also engaged Robert Hall as a special advisor for Corporate Development. Mr. Hall brings over 20 years of management experience of private and public Companies. Through his vast network of business associates, he has raised significant seed funding and provided working capital for the expansion of large scale projects.

In addition, David Kerbel was engaged as Special Advisor for Operations and Sales Development, North America. Mr. Kerbel is a visionary Consumer Packaged goods executive with 30 years experience leading multiple public companies in the United States, United Kingdom and Germany.

On the financing front, the Company arranged a non-brokered private placement to raise up to up to $500,000 through the issuance of up to 10,000,000 units (each a "**Unit**") at a price of $0.05 per Unit. Each Unit is comprised of one common share and one share purchase warrant (a "**Warrant**"). Each Warrant shall be exercisable to acquire one common share for a period of 12 months. To date, the Company has issued 4,690,000 common shares pursuant to this offering for gross proceeds of $234,000.

Sales

Third quarter sales were lower than the previous quarter due to restricted cashflow which limited production. While product demand remains high for Beanfields, the Company has been cash constrained which has limited the ability to meet customer demand. The Company consistently has orders in excess of $1 million per month for Beanfields production but has been constrained by operational and financial limitations, primarily due to integration costs related to the four acquisitions completed in the previous year and lower cash proceeds from sales due to excessive chargebacks from legacy contracts with distributors.

Discussions are ongoing with potential sources of capital, and the Company believes that the combination of capital, cost cutting, and operational improvements will translate into higher sales and margins in the following quarters. Sales highlights from the quarter include:

Beanfields

- Continued sales to Canada through Loblaws, Whole Foods, Horizon Distributors and Planet Foods distributors with many independent and small retailers carrying the line.
- Renewed contracts with UNFI, KeHE, Whole Foods and Sprouts.

Boosh

- Continuing sales of all Boosh products but have not accepted any new retail chain opportunities as we focus cashflow on Beanfields. Sales of Shelf Stable Mac n' Cheese continue to grow through Whole Foods, Georgia Main Group and Independent grocers.
- Frozen line is continuing to sell through at Whole Foods, Save On Foods and Metro stores.

Results of Operations

The following table presents the consolidated financial information for three and nine months ended December 31, 2022, and 2021 and has been prepared in accordance with IFRS.

	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	**2022**	2021
Sales	**$ 523,247**	$ 84,606	**$ 2,673,484**	$ 211,887
Cost of sales	**(559,292)**	(61,892)	**(2,640,397)**	(152,924)
Gross profit	**(36,045)**	22,714	**33,087**	58,963
Operating expenses				
Depreciation and amortization	**163,708**	27,966	**501,062**	76,758
General and administrative expenses	**103,591**	182,616	**430,064**	399,922
Marketing and sales	**96,865**	1,111,584	**608,613**	2,323,795
Management fees	**24,000**	52,515	**197,000**	260,892
Professional fees	**84,459**	44,360	**286,115**	159,044
Rent	**6,352**	12,051	**44,692**	31,812
Research and development	**936**	16,368	**4,336**	31,292
Salaries and beneifts	**147,593**	219,734	**765,675**	311,825
Share-based payments	**135,000**	302,169	**654,773**	801,429
Total operating expenses	**762,504**	1,969,363	**3,492,330**	4,396,769
Loss from operations	**(798,549)**	(1,946,649)	**(3,459,243)**	(4,337,806)
Other income (loss)	**(201,641)**	(16,363)	**579,793**	(84,125)
Net loss	**(1,000,190)**	(1,963,012)	**(2,879,450)**	(4,421,931)
Cumulative translation adjustment	**73,588**	-	**(425,027)**	-
Net loss and comprehensive loss	**$ (926,602)**	$ (1,963,012)	**(3,304,477)**	$ (4,421,931)
Loss per share, basic and diluted	**$ (0.03)**	$ (0.11)	**(0.10)**	$ (0.32)

Three months ended December 31, 2022 and 2021

<u>Revenue and gross profit</u>

Revenue for the three months ended December 31, 2022 and 2021 was $523,247 and $84,606 respectively with gross profit of ($36,045) and $22,714, respectively.

Revenue increased during the three months ended December 31, 2022 relative to the prior comparative period due to the contribution from Beanfields which generated sales of $442,933 during the three months ended December 31, 2022 (2021 - $nil).

Gross profit decreased during the three months ended December 31, 2022 relative to the prior comparative period due primarily to chargebacks on Beanfields sales which the Company continues to renegotiate.

<u>Operating expenses</u>

Operating expenses for the three months ended December 31, 2022 were $762,504 versus $1,969,363 in the prior comparative period. The overall net decrease is primarily due to a reduction in marketing and sales expenses, offset by increases in other accounts which reflect the growth in operations related to the four acquisitions completed in the last year, with specific variances discussed below.

General and administrative expenses

General and administrative expenses were $103,591 for the three months ended December 31, 2022 versus $182,616 during the prior year comparable period. The decrease is primarily attributable to reductions in general and administrative costs resulting from ongoing cost cutting initiatives.

Management fees

Management fees were $24,000 for the three months ended December 31, 2022 versus $52,515 during the prior year comparable period. Management fees during the current period is for the Company's CEO with the entire amount included in accounts payable as at December 31, 2022. Management fees in the prior period include director and CFO compensation which was $nil during the current period.

Professional fees

Professional fees were $84,459 for the three months ended December 31, 2022 versus $44,360 for the prior year comparable period. The increase is primarily related to non-recurring legal expenses related to corporate restructuring activities, debt structuring and settlement agreements.

Salaries and benefits

Salaries and benefits were $147,593 during the three months ended December 31, 2022 versus $219,734 during the prior year comparable period. The decrease reflects a reduction in sales personnel during the current period as part of the Company's cost reduction efforts.

Marketing and sales

Marketing and sales is comprised of expenses incurred to promote the Company's brands to potential wholesale and retail customers, attend industry trade show events, and investor relation activities. Marketing and sales decreased to $96,865 for the three months ended December 31, 2022 versus $1,111,584 during the prior year comparable period. During the current quarter, the Company has been focused on cost cutting initiatives which have resulted in lower expenditures on investor relation activities. During the prior period, the Company incurred approximately $850,000 in expenses related to investor relation activities to promote the Company following the completion of its initial public offering pursuant to marketing and IR contracts implemented by the Company's former CEO.

Nine months ended December 31, 2022 and 2021

Revenue and gross profit

Revenue for the nine months ended December 31, 2022 and 2021 was $2,673,484 and $211,887, respectively, with gross profit of $33,087 and $58,963, respectively.

Revenue increased during the nine months ended December 31, 2022 relative to the prior comparative period due to the contribution from Beanfields which generated sales of $2,445,367 during the nine months ended December 31, 2022 (2021 - $nil).

Gross profit decreased slightly during the nine months ended December 31, 2022 relative to the prior comparative period as despite the growth in sales from the Beanfields acquisition, gross margin from Beanfields has been challenged due to low production volumes, high chargebacks and sub-optimal operations. As discussed above, the Company is actively working to improve each of these issues.

Operating expenses

Operating expenses for the nine months ended December 31, 2022 were $3,492,330 versus $4,396,769 in the prior comparative period. The overall net decrease is primarily due to general and administrative expenses and salaries and benefits which both increased due to the four acquisitions completed in the last year, offset by a reduction in marketing and sales activity. Specific variances discussed further below.

General and administrative expenses

General and administrative expenses were $430,064 for the nine months ended December 31, 2022 versus $399,922 during the prior year comparable period. The decrease in general and administrative expenses is primarily attributable to ongoing cost reduction efforts and expense optimization despite the absorption of additional administrative costs from the inclusion of Beanfields which was not included in the comparable period.

Salaries and benefits

Salaries and benefits were $765,773 during the nine months ended December 31, 2022 versus $311,825 during the prior year comparable period. The increase reflects the assumption of staff from acquisitions as well as the hiring of ten new employees, including staff in operations, quality assurance and accounting to fully manage the Company's expanded operations.

Marketing and sales

Marketing and sales is comprised of expenses incurred to promote the Company's brands to potential wholesale and retail customers, attend industry trade show events, and investor relation activities. Marketing and sales expenses decreased to $608,613 for the nine months ended December 31, 2022 versus $2,323,795 during the prior year comparable period. During the nine months ended December 31, 2022, the Company has been focused on cost cutting initiatives which has resulted in lower expenditures on product marketing and investor relation activities. During the prior period, the Company incurred approximately $1.6 million in expenses related to investor relation activities to promote the Company following the completion of its initial public offering pursuant to marketing and IR contracts implemented by the Company's former CEO.

Summary of Quarterly Results

The table below sets forth selected results of operations for the Company's eight most recently completed quarters (in Canadian dollars). All figures are in accordance with IFRS.

Three months ended	Total Revenues ($)	Net loss for the period ($)	Basic and fully diluted loss per share ($)
December 31, 2022	523,247	(926,602)	(0.03)
September 30, 2022	700,850	(1,172,955)	(0.04)
June 30, 2022	1,449,387	(1,111,412)	(0.04)
March 31, 2022	472,157	(2,513,710)	(0.16)
December 31, 2021	84,606	(1,963,012)	(0.11)
September 30, 2021	94,267	(1,554,521)	(0.10)
June 30, 2021	33,014	(995,245)	(0.09)
March 31, 2021	47,527	(601,776)	(0.07)
December 31, 2020	6,717	(323,643)	(0.05)

Summary of Results During Prior Quarters

The Company has incurred losses over the last eight quarters as it continues to grow its operations and execute its long-term business strategy and build its business. The decrease in revenue for the three months ended December 31, 2022 relative to the prior quarter is a result of constrained cash flow which has limited the Company's ability to meet demand for its products. Despite the reduction in revenue, net loss for the period was consistent with the prior quarter due to cost cutting initiatives taken by the Company which reduced expenditures relative to the prior period.

Results have varied between these fiscal quarters principally because of the following:

- Completion of an RTO and IPO during 2020 resulting in increased costs as a reporting issuer.
- Completion of multiple strategic acquisitions during 2021 and 2022 which include non-recurring acquisition costs, financing fees and referral fees.
- Increased salaries and wages, professional fees and general and administrative expenses commensurate with the Company's rapid growth and transition to a public company.

Capital Resources and Liquidity

The Company's capital currently consists of equity and working capital. Historically and prospectively, the Company's primary sources of liquidity and capital resources have been and will continue to be proceeds from the issuance of debt and common shares.

Based on the current level of operations and management's expected results of operations over the next 12 months, management believes that cash generated from operations in addition to cash on hand and anticipated future capital raises and debt financing will be adequate to meet the Company's anticipated liquidity requirements, capital expenditures and working capital needs for the next 12 months. However, the Company cannot be certain that the business will generate sufficient cash flow from operations, that the Company's anticipated earnings from operations will be realized, or that future borrowings will be available or otherwise to enable the Company to service its indebtedness or to make anticipated capital expenditures. The Company's future operating performance and its ability to service its debt will be subject to future economic conditions and to financial, business and other factors, many of which are beyond the Company's control. See "Financial Risk Management" of this MD&A for a discussion of the risks related to the Company's liquidity and capital structure.

Cash Flows

The following table provides information regarding the Company's cash flows:

Increase (decrease) in cash for the nine months ended,		December 31, 2022		December 31, 2021
Operating activities	$	(23,414)	$	(4,162,952)
Investing activities		(2,298)		(287,239)
Financing activities		718,560		5,328,178
Impact of currency translation on cash		(730,098)		-
Total change in cash		(32,654)		877,987
Cash, beginning of the period		217,117		98,463
Cash, end of the period	$	184,463	$	976,450

As at December 31, 2022, the Company had cash of $184,463 (March 31, 2022 - $217,117). The decrease in cash compared to March 31, 2022 was primarily due to cash from financing activities of $718,560 which was offset by a $730,098 impact of currency translation.

Operating activities

Cash used by operating activities was $23,414 for the nine months ended December 31, 2022, as compared to cash used of $4,162,952 in the prior year comparable period. The significant decrease in cash used by operating activities during the current period is primarily due to a decrease in the loss from operations from $4,421,931 in the previous period to $3,304,477 in the current period and the favorable change in non-cash working items which provided a net source of cash of $1,159,091 in the current period versus a use of $683,139 in the prior comparative period. In addition, the Company issued $516,321 in shares for services during the current period versus $nil during the prior comparative period.

Investing activities

Cash provided by investing activities was $2,298 for the nine months ended December 31, 2022, as compared to cash used of $287,239 in the prior year comparable period. In the current period, cash was received from the disposition of equipment versus $125,000 for the Saltspring Harvest acquisition, $100,000 for the Pulse Kitchen acquisition and $62,239 in equipment purchases completed in the prior comparative period.

Financing activities

Cash from financing activities was $718,560 for the nine months ended December 31, 2022, as compared to $5,328,178 in the prior year comparable period. Cash proceeds in the current period primarily relate to $250,000 received pursuant to the issuance of convertible debt, $115,670 received as a sale of future receipts, and $385,000 received pursuant to private placements. Net cash from financing activities in the prior period primarily consists of $2,818,782 in proceeds from the IPO net of financing costs, $1,258,618 from the exercise of warrants $1,250,000 received pursuant to private placements and $63,000 from the issuance of convertible debt.

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation to, such considerations as liquidity and capital resources that have not previously been disclosed.

Financial Instrument Risk Management and Liquidity

The Company is exposed in varying degrees to a variety of financial instrument related risks. The main types of risk are credit risk, liquidity risk and market risk, which is the risk of loss that may arise from changes in market factors such as foreign currency exchange, interest rates and equity price risk. These risks arise throughout the normal course of operations and all transactions are undertaken as a going concern. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Management has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. Management reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, polices and processes for managing those risks or the methods used to measure them from previous reported periods unless otherwise stated in the note. The overall objective of management is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

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.

The Company is subject to credit risk on its cash and accounts receivable. The Company limits its exposure to credit loss on cash by placing its cash with a high-quality financial institution. The Company has concentrations of credit risk with respect to accounts receivable as large amounts of its accounts receivable are concentrated amongst a small number of customers. As at December 31, 2022, The Company has 51% (2021 – 43%) of its accounts receivable outstanding from one customer.

The Company performs credit evaluations of its customers but generally does not require collateral to support accounts receivable. The Company has certain amounts of aged trade receivables that are not deemed impaired as follows:

	December 31, 2022 ($)	**December 31, 2021 ($)**
1 - 60 days	373,096	66,641
61 - 90 days (past due)	3,168	-
Over 90 days (past due)	245,579	-
Total	621,843	66,641

Liquidity risk

Liquidity risk arises from the Company's general and capital financing needs. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities, when feasible.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The interest earned on cash is insignificant and the Company does not rely on interest income to fund its operations. The Company has an outstanding convertible promissory note at a fixed interest rate. As a result, the Company is not significantly exposed to interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of a change in foreign exchange rates. The Company is primarily exposed to foreign currency risk related to the operations of its U.S. subsidiary. The Company does not use derivative instruments to hedge its exposure to this risk.

The statements of financial position include the following amounts expressed in Canadian dollars with respect to financial assets and liabilities which are denominated in U.S. dollars:

	December 31, 2022 ($)	**March 31, 2022 ($)**
Accounts receivable and other receivables	507,009	865,284
Accounts payable and accrued liabilities	1,644,485	698,646
Promissory note	537,449	490,967
Total	1,674,925	324,329

Transactions with Related Parties

Related parties and related party transactions impacting the condensed consolidated interim financial statements are summarized below.

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management personnel comprise officers and directors of the Company.

Remuneration attributed to key management personnel for the three and nine months ended December 31, 2022 and 2021:

	December 31, 2022 ($)	December 31, 2021 ($)
Management fees	72,000	354,187
Professional fees	31,721	59,610
Share-based payments	510,000	306,190
	613,721	719,987

Other compensation

During the three and nine months ended December 31, 2022, the Company incurred salaries and wages of $16,153 and $26,900, respectively (2021 - $16,515 and $26,422, respectively) from an individual related to the CEO of the Company.

Due to related parties

As at December 31, 2022, due to related parties of $22,526 (December 31, 2021 - $4,203) consisted of expense reimbursements and accounts payable and accrued liabilities include $48,000 (December 31, 2021 – $18,838) of management fees and professional fees. These amounts are due on demand, unsecured and non-interest-bearing.

Restricted Share Units

Upon completion of the RTO on December 21, 2020, the Company granted 3,000,000 restricted share units ("RSU"s) to the CEO of the Company. The RSUs had a fair value of $0.20 at time of grant and expire on

December 21, 2024 (the “Expiry Date”). The RSUs vest on revenue related performance conditions as follows:

a) 1,000,000 RSUs if in any rolling 12 months following the grant date of the RSUs until December 21, 2024, the annual gross sale revenues of the Company exceed $2,000,000;

b) 1,000,000 RSUs if in any rolling 12 months following the grant date of the RSUs until December 21, 2024, the annual gross sale revenues of the Company exceed $4,000,000; and

c) 1,000,000 RSUs if in any rolling 12 months following the grant date of the RSUs until December 21, 2024, the annual gross sale revenues of the Company exceed $8,000,000.

The performance conditions are not related to the market price of the equity instruments of the Company and, as a result, they are non-market performance conditions. Following the completion of the Beanfields acquisition on February 15, 2022 management determined that it is probable that gross sales will exceed $8,000,000 before the Expiry Date and therefore the Company has recognized a share-based payment expense of $135,000 and $405,000 related to the RSU issuance for the three and nine months ended December 31, 2022 ($nil in 2021).

Outstanding Share Data

As at March 1, 2023, the Company had 55,453,665 common shares, 19,326,044 warrants and [] stock options outstanding.

Significant Accounting Policies

The accounting policies followed by the Company are set out in Note 3 on the audited consolidated annual financial statements for the years ended March 31, 2022 and 2021 and have been consistently followed in the preparation of the condensed consolidated interim financial statements for the three and nine months ended December 31, 2022 and 2021.

Adoption of New Standards and Interpretations, and Recent Accounting Pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and determined that there are no standards that are relevant to the Company.

Subsequent Events

a) On February 23, 2023, the Company issued 4,690,000 common shares pursuant to a private placement priced at $0.05 per unit whereby each unit is entitled to one common share and one common share purchase warrant of the Company with each warrant exercisable for 12 months at an exercise price of $0.07 per warrant.

b) On February 23, 2023, the Company issued 6,770,833 common shares at a deemed price of $0.03 per share to certain employees, contractors and debt holders in consideration for an aggregate of $203,125 in obligations.

c) On February 23, 2023 the Company granted 750,000 stock options to certain employees, officers and consultants with an exercise price of $0.07, vesting immediately on grant, expiring on February 23, 2024. **[NTD: Frank to look into option plan to determine if amendment is required]**

Risk Factors

Investing in the Company’s securities involves a high degree of risk. Before deciding to invest int the Company’s securities, you should carefully consider the risks described in the Company’s Annual Information Form, together with other information included in or incorporated by reference into this MD&A and filed on

SEDAR at www.sedar.com. If any of the following risks materialize, the business, financial condition, results of operation and future prospects of the Company will likely be materially and adversely affected. This could cause actual future events to differ materially from those described in forward-looking statements and may cause the trading price of our securities to decline.