VEGANO FOODS INC.
Management Discussion and Analysis
For the year ended December 31, 2021 and the period from incorporation on March 19, 2020 to December 31, 2020
(expressed in Canadian dollars)

INTRODUCTION

The following management's discussion and analysis ("MD&A") is dated June 15, 2022 and provides information concerning the financial condition and results of operations of Vegano Foods Inc. ("Vegano" or the "Company") for the year ended December 31, 2021 and the period from incorporation on March 19, 2020 to December 31, 2020. The following MD&A should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2021 and the period from incorporation on March 19, 2020 to December 31, 2020 and the notes thereto. The Company's financial statements and financial information included in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise stated, all dollar figures included therein and the following MD&A are presented in Canadian dollars.

Additional information relating to the Company is available on the Company's website at www.veganofoods.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Statements in this MD&A that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation ("forward-looking information"). Such forward-looking information involves known and unknown risks, uncertainties 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 or implied by the forward- looking information. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under section "Risks and Uncertainties" in this MD&A.

In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "anticipate", "believe", "expects" or "does not expect", "estimates", "outlook", "prospects"; "projection", "intends", "believes", "should", "will", "would" or the negative of these terms, and similar expressions intended to identify forward looking statements. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is given as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

OVERVIEW

Vegano Foods Inc. was incorporated under the Business Corporation Act of British Columbia on March 19, 2020. The registered office of the Company is located at 1055 West Georgia Street, Suite 1500, Vancouver BC V6E 4N7, Canada. The Company's principal activities relate to the sales and delivery of vegan meals and grocery staples to end customers through its proprietary technology platform.

The Company's common shares began trading on the Canadian Securities Exchange (the "CSE") under the trading symbol "VAGN" on February 15, 2022.

PRINCIPAL PRODUCTS AND SERVICES

Meal Subscription Service

The Company offers a selection of plant-based meals on a subscription basis, through its custom-built online platform www.veganofoods.com, which are delivered to its customers on a weekly basis. The meals are able to accommodate the following dietary preferences: vegan, vegetarian, and gluten-free. Vegano meals are available for delivery to Metro Vancouver, Vancouver Island, Squamish, Whistler and Pemberton, British Columbia.

During the year ended December 31, 2021, the Company manufactured meal kits, using high-quality ingredients sourced from local farmers and producers to ensure that its meal kits were delivered fresh to subscribers every week. The meal kits could be prepared in less than 45 minutes. The meal kit sales have allowed the Company to capitalize on the demands for home delivery of fresh and plant-based, ready-to-cook ingredients that have been emerging in the market and secure a recurring income stream.

Subsequent to the year ended December 31, 2021, the Company modified its meals subscription service, replacing meal kits with ready-made meals which require no further preparation by customers. The ready-made meals accommodate the same dietary preferences as the meal kits, are no longer manufactured inhouse and are sourced from leading plant-based companies who are local to Vancouver, BC. The Company no longer manufactures meals or offers meal kits to customers.

As of the date of this MD&A there have been no other changes to the Company's subscription service.

Vegano Marketplace

The Company has successfully launched a vegan marketplace, accessible through the Company's website, offering a large selection of vegan grocery items with e-commerce shopping experience. The marketplace features Vegano proprietary branded supplement products as well as vegan, gluten-free, and vegetarian products from well-know plant-based brands, with the objective of aiming to become the world's largest online destination for plant-based food products.

HIGHLIGHTS AND DEVELOPMENTS

During the period from January 1, 2022 to the date of this MD&A:

- The Company transitioned from producing and offering meal kits to ready-made meals sourced from local companies, as described in "Principal Products and Services".
- The common shares of the Company began trading on the CSE on February 15, 2022.
- The Company developed and launched a digital marketing platform to enable other plant-based companies to market their products to Vegano's community, leveraging tools such as banner ads, blog features, SEO optimization services, collaborations and social media content to promote brands to Vegano's audience. The digital marketing platform is anticipated to generate an additional revenue stream with the sale of bundles to these plant-based brands.

- The Company entered into an amalgamation agreement with SMPL Oats Ltd. under which the Company will acquire all of the outstanding shares of SMPL Oats Ltd. Refer to “Subsequent Events”.

During the year ended December 31, 2021:

- The Company purchased 2,500,000 Class A common shares (at a price of $0.10 per share) and 500,000 Class-B non-voting shares (at a price of $0.20 per share) of Superbolt Tea Inc. (“Superbolt”), a privately-owned online tea retailer, for a total investment of $350,000. The Company does not have significant influence or control over Superbolt or its operations. As at December 31, 2021, the fair value of the investment is determined to be $1, and as a result the Company recorded a loss on investment of $349,999.

- The Company successfully completed a private placement tranche of 1,145,000 common shares at a price of $0.07 per share for total gross proceeds of $80,150.

- The Company successfully completed four private placement tranches at a price of $0.25 as follows:

    - Issuance of 10,005,708 common shares for gross proceeds of $2,501,427 on January 29, 2021.
    - Issuance of 5,031,000 common shares for gross proceeds of $1,257,750 on February 26, 2021.
    - Issuance of 2,709,507 common shares for gross proceeds of $677,377 on May 7, 2021.
    - Issuance of 1,472,000 common shares for gross proceeds of $368,000 on June 9, 2021.

SELECTED ANNUAL INFORMATION

		Year ended December 31, 2021		Period from incorporation on March 19, 2020 to December 31, 2020
Revenue	$	407,694	$	23,178
Net loss and comprehensive loss for the period		(3,967,871)		(1,152,181)
Basic and diluted loss per share		(0.07)		(0.06)
Total assets		1,676,299		2,552,467

Refer to “Results of Operations” for a discussion of the period to period variations in revenue and loss in in the table above.

Total assets as at December 31, 2021 decreased by $876,168 compared to total assets as at December 31, 2020 as a result of decreases in: cash and cash equivalents of $836,347, as detailed in “Liquidity and Capital Resources”, and intangible asset of $148,472, due to amortization of $77,464 and impairment of $71,008 recorded. These decreases in total assets were partially offset by increases in: amounts receivable of $29,000 for input tax credits and government grants,and inventory of $71,606 primarily for Vegano marketplace.

RESULTS OF OPERATIONS

During the year ended December 31, 2021, the Company recorded a net loss of $3,967,871 compared to a net loss of $1,152,181 for the period from incorporation on March 19, 2020 to December 31, 2020. The increase in net loss of $2,815,690 is primarily attributable to the year ended December 31, 2021 being the first full year of operations for the Company, the Company's efforts to complete the listing of its common shares on the CSE and the impairment of the Company's investment and website. A detailed discussion of the components which make up net loss for each period is below.

Revenue

During the year ended December 31, 2021, the Company recognized revenue of $407,694 compared to revenue of $23,178 for the period from incorporation on March 19, 2020 to December 31, 2020. With the official launch of its online platform www.VeganoFoods.com in December 2020, the Company was able to attract new subscribers and completed weekly deliveries of meals kits throughout the year ended December 31, 2021 which totaled $329,845. In addition, the Company launched the Vegano Marketplace and generated revenue of $77,849 related to the sale of vegan grocery staples. Revenue of $23,178 was generated for the period ended December 31, 2020 as the Company delivered its first meal kits towards the end of the year.

Cost of goods sold and gross profit (loss)

Cost of goods sold consists of costs of ingredients, direct labour, delivery and packaging, merchandise, and other direct costs. During the year ended December 31, 2021, the Company incurred $500,484 (2020 - $63,176) in costs of goods sold and a negative gross margin of $191,868 (2020 - $46,272) or 45% (2020 - 199%) of total revenue. The negative gross margin was due to additional direct labour and packaging materials procured in anticipation of higher sales volume. Additionally, a portion of the meal kits delivered during the year were subscribed during the beta launch at a discounted price. The Company anticipates turning a gross profit in the next two years by outsourcing production of ready-made meals charged at standard rates and achieving economies of scale as the volume of orders increases.

Operating expenses

		Year ended December 31, 2021		Period from incorporation on March 19, 2020 to December 31, 2020
Advertising and promotion	$	308,011	$	186,904
Amortization of intangible assets		77,464		6,455
Consulting fees		419,391		382,222
Depreciation of equipment		16,063		4,309
General and administrative		531,015		137,839
Professional fees		498,054		12,344
Salaries and benefits		897,385		302,115
Share-based compensation		397,539		-
Travel expenses		164,500		36,145
Total operating expenses	**$**	**3,309,422**	**$**	**1,068,333**

The increase in operating expenses of $2,241,089 for the year ended December 31, 2021 compared to the period from incorporation on March 19, 2020 to December 31, 2020 is explained by operations launching in December 2020 and ramping up thereafter. In addition, the year ended December 31, 2021 reflects twelve months of active operations whereas the period ended on December 31, 2020 reflects nine months of early start-up activity. Variances within expense items are summarized as follows:

- Increase in advertising and promotion of $121,107 was due to online advertisements, public relations, photo and video shoots, promotional giveaways and marketing activities incurred during fiscal 2021. Additional financing raised during the year allowed the Company to focus on advertising and marketing initiatives to improve the Company's foothold in the market.

- Increase in amortization of intangible assets of $71,009 was due to the amortization of the Company's website that was launched in December 2020. Amortization in the prior period included only one month of amortization.

- General and administrative expenses consist of expenses relating to business activities such as occupancy costs for kitchen and office spaces, costs for website maintenance and user interface development, kitchen and office supplies, utilities, and meals and entertainment. The increase in general and administrative expenses of $393,176 is due to the Company expanding operations significantly from December 2020 onward.

- Professional fees of $498,054 for the year ended December 31, 2021 are comprised of legal fees in connection with the initial public offering and potential acquisitions, corporate secretarial services, and accounting and audit fees for the preparation and audit of the year end and quarterly financial reporting. During the startup period to December 31, 2020 only bookkeeping fees were incurred.

- Increase in salaries and benefits of $595,270 was due to the Company hiring fulltime management and staff during the year ended December 31, 2021 whereas only director and management fees to founders and officers of the Company were incurred in the period ended December 31, 2020.

- Consulting fees are comprised of various services including office management, management consultation supports, creative direction and brand development, acquisition target identification and market research. Consulting fees increased slightly by $37,169 in connection with evaluating strategic corporate transactions.

- Share-based compensation expense of $397,539 represents the fair value of stock options vested during the year ended December 31, 2021. No stock options were granted or outstanding during the period ended December 31, 2020.

- Increase in travel expenses of $128,355 reflects airfare and accommodation incurred for the purposes of business development subsequent to launch and financing.

Other expenses (income)

Net loss for the year ended December 31, 2021 includes accretion expense and finance costs of $8,581 (2020 - $11,338) and $17,123 (2020 - $23,836), respectively, related to a convertible note issued to the CEO of the Company on July 10, 2020. Refer to "Related Party Disclosures".

As a result of the change in fair value of the Company's investment in Superbolt since the acquisition date, the Company recorded a loss of $349,999 (2020 - $nil) during the year ended December 31, 2021.

During the year ended December 31, 2021, the Company assessed that the intangible asset was impaired and wrote off the remaining carrying value of $71,008 (2020 - $nil).

Subsequent to the year ended December 31, 2021, the Company closed its kitchen facilities. As a result, the Company impaired its kitchen equipment to its net realizable value of $5,000 and recorded impairment of $35,380 (2020 - $nil) during the year ended December 31, 2021.

As a result of the Company no longer producing meals, $6,730 (2020 - $nil) of packaging materials was impaired during the year ended December 31, 2021.

During the year ended December 31, 2021, the Company recorded government assistance income of $16,973 (2020 - $nil) with respect to wage subsidies from WorkBC and Technation Canada. The grants were received subsequent to the year ended December 31, 2021.

Fourth Quarter

		Three months ended December 31, 2021		Three months ended December 31, 2020
Revenue	$	179,779	$	11,528
Cost of goods sold		243,656		48,329
Net loss and comprehensive loss for the period		(1,505,757)		(405,458)
Basic and diluted loss per share		(0.03)		(0.02)

Revenue

During the three months ended December 31, 2021, the Company recognized revenue of $179,779 compared to revenue of $11,528 for the three months ended December 31, 2020. During the three months ended December 31, 2021, the Company was able to attract new subscribers to the online platform and completed weekly deliveries of meal kits in addition to fulfilling Vegano Marketplace sales orders. During the three months ended December 31, 2020, the Company delivered its first meal kits as part of its beta launch.

Cost of goods sold and gross profit (loss)

Cost of goods sold consists of costs of ingredients, direct labour, packaging and shipping, merchandise, and other direct costs. During the three months ended December 31, 2021, the Company incurred $243,656 (2020 - $48,329) in costs of goods sold and a negative gross margin of $63,877 (2020 - $36,801), or 36% (2020 – 319%) of total revenue. During the three months ended December 31, 2020, the Company delivered its first meal kits as part of its beta launch and a portion of the meal kits delivered during the period were subscribed for during the beta launch at a discounted price. The three months ended December 31, 2021 reflect full scale operations of both meal kits and marketplace. The Company anticipates turning a gross profit in the next two years by outsourcing production of ready-made meals charged at standard rates, and achieving economies of scale as the volume of orders increases.

Operating expenses

	Three months ended December 31, 2021	Three months ended December 31, 2020
Advertising and promotion	$ 45,367	$ 32,341
Amortization of intangible assets	19,366	6,455
Consulting fees	203,022	143,440
Depreciation of equipment	5,220	2,886
General and administrative	56,626	48,817
Professional fees	187,932	11,541
Salaries and benefits	237,157	100,945
Share-based compensation	11,142	-
Travel expenses (recovery)	(20,293)	3,763
Total operating expenses	**$ 745,539**	**$ 350,188**

The increase in operating expenses of $395,351 for the three months ended December 31, 2021 compared to the same period of the prior year is explained by operations launching in December 2020 and ramping up thereafter. Variances within expense items are summarized as follows:

- Increase in advertising and promotion of $13,026 was due to the Company issuing promotional gift cards and the Company launching recurring online advertisements.

- Increase in amortization of intangible assets of $12,911 was due to the amortization of the Company's website that was launched in December 2020. Amortization in the three months ended December 31, 2020 included only one month of amortization.

- Consulting fees of $203,022 for the three months ended December 31, 2021 are comprised of various services including office management, management consultation supports, creative direction and brand development, acquisition target and market research. The increase of $59,582 is due to evaluating strategic corporate transactions during the three months ended December 31, 2021. During the three months ended December 31, 2020, consulting fees related to meal kit packaging design, product placement, public event planning, direct marketing services and office management services in preparation for the December 2020 launch.

- General and administrative expenses consist of expenses relating to business activities such as occupancy costs for kitchen and office spaces, costs for website maintenance and user interface development, kitchen and office supplies, utilities, and meals and entertainment. The increase in general and administrative expenses of $7,809 is due to the Company expanding operations significantly from December 2020 onward.

- Professional fees of $187,932 for the three months ended December 31, 2021 are comprised of legal fees in connection with the initial public offering and potential acquisitions, corporate secretarial services, and accounting fees for the preparation and audit of year-end and quarterly financial reporting. Only bookkeeping fees were incurred during the three months ended December 31, 2020.

- Increase in salaries and benefits of $136,212 was due to the Company hiring fulltime management and staff in fiscal 2021 whereas only director and management fees to founders and officers were incurred during the three months ended December 31, 2020.

- Share-based compensation expense of $11,142 represents the fair value of stock options which vested during the period ended December 31, 2021. No stock options were granted or outstanding during the period ended December 31, 2020.

Other expenses (income)

Net loss for the three months ended December 31, 2020 includes accretion expense and finance costs of $5,875 and $12,603, respectively, related to a convertible note issued to the CEO of the Company on July 10, 2020. Refer to “Related Party Disclosures”. No loans were outstanding during the three months ended December 31, 2021.

As a result of the change in fair value of the Company’s investment in Superbolt since the acquisition date, the Company recorded a net loss of $599,999 (2020 - $nil) during the three months ended December 31, 2021.

During the three months ended December 31, 2021, the Company assessed that the intangible asset was impaired and wrote off the remaining carrying value of $71,008 (2020 - $nil).

Subsequent to the year ended December 31, 2021, the Company closed its kitchen facilities. As a result, the Company impaired its kitchen equipment to its net realizable value of $5,000 and recorded impairment of $35,380 (2020 - $nil) during the year ended December 31, 2021.

As a result of the Company no longer producing meals, $6,730 (2020 - $nil) of packaging materials was impaired during the year ended December 31, 2021.

During the three months ended December 31, 2021, the Company recorded government assistance income of $16,973 (2020 - $nil) with respect to wage subsidies from WorkBC and Technation Canada. The grants were received subsequent to the year ended December 31, 2021.

SUMMARY OF QUARTERLY RESULTS

Three months ended,	**Quarter**	**Total revenue**	**Net loss**	**Basic and diluted net loss per share**
December 31, 2021	Q4	$ 179,779	$ (1,505,757)	$ (0.03)
September 30, 2021	Q3	126,520	(883,070)	(0.02)
June 30, 2021	Q2	51,321	(715,868)	(0.01)
March 31, 2021	Q1	50,074	(863,176)	(0.03)
December 31, 2020	Q4	11,528	(405,458)	(0.02)
September 30, 2020	Q3	11,650	(595,436)	(0.03)
June 30, 2020	Q2	-	(117,787)	(0.01)
Period ended from incorporation to March 31, 2020	Q1	-	(33,500)	(0.00)

The net loss for the quarter ended December 31, 2021 increased by $622,687 compared to the previous quarter ended September 30, 2021. This increase in net loss is primarily explained by the loss recorded on the Superbolt investment and impairment of the Company’s intangible asset and kitchen equipment which was partially offset by decreases in share-based compensation, general and administrative, and advertising and promotion expenses during the quarter ended December 31, 2021. Share-based compensation decreased by $272,756 as a result of modifications to stock options and additional stock options issued that were issued in the previous quarter and the underlying fair value of the equity instruments modified and issued. General and administrative expenses decreased by $156,447 as the Company reduced leased commercial real estate. The Company incurred decreased advertising and promotion expenses by $39,968 due to reduced digital advertising activities. During the quarter ended December 31, 2021 the Company recorded a loss on its interest held in Superbolt of $599,999 compared to a gain on investment of $250,000 recorded in the previous quarter. During the quarter ended December 31, 2021 the Company determined its website was impaired and wrote-off the remaining carrying value of $71,008, compared to impairment of $nil of recorded in the previous quarter. Subsequent to the quarter ended December 31, 2021, the Company closed its kitchen facilities. As a result, the Company impaired its kitchen equipment to its net realizable value of $5,000 and recorded impairment of $35,380 , compared to impairment of $nil of recorded in the previous quarter.

Quarter to quarter fluctuations were due to the following:

- Total revenue has generally increased each quarter as the number of subscribers and weekly deliveries of meal kits grows. In addition, Vegano Marketplace launched in May 2021, adding a secondary revenue stream.

- The need for advertising and marketing services often vary over the quarters as the Company expands business operations and launches new product lines. The Company incurred the most advertising and marketing expenses in Q3 2020 and Q1 2021 to raise brand awareness as the Company officially launched the Vegano platform in December 2020.

- Fluctuations in consulting fees over the quarters were due to the changes in business needs and timing of project implementation each quarter.

- General and administrative expenses have generally increased over the quarters up to Q3 2021 due to an increase in business activities. The Company entered into leases for the kitchen in July 2020 and for office facilities in February and May 2021. In addition, higher office expenses were incurred as the Company hired new office staff in the first quarter of 2021. Furthermore, there are fluctuations in the website costs between quarters, depending on the timing of the Company launching new features and offerings on the custom-built online platform.

- Fluctuations in professional fees is due to the additional legal costs associated with the preparation of the prospectus and accounting and audit fees that were not incurred in quarters ended in fiscal 2020.

- Fluctuations in salaries and benefits were due to the Company hiring additional personnel to accommodate for the increase in business needs and demands for meal kits and marketplace services. The Company relied on services provided by external consultants throughout fiscal 2020.

- Share-based compensation expense fluctuates with the timing of stock options granted to officers and employees and the underlying terms.

OFF BALANCE SHEET ARRANGEMENTS

As at the date of this MD&A, the Company has not entered into any off-balance sheet arrangements.

LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes the Company's cash flows for the year ended December 31, 2021 and for the period from incorporation on March 19, 2020 to December 31, 2020:

		Year ended December 31, 2021		Period from incorporation on March 19, 2020 to December 31, 2020
Cash used in operating activities	$	(2,957,488)	$	(941,731)
Cash used in investing activities		(408,124)		(210,788)
Cash provided by financing activities		2,529,265		3,428,448
Increase in cash		(836,347)		2,275,929
Cash, beginning of period		2,275,929		-
Cash, end of period	**$**	**1,439,582**	**$**	**2,275,929**

During the year ended December 31, 2021, the Company used cash of $2,957,488 in operating activities. As the Company is in its early-stage and only started carrying on business in its current capacity as of December 2020, the cash used to fund the development of its operations exceeded the cash inflows from revenue that it generated. As a result, the Company has relied on its ability to raise financing through the issuance of equity securities to obtain sufficient cash flows. There is no certainty that equity financing will continue to be available at the times and in the amounts required to fund the Company's future activities.

Cash used in investing activities for the year ended December 31, 2021 related to the investment in Superbolt of $350,000 and purchase of equipment of $58,124. During the period from incorporation on March 19, 2020 to December 31, 2020, the Company acquired intangible assets of $154,927 related to website development and equipment of $55,861 which comprised investing activities for that period.

Cash generated by financing activities for the year ended December 31, 2021 came from the proceeds on issuance of shares under five private placement tranches for total proceeds, net of issuance costs, of $3,105,942. Refer to section "Highlights and Developments" for the details of proceeds received under private placement financing. The cash generated by financing activities was net against the repayment of $540,959 to Conor Power, CEO of the Company, for the principal and interest on the convertible note that matured on May 5, 2021 and other loan repayments of $35,718. During the period from incorporation on March 19, 2020 to December 31, 2020, the Company received $2,876,920 for common shares issued or to be issued, $500,000 for the issuance of a convertible note, and $51,528 from other loans.

As at December 31, 2021, the Company had working capital of $1,222,034 (December 31, 2020 - $1,544,634). As at December 31, 2021, the Company has not generated profits or positive cash flows from operations. These conditions cast significant doubt about the Company's ability to continue as a going concern. The Company is dependent on its ability to develop profitable operations and to continue to raise adequate financing from external sources to carry out its business objectives.

RELATED PARTY DISCLOSURES

The Company has determined that related parties consist of the Company's directors and its senior officers who are responsible for planning, directing and controlling the activities of the Company. From the date of incorporation on March 19, 2020 to the date of this MD&A, a summary of current and former directors and senior officers of the Company are summarized as follows:

- Conor Power, CEO and Director (appointed on March 19, 2020)
- Justin Kates, Former Director (appointed on March 19, 2020; resigned on December 18, 2020)
- Alexander McAulay, CFO (appointed on November 30, 2020)

- Kaylee Astle, Former COO (appointed on January 1, 2021; resigned January 1, 2022)
- Luka Petkovic, Former VP of Sales (appointed on March 19, 2020; resigned on March 31, 2021)
- Julie Daley, Director (appointed on August 10, 2021)
- Joel Primus, Director (appointed on August 10, 2021)

Remuneration attributed to key management personnel are summarized in the table below.

		Year ended December 31, 2021		For the period from incorporation on March 19, 2020 to December 31, 2020
Salaries and benefits(1)	$	458,025	$	302,115
Consulting(2)		223,012		
Share-based payments(3)		332,719		-
Total	**$**	**1,013,756**	**$**	**302,115**

(1) Conor Power, CEO - $306,742 (2020 - $211,785); Company controlled by Kaylee Astle, former COO - $111,071 (2020 - $18,834); Luka Petkovic, former VP of Sales - $40,212 (2020 - $70,496); Justin Kates, former director - $nil (2020 - $1,000)

(2) Company controlled by Conor Power, CEO - $151,134 (2020 - $nil); and Kristin Fedchuk, fiancée of the CEO - $71,878 (2020 - $nil)

(3) Conor Power, CEO - $60,952 (2020 - $nil); Kaylee Astle, former COO - $226,970 (2020 - $nil); Alex McAulay, CFO $22,857 (2020 - $nil); Joel Primus, director - $10,970 (2020 - $nil); Julie Daley, director - $10,970 (2020 - $nil)

During the year ended December 31, 2021, the Company incurred professional fees of $173,089 to ACM Management Inc., a company controlled by Alex McAulay, CFO (December 31, 2020 - $nil). The Company outsources bookkeeping, financial reporting, and corporate secretarial services to ACM Management Inc.

As at December 31, 2021, accounts payable and other liabilities include $8,654 (December 31, 2020 - $nil) due to Conor Power, CEO for accrued salaries and benefits. The amount is non-interest bearing, unsecured and due on demand.

As at December 31, 2021, accounts payable and other liabilities include $13,010 (December 31, 2020 - $6,497) due to Kaylee Astle, former COO and/or a company controlled by her for accrued salaries and benefits and expense reimbursements. The amount is non-interest bearing, unsecured and due on demand.

As at December 31, 2021, accounts payable and other liabilities include $25,000 (December 31, 2020 - $nil) due to ACM Management Inc., a company controlled by Alex McAulay, CFO for professional fees, as described above. The amount is non-interest bearing, unsecured and due on demand.

As at December 31, 2021, accounts payable and other liabilities include $nil (December 31, 2020 - $6,746) due to Luka Petkovic, former VP Sales for consulting fees. The amount was non-interest bearing, unsecured and due on demand.

As at December 31, 2021, accounts payable and other liabilities include $5,687 (December 31, 2020 - $nil) due to Kristin Fedchuk, fiancée of the CEO for consulting fees. The amount is non-interest bearing, unsecured and due on demand.

As at December 31, 2021, accounts payable and other liabilities include $8,459 (December 31, 2020 - $nil) due to SMPL Oats Ltd., a company with common directors, for expense reimbursement. The amount is non-interest bearing, unsecured and due on demand.

As at December 31, 2021, included in loans payable is $nil (December 31, 2020 - $51,528) due to Conor Power, CEO. The loan was provided to the Company for working capital purposes. During the year ended December 31, 2021, the Company repaid $35,718 of the amount due and applied the balance to advances previously extended to the officer of the Company.The amount was non-interest bearing, unsecured and payable on demand.

On July 10, 2020, the Company issued an unsecured convertible note bearing interest at 10% with a face value of $500,000 and a maturity date of May 5, 2021 to Conor Power, CEO. The purpose of the convertible note was to provide the Company with working capital. On May 5, 2021, the Company repaid the convertible note with total cash payment of $540,959, which comprises the principal amount of $500,000 and accrued interest of $40,959.

All transactions with related parties were intended to be carried on the same basis as they would have occurred if the transaction was with an arm's length party.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value.

The Company has securities outstanding as follows:

	December 31, 2021	Date of Report
Common shares	56,158,926	57,925,798
Stock options	5,600,000	5,700,000
Warrants	193,600	193,600
Total – fully diluted	**61,952,526**	**63,819,398**

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited financial statements for the year ended December 31, 2021 and the period from incorporation on March 19, 2020 to December 31, 2020.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingencies at the date of the Company's financial statements, and revenue and expenses during the reporting period. Estimates and assumptions are subject to uncertainty and actual results could significantly differ from those estimated. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Significant estimates in the Company's financial statements include the following:

- Economic recoverability of intangible assets
- Useful lives of equipment and intangible assets
- Fair value of share-based payments
- Fair value of investment
- Recovery of deferred tax assets

The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty

Actual results could differ from management's best estimates as additional information could become available in the future and may have an impact on future periods.

RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the degree to which the inputs used to estimate the fair values are observable:

- Level 1 – Unadjusted quoted price in active market for identical assets or liabilities;

- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices);

- Level 3 - inputs for the asset or liability that are not based on observable market data.

The fair values of cash and cash equivalents, other receivables, accounts payable and other liabilities and loans payable approximate their carrying values due to their short-term nature.

The investment in Superbolt held by the Company is considered to represent a level 3 fair value measurement. The Company estimates the fair value of this investment based on information available to management at each reporting date, including but not limited to recent financings completed and announcements with respect to corporate transactions.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash and cash equivalents held in bank accounts and other receivables. The majority of cash and cash equivalents are deposited in bank accounts held with a major bank and reputable online payment processing platforms. As the Company's cash and cash equivalents is held by only one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. Other receivables primarily comprise of balances recoverable for the tax authority for sales tax paid and certain subsidiary receivables from government organization, for which management has estimated $nil expected credit loss. The Company's exposure to credit risk is low .

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity by maintaining adequate cash balances and by raising equity financings. The Company has no assurance that such financings will be available on favorable terms. In general, the Company attempts to avoid exposure to liquidity risk by obtaining corporate financing through the issuance of common shares.

As at December 31, 2021, the Company had cash and cash equivalents of $1,439,582 to settle current liabilities of $396,031 which fall due for payment within twelve months of the statement of financial position. All of the Company's contractual obligations are current and due within one year. All of the Company's financial liabilities are due on demand.

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and sustain the future development of its business. The capital structure of the Company comprises of all components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements. There were no changes to the capital management of the Company during the year ended December 31, 2021.

RISKS AND UNCERTAINTIES

The following are certain risk factors and uncertainties relating to the business of the Company. These risks, described below, as well as additional risks and uncertainties not presently known to the Company, or that are currently considered immaterial, may impact the Company, operating results, liquidity and financial condition and could have material adverse affects. If any or all of these risks become increasingly significant and threaten the Company as a going concern. Refer to the Risk Factors section of the Final Prospectus filed on sedar.com on January 28, 2022.

Limited Operating History

The Company has a very limited history of operations and is considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of the Company's success must be considered in light of its early stage of operations.

Negative Operating Cash Flow

The Company's business has incurred losses since its inception. Although the Company expects to become profitable, there is no guarantee that will happen, and the Company may never become profitable. The Company currently has a negative operating cash flow and may continue to have a negative operating cash flow for the foreseeable future. To date, the Company has not generated positive net income and a large portion of the Company's expenses are fixed, including expenses related to facilities, equipment, contractual commitments and personnel. As a result, the Company expects for its net losses from operations to improve. The Company's ability to generate additional revenues and potential to become profitable will depend largely on its ability to manufacture and market its products and services. There can be no assurance that any such events will occur or that the Company will ever become profitable. Even if the Company does achieve profitability, the Company cannot predict the level of such profitability. If the Company sustains losses over an extended period of time, the Company may be unable to continue its business.

Dependence on Key Personnel and Consultants

The success of the Company will be largely dependent upon the performance of its management and key employees. Failure by the Company to retain or to attract and retain additional key employees with necessary skills could have a materially adverse impact upon the Company's growth and profitability. These individuals, and the contributions they will make, are important to the future operations and success of the Company. The unexpected loss or departure of any of the key officers, employees or consultants of the Company could be detrimental to the Company's future operations. The Company's success will depend in part on its ability to attract and retain qualified personnel, as they are needed. The competition for highly skilled technical, management, sales and other employees is high in the Company's industry and the cost of hiring and retaining such personnel has been increasing. There can be no assurance that the Company will be able to engage the services of such personnel or retain the Company's current personnel.

SUBSEQUENT EVENTS

On February 7, 2022, the Company cancelled 150,000 stock options held by a former employee. The stock options had an exercise price of $0.25 and an expiry of August 10, 2023.

On February 11, 2022, the Company canceled and returned 130,000 common shares to treasury pursuant to a former shareholder exercising rescission rights. The Company returned $32,500 to the former shareholder.

On February 11, 2022, the Company entered into a 12 month consulting agreement for $21,000 per month to be paid in common shares. The common shares are to be issued at a deemed price equal to the closing market price on the date of issuance. On February 25, 2022, April 4, 2022, April 28, 2022 and May 31, 2022, the Company issued 161,539, 175,000, 300,000 and 323,077 common shares, respectively, pursuant to this consulting agreement.

On February 15, 2022, the Company's common shares began trading on the Canadian Securities Exchange under the trading symbol "VAGN".

On March 2, 2022, the Company cancelled 50,000 stock options held by a former employee. The stock options had an exercise price of $0.25 and an expiry of August 10, 2023.

On March 18, 2022, the Company cancelled 2,250,000 stock options previously held by the CEO and CFO of the Company. The stock options were originally granted on August 10, 2021 at an exercise price of $0.25 with an expiry of January 1, 2023.

On March 24, 2022, the Company granted 1,800,000 stock options with an exercise price of $0.105 for a period of five years to certain directors and employees of the Company. The options vested immediately.

On March 28, 2022, the Company entered into a debt settlement agreement with a vendor for the issuance of 300,000 common shares to settle $36,000 in amounts payable by the Company. The Company issued the common shares on March 30, 2022.

On March 28, 2022, 1355441 B.C. Ltd. ("Subco"), a wholly-owned subsidiary of the Company, was incorporated under the Business Corporations Act of British Columbia.

On March 28, 2022, the Company, 1355441 B.C. Ltd. and SMPL Oats Ltd. ("SMPL") entered into an amalgamation agreement. Pursuant to the agreement:

- Subco will amalgamate with SMPL pursuant to the provisions of the BCBCA and the shareholders of SMPL will each receive 0.8936 shares of the Company in exchange for the cancellation of each SMPL share

- In consideration, the Company is expected to issue 28,571,428 common shares and 19,460,512 share purchase warrants to the existing shareholders of SMPL
- The share purchase warrants are exercisable into one common share of the Company and are broken down as follows:
    - 1,468,606 warrants exercisable at $0.112 expiring February 9, 2024
    - 5,808,481 warrants exercisable at $0.056 expiring July 13, 2023
    - 182,654 warrants exercisable at $0.056 expiring August 30, 2023
    - 31,812 warrants exercisable at $0.056 expiring October 8, 2023
    - 141,190 warrants exercisable at $0.056 expiring December 21, 2023
    - 5,750,000 warrants exercisable at $0.056 expiring March 25, 2024
    - 6,721,306 warrants exercisable at $0.112 expiring two years from the date of closing the acquisition
- The corporation continuing from the amalgamation will be a wholly-owned subsidiary of the Company

Completion of the transaction is subject to fulfilling all exchange, as well as any other necessary regulatory or shareholder approvals. Completion of the transaction is also subject to a number of conditions. There can be no assurance that the transaction will be completed as proposed or at all.

On April 5, 2022, the Company entered into a debt settlement agreement with ACM Management Inc., a company controlled by the Chief Financial Officer of the Company, for the issuance 187,256 common shares to settle $16,854 in amounts payable by the Company. The common shares were issued on April 6, 2022.

On April 5, 2022, the Company entered into a debt settlement agreement with a vendor for the issuance of 100,000 common shares to settle $10,500 in amounts payable by the Company. The common shares were issued on April 6, 2022.

On April 6, 2022, the Company issued 350,000 common shares to settle $31,500 in amounts payable by the Company pursuant to a debt settlement agreement with a vendor.

On April 7, 2022, the Company granted 750,000 stock options with an exercise price of $0.09 for a period of two years to a consultant of the Company. The options vested immediately.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A.