FORM 2A

LISTING STATEMENT

Nabati Foods Global Inc.

(the “Issuer” or the “Company”)

September 28, 2021

NOTE TO READER

This Listing Statement contains a copy of the prospectus of Nabati Foods Global Inc. (the "**Company**") dated September 20, 2021 (the "**Prospectus**"). Certain sections of the Canadian Securities Exchange (the "**Exchange**") form of Listing Statement have been included following the Prospectus to provide additional disclosure on the Company required by the Exchange, as well as updating certain information contained in the Prospectus.

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SCHEDULE A

Long Form Prospectus dated September 20, 2021

See attached.

No securities regulatory authority has expressed an opinion about any information contained herein and it is an offence to claim otherwise. This Prospectus does not constitute a public offering of securities.

*These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**"), or the securities laws of any state of the United States (as such term is defined in Regulation S under the US Securities Act) and may not be offered, sold or delivered, directly or indirectly, in the United States, except pursuant to an exemption from the registration requirements of the US Securities Act and applicable state securities laws. This prospectus does not constitute an offer to sell or solicitation of an offer to buy any of these securities in the United States. See "Plan of Distribution".*

PROSPECTUS

Non-Offering Prospectus **September 20, 2021**

nabati.

NABATI FOODS GLOBAL INC.
(formerly 1279006 B.C. Ltd.)

No Securities are being offered pursuant to this Prospectus

This non-offering long form prospectus (the "**Prospectus**") is being filed with British Columbia Securities Commission, as principal regulator, and with the securities regulatory authorities in the Provinces of Ontario, Alberta and Manitoba to enable Nabati Foods Global Inc. (the "**Company**", "**Nabati Foods**", "**we**", "**us**", or "**our**") to become a reporting issuer under the applicable securities legislation in the Provinces of British Columbia, Ontario, Alberta and Manitoba.

Since no securities are being offered pursuant to this Prospectus, no proceeds will be issued and all expenses in connection with the preparation and filing of this Prospectus will be paid by the Company from its general corporate funds.

There is currently no market through which any of the securities of the Company may be sold, and purchasers may not be able to resell such securities. This, to the extent the Company is able to successfully complete its public listing, may affect the pricing of such securities in the secondary market, the transparency and availability of trading prices, the liquidity of such securities and the extent of issuer regulation. See "*Risk Factors*" and "*Caution Regarding Forward-Looking Statements*".

Due to the nature of the Company's business, an investment in the Company's securities is speculative and involves a high degree of risk that should be considered by potential investors. An investment in the Company's securities should only be undertaken by those persons who can afford the total loss of their investment.

Concurrently with the filing of this Prospectus, the Company has received Conditional Approval to list its Common Shares and all Common Shares issuable as described in this Prospectus on the Canadian Securities Exchange (the "**Exchange**" or the "**CSE**"). The listing of the Common Shares and all Common Shares issuable as described in this Prospectus on the CSE (the "**Listing**") will be subject to the Company fulfilling all of the listing requirements of the Exchange, which cannot be guaranteed.

As of the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a US marketplace, or a marketplace outside Canada and the United States (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

Prospective investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of Common Shares, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires Common Shares.

No underwriter has been involved in the preparation of this Prospectus or performed any review or independent due diligence investigations in respect of the contents of this Prospectus.

Prospective investors should rely only on the information contained in this Prospectus. Readers should assume that the information appearing in this Prospectus is accurate only as of its date, regardless of its time of delivery. The Company's business, financial condition, results of operations and prospects may have changed since that date.

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

Nabati Foods Global Inc.
(formerly 1279006 B.C. Ltd.)
1570 – 505 Burrard Street
Vancouver, B.C. V7X 1M5

Phone: 250-558-8819

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements that relate to the Company's current expectations and views of future events. The forward-looking statements are contained principally in the sections entitled "*Summary of Prospectus", "Description of the Business", "Selected Financial Information", "Management's Discussion and Analysis*" and "*Risk Factors*".

In some cases, these forward-looking statements can be identified by words or phrases such as "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict" or "likely", or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the Company's intention to complete the Listing and all transactions related thereto;
- the Company's expectations regarding its ability to protect trade secrets and obtain registration of its trademarks in Canada, the US and abroad;
- the Company's ability to attract and retain personnel;
- the Company's competitive position;
- the Company's expectations regarding the production capacity of existing and future facilities and the Company's ability to increase or maximize production and sales as a result thereof;
- the Company's expectation regarding the expected benefits from Facility B (defined herein);
- the Company's expectation regarding future facility establishments and expansions, including completion timing and the expected benefits derived thereof;
- the Company's expectation that the additional production capacity of its facilities will enable substantial increase in production and sales across the distribution network;
- the Company's intention to expand its product lines within North America;
- the Company's intention to expand into additional foreign markets, including the European Union;
- the Company's business objectives for the next twelve months;
- the effects of the ongoing COVID-19 pandemic, including on the Company's supply chain, the demand for its products, the distribution of products, the Company's ability to expand or the timing of such expansion efforts, and on overall economic conditions and consumer confidence and spending levels;
- the Company's expectation regarding the ability to obtain necessary licenses and on time;
- the Company's expectation as to compliance of product labels and product marketing with applicable laws;
- the Company's treatment under governmental regulatory and taxation regimes;
- the Company's intention to obtain GFSI certification;
- the Company's marketing plans and anticipated ability to market products within the target markets;
- the Company's expectation regarding its ability to support new product offerings and increase or maximize production and sales as a result thereof;
- the Company's expected market and the profitability thereof;
- the Company's expectations regarding trends in the plant-based meat alternative industry;
- the effects of seasonality on demand for the Company's products;
- the current and future rates of growth of the plant-based protein market and the Company's belief as to the primary factors driving growth and consumer preferences;
- the Company's expectations regarding its supply chain management, including its relationships with current third-party distributors;
- the Company's expectations regarding its ability to obtain key ingredients in sufficient quantities;
- the Company's expectation regarding recent investments in property and equipment;
- the Company's anticipated leasehold improvements and equipment purchases and the expected benefits thereof;
- the Company's anticipated timeline regarding commercialization of new protein-alternative lines within the next 12 months;
- the Company's expectation regarding its ability to develop new product lines, including the Company's proposed egg alternative product;

- the Company's anticipated results and expectation concerning various partnerships, strategic alliances, projects and marketing strategies of the Company;
- the performance of the Company's business and operations;
- the Company's expectation regarding its revenue, expenses and operations;
- the Company's expectation regarding funding requirements for the next 12 months;
- the Company's anticipated cash needs and its needs for additional financing;
- the Company's ability to obtain necessary financing;
- the Company's future liquidity and financial capacity; and
- the economy generally.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward looking statements included in this Prospectus, the Company has made various material assumptions, including but not limited to (i) the Company obtaining and maintaining, as applicable, the necessary regulatory approvals; (ii) general business and economic conditions; (iii) the Company's ability to successfully execute its plans and intentions; (iv) the availability of financing on reasonable terms; (v) the Company's ability to attract and retain skilled management and staff, as applicable; (vi) market competition; (vii) the market for and potential revenues to be derived from the Company's products; and (viii) the costs, timing and future plans concerning operations of the Company will be consistent with current expectations. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, prospective purchasers of Common Shares should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "*Risk Factors*", which include:

- the Company is largely dependent upon key personnel for its success;
- the Company relies heavily on intellectual property and/or trade secrets;
- conflicts of interest may arise between the Company and its personnel;
- the Company may be unable to compete effectively with similar products and companies;
- the Company may fail to successfully expand Facility B (as defined herein);
- the Company may fail to expand production capacity, including establishing additional facilities in the future;
- there may be disruptions at any of the Company's facilities;
- epidemics, pandemics and other public health crises, such as the current COVID-19 pandemic, may negatively impact supply chains and the Company's business operations;
- there may be additional risks and challenges resulting from government regulation of the food industry;
- the Company could be subject to CFIA investigation and enforcement with regard to its product labelling;
- the price and availability of raw materials may affect or disrupt production;
- consumer demand trends may shift away from the Company's products;
- there may be insufficient or delayed supply of products;
- there may be a reduction in availability of, or greater demand public demand for, key ingredients used by the Company;
- the effects of climate change may impact agricultural productivity;
- the Company's products may be exposed to food safety, consumer health or product liability issues;
- the Company may be subject to incidents that erode its brand value;
- there may be changes in internet search algorithms that affect online visibility;
- social or digital media may damage the Company's reputation;
- there may be risks associated with leasing the Company's commercial and retail space and equipment;
- the Company may fail to develop, successfully market and sell new products;
- the Company may fail to retain new customers and/or retain current customers;
- the Company may become a party to litigation;
- the Company relies heavily on third parties for distribution and delivery of products;
- Nabati has experienced a history of net losses since incorporation;
- there is significant doubt regarding the Company's ability to carry on as a going concern;

- Nabati has had negative operating cash flows for the periods ended December 31, 2020 and December 31, 2019;
- there market price of Common Shares is subject to volatility;
- there is no established market for the Company's securities;
- US holders of the Company's Common Shares may face significant resale challenges;
- the Company does not anticipate paying cash dividends on the Common Shares in the foreseeable future;
- the Company will be subject to the additional regulatory burden resulting from its Listing;
- future sales or issuances of equity securities could dilute the current Shareholders; and
- future sales of Common Shares by existing Shareholders could reduce the market price of the Common Shares.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail under "*Risk Factors*" should be considered carefully by readers.

The Company's forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this Prospectus (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such statements 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 statements. We do not undertake to update or revise any forward-looking statements, except as, and to the extent required by, Applicable Securities Law in Canada.

All of the forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment.

MARKET AND INDUSTRY DATA

This Prospectus includes market and industry data that has been obtained from third party sources, including industry publications. The Company believes that the industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Company has not independently verified any of the data from third party sources referred to in this Prospectus or ascertained the underlying economic assumptions relied upon by such sources.

Unless otherwise indicated, information contained in this Prospectus concerning the Company's industry and the markets in which it operates, including general expectations and market position, market opportunities and market share, is based on information from independent industry organizations, other third-party sources (including industry publications, surveys and forecasts) and management studies and estimates.

The Company's estimates are derived from publicly available information released by independent industry analysts and third-party sources as well as data from the Company's internal research, and include assumptions made by the Company which management believes to be reasonable based on their knowledge of the Company's industry and markets. The Company's internal research and assumptions have not been verified by any independent source, and it has not independently verified any third-party information. While the Company believes the market position, market opportunity and market share information included in this Prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the industry and markets in which it operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the headings "*Caution Regarding Forward-Looking Statements*" and "*Risk Factors*".

CONVENTIONS

Certain terms used herein are defined in the "*Glossary of Terms*". Unless otherwise indicated, references to $ are to Canadian dollars and USD$ are to US dollars. All financial information with respect to Nabati Foods and Nabati have been presented in Canadian dollars in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretation Committee.

GLOSSARY OF TERMS

The following is a glossary of certain defined terms used throughout this Prospectus. This is not an exhaustive list of defined terms used in this Prospectus and additional terms are defined throughout. Terms and abbreviations used in the financial statements of Nabati Foods and Nabati are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

"**$**" means Canadian dollars.

"**$0.05 Private Placement**" means the non-brokered private placement of 323,000 $0.05 Special Warrants at a price of $0.05 per Special Warrant for total gross proceeds of $16,150. Each $0.05 Special Warrant entitled the holder to acquire, without further payment, one Common Share. The $0.05 Special Warrants were deemed to be converted and 323,000 Common Shares were issued on June 17, 2021, being the date that was four months and a day following the closing date of the $0.05 Special Warrant Private Placement.

"**$0.05 Special Warrants**" means the Special Warrants issued pursuant to the $0.05 Private Placement.

"**$0.50 Private Placement**" means the brokered private placement of 15,461,000 $0.50 Special Warrants at a price of $0.50 per special warrant for total gross proceeds of $7,730,500. Each $0.50 Special Warrant entitled the holder to acquire, without further payment, one Common Share. The $0.50 Special Warrants were deemed to be converted on July 10, 2021, being the date that was four months and a day following the closing date of the $0.50 Special Warrant Private Placement, and 15,461,000 Common Shares were issued on July 12, 2021.

"**$0.50 Special Warrants**" means the Special Warrants issued pursuant to the $0.50 Private Placement.

"**ABCA**" means the *Business Corporations Act* (Alberta).

"**Administrator**" has the meaning set forth in "*Equity Incentive Plans – Option Plan*".

"**Advisory Agreement**" has the meaning set forth in "*General Description of the Business – History – Nabati Foods*".

"**Advisory Commission**" means 2% of the gross proceeds from the $0.50 Private Placement paid to the Agent.

"**Advisory Consultants**" has the meaning set forth in "*General Description of the Business – History – Nabati Foods*".

"**Advisory Warrants**" means 309,202 non-transferrable broker warrants of the Company granted to the Agent.

"**Affiliate**" means a company that is affiliated with another company as described below:

A company is an "Affiliate" of another company if:

(a) one of them is the subsidiary of the other; or

(b) each of them is controlled by the same Person;

A company is "controlled" by a Person if:

(a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person; and

(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company;

A Person beneficially owns securities that are beneficially owned by:

(c) a Company controlled by that Person, or

(d) an Affiliate of that Person, or

(e) an Affiliate of any Company controlled by that Person.

"**Agency Agreement**" means the agency agreement dated March 9, 2021 among the Company, Nabati and the Agent as sole bookrunner and lead agent.

"**Agent**" means Research Capital Corporation.

"**Agent's Commission**" means 6% of the gross proceeds from the $0.50 Private Placement, excluding proceeds raised from purchasers of $0.50 Special Warrants on the President's List.

"**Agent's Fees**" means the Advisory Commission and the Agent's Commission.

"**Agent's Warrants**" means 554,100 non-transferrable broker warrants of the Company granted to the Agent.

"**Amended Seed Financing Units**" has the meaning set forth in A "*General Development of the Business – History – Nabati Foods*".

"**Applicable Securities Law**" means applicable securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders having the force of law, in force from time to time.

"**Associate**" means when used to indicate a relationship with a person or company, means:

(a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;

(b) any partner of the person or company;

(c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity;

(d) in the case of a person, a relative of that person, including:

(i) that person's spouse or child; or

(ii) any relative of the person or of his spouse who has the same residence as that person; but

(e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

"**Audit Committee**" means the audit committee of the Company.

"**Audit Committee Charter**" means the Audit Committee's Charter, attached hereto as Schedule "A".

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**Board**" or "**Board of Directors**" means the board of directors of Nabati Foods.

"**Brampton Facility**" has the meaning set forth in "*General Development of the Business – History – Nabati Foods*".

“**CBCA**” means the *Canada Business Corporations Act*.

“**CDS**” means CDS Clearing and Depository Services Inc.

“**CEBA Loan**” means Nabati’s Canada Emergency Business Account loan in the aggregate principal amount of $60,000.

“**CEO**” means Chief Executive Officer.

“**CFIA**” has the meaning set forth in “*Market and Regulatory Overview – Regulatory Matters – Canada*”.

“**CFO**” means Chief Financial Officer.

“**Class A Shares**” has the meaning set forth in “*Description of Share Capital – Nabati*”.

“**Class B Shares**” has the meaning set forth in “*Description of Share Capital – Nabati*”.

“**Class C Shares**” has the meaning set forth in “*Description of Share Capital – Nabati*”.

“**Class D Shares**” has the meaning set forth in “*Description of Share Capital – Nabati*”.

“**Class E Shares**” has the meaning set forth in “*Description of Share Capital – Nabati*”.

“**Class F Shares**” has the meaning set forth in “*Description of Share Capital – Nabati*”.

“**Class G Shares**” has the meaning set forth in “*Description of Share Capital – Nabati*”.

“**Class H Shares**” has the meaning set forth in “*Description of Share Capital – Nabati*”.

“**Class I Shares**” has the meaning set forth in “*Description of Share Capital – Nabati*”.

“**Class J Shares**” has the meaning set forth in “*Description of Share Capital – Nabati*”.

“**Co-Packing Agreement**” has the meaning set forth in “*Description of the Business – Future Developments – Facility Expansion*”.

“**Committee**” has the meaning set forth in “*Equity Incentive Plans – Option Plan*”.

“**Common Shares**” means the common shares in the capital of Nabati Foods.

“**Company**” means Nabati Foods, Nabati, Nabati (USA), or any combination thereof, as the case may be.

“**company**” means, unless specifically indicated otherwise, a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

“**Compensation Share**” means the Common Share redeemable upon the exercise of a Compensation Warrant.

“**Compensation Warrants**” means, collectively, the Advisory Warrants and the Agent’s Warrants.

“**Conditional Approval**” means the approval issued by the CSE for the Listing.

“**COO**” means chief operations officer.

“**Corporate Finance Fee**” means a flat cash fee in the amount of $25,000 (plus applicable taxes) paid to the Agent.

“**CSE**” or the “**Exchange**” means the Canadian Securities Exchange, operated by the CNSX Markets Inc.

“**Eat Beyond**” means Eat Beyond Holdings Inc., an investment issuer listed on the CSE.

"**Eat Beyond Convertible Note**" means the convertible note issued by Nabati to Eat Beyond in the aggregate principal amount of $250,000 on September 25, 2020.

"**Escrow Agreement**" has the meaning set forth in "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*".

"**Escrow Securities**" has the meaning set forth in "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*".

"**Facility A**" means the Pilot Facility and the Storage Facility.

"**Facility B**" means the 7,403 square foot facility located at 14811 – 134 Ave, Edmonton, Alberta leased by Nabati.

"**Facility B Build-Out**" has the meaning set forth in "*Description of the Business – Facilities – Facility B*".

"**FAO**" has the meaning set forth in "*Market and Regulatory Overview – Principal Markets*".

"**FDA**" has the meaning set forth in "*Market and Regulatory Overview – Regulatory Matters – Canada*".

"**FDR**" has the meaning set forth in "*Market and Regulatory Overview – Regulatory Matters – Canada*".

"**Federal Food Laws**" has the meaning set forth in "*Market and Regulatory Overview – Regulatory Matters – Canada*".

"**Final Prospectus**" means the (final) prospectus of Nabati Foods, prepared in accordance with NI 41-101.

"**Final Receipt**" means the receipt issued by the Principal Regulator, evidencing that a receipt has been, or has been deemed to be, issued for the Final Prospectus in British Columbia.

"**Financial Statements**" means the audited financial statements of Nabati Foods for the period from December 10, 2020 (date of Incorporation) to December 31, 2020, and the unaudited condensed consolidated interim financial statements for the six months ended June 30, 2021 together with the notes thereto and the auditors' report thereon, as applicable, attached hereto at Schedule "B".

"**Finder's Warrants**" means common share purchase warrants exercisable to acquire Common Shares and issued to certain finders.

"**Form 51-102F6**" means Form 51-102F6 – *Statement of Executive Compensation*, of the Canadian Securities Administrators.

"**FTC**" has the meaning set forth in "*Market and Regulatory Overview – Regulatory Matters – United States*".

"**GFSI**" has the meaning set forth in "*Market and Regulatory Overview – Regulatory Matters – Certifications*".

"**Governance Policy**" has the meaning set forth in "*Corporate Governance.*"

"**HACCP**" means the Hazard Analysis Critical Control Point system, a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product.

"**HACCP Program**" has the meaning set forth in "*General Development of the Business – The Impact of the COVID-19 Pandemic – Impacts of the COVID-19 Pandemic on Nabati's Business as a Food Service Provider*".

"**IFRS**" means the International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretation Committee.

"**Insider**" means:

(f) a director or senior officer of Nabati Foods;

(g) a director or senior officer of Nabati Foods that is an Insider or subsidiary of Nabati Foods,

(h) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of Nabati Foods; or

(i) Nabati Foods itself if it holds any of its own securities.

"**IPCC Report**" has the meaning set forth in "*Market and Regulatory Overview – Principal Markets*".

"**KeHE**" means KeHE Distributors, LLC.

"**Listing**" means the listing of the Common Shares for trading on the CSE.

"**MD&A**" means management discussion and analysis.

"**Metro**" means, collectively, Metro Richelieu Inc. and Metro Ontario Inc.

"**Nabati**" means Nabati Foods Inc., an Alberta corporation.

"**Nabati (UK)**" means Nabati Foods UK Ltd.

"**Nabati (USA**)" means Nabati Foods Inc., a Washington corporation and wholly-owned subsidiary of Nabati.

"**Nabati Financial Statements**" means the audited financial statements of Nabati for the years ended December 31, 2020 and 2019, together with the notes thereto and the auditors' report thereon, together with notes thereto, as applicable, attached hereto at Schedule "D".

"**Nabati MD&A**" means the MD&A of Nabati for the period for the years ended December 31, 2020 and 2019 attached hereto at Schedule "E".

"**Nabati Foods**" means Nabati Foods Global Inc. (formerly 1279006 B.C. Ltd.), a company existing under the BCBCA.

"**Nabati Foods MD&A**" means the MD&A of Nabati Foods for the period from December 10, 2020 (date of Incorporation) to December 31, 2020 and for the six month period ended June 30, 2021, attached hereto at Schedule "C".

"**Nabati Shareholders**" means the holders of shares of Nabati (See "*Description of Capital Structure*").

"**Named Executive Officer**" or "**NEO**" means:

(a) the CEO, or comparable position;

(b) the CFO, or comparable position;

(c) each of the issuer's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus, individually, exceeds CAD$150,000 per year; or

(d) any additional individuals for whom disclosure would have been provided under (c) except that the individual was not serving as an officer of the issuer at the end of the most recently completed financial year.

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements*, of the Canadian Securities Administrators.

"**NI 52-110**" means National Investment 52-110 – *Audit Committees*, of the Canadian Securities Administrators.

"**Non-Executive Director**" has the meaning set forth in "*Audit Committee*".

“**NP 46-201**” means National Policy 46-201 – *Escrow for Initial Public Offerings*, of the Canadian Securities Administrators.

“**NSF**” means NSF International, an independent, US-based product testing, certification and auditing organization that ensures product compliance with public health standards (see “*Description of the Business – Production – Certifications*”).

“**Olympia**” means Olympia Trust Company.

“**Option Certificate**” has the meaning set forth in “*Equity Incentive Plans – Option Plan*”.

“**Option Plan**” has the meaning set forth in “*Equity Incentive Plans – Option Plan*”.

“**Options**” means the options issued pursuant to the Option Plan.

“**Performance Shares**” has the meaning set forth in “*General Development of the Business – History – Nabati Foods*”.

“**Person**” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

“**Pilot Facility**” means the 1,704 square pilot facility at 12809 – 66 Street, Edmonton, Alberta leased by Nabati.

“**Preliminary Prospectus**” means the (preliminary) prospectus of Nabati Foods, prepared in accordance with NI 41-101, and any amendments thereto.

“**Preliminary Receipt**” means the receipt issued by the Principal Regulator, evidencing that a receipt has been, or has been deemed to be, issued for the Preliminary Prospectus in British Columbia.

“**President’s List**” means the president’s list of investors that subscribed for $3,163,000 of the $0.50 Private Placement provided by the Company to the Agent.

“**Principal Regulator**” means the British Columbia Securities Commission.

“**Private Placements**” means the $0.05 Private Placement together with the $0.50 Private Placement.

“**Promoter**” means (a) a person or company who, acting alone or in conjunction with one or more other persons, companies or a combination thereof, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer, or (b) a person or company who, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property, or both services and property, 10% or more of any class of securities of the issuer or 10% or more of the proceeds from the sale of any class of securities of a particular issue, but a person or company who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be deemed a promoter within the meaning of this definition if such person or company does not otherwise take part in founding, organizing, or substantially reorganizing the business.

“**Prospectus**” means collectively, the Preliminary Prospectus and the Final Prospectus (including any Supplemental Material thereto).

“**Regulation S**” means Regulation S promulgated under the US Securities Act.

“**RSU**” means a restricted share unit granted pursuant to the RSU Plan.

“**RSU Plan**” has the meaning set forth in “*Equity Incentive Plans – Restricted Share Unit Plan*”.

“**RSU Holder Termination Date**” has the meaning set forth in “*Equity Incentive Plans – Restricted Share Unit Plan*”.

“**Securities Exchange Agreement**” has the meaning set forth in “*Principal Business – Nabati Foods*”.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators.

“**Seed Financing**” has the meaning set forth in “*General Development of the Business – History – Nabati Foods*”.

“**SFCA**” has the meaning set forth in “*Market and Regulatory Overview – Regulatory Matters – Canada*”.

“**SFCR**” has the meaning set forth in “*Market and Regulatory Overview – Regulatory Matters – Canada*”.

“**SFCR License**” has the meaning set forth in “*Market and Regulatory Overview – Regulatory Matters – Canada*”.

“**Shareholder Notes**” has the meaning set forth in “*General Development of the Business – History – Nabati*”.

“**Shareholders**” means the holders of Common Shares.

“**Special Warrant**” means the $0.05 Special Warrants together with the $0.50Special Warrants.

“**Special Warrant Indenture**” means the special warrant indenture dated March 9, 2021 between the Company and Olympia as special warrant agent.

“**Storage Facility**” means the 2,067 square foot food storage facility at 12817 – 66 Street, Edmonton, Alberta leased by Nabati.

“**Term**” has the meaning set forth in “*Equity Incentive Plans – Option Plan*”.

“**Thakur Convertible Note**” means the convertible note issued by Nabati to Karamveer Thakur in the aggregate principal amount of $300,000 in December 2020.

“**Transaction**” has the meaning set forth in “*Principal Business – Nabati Foods*”.

“**Transaction Shares**” has the meaning set forth in “*General Development of the Business – History Nabati Foods*”.

“**Transfer Agent**” means the transfer agent and registrar of the Company, anticipated to be Olympia Trust Company.

“**Tree of Life**” means Tree of Life Canada, ULC.

“**United States**” or “**US**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

“**US FDA**” has the meaning set forth in “*Market and Regulatory Overview – Regulatory Matters – United States*”.

“**USDA**” has the meaning set forth in “*Market and Regulatory Overview – Regulatory Matters – United States*”.

“**US Securities Act**” means the United States Securities Act of 1933, as amended.

“**WG**” means WG Pro-Manufacturing Inc.

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of the Common Shares and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Capitalized terms used but not defined in this Summary of Prospectus have the meanings ascribed thereto in the Glossary of Terms.

Principal Business

Nabati Foods

Nabati Foods was incorporated on December 10, 2020, under the BCBCA under the name "1279006 B.C. Ltd.". On March 11, 2021, it changed its name to "Nabati Foods Global Inc."

Nabati Foods' head office is located at 1570 – 505 Burrard Street, Vancouver, British Columbia V7X 1M5 and its registered and records office is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

On March 9, 2021, Nabati Foods acquired all of the issued and outstanding securities of Nabati (the "**Transaction**") in exchange for the issuance of 14,000,000 Common Shares to former Nabati Shareholders on a pro rata basis pursuant to a share exchange agreement dated January 19, 2021, as amended February 3, 2021 and March 3, 2021, among Nabati Foods, Nabati and the Nabati Shareholders (the "**Securities Exchange Agreement**"). Following the closing of the Transaction, Nabati became a wholly-owned subsidiary of Nabati Foods. See "*General Development of the Business – Nabati Foods*".

Nabati Foods' principal business is the business of Nabati. See "*Description of the Business*".

Nabati

Nabati was incorporated on July 11, 2014, under the ABCA under the name "Yemira Trading Inc.". On July 18, 2016, it changed its name to "Nabati Foods Inc.". Nabati's head office and its registered office are located at 12809 66 Street North West, Edmonton, Alberta T5C 0A4.

Nabati is an emerging plant-based food technology company that designs, develops, produces, distributes and sells a variety of plant-based meat and other food alternatives. Nabati's mission is to employ plant-based food technology to inspire those who value their health to indulge in real, clean, plant-based foods for a nourished, sustainable and compassionate life. See "*Description of the Business*".

Nabati (USA)

Nabati (USA), a wholly-owned subsidiary of Nabati, was formed on September 17, 2019, under the Washington Business Corporation Act under the name "Nabati Foods Inc." See "*Description of the Business*".

Nabati (UK)

Nabati (UK), a wholly-owned subsidiary of Nabati, was formed on September 10, 2021, under the United Kingdom *Companies Act (2006)* under the name "Nabati Foods UK Ltd". Nabati (UK) has had no activities to date.

Management, Directors & Officers

Ahmad Yehya	CEO, COO and Director
Kelvin Lee	CFO and Corporate Secretary
Magdy Yehya	Director
Robert Kang	Director
Don Robinson	Director

See "*Directors and Executive Officers*".

No Proceeds Raised

No proceeds will be raised pursuant to this Prospectus. See "*Proceeds*".

Use of Available Funds

The gross proceeds paid to the Company from the sale of the $0.05 Special Warrants and $0.50 Special Warrants pursuant to the Private Placements were $7,746,650. As at August 31, 2021, the Company had working capital (cash) of approximately $3,250,000.

The Company currently intends to use, the net proceeds of the Private Placement and its other available funds as follows:

Item	Approximate Funds Allocated
Funds Available	
Working Capital (cash) of the Company as at August 31, 2021(1)	$3,250,000
Principal Purposes for the Available Funds	
Operating costs(2)	$1,040,000
Facility B optimization(3)	$142,000
Brampton Co-Packing Facility(4)	$226,000
Marketing & Sales(5)	$205,000
Management of Nabati (USA)(6)	$50,000
Investor Relations(8)	$1,075,000
Unallocated Working Capital(7)	$513,000
Total	**$3,250,000**

Notes:

(1) After deducting expenses of the $0.05 Private Placement of $12,737 and after deducting the Agent's Commission of approximately $274,050, the Advisory Commission of approximately $162,341 (inclusive of taxes thereon), the Corporate Finance Fee of approximately $26,250 (inclusive of taxes thereon) to be paid to the Agent in connection with the $0.50 Private Placement and the legal and administrative expenses of the Agent of approximately $64,173 (inclusive of taxes thereon). Value excludes up to $431,660 additional proceeds that may raised upon the exercise of up to 863,320 Compensation Warrants. See "*General Development of the Business – History – Nabati Foods*".

(2) Operating costs are broken down as follows: (i) payroll ($800,000); (ii) operating capital ($90,000); research and development ($90,000); and (iv) loan repayment ($60,000).

(3) The remaining costs for optimizing Facility B are associated with production equipment ($142,000).

(4) Costs include: (i) equipment ($86,000); installation and infrastructure ($80,000); and engineering and commissioning ($60,000).

(5) Marketing costs are broken down as follows: (i) promotion of brand and products on social media and in print ($95,000); (ii) trade shows ($20,000); and (iii) content production, including images and video ($45,000); (iv) ambassador program ($10,000); and (v) agency spending on current and future marketing projects, including branding, packaging and other promotional content ($35,000).

(6) The management of Nabati (USA) includes: (i) food broker ($20,000); (ii) inventory management and logistics ($15,000); and (iii) operational expenses ($15,000).

(7) Includes $100,000 in expenses related to the Transaction, including legal, accounting and regulatory fees.

(8) Includes EUR€600,000 payable to MMG under the MMG Agreement. EUR€200,000 has been paid to MMG to date. See "*Description of the Business – Marketing – MMG*".

See "*Use of Available Funds – Funds Available*".

Summary of Financial Information

Nabati Foods

The following table sets forth the selected financial information for the period from December 10, 2020 (date of incorporation) to December 31, 2020 and for the six months ended June 30, 2021 and has been derived from the Financial Statements, prepared in accordance with IFRS and attached as Schedule "B" to this Prospectus. The selected financial information should be read in conjunction with the Nabati Foods MD&A and the Nabati Foods Financial Statements contained elsewhere in this Prospectus.

	For the period from December 10, 2020 (date of incorporation) to December 31, 2020 ($) (audited)	**For the six months ended June 30, 2021 ($) (unaudited)**
Statement of Operations Data		
Gross profit	Nil	$(24,292)
Revenue	Nil	$335,301
Cost of sales	Nil	$(359,593)
Total operating expenses	Nil	$(3,072,303)
Loss and comprehensive loss	Nil	$(10,188,866)
Loss per share (basic and diluted)	Nil	$(1.61)
Balance Sheet Data		
Current assets	$1	$4,895,785
Total assets	$1	$6,763,867
Current liabilities	$-	$(1,300,883)
Total liabilities	$-	$(1,350,643)

Nabati

The following table sets forth the selected financial information for the years ended December 31, 2020 and 2019 and has been derived from the Nabati Financial Statements and accompanying notes thereto, prepared in accordance with IFRS and attached as Schedule "D" to this Prospectus. The selected financial information should be read in conjunction with the Nabati MD&A and the Nabati Financial Statements contained elsewhere in this Prospectus.

	For the year ended December 31, 2019 ($) (audited)	**For the year ended December 31, 2020 ($) (audited)**
Statement of Operations Data		
Gross Profit	$113,527	$166,961
Revenue	$297,786	$479,053
Cost of sales	$(184,259)	$(312,092)

	For the year ended December 31, 2019 ($) (audited)	For the year ended December 31, 2020 ($) (audited)
Total operating expenses	$(412,179)	$(805,699)
Loss and comprehensive loss	$(272,603)	$(533,481)
Loss per share (basic and diluted)	$(1.212)	$(2.379)
Balance Sheet Data		
Current assets	$63,301	$286,841
Total assets	$213,274	$537,121
Current liabilities	$(1,476,214)	$(552,939)
Total liabilities	$(1,517,093)	$(2,374,421)

Risk Factors

An investment in the Company involves a substantial degree of risk and should be regarded as highly speculative due to the nature of the business of the Company.

The risks, uncertainties and other factors, many of which are beyond the control of the Company that could influence actual results include, but are not limited to: the Company's dependence on key personnel; the Company's reliance on trade secrets; the potential for conflicts of interest to arise between the Company and its personnel; the competitive environment in which the Company operates; the Company's potential failure to optimize Facility B (as defined herein); the Company's potential failure to expand production capacity, including the establishment of additional facilities; the risk of disruption of any one of the Company's facilities or in its distribution channels; the impact of and risks associated with the ongoing COVID-19 pandemic and other infectious diseases presenting as major health issues; the regulatory environment in which the Company operates; the risks associated with labeling the Company's products; the Company's exposure to the price of raw materials; the Company's expectations regarding consumer trends; the Company's ability to manage the supply chain, including the limited number of suppliers of raw materials and the exposure to a disruption in the supply of key ingredients; the Company's exposure to climate change; the Company's exposure to food safety, consumer health and product liability issues and regulations; the ability of the Company to maintain the value of its brands and the reputation of the same; the Company's reliance on internet search algorithms for exposure; the risk of social or digital media damaging the Company's reputation; the Company's exposure to risks associated with leasing commercial space and equipment; the Company's ability to successfully market and sell new products; the Company's ability to retain current customers and/or recruit new customers; the Company may become a party to litigation; the Company's reliance on third parties for distribution and delivery of products; Nabati's history of net losses; the ability of the Company to continue as a going concern; Nabati's history of negative operating cash flow; the volatility of the Common Shares' market price; the lack of an established market for the Common Shares; resale challenges facing US holders; the Company has not paid in the past and does not anticipate paying dividends on the Common Shares in the foreseeable future; the increased regulatory burden of being a publicly traded company; future sales and issuances of equity securities may dilute current Shareholders; and reduce the market price of the Common Shares; and the other factors discussed under "*Risk Factors*".

For a detailed description of certain risk factors relating to the Common Shares, which should be carefully considered before making an investment decision, see "*Risk Factors*".

CORPORATE STRUCTURE

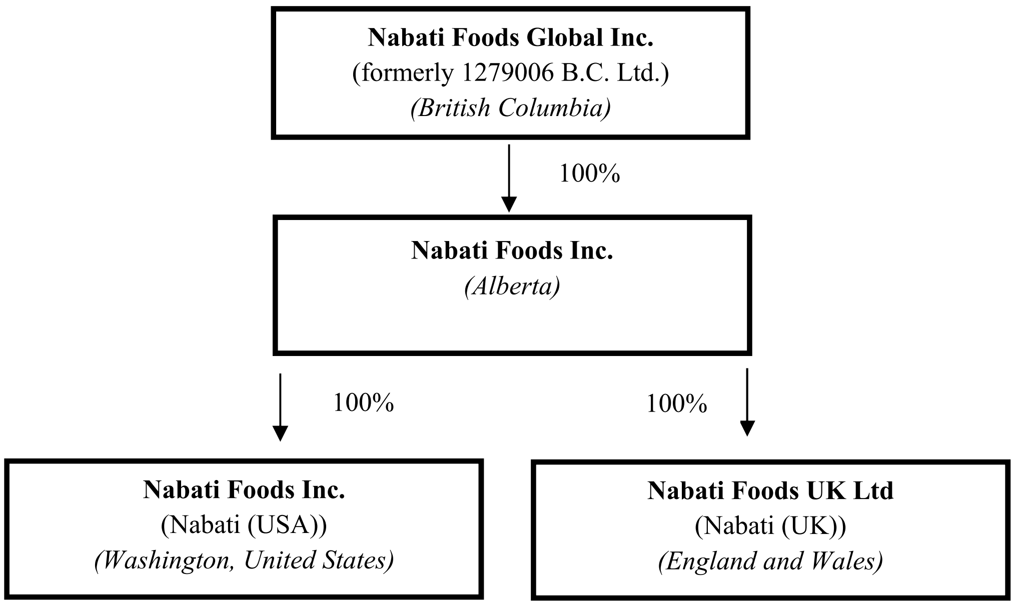
Name, Address and Incorporation of Nabati Foods

Nabati Foods was incorporated on December 10, 2020, under the BCBCA under the name "1279006 B.C. Ltd.". On March 11, 2021, it changed its name to "Nabati Foods Global Inc."

The head office of Nabati Foods is located at 1570 – 505 Burrard Street, Vancouver, British Columbia V7X 1M5 and the registered and records office of Nabati Foods is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

Intercorporate Relationships

The following diagram summarizes the intercorporate relationships of the Company:



Name, Address and Incorporation of Nabati

Nabati, a wholly-owned subsidiary of Nabati Foods, was incorporated on July 11, 2014, under the ABCA under the name "Yemira Trading Inc.". On July 18, 2016, it changed its name to "Nabati Foods Inc."

The head office and registered and records office of the Company are located at 12809 – 66 Street North West, Edmonton, Alberta T5C 0A4.

Name, Address and Incorporation of Nabati (USA)

Nabati (USA), a wholly-owned subsidiary of Nabati, was formed on September 17, 2019, under the *Washington Business Corporation Act* under the name "Nabati Foods Inc."

The registered and records office of Nabati (USA) is located at 301 Union Street, Unit 21445, Seattle, Washington, United States 98111-1620. Nabati (USA)'s head office is located at 1201 3rd Avenue, Seattle, Washington, United States 98101.

Name, Address and Incorporation of Nabati (USA)

Nabati (UK), a wholly-owned subsidiary of Nabati, was formed on September 10, 2021, under the United Kingdom *Companies Act (2006)* under the name "Nabati Foods UK Ltd".

The registered office and the service address of Nabati (UK) is located at 71-75 Shelton Street, Covent Garden, London WC2H 9JQ, United Kingdom. Nabati (UK) has had no activities to date.

GENERAL DEVELOPMENT OF THE BUSINESS

History

Nabati Foods

The Company was incorporated on December 10, 2020, under the BCBCA for purpose of undergoing a transaction to become a reporting issuer and to list on a Canadian stock exchange. See "*Description of the Business*". Since its date of incorporation, the Company has pursued the activities described below.

- On January 14, 2021, Nabati Foods issued 7,000,000 units at a price of $0.005 per unit as part of a seed round financing for aggregate proceeds of $35,000 (the "**Seed Financing**"). Each unit consisted of one Common Share and one common share purchase warrant with each warrant exercisable to acquire one additional Common Share at a price of $0.05 per share until January 14, 2023.

- On January 19, 2021, as amended February 3, 2021 and March 3, 2021, Nabati Foods entered into the Securities Exchange Agreement.

- On February 16, 2021, Nabati Foods issued a total of 323,000 $0.05 Special Warrants at a price of $0.05 per Special Warrant pursuant to the $0.05 Private Placement for aggregate gross proceeds of $16,150. The $0.05 Special Warrants were deemed to be exercised and 323,000 Common Shares were issued on June 17, 2021. No finder's fees were paid in connection with the $0.05 Private Placement.

- On March 9, 2021, the Company completed the $0.50 Private Placement, pursuant to prospectus exemptions under Applicable Securities Law, of an aggregate of 15,461,000 $0.50 Special Warrants issued on a private placement basis at a price of $0.50 per Special Warrant. The $0.50 Special Warrants were deemed to be exercised on July 10, 2021 and 15,461,000 Common Shares were issued on July 12, 2021.

  Pursuant to an Agency Agreement, the Company paid to the Agent aggregate cash fees in the amount of approximately $462,641, consisting of the Agent's Commission (being $274,050), Advisory Commission (being $154,610 plus applicable taxes) and the Corporate Finance Fee (being $25,000 plus applicable taxes).

  As additional compensation, the Company issued to the Agent an aggregate of: (a) 554,100 Agent's Warrants, representing 6% of the $0.50 Special Warrants sold under the $0.50 Private Placement (excluding any $0.50 Special Warrants sold by the Agent to purchasers on the President's List); and (ii) 309,220 Advisory Warrants, representing 2% of the $0.50 Special Warrants sold under the $0.50 Private Placement. Each Compensation Warrant is exercisable for one Compensation Share at a price of $0.50 per share until March 9, 2023.

- On March 9, 2021 Nabati Foods completed the Transaction to acquire Nabati. Pursuant to the Transaction, Nabati Foods issued to Nabati Shareholders, pro rata to their respective holdings of Nabati shares, 14,000,000 Common Shares at a price of $0.50 per Common Share (the "**Transaction Shares**") in exchange for all of the issued and outstanding Nabati shares. Certain of the Transaction Shares are subject to escrow pursuant to the Escrow Agreement (defined herein). See "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*". The Transaction was subject to, among other things, the following post-closing covenants: (i) the Company preparing and filing the Prospectus, including such documents required to be filed therewith, with the BCSC; and (ii) the Company completing a listing application (including a listing statement) with the CSE. As a result of the Transaction, Nabati became a wholly-owned subsidiary of Nabati Foods and the business of Nabati became the business of Nabati Foods. The former Nabati Shareholders owned approximately 66.67% of the issued and outstanding Common Shares upon completion of the Transaction. See "*Consolidated Capitalization - Fully Diluted Share Capital*". Nabati Foods also entered into employment agreements with certain directors and officers. See "*Executive Compensation – Employment, Consulting and Management Agreements*".

- On March 15, 2021, the outstanding aggregate amount owed under the Nabati Convertible Notes (being approximately $2,409,015, inclusive of interest) was converted into an aggregate of 6,882,898 Common Shares at a price of $0.35 per Share and 3,441,448 warrants exercisable into Common Shares at a price of $0.625 per Share. Also see below under "*History – Nabati*".

- On March 15, 2021, Nabati Foods entered into a form of consulting agreement (the "**Advisory Agreement**") with certain arm's length industry advisors and Don Robinson, a Non-Executive Director of the Company (collectively, the "**Advisory Consultants**"), whereby the Advisory Consultants will provide advisory consulting services to the Company for a term of two years (subject to earlier termination by either the Advisory Consultants or the Company on 30 days' written notice, or by the Company for just cause). The advisory services will be provided with respect to the development and commercialization of the Company's liquid plant-egg product (the "**Liquid Egg Product**"). Under the Advisory Agreement, the Company will pay the Advisory Consultants an aggregate of up to 7,000,000 Common Shares (the "**Performance Shares**") in accordance with the following release schedule: (i) 25% of total Performance Shares owed to the Advisory Consultant upon the successful assembly of the team responsible for the Company's Liquid Egg Product or before December 31, 2021; (ii) 25% of total Performance Shares owed to the Advisory Consultant upon the successful completion of the formulation, development and preparation for commercializing of the Liquid Egg Product or before December 31, 2021; (iii) 25% of total Performance Shares owed to the Advisory Consultant upon generating Liquid Egg Product revenues in excess of $1,000,000 or before December 31, 2022; and (iv) 25% of total Performance Shares owed to the Advisory Consultant upon the Company achieving revenues in excess of $5,000,000 or before the date that is 12 months from the Listing. All Performance Shares are subject contractual lock-up. Up to 2,692,308 Performance Shares may be issued to Don Robinson, which will be subject to contractual lock-up and escrow conditions. See "*Escrow Securities and Securities Subject to Contractual Restrictions on Transfer*".

- On March 15, 2021, an aggregate of 1,749,999 Performance Shares were issued to the Advisory Consultants (of which, 673,077 Performance Shares were issued to Don Robinson) upon completion of the first milestone under the Advisory Agreements. These Performance Shares are subject to escrow conditions (see "*Escrow Securities and Securities Subject to Contractual Restrictions on Transfer*").

- In May 2021, the Company completed the Facility B Build-Out. See "*Description of the Business – Facilities – Facility B*".

- In May 2021, the Company entered into a co-packing agreement with WG Pro-Manufacturing Inc., an Ontario-based co-packer, ("**WG**') to develop 20,000 square feet of the co-packer's facility located in Brampton Ontario (the "**Brampton Facility**"). See "*Description of the Business – Future Developments – Facility Expansion*".

- On June 4, 2021, Afaf Miri resigned as a director of the Company and Magdy Yehya was appointed as a director of the Company.

- On July 6, 2021, certain holders of an aggregate of 4,900,000 units issued in connection with the Seed Financing agreed to voluntarily increase the subscription price of their units from $0.005 per unit to $0.05 per unit (the "**Amended Seed Financing Units**"). Such holders paid additional funds to the Company in the aggregate amount of $220,500 in consideration for the pricing amendment. The securities underlying the Amended Seed Financing Units will also be subject to escrow conditions (see "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer – Voluntary Escrow*"). All other terms and conditions of the Amended Seed Financing Units and the securities underlying such units will remain un-amended.

Nabati

Nabati was formed on July 11, 2014, under the ABCA. Since that date, it has pursued the activities described below.

- In 2017, Nabati established its Food Safety Program and in May 2018, Nabati passed its food safety audit by NSF, which enabled Nabati to sell its products across Canada. See "*Description of the Business – Production – Food Safety Program*".

- In 2018, Nabati launched its dairy-free cheesecake product line in select Canadian grocery chains. See *"Description of the Business – Nabati Food Products – Desserts*".

- In 2019, Nabati entered into an exclusive national distribution agreement with Tree of Life Canada, ULC ("**Tree of Life**") to distribute the Company's products within Canada. See "*Description of the Business - Sales and Distribution - Distribution Partners*".

- In mid-2019, Nabati completed the development of its cheese alternative product line, launching it in late 2019. In January 2020, Nabati began national distribution of its cheese alternative product line within Canada. See *"Description of the Business – Nabati Food Products – Dairy Alternatives*".

- On September 17, 2019, Nabati formed its wholly owned subsidiary, Nabati (USA), to distribute its products in the US. See "*Description of the Business – Foreign Operations*".

- In 2020, Nabati, through Nabati (USA), entered into a distribution agreement with KeHE Distributors, LLC ("**KeHE**") in the US to distribute its dairy-free cheesecake product line. See "*Description of the Business - Sales and Distribution - Distribution Partners*".

- In September 2020, Nabati issued a convertible note to Eat Beyond Holdings Inc. ("**Eat Beyond**"), an investment issuer listed on the CSE, in the aggregate principal amount of $250,000 (the "**Eat Beyond Convertible Note**"). The Eat Beyond Convertible Note bore interest at a rate of 10% per annum for a term of five years. As at March 12, 2021, the Eat Beyond Note had an aggregate amount of approximately $261,801 (inclusive of approximately $11,801 in interest) outstanding. The Eat Beyond Convertible Note was fully converted on March 15, 2021 (see above under "*History – Nabati Foods*").

- In December 2020, Nabati entered into a lease agreement for Facility B. See "*Description of the Business – Facilities - Facility B*".

- In December 2020, Nabati issued a convertible note to Karamveer Thakur in the aggregate principal amount of $300,000 (the "**Thakur Convertible Note**"). The Thakur Note bore interest at a rate of 10% per annum for a term of eight months. The funds were used to, among other things, continue operations (raw materials, payroll), finance the Facility B Build-Out and to purchase certain equipment. As at March 12, 2021, the Thakur Note had an aggregate amount of approximately $306,793 (inclusive of approximately $6,793 in interest) outstanding. The Thakur Convertible Note was fully converted on March 15, 2021 (see above under "*History – Nabati Foods*").

- In December 2020, Nabati converted three outstanding shareholder loans into convertible notes, all on similar terms (collectively, the "**Shareholder Notes**" and, together with the Thakur Convertible Note and the Eat Beyond Convertible Note, the "**Nabati Convertible Notes**"). In January 2021, Nabati amended one of the Shareholder Notes (held by Ahmad Yehya) to increase the principal balance from $215,417 to $486,603 in exchange for the increased balance owing under such amended amount. The Shareholder Notes bear interest at a rate of 10% per annum for a term of five years. As at March 12, 2021, the Shareholder Notes had an aggregate amount of approximately $2,409,015 (inclusive of approximately $59,507 in interest), and included notes issuable to the following officers and directors of the Company: (i) Ahmad Yehya in the aggregate amount of approximately $495,587 (inclusive of approximately $8,984 in interest); and (ii) Magdy Yehya in the aggregate amount of approximately $1,337,625 (inclusive of approximately $31,758 in interest). The Nabati Convertible Notes were fully converted on March 15, 2021 (see above under "*History – Nabati Foods*").

- In November 2020, Nabati launched its plant-based meat alternatives product line. See "*Description of the Business – Nabati Food Products – Meat Alternatives*".

- In early 2021, Nabati began national Canadian distribution of this product line. See "*Description of the Business – Nabati Food Products – Meat Alternatives*".

- On March 9, 2021 Nabati Foods completed the Transaction to acquire Nabati (see above under "*History – Nabati Foods*").

The Impact of the COVID-19 Pandemic

General

Impacts resulting from the COVID-19 pandemic have resulted in a widespread health crisis that has already adversely affected the economies and financial markets of many countries around the world. The international response to the spread of COVID-19 has led to significant restrictions on travel; temporary business closures; quarantines; global stock market and financial market volatility; a general reduction in consumer activity; operating, supply chain and project development delays and disruptions; and declining trade and market sentiment; all of which have and could further affect commodity prices, interest rates, credit ratings and credit risk.

The Company is subject to the cycles of the financial markets. The impact of these cycles are now magnified and volatile due to the effects of the COVID-19 virus. Current global financial and economic conditions can be unpredictable. Many industries are impacted by these market conditions and the COVID-19 virus. Some key impacts of the current financial market turmoil arising from the COVID-19 virus include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange, novel fiscal policy and monetary policy and monetary markets and a lack of market liquidity. Such factors may impact the Company's business decisions. Additionally, if such global volatility and market turmoil continue, the Company's operations and financial condition could be adversely impacted. Similarly, the plant-based food technology sector faces uncertainty and further impacts due to the COVID-19 virus, including facility and market closures, reduced sales, and potential for supply chain disruption.

Impacts of the COVID-19 Pandemic on the Company's Business as a Food Service Provider

The Company's business has been impacted by the COVID-19 pandemic in several ways. As a food service provider, it was prohibited from providing its core services, which effectively stopped Nabati's food service revenue. In addition, all opportunities that were in progress or being sought were put on hold. The Company's existing retail business has remained stagnant month to month; growth has been limited as buyers have reduced purchasing.

In response to the COVID-19 pandemic, the Company has introduced an eCommerce component to its business to support cash flow (see "*Sales and Distribution - eCommerce*" below). The Company has also invested in advertising its brand and products to drive online and store sales. Further, it is focused on online distribution in the US and intends to develop and commercialize its meat alternative line as part of a further growth strategy to expand its product portfolio. Finally, the Company operates a Food Safety Management System pursuant to HACCP ("**HACCP Program**") that addresses measures and procedures to ensure safe food is produced while avoiding the spread of communicable diseases such as COVID-19 (see "*Description of the Business – Products – Certifications*"; see "*Description of the Business – Food Safety Program*"; also see "*Market and Regulatory Overview – Regulatory Matters – Certifications*"). As a result, the Company will be focused on developing automated processes in its larger facility to promote growth and ensure worker safety (see "*Description of the Business – Facilities – Facility B*").

The overall severity and duration of COVID-19-related adverse impacts on our business will depend on future developments, which we cannot currently predict, including directives of the federal and provincial governments and health authorities. See "*Risk Factors*".

DESCRIPTION OF THE BUSINESS

General

The Company is an emerging plant-based food processor and food technology company that designs, develops, produces, distributes and sells a variety of plant-based meat and other food alternatives. Nabati Foods operates in the food and beverage industry in Canada (through its direct subsidiary, Nabati) and the US (through its indirect subsidiary, Nabati (USA)). The Company's mission is to employ plant-based food technology to inspire those who value their health to indulge in real, clean, plant-based foods for a nourished, sustainable and compassionate life.

The Company believes that plant-based foods will help transition the world to a healthier, more sustainable diet and reduce society's environmental impact. As a socially responsible business, the Company seeks to promote consumer enjoyment of plant-based foods for a nourished, sustainable and compassionate life. Mass-marketed plant-based products that compete with traditional/conventional products are appealing to more people, attracting them to move away from a meat-based diet for reasons such as health, environmental impact and morality. As consumers become more sustainability-minded, plant-based foods are seen as desirable for their greener production practices, such as lower water usage and CO_2 emissions. There is also concern over the inhumane treatment of animals in factory farms and the carbon footprint of such operations. Finally, consumers are interested in delicious plant-based meals that rival traditional/conventional foods as they opt to consume a more plant-based diet. As such, the Company has built its business around addressing these fundamental concepts.

Nabati Food Products

Nabati currently offers plant-based products in three categories: desserts, dairy alternatives and meat alternatives that are all dairy-free, egg-free, soy-free, certified gluten-free, kosher and vegan. Nabati's products are currently produced at its current Facility A (see below "*Facilities – Facility A*").

Desserts

Nabati currently produces and sells a dairy-free cheesecake product line, which is a premium whole food dessert made with fruits and nuts and has a similar taste and texture to traditional cheesecake. The product line is a unique raw dessert that requires extensive product and process development, as well as customized equipment (see below "*Production – Production Process and Equipment*"). The Company currently produces the dairy-free cheesecakes for distribution in Canada and the US, where they are sold at regional grocery chains, independent natural food stores and via the Company's eCommerce sites (see "*eCommerce*" and "*Distribution Partners*" below). The product line is frozen for storage, with a shelf life of 12 months.

Dairy Alternatives

Nabati currently produces and sells "Nabati Cheeze", cheese alternative shreds, which were developed in 2019 and launched in 2020. The product line was developed to directly compete with dairy cheese in meltability, texture, taste, packaging size and cost. The Company successfully developed the product line to mimic dairy cheese at a competitive price. Like dairy cheese, Nabati Cheeze is packaged in pouches under modified atmospheric pressure using a mix of nitrogen and carbon dioxide, which allows the product to have a shelf life of six months. Nabati Cheeze is currently Nabati's most popular product line and is mainly sold at independent food stores and foodservice operators. The Company intends to move this product line to Facility B in order to meet the current and future demand. See "*Facilities – Facility B*" and "*Future Developments – Facilities*" below.

Meat Alternatives

Nabati offers a variety of plant-based meat alternatives. The product line features plant-based burgers, which include a beef alternative, chicken alternative (unbreaded), and a fish alternative (unbreaded), as well as a ground beef alternative. However, the Company has focussed on "Nabati Chick'n", Nabati's flagship chicken alternative product in this line. Nabati's meat alternative products are packaged in trays that are sealed under modified atmospheric pressure using a mix of nitrogen and carbon dioxide and frozen for storage to allow the product to have a shelf life of 12 months. Since Nabati launched its meat alternative products in November 2020, the Company has received strong demand for this product line via its eCommerce store. Nabati's meat alternative products are currently distributed in Canada through Tree of Life. The Company will focus production and distribution of Nabati's meat alternative line at Facility B. See "*Facilities – Facility B*" below.

Sales and Distribution

Nabati's products are sold in over 350 stores across Canada and over 120 stores in the US. The Company currently distributes and sells its products directly to grocery stores and foodservice operators, through its distribution partners, Tree of Life and KeHE, and directly to consumers via its eCommerce sites in Canada and the US.

Grocery Stores and Foodservice Operators

Nabati currently supplies foodservice operators with its products through its redistributor, Tree of Life. Nabati does not currently have any direct contractual agreements with any foodservice operators but is permitted under its agreement with Tree of Life to sell its products to foodservice operators on an *ad hoc* basis, upon notice. Any contracts supplying Nabati products to foodservice operators are made between the operator and Tree of Life. See "*Distribution Partners*" below.

Similarly, Tree of Life sells and distributes Nabati products to grocery stores within Canada, and Nabati does not have any direct contractual agreements with the grocery stores, except Metro, where its products are listed. Through Tree of Life, Nabati products are listed at regional chains such as Save-On-Foods, IGA, Alberta Sobeys & Safeway stores, Avril Supermarché and independent grocery stores across Canada. Recently, Nabati has increased its investment in sales activities to gain control of its sales process and aggressively drive sales across Canada and the US.

Pursuant to its agreement with Metro, a grocery chain, Metro has agreed to sell Nabati's dairy-free cheesecakes in its stores within Canada for a term of one year, with automatic renewal for additional one year terms. Metro purchases these products at prices specified by Nabati. The agreement requires Nabati to bear the costs of, among other things, unloading fees and to maintain a consistent order fill rate of 97% or higher for Metro's purchase orders.

Distribution Partners

Tree of Life purchases, warehouses, promotes, sells and distributes Nabati products to retail grocery stores and foodservice operators. Pursuant to its agreement with Tree of Life, Nabati has granted Tree of Life the right to promote, sell and distribute Nabati's dairy-free cheesecakes and certain other Nabati products, including Nabati Cheeze and its plant-based meat alternative products, within Canada. Nabati is permitted to promote and sell its products on an *ad hoc* basis, excluding its cheesecakes, to grocery stores and food service operators without restriction and it is permitted to sell its cheesecake to grocery stores and food service operators, upon notice to Tree of Life. Tree of Life purchases these products at prices specified by Nabati, and no other fees are paid to Tree of Life. However, Nabati is restricted from selling contracting with other distributors to sell/distribute its products within Canada. The agreement requires Nabati to bear the costs associated with its products, including, among other things, registration, listing fees, samples and manufacturer charge-backs, and to maintain a consistent order fill rate of 98% or higher for Tree of Life's purchase orders. Nabati and Tree of Life entered this agreement on March 13, 2019 with an annual automatic renewal, and will expire on March 13, 2022. Either party may terminate the agreement on 90 days' written notice.

Nabati has a non-exclusive, indefinite term distribution contract with Tree of Life's parent company, KeHE, in the US. Under the distribution contract, KeHE purchases, warehouses, sells and distributes Nabati's products within the US. Under this agreement, KeHE purchases Nabati's products at set prices, which Nabati may change on 90 days' notice to KeHE. Nabati must also pay certain fees to KeHE, including manufacturer charge backs, marketing allowance and publication listing fees, and Nabati bears the cost of excess, unsaleable or discontinued inventory. Nabati must maintain a 98% inbound fill rate and a 92% inbound/on-time performance rate.

eCommerce

Nabati uses Shopify to host and maintain its eCommerce shop, which offers its products for purchase. Nabati's eCommerce shop also offers kits, which include a variety of different Nabati products, for Canadian customers. In Canada, eCommerce orders are processed, packed and shipped at Facility A. In the US, orders are placed though Nabati's US website and transmitted to two fulfillment warehouses to ship the orders. Nabati's relationships with the warehouses are not material. Products are shipped in Styrofoam coolers with dry ice inside and Nabati has implemented a cooler return program to reuse coolers after quarantining, cleaning and sanitizing.

Facilities

Facility A

Nabati currently operates a 1,704 square foot pilot facility at 12809 - 66 Street, Edmonton, Alberta (the "**Pilot Facility**") and a temporary 2,067 square foot food storage facility at 12817 - 66 Street, Edmonton, Alberta (the, "**Storage Facility**" and, together with the Pilot Facility, "**Facility A**"). The Pilot Facility lease costs $2,130.00

(excluding applicable tax) per month and expires September 30, 2022. The Storage Facility costs $2,067.00 (excluding applicable tax) per month and expires September 2021. Under the Pilot Facility lease, the lessor may terminate in the event that Nabati becomes insolvent or bankrupt, if any goods on the leased premises are taken in execution by a Nabati creditor, if an order is made for Nabati's winding up or if the leased premises are expropriated, demolished or otherwise destroyed. The Company does not intend to renew the Pilot Facility lease, as the Company will fully move its operations to Facility B upon expiry of the Pilot Facility lease.

Due to space limitations at Facility A, Nabati is limited to producing one product at a time. The Company has shifted its core operations to Facility B but it intends to continue operations at Facility A for dairy-free cheesecakes until subsequent expansions of Facility B are completed (see below "*Facility B*" and "*Future Developments – Facilities Expansion*" below; also see "*Risk Factors*").

Facility B

In December 2020, Nabati leased a 7,430 square foot facility located at 14811 - 134 Ave. Edmonton, Alberta ("**Facility B**") for a five year term, subject to renewal, effective April 1, 2021. Nabati took early possession of Facility B on December 15, 2020 to build out the facility and, beginning April 1, 2021, Nabati shall pay $6,500 (excluding tax) per month for Facility B. The lessor may terminate the Facility B lease in the event that Nabati fails to pay rent or open the business when required, abandons the premises, sells or disposes of trade fixtures to an extent that it would fail to satisfy rent, inappropriately sublets or assigns the lease or is otherwise in default under the lease.

To date, the Company has invested approximately $1.34 million on the build-out of Facility B (including leasehold improvements) to expand the Company's production and storage capacity (the "**Facility B Build-Out**").

As part of the Facility Build-Out, Nabati entered into an additional lease in July, 2021 for a 14,860 square foot facility located at 14803 – 14823 134th Ave., Edmonton, Alberta for a five year term, subject to renewal, effective October 1, 2021. Nabati shall pay $7,430 (excluding tax) per month from October 1, 2021 to December 31, 2021 and then $14,860 per month thereafter. The lessor may terminate this lease in the event that Nabati fails to pay rent when due (without demand), Nabati defaults or fails to observe or perform any of its non-financial obligations under the lease upon receipt of notice from the and fails to rectify such default within 15 days, Nabati becomes bankrupt or insolvent or a creditor seizes its assets, or Nabati abandons or threatens to abandon the premises.

The Company intends to operate Facility A and Facility B concurrently (until the earlier of such time as the Facility A lease expires and all operations are shifted to Facility B). Nabati will use Facility B to store inventory, produce plant-based meats and Nabati Cheeze, as well as serve as its new headquarters.

Production

Production Process and Equipment

Nabati begins its product development process by discerning the texture, taste, colour, flavour, cooking process and cost of each proposed product. Nabati then begins the ingredient selection and product development process, using a set of specific criteria, which are focused on achieving maximum efficiency and yield margins, with minimal production times. Many of Nabati's production processes are trade secrets, which improve upon existing traditional production methods in order to reduce Nabati's production costs while increasing yield. To the extent possible, Nabati designs its product packaging and selects suppliers that are sustainable to reduce Nabati's carbon footprint.

In conjunction with the Facility B Build-Out, the Company has invested approximately $1.0 million in equipment purchases that will significantly increase production capacity for two product lines and automate several processes. These automated processes include the production and packaging of the Company's cheese and meat alternative products, and the warehousing of both raw materials and finished products.

Once Facility B is fully optimized and at capacity (given that the Facility B Build-Out was recently completed; see "*General Development of the Business – History – Nabati Foods*"), the Company expects the initial production capacity at Facility B to be approximately 20,000 kilograms of product per week, (11,000 kilograms of cheese alternatives and 9,000 kilograms of meat alternatives) for an annualized level of production in the range of approximately 1,000,000 kilograms. The Company also intends to further increase production capacity by operating a second shift, implementing automation processes to produce product at a faster pace and install additional equipment to increase production capacity. See "*Use of Available Funds*".

Based on its historical operations at Facility A, the Company was unable to meet customer demand for its products. Further, the Company anticipates the market size and customer demand for sustainable and plant-based food products to increase based on consumer trends towards healthy and sustainable food sources (see "*Market and Regulatory Overview*"). As such, the Company believes that the increased operating capacity of Facility B, once optimized and at capacity, will allow the Company to satisfy demand for Nabati products.

The Company purchased equipment for Facility B from arm's-length equipment manufacturers and distributors, which include work tables, walk-in freezers, walk-in cooler, blenders, mixers, patty-forming machines, cheese shredding, packaging and sealing equipment, liquefiers, cooking mixers and other commercial food manufacturing and processing equipment. The equipment purchases will help increase the production capacity of Facility B, as well as automate processes. In addition, warehouse equipment and shelving was purchased to improve storage, warehousing, receiving and shipping operations.

Ingredient Sourcing and Suppliers

Nabati values high-quality ingredients and sources its ingredients directly or from importers that are as close to the ingredient source as possible. To the extent possible, Nabati locally sources all of its ingredients for its products. Nabati has a supplier approval program in place, which requires that each of its ingredient suppliers complies with or exceeds Nabati's own manufacturing, allergen-handling and sanitation procedures and sustainability standards. Nabati does not currently have any supply agreement in place, and instead places orders on an ad hoc basis.

Certifications

Nabati currently holds business licenses in Alberta and in Seattle for its subsidiary, Nabati (USA). It also holds a CFIA license to import, produce and export its food products. The Company has maintained its HACCP Program since 2018, which is audited by NSF International. It also holds a food-handling permit from Alberta Health Services in Edmonton, Alberta. Nabati currently holds gluten-free, kosher and vegan certifications from non-governmental entities, which apply across jurisdictions. See "*Food Safety Program*" below.

Food Safety Program

Nabati places great importance on its food safety. Nabati began developing its HACCP Program with support from Food Safety Solutions (a consulting firm) in late 2017, to create a comprehensive program with strict requirements for suppliers, operating procedures, and systems to ensure Nabati's products are safe for consumption globally. Nabati successfully passed its NSF audit in May 2018, allowing Nabati to launch its Pilot Facility for production and to market its products across Canada. Nabati continuously monitors and updates its HACCP Program, which includes controls for its gluten-free, kosher and vegan certification audits. Nabati received its first gluten-free, kosher and vegan certifications in 2019, allowing Nabati to market its products to multiple market segments. Nabati intends to further develop and refine its HACCP Program to facilitate global export of its products. See "*Market and Regulatory Overview – Regulatory Matters – Certifications*".

Competition

The Company operates in a highly competitive environment in which it competes with small and large established plant-based food companies that operate in the same Canadian and US markets as the Company. In the dessert market, competing brands such as Daiya Foods and Sweets from the Earth are the top competitors in Canada, and mainly Daiya Foods in the US. In the plant-based cheese category, Nabati competes with Daiya Foods, Violife, Follow Your Heart (Earth Island in Canada), Embourge, Palmera Creamery, Sheese, Nafsika Garden, Miyokos Creamery, Tofurky, Field Roast, Nuts for Cheese and Parmalat Creamery. Nabati also competes with plant-based protein brands such as Beyond Meat, Impossible Foods, Meatless Farm, Field Roast Gain Meat Co., Lightlife, Tofurkey, Gardein, Sol Cuisine, Wholly Veggie, VG Gourmet and The Very Good Food Company. Finally, in the plant-based egg category, the competition is dominated by Just Egg, followed by smaller brands such as Simply Eggless.

The Company believes the principal competitive factors in the plant-based food and meat alternative industry include:

- visual appearance;
- product texture;
- taste;
- nutritional profile (e.g. protein, fiber, far, and salt content);
- ingredient composition (organic, natural, or highly processed ingredients);
- cost;
- ease of integration into the consumer diet;
- convenience;
- brand awareness and loyalty amongst consumers;
- product range/variety;
- packaging appeal, material, and environmental impact;
- accessibility in the market (availability at retailers and foodservice establishments); and
- customer service.

Several of the competitors listed above have considerably more financial resources, comprehensive product lines, greater marketing resources and stronger brand recognition, national or global market presence, long-standing relationships with suppliers, distributors, retailers, and foodservice establishments compared to the Company. Nabati believes it competes effectively with respect to the majority of the above factors due to its advantage in minimal processing, efficient production methods, use of natural and organic ingredients, sustainable approach to product and process design, as well as strong focus on customer experience and service. Furthermore, all Nabati products are developed to be 100% plant-based, certified gluten-free, kosher and vegan, thus meeting the dietary preferences/restrictions of several market segments.

How our Nabati Cheeze Rivals the Competition

Brand	Size (g)	Price (SRP)	Price per gram	Plant Based	Soy free	Gluten free Certified	Kosher Certified	Vegan Certified	Whole Foods Natural Ingredients	Sustainable Packaging
NABATI	320g	$5.99 CAD/USD	$0.019	✓	✓	✓	✓	✓	✓	✓
Daiya	200g	$5.49 $4.99 USD	$0.027 $0.025	✓	✓	✓	✓	✗	✗	✓
Sweets from the Earth	227g	$6.99 $5.59 USD	$0.031 $0.025 USD	✓	✓	✗	✓	✗	✗	✓
Good Planet Foods	198g	$5.99 USD	$0.030 USD	✓	✓	✗	✓	✓	✗	✓
Parmela Creamery	198g	$5.99 USD	$0.030	✓	✓	✗	✗	✗	✓	✗

Intellectual Property

Trade Secrets

Nabati invests in the development of its products and processes which the Company, in part, depends on for its success. The Company considers recipes, formulas, production methods and processes to be trade secrets. All employees are subject to confidentiality and non-compete provisions contained in their employment contracts, which prohibit them from disclosing information relating to the Company's operations, marketing, promotions, financials, recipes, research and development projects, production processes acquired by them during, as a consequence of or in connection with their employment. These agreements are relied on to protect the Company's proprietary information.

Trademarks

Nabati currently owns its trademark of the word "Nabati" in Canada and has filed trademark applications in the US, United Kingdom and European Union, which are all pending. In the US, Nabati has filed the below image in its trademark application:

The Company intends to file images of the above image trademark in other jurisdictions.

Cycles

Generally, the Company anticipates that there will be greater seasonal demand for its dairy-free cheesecake products surrounding major holidays, such as around Thanksgiving and the winter holiday season. For all of Nabati's other product lines, such as its cheese and meat alternatives, the Company does not anticipate cyclical or seasonal demand, as these products are frequently-used or 'everyday' grocery items.

Employees and Consultants

As of the date of this Prospectus, the Company has 10 full-time employees, exclusive of management, including seven production workers, an operations manager, a quality control manager with a food science background, and a recently hired research and development manager with a food science background (with a combined 10 years of relevant experience). The Company also relies on part-time consultants and contractors to conduct its operations on an as-needed basis to support efficient operations, including bookkeepers, accountants, designers and electricians. The Company contracts with a food safety consultant to develop and review its food safety program as necessary. The Company is actively working to grow its number of employees to support operations and reduce its reliance on consultants and contractors.

The Company hires production staff with experience at production facilities or foodservice establishments. All staff undergo onboarding and food safety training followed by a shadowing period in production for three months. Staff are trained and are expected to learn the production processes for all Nabati product lines.

Foreign Operations

Nabati, through its wholly owned subsidiary Nabati (USA), sells Nabati products in the US (see "*General Development of the Business – History – Nabati*"). Nabati uses its US eCommerce site to fill US orders, and currently has a distribution contract with KeHE to distribute its dairy-free cheesecakes within the US (see "*Distribution Partners*" and "*eCommerce*" above). The only Nabati products currently offered in the US are its dairy-free cheesecakes and Nabati Cheeze.

Nabati (USA) was established to control import, sales, and distribution operations in the US while ensuring Nabati's products could be introduced to the market without the need for partners. Nabati (USA) handles all US operations, sales and distributions. Nabati (USA) has a US address, but does not have any employees physically in the US and is, and will continue to be, managed remotely by management in Canada until further resources are dedicated to establish operations in the US, including warehousing and sales. It also manages the network of food brokers contracted to represent Nabati in the US market, driving sales of its dairy-free cheesecakes.

Marketing

General Strategy

Nabati recently hired a marketing coordinator to assist with Nabati's aggressive marketing efforts. The Company is focused on increasing brand awareness and positioning Nabati in consumers' minds as a plant-based brand operating in multiple market segments. Currently, Nabati's marketing is aimed at foodservice operators and consumer packed goods (CPG) companies, with the intent of building strategic relationships and promoting Nabati's brand and products via these channels.

The Company uses social media marketing to tap into online communities to promote its brand, products and eCommerce stores in both Canada and the US. The Company believes social media is a powerful tool to increase brand and product awareness and to target current and prospective customers.

The Company also invests in various industry trade shows, including VegExpo, CHFA, SIAL Canada and Natural Products Expo West to promote the company's brand and products directly to buyers and consumers.

Nabati has various strategic relationships with media organizations such as Livekindly and Vegnews to promote our brand and products directly to consumers, as well as run promotions such as "Vegan Deal of the Week" which drive sales via our eCommerce sites.

Exvera Communications

The Company has entered into a Public Relations Services Agreement with Exvera Communications Inc. ("**Exvera**") dated January 9, 2021 (the "**Exvera Agreement**"). Pursuant to the Exvera Agreement, Exvera will provide various public relations services to the Company, including, but not limited to, developing a public relations strategy, advising on press releases and media outreach and building relationships with key media. The Company will pay Exvera $7,000 per month for such services. The agreement has a term of three months, with an automatic renewal every three months. The term of the Exvera Agreement will be renewed for the next 12 months. The agreement may be terminated on written notice delivered at least 30 days' prior to the current renewal term's expiry.

MMG

The Company has entered into a Marketing Service Contract with MMG Market Medium GmbH & Co. KG ("**MMG**") dated March 10, 2021 (the "**MMG Agreement**"). Pursuant to the MMG Agreement, MMG will provide, among other things, custom marketing services to the Company, including targeted advertisements and other marketing campaigns for retail investors in Germany. In consideration for its services under the MMG Agreement, the Company will pay to MMG, and MMG has agreed to accept, a one-time total payment of EUR€600,000 (EUR€200,000 of which has been paid to date). The MMG Agreement will remain in force and effect until terminated by either party upon 30 days' written notice. Notwithstanding the foregoing, the MMG Agreement may be terminated with written notice in the event a party undergoes bankruptcy and/or insolvency proceedings.

Future Developments

The Company is focused on developing its business through a growth strategy aimed at product innovation, research and development and sales expansion across its distribution network in Canada and the US. The Company may also undertake strategic acquisitions to expand operations in different global markets while supplementing its product portfolio and its plant-based mission. Moreover, such acquisitions may be completed to vertically integrate the Company's supply chain to secure key high priority raw materials.

Establishment of Brampton (Ontario) Facility

The Company entered into a non-exclusive co-packing agreement with WG dated May 5, 2021 (the "**Co-Packing Agreement**") to develop 20,000 square feet of WG's facility located in Brampton Ontario (the "**Brampton Facility**"). Under the Co-Packing Agreement, WG will produce/manufacture and package certain Nabati products based on purchase orders submitted to WG by the Company, subject to certain minimum purchase orders in each three-month period. The Company will supply all ingredients, will manage delivery/transport of ingredients and finished products and will fund the purchase/lease and installation of all equipment and machinery required to equip the Brampton Facility. The Co-Packing Agreement will remain in force for a term of two years, subject to renewal upon mutual agreement of the parties or termination upon 45 days' notice of a material breach (or 15 days' notice if the Company fails to timely pay an invoice), without correction, or termination upon a bankruptcy/insolvency event.

To date, the Company has spent approximately $470,000 on the development (including the lease and installation of manufacturing equipment) of the Brampton Facility. The Company intends to continue to build-out the Brampton facility to bring the facility operational in July 2021 (see "*Use of Available Funds – Business Objectives and Milestones*").

The Company intends to use the Brampton Facility for extra production capacity to produce high-volume products, such as Nabati's cheese alternative, with reduced lead times. The Company intends to use such additional production capacity to potentially enter into additional markets, such as the European Union.

Product Innovation through Research and Development

Plant-Based Liquid Egg Product

Nabati is currently in the final stages of product development of a plant-based liquid egg product to rival chicken eggs. Once the development phase is completed, Nabati will explore product manufacturing options. If commercialized, the Company intends to sell the product in Canada and the US. The Company has established a group of advisors to help develop its Liquid Egg Product. See "*General Development of the Business – History – Nabati Foods*".

Sales and Distribution Expansion

The Company is actively seeking new store listings and food service operators in Canada and the US for all product lines. The Company plans on achieving four major listings in Canada and the US within 2021.

The Company currently utilizes its distribution partners and logistics companies to warehouse, transport and distribute its products across North America. In Canada, all of Nabati's product lines are offered, whereas in the US, only its dairy-free cheesecakes and Nabati Cheeze are available. The Company is signed on with four US food brokers, which collectively cover distributions to the majority of the US. In Canada, the Company also hired a Vice-President of Sales and a food broker to support aggressive expansion.

Social and Environment

The Company operates its business in a manner consistent with the following core values:

- *Integrity*: We hold each member of our team to the standards of honesty, integrity and fairness in their dealings with each other, our customers and our business relationships.
- *Compassion*: The Nabati brand and products reflect our commitment to compassionate living by promoting humane and sustainable dietary and health practices.
- *Humbleness*: We recognize the importance of each individual in Nabati Foods' success and strive to treat our team and customers with respect, fairness and kindness in all dealings.
- *Personal Accountability*: We hold ourselves accountable in delivering on our commitments to our fellow teammates, customers and business relationships.
- *Honesty*: We are committed to honest products with simple plant-based ingredients, and honest dealings with our customers and business relationships.
- *Passion*: Our team is passionate about the products the Company produces and are committed to making better, healthier and more sustainable food.
- *Success*: We aim to continuously improve our products, brand and team by learning from our experiences and mistakes.

- *Family*: We recognize the importance of family, including the families of our customers as well as our own Nabati Foods team family.

- *Natural and Wholesome Ingredients*. We are committed to using natural and wholesome ingredients in all products and strive to source organic sources, whenever possible.

- *Sustainability*. We are committed to responsible business practices and growth, and to helping reduce the environmental impacts known to contribute to climate change. Our vision is one of sustainable growth. Every decision we make takes into consideration the impact we have on the earth and those around us.

- *Gender Diversity*. We are committed to diversity and inclusion and to the representation of women on the Company's Board and executive and senior management level. The Company has one female director on its four-member Board.

- *Ethics Policy*. We are committed to protecting employees, partners, vendors and the Company from illegal or damaging actions by individuals, and to establishing a culture of openness, trust and to emphasize employee's and consumer's expectations to be treated with fair business practices.

MARKET AND REGULATORY OVERVIEW

Principal Markets

Consumer interest in plant-based proteins, particularly among millennial and younger generations, has been driven by growing awareness of the long-term health, environmental and animal-welfare impacts of animal-based meat consumption. The Plant Based Foods Association commissioned data showed sales of plant-based meat in the retail channel generated over $1.4 billion of retail sales over the 52-week period ending December 28, 2020.[1] According to reports and data, the global plant-based meat market was valued at USD $10.10 billion in 2018 and is expected to reach USD $30.92 billion by the year 2026, at a compound aggregate growth rate of 14.8%.[2]

We anticipate recognition of these issues to continue to grow and have a positive impact on consumer demand for our products. We believe that the following factors are shaping consumer preferences:

Health

The negative impact on health caused by certain meats has been well publicized in recent years. In 2004, the World Health Organization published materials, which highlighted positive associations between eating red meat and developing colorectal cancer.[3] These materials also indicated that processed meats such as hot dogs, ham, bacon and sausage cause cancer. A similar conclusion was presented at the American Heart Association by researchers who reviewed dietary patterns of over 15,000 participants, over a ten-year period.[4] Additionally, animals and livestock are also susceptible to various diseases such as mad cow (beef), swine flu (pork) and avian influenza (poultry) that may cause further health risks from consuming potentially infected animal meats.

Climate Change

The global livestock industry is estimated to be responsible for a significant portion of global greenhouse gas emissions, such as methane and nitrous oxide.[5] The IPCC Report highlighted that climate change is expected to cause "severe, pervasive, and irreversible impacts" on the natural environment unless carbon emissions are cut sharply and

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[1] Plant Based Foods Association, 2020 Retail Sales Data for Plant-Based Foods.

[2] Reports and Data, Plant-Based Meat Market to Reach USD 30.92 Billion by 2026, October 14, 2019, page 1.

[3] The World Health Organization, Q&A on the carcinogenicity of the consumption of red meat and processed meat, October 2015.

[4] Plant Based Diet Associated with Less Heart Failure Risk Report, presented at the American Heart Association scientific meeting, November 13, 2017.

[5] Climate Change 2014: Synthesis Report, Contribution of Working Groups I, II, and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (Core Writing Team, R.K. Pachauri and L.A. Meyer (eds.)). Intergovernmental Panel on Climate Change, Geneva, Switzerland, pp. 151 (the "**IPCC Report**").

rapidly. The IPCC Report also highlighted that behavioral changes, including dietary changes such as eating less meat, can have a significant role in cutting emissions.

Global Resource Usage

Animal-based meat consumption is burdensome on the environment in terms of production inputs. Rising global meat consumption and livestock production has been shown to have major negative impacts on the environment due to the burden placed on land and water resources.[6] According to the FAO, livestock occupies 30% of the planet's land surface and accounts for 70% of all agricultural land use. The Water Resources Industry has reported that 29% of the water in agriculture is directly or indirectly used for animal production.[7]

Animal Welfare

Worldwide, it is estimated that about 70 billion farm animals are now produced for food each year, with two out of every three being factory farmed.[8] Over the past decade, animal welfare groups have publicized a range of investigations highlighting the issues related to safety, welfare and well-being of animals caused by mass livestock production.

Regulatory Matters

General

The food industry is highly regulated and is subject to changing political, legislative, regulatory, and other influences. In Canada and in the other jurisdictions in which the Company operates, the Company is subject to the laws and regulations applicable to any business engaged in formulation, production and distribution of consumer food products. This includes laws governing advertising, consumer protection regulations, environmental laws, laws governing the operation of warehouse facilities and labour and employment laws. The Company's products that are exported outside Canada are also subject to tariffs, treaties and various trade agreements as well as laws affecting the importation/exportation of consumer goods. The Company makes commercially reasonable efforts to ensure that it is in material compliance with all applicable laws.

Jurisdictional Matters

In both domestic and foreign markets, the formulation, manufacturing, packaging, labelling, handling, distribution, importation, exportation, licensing, sale and storage of food products are affected by extensive laws, governmental regulations, administrative determinations, court decisions and other similar constraints. Such laws, regulations and other constraints may exist at the federal, provincial and/or local levels in Canada and at all levels of government in foreign jurisdictions. There is currently no uniform regulation applicable to natural health products worldwide.

The Company currently operates in Canada and the United States.

Canada

In Canada, the primary federal agencies governing the manufacture, distribution, labelling and advertising of the consumer food products are the Canadian Food Inspection Agency (the "**CFIA**") and Health Canada. Together these agencies regulate product composition, manufacturing, labelling and other marketing and advertising to consumers.

The CFIA has the authority to inspect the Company's facilities to evaluate compliance with prescribed requirements. Additionally, the CFIA requires that certain nutrition and product information appear on the Company's product labels. The Company is also restricted from making certain types of claims about their products, including nutrient

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[6] Livestock's Long Shadow-Environmental Issues and Options, Food and Agriculture Organization (the "**FAO**"), 2006.

[7] Reprinted from Water Resources and Industry, Volumes 1-2, March-June 2013, P.W. Gerbens-Leenes, M.M. Mekonnen, A.Y. Hoekstra, The water footprint of poultry, pork and beef: A comparative study in different countries and production systems, page no. 26, Copyright (2013), with permission from Elsevier.

[8] Compassion in World Farming, Strategic Plan 2013-2017, For Kinder, Fairer Farming Worldwide, page no. 2.

content claims, health claims, and claims regarding the effects of its products on any structure or function of the body, whether express or implied, unless they satisfy certain regulatory requirements.

The Safe Food for Canadians Act (the "**SFCA**"), the Safe Food for Canadians Regulations (the "**SFCR**"), the Food and Drugs Act (the "**FDA**") and the Food and Drugs Regulations (the "**FDR**") are the main federal food laws and regulations (collectively, the "**Federal Food Laws**"). The responsibility for food labelling is shared between the CFIA and Health Canada.

Under the FDA, Health Canada administers regulations relating to the health, safety, and nutritional quality of food sold in Canada. This includes labelling requirements about the nutrients in food, claims about nutrients, the presence of food allergens, and safety-related expiration dates. Under the FDA and FDR, the CFIA administers non-health and safety food labelling regulations related to misrepresentation, labelling, advertising and standards of identity. The CFIA is responsible for the enforcement of all of the Federal Food Laws.

The SFCR, which came into force on January 15, 2019, imposes additional requirements on the Company including licences for the export of products. The Company requires a license to manufacture, process, treat, preserve, grade, package or label food products for interprovincial trade or export (the "**SFCR License**").

United States

As the Company operates, through Nabati (USA), in the US, it is subject to extensive laws and regulations in the United States by federal, state and local government authorities. In the United States, the primary federal agencies governing the manufacture, distribution, labeling and advertising of the Company's products are the US Food and Drug Administration ("**US FDA**"), and the US Federal Trade Commission ("**FTC**"). Specifically, the Company is subject to the requirements of the Federal Food, Drug and Cosmetic Act and regulations promulgated thereunder by the US FDA.

Under various federal statutes and implementing regulations, these agencies, among other things, prescribe the requirements and establish the standards for quality and safety and regulate Company product composition, manufacturing, labeling and other marketing and advertising to consumers. Among other things, the facilities in which products and ingredients are manufactured in the US must register with the US FDA, comply with current good manufacturing practices and comply with a range of food safety requirements established by and implemented under the Food Safety Modernization Act of 2011. The US FDA has the authority to inspect these facilities to evaluate compliance with these requirements. The US FDA also requires that certain nutrition and product information appear on product labels and, more generally, that labels and labeling be truthful and non-misleading. Similarly, the FTC requires that the Company's marketing and advertising be truthful, non-misleading and not deceptive to consumers. The Company is also restricted from making certain types of claims about its products, including nutrient content claims, health claims, and claims regarding the effects of its products on any structure or function of the body, whether express or implied, unless certain regulatory requirements are satisfied.

In addition, the US Department of Agriculture ("**USDA**") regulates certain categories of food products, including meat and poultry products. Although the Company's plant-based products are not currently regulated by the USDA, in February 2018, the USDA received a petition from the industry requesting that it exclude products not derived from the tissue or flesh of animals that have been harvested in the traditional manner from being labeled and marketed as "meat," and exclude products not derived from cattle born, raised and harvested in the traditional manner from being labeled and marketed as "beef." The USDA has not yet responded substantively to this petition, but has indicated that the petition is being considered as a petition for a policy change under the USDA's regulations.

The Provincial, State and/or Municipal Legislative and Regulatory Environment

The Company is also subject to certain provincial, state and/or municipal regulations (as applicable), which may require (in addition to federal requirements), among other things, additional health, manufacturing and labeling requirements to be met for premises that process, prepare and sell food to the public. Local (rather than federal) health authorities are often responsible for approving, permitting, inspecting and responding to complaints about food premises. For example, certain local laws and regulations may require facility registration with the relevant local food safety agency, and those facilities are subject to local inspection as well as federal inspection. Accordingly, the

Company makes commercially reasonable efforts to ensure that it is in material compliance with both federal and local laws, as applicable.

Certifications

The HACCP Program enables the Company to conduct business in Canada and the US meeting the bare minimum standard for food safety.

The Company has updated its HACCP Program to achieve GFSI certification (defined herein). GFSI certification is an accredited third-party food safety audit that is accepted by customers and retailers world-wide. GFSI is a global food safety initiative that provides GFSI benchmarking requirements ("**GFSI**"). To get certification, Nabati must choose an accredited certification body that can certify its production facility and processes to a GFSI standard, in this case BRCGS. The BRCGS standard includes nine main elements: senior management commitment, HACCP Program, food safety and quality management system, site standards, product control, process control, personnel, high-risk, high-care and ambient high-care production risk zones, and requirements for traded products.

In order to obtain certification to BRCGS there are several steps to take. First, Nabati Foods must implement the BRCGS program into their food safety management system. From there, an internal audit must be completed to ensure the standard is implemented and any corrective actions from the internal audit must be corrected. In order to have an audit there must be at least three months of quality records in place that meet the standard. Nabati must then choose a certification body who is accredited to complete BRCGS audits and book in an audit date. The onsite audit occurs and Nabati must receive a passing score with no critical non-compliance which would results in a failed audit. After the audit, all non-compliances noted must be corrected and submitted to the certification body. Once approved, Nabati will then be certified to BRCGS, which is a GFSI recognized benchmarked standard.

The purpose of pursuing GFSI certification is to enable the Company to conduct business in the EU and easily across North America, even globally.

Cautionary Note on Marketing Terminology (Plant-based 'meat' and 'dairy' alternatives)

In recent years, a number of plant-based meat and dairy alternative companies have been the subject of government regulatory investigations relating to the use of words such as "dairy" and "meat" in connection with plant-based products. In certain instances the matter was resolved through the use of a hyphenated modifier such as "plant-based" or "dairy-free" but in others, revisions to the labelling of products was required in order to distinguish the products at issue from the conventional understanding of meat and cheese products.

The Company acknowledges that while it believes it employs the use of clear modifying language to distinguish its products from the conventional understanding of meat products and/or dairy products, in certain instances, it may market certain products under names commonly associated with animal-based meat products. Accordingly, while the Company believes that its product labels and marketing materials are not misleading or deceptive, there is a risk that the applicable regulatory authority could take up enforcement action against it. Non-compliance with the labeling requirements could be a breach of government regulations and could lead to fraudulent labeling charges with fines and other penalties associated therewith. For example, in Canada, violators could be fined an amount of up to $50,000 (summary conviction) and $250,000 (conviction by indictment). The CFIA can also recall products and has the power to revoke the licenses required by most food businesses under the new SFCA and SFCR.

USE OF AVAILABLE FUNDS

Proceeds

No proceeds will be raised, as no securities are being sold pursuant to this Prospectus.

Funds Available

The gross proceeds paid to the Company from the sale of the $0.05 Special Warrants and $0.50 Special Warrants pursuant to the Private Placements were $7,746,650. As at August 31, 2021, the Company had working capital (cash) of approximately $3,250,000.

The Company currently intends to use, the net proceeds of the Private Placement and its other available funds as follows:

Item	Approximate Funds Allocated
Funds Available	
Working Capital (cash) of the Company as at August 31, 2021[(1)]	$3,250,000
Principal Purposes for the Available Funds	
Operating costs[(2)]	$1,040,000
Facility B optimization[(3)]	$142,000
Brampton Co-Packing Facility[(4)]	$226,000
Marketing & Sales[(5)]	$205,000
Management of Nabati (USA)[(6)]	$50,000
Investor Relations[(8)]	$1,075,000
Unallocated Working Capital[(7)]	$512,000
Total	**$3,250,000**

Notes:

(1) After deducting expenses of the $0.05 Private Placement of $12,737 and after deducting the Agent's Commission of approximately $274,050, the Advisory Commission of approximately $162,341 (inclusive of taxes thereon), the Corporate Finance Fee of approximately $26,250 (inclusive of taxes thereon) to be paid to the Agent in connection with the $0.50 Private Placement and the legal and administrative expenses of the Agent of approximately $64,173 (inclusive of taxes thereon). Value excludes up to $431,660 additional proceeds that may raised upon the exercise of up to 863,320 Compensation Warrants. See "*General Development of the Business – History – Nabati Foods*".

(2) Operating costs are broken down as follows: (i) payroll ($800,000); (ii) operating capital ($90,000); research and development ($90,000); and (iv) loan repayment ($60,000).

(3) The remaining costs for optimizing Facility B are associated with production equipment ($142,000).

(4) Costs include: (i) equipment ($86,000); installation and infrastructure ($80,000); and engineering and commissioning ($60,000).

(5) Marketing costs are broken down as follows: (i) promotion of brand and products on social media and in print ($95,000); (ii) trade shows ($20,000); and (iii) content production, including images and video ($45,000); (iv) ambassador program ($10,000); and (v) agency spending on current and future marketing projects, including branding, packaging and other promotional content ($35,000).

(6) The management of Nabati (USA) includes: (i) food broker ($20,000); (ii) inventory management and logistics ($15,000); and (iii) operational expenses ($15,000).

(7) Includes $100,000 in expenses related to the Transaction, including legal, accounting and regulatory fees.

(8) Includes EUR€600,000 payable to MMG under the MMG Agreement. EUR€200,000 has been paid to MMG to date. See "*Description of the Business – Marketing – MMG*".

The Company has a negative net operating cash flow for the period ended December 31, 2020. Similarly, Nabati also had a negative net operating cash flow for both the period ended December 31, 2020 and the period ended December 31, 2019. The Company has allocated a certain percentage of the proceeds from the Private Placement to fund negative cash flow from its most recently completed financial year. To the extent that the Company has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company (see "*Risk Factors – The Company has negative cash flow from operations and it may never have positive cash flow from operations"*).

Whereas the Company currently intends to spend the funds available to it as stated in this Prospectus, the use of proceeds described in this Prospectus is prospective and subject to change depending on the Company's circumstances. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary. Due to the uncertain nature of the industry in which the Company operates, its allocation and use of funds may be frequently reviewed and reassessed. Accordingly, while it is currently intended by management that the available funds will be expended as set forth above, actual expenditures may in fact differ from these amounts and allocations (see "*Risk Factors*").

Business Objectives and Milestones

The Company's primary business objectives and milestones over the next 12 months are the following:

Objectives	Timeline	Expected Cost
Facility B optimization	To be completed by December 2021	$142,000
Brampton Co-Packaging Facility	To be completed by end of September 2021	$226,000
Development and commercialization of plant-based liquid Egg Product(1)	To be completed by end of September 2021	$20,000
Loan Repayment	To be completed by December 2021	$60,000
Investor Relations	Ongoing (next 12 months)	$1,075,000(2)

Note:

(1) Funding allocated to "Research and Development" in the Company's "Operating Costs" budget. See above "*Funds Available*". Also, see "*General Development of the Business – History – Nabati Foods*".

(2) Includes EUR€600,000 payable to MMG under the MMG Agreement. EUR€200,000 has been paid to MMG to date. See "*Description of the Business – Marketing – MMG*".

Facility B

Facility B is fully operational but is currently being optimized. Remaining measures for optimization include the production, delivery and installation of Nabati cheese packaging equipment (currently in production; completion is expected by end of September 2021). The Company also intends to begin working on its GFSI program, with an anticipated audit date of December 2021. See "*Description of the Business – Facilities*" and see "*Market and Regulatory Overview*".

Brampton Facility

Pursuant to the Company's Co-Packing Agreement with WG, the Company is in the process of building-out the Brampton Facility. The Company intends to use the Brampton Facility for extra production capacity to produce high-volume products, such as Nabati's cheese alternative, with reduced lead times.

To date, the Company has invested approximately $470,000 on the development of the Brampton Facility. Company anticipates that it will fund the build-out of the Brampton Facility (including any costs associated with the purchase and installation of supplies and equipment). Further, the Company will pay WG a fee to operate the Brampton Facility. The Company intends to continue allocating resources to the build-out and optimization of the Brampton Facility (including, the lease and installation of equipment and infrastructure, and engineering and commissioning). Completion of the Brampton Facility build-out is targeted for end of September 2021.

See "*Description of the Business – Future Developments – Establishment of Brampton (Ontario) Facility*".

Development and Commercialization of Plant-Based Liquid Egg Product

In order to finish development & commercialization of its Liquid Egg Product, the Company intends to complete the following milestones: (i) finalize protein composition to meet final product specifications; (ii) finalize development of the production process; (iii) execute a trail production run; (iv) finalize any improvements to specifications; and (v) finalize packaging design and printing specifications.

Loan Repayment

Nabati currently has a Canada Emergency Business Account loan in the aggregate principal amount of $60,000 (the "**CEBA Loan**") outstanding. The CEBA Loan will be paid out from the Company's raised capital. As of the date of this Prospectus, the Company has not sought out, or intends to seek out, further loans.

The CEBA Loan was used to finance Nabati's working capital needs and other costs incurred in the ordinary course of Nabati's business.

Investor Relations

The Company has allocated funds to fund its aggressive marketing strategy, which includes payment of fees under the Exvera Agreement and the MMG Agreement (see "*Description of the Business – Marketing*"). The Company is actively looking to expand its marketing footprint and has allocated resources accordingly.

SELECTED FINANCIAL INFORMATION

Nabati Foods

The following table sets forth the selected financial information for the period from December 10, 2020 (date of incorporation) to December 31, 2020 and for the six months ended June 30, 2021 and has been derived from the Financial Statements, prepared in accordance with IFRS and attached as Schedule "B" to this Prospectus. The selected financial information should be read in conjunction with the Nabati Foods MD&A and the Nabati Foods Financial Statements contained elsewhere in this Prospectus.

	For the period from December 10, 2020 (date of incorporation) to December 31, 2020 ($) (audited)	**For the six months ended June 30, 2021 ($) (unaudited)**
Statement of Operations Data		
Gross profit	Nil	$(24,292)
Revenue	Nil	$335,301
Cost of sales	Nil	$(359,593)
Total operating expenses	Nil	$(3,072,303)
Loss and comprehensive loss	Nil	$(10,188,866)
Loss per share (basic and diluted)	Nil	$(1.61)
Balance Sheet Data		
Current assets	$1	$4,895,785
Total assets	$1	$6,763,867

	For the period from December 10, 2020 (date of incorporation) to December 31, 2020 ($) (audited)	For the six months ended June 30, 2021 ($) (unaudited)
Current liabilities	$-	$(1,300,883)
Total liabilities	$-	$(1,350,643)

Nabati

The following table sets forth the selected financial information for the years ended December 31, 2020 and 2019 and has been derived from the Nabati Financial Statements and accompanying notes thereto, prepared in accordance with IFRS and attached as Schedule "D" to this Prospectus. The selected financial information should be read in conjunction with the Nabati MD&A and the Nabati Financial Statements contained elsewhere in this Prospectus.

	For the year ended December 31, 2019 ($) (audited)	For the year ended December 31, 2020 ($) (audited)
Statement of Operations Data		
Gross Profit	$113,527	$166,961
Revenue	$297,786	$479,053
Cost of sales	$(184,259)	$(312,092)
Total operating expenses	$(412,179)	$(805,699)
Loss and comprehensive loss	$(272,603)	$(533,481)
Loss per share (basic and diluted)	$(1.212)	$(2.379)
Balance Sheet Data		
Current assets	$63,301	$286,841
Total assets	$213,274	$537,121
Current liabilities	$(1,476,214)	$(552,939)
Total liabilities	$(1,517,093)	$(2,374,421)

DIVIDENDS

The Company has not declared dividends on any of their shares in the past and do not intend to pay any in the foreseeable future. Any future determination to pay dividends will be at the discretion of the Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of dividends and any other factors that the Board deems relevant and will be subject to the limitations imposed under applicable law.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Nabati Foods

The Management's Discussion and Analysis for Nabati Foods is attached to this Prospectus as Schedule "C". Nabati Foods's MD&A provides an analysis of Nabati Foods's financial results for the period from December 10, 2020 (date of incorporation) to December 31, 2020 and for the six month period ended June 30, 2021 and attached as Schedule "C" to this Prospectus which should be read in conjunction with the Nabati Foods Financial Statements and the notes thereto respectively.

Certain information included in Nabati Foods's Management's Discussion and Analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Caution Regarding Forward-Looking Statements*" for further details.

Nabati

The Management's Discussion and Analysis for Nabati is attached to this Prospectus as Schedule "E". Nabati's MD&A provides an analysis of Nabati's financial results for the financial years ended December 31, 2020 and 2019 and attached as Schedule "E" to this Prospectus, which should be read in conjunction with the financial statements of Nabati for the corresponding period, and the notes thereto respectively.

Certain information included in Nabati's Management's Discussion and Analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Caution Regarding Forward-Looking Statements*" for further details.

DESCRIPTION OF SHARE CAPITAL

No securities are being offered pursuant to this Prospectus, the following is a description of the authorized share capital of each of Nabati Foods and Nabati for informational purposes.

Nabati Foods

Nabati Foods is authorized to issue an unlimited number of Common Shares without par value. As of the date of this Prospectus, there were 29,955,897 Common Share issued and outstanding as a fully paid and non-assessable common share.

Common Shares

Holders of Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of the Shareholders of Nabati Foods, and each Common Share confers the right to one vote, provided that the Shareholder is a holder on the applicable record date declared by the Board. The holders of Common Shares, subject to the prior rights, if any, of any other class of shares of Nabati Foods with special rights as to dividends, are entitled to receive such dividends in any financial year as the Board may determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of Nabati Foods, the remaining property and assets of Nabati Foods. The Common Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Nabati

Nabati is authorized to issue an unlimited number of each of the following: (a) Class A voting shares (the "**Class A Shares**"); (b) Class B voting shares (the "**Class B Shares**"); (c) Class C non-voting shares (the "**Class C Shares**"); (d) Class D non-voting shares (the "**Class D Shares**"); (e) Class E preferred voting, redeemable and retractable shares (the "**Class E Shares**"); (f) Class F preferred voting, redeemable and retractable shares (the "**Class F Shares**"); (g) Class G preferred non-voting, redeemable and retractable shares (the "**Class G Shares**"); (h) Class H preferred non-voting, redeemable and retractable shares (the "**Class H Shares**"); (i) Class I preferred non-voting, redeemable and retractable shares (the "**Class I Shares**"); and (j) Class J preferred non-voting, redeemable and retractable shares (the "**Class J Shares**").

As of the date of this Prospectus, 225 Class A Shares are issued and outstanding. There are currently no issued and outstanding Class B Shares, Class C Shares, Class D Shares, Class E Shares, Class F Shares, Class G Shares, Class I Shares or Class J Shares.

Class A Shares

The holders of Class A Shares are entitled to vote on all matters and to have notice of consenting authority for any special resolutions or written resolutions and each Class A Share confers the right to one vote in person or by proxy at all meetings of Nabati Shareholders. The holders of the Class A Shares in each calendar year are only entitled to receive dividends as Nabati's board may by resolution determine. In the event of the liquidation, dissolution or winding-up of Nabati, whether voluntary or involuntary, holders of Class A Shares are entitled to share rateably, together with holders of Class B Shares, Class C Shares, and Class D Shares, in such assets of Nabati as are available for distribution after distribution to holders of the Class E Shares, Class F Shares, Class G Shares, Class H Shares, Class I Shares and Class J Shares. The Class A Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Class B Shares

The holders of Class B Shares are entitled to vote on all matters and to have notice of consenting authority for any special resolutions or written resolutions and each Class B Share confers the right to one vote in person or by proxy at all meetings of Nabati Shareholders. The holders of the Class B Shares in each calendar year are only entitled to receive dividends as Nabati's board may by resolution determine. In the event of the liquidation, dissolution or winding-up of Nabati, whether voluntary or involuntary, holders of Class B Shares are entitled to share rateably, together with holders of Class A Shares, Class C Shares, and Class D Shares, in such assets of Nabati as are available for distribution after distribution to holders of the Class E Shares, Class F Shares, Class G Shares, Class H Shares, Class I Shares and Class J Shares. The Class B Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Class C Shares

The holders of Class C Shares are not entitled to vote at any meeting of Nabati Shareholders, nor to receive notice of any such meeting, to attend or be represented there, except in such matters as are expressly required to be voted on by holders of Class C Shares. The holders of the Class C Shares in each calendar year are only entitled to receive dividends as Nabati's board may by resolution determine. In the event of the liquidation, dissolution or winding-up of Nabati, whether voluntary or involuntary, holders of Class C Shares are entitled to share rateably, together with holders of Class A Shares, Class B Shares and Class D Shares, in such assets of Nabati as are available for distribution after distribution to holders of the Class E Shares, Class F Shares, Class G Shares, Class H Shares, Class I Shares and Class J Shares. The Class C Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Class D Shares

The holders of Class D Shares are not entitled to vote at any meeting of Nabati Shareholders, nor to receive notice of any such meeting, to attend or be represented there, except in such matters as are expressly required to be voted on by holders of Class D Shares. The holders of the Class D Shares in each calendar year are only entitled to receive dividends as Nabati's board may by resolution determine. In the event of the liquidation, dissolution or winding-up of Nabati, whether voluntary or involuntary, holders of Class C Shares are entitled to share rateably, together with holders of Class A Shares, Class B Shares and Class C Shares, in such assets of Nabati as are available for distribution after distribution to holders of the Class E Shares, Class F Shares, Class G Shares, Class H Shares, Class I Shares and Class J Shares. The Class D Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Class E Shares

The holders of Class E Shares are entitled to vote on all matters and to have notice of consenting authority for any special resolutions or written resolutions and each Class E Share confers the right to one vote in person or by proxy at all meetings of Nabati Shareholders. Class E Shares may only be issued in exchange for property (other than a promissory note or promise to pay) or issued shares of the corporation of a different class or series. The Class E Shares are redeemable by Nabati upon notice of either Nabati or the holder of the Class E Shares. Each holder of Class E Shares is not permitted to redeem more than 10% of the holder's Class E Shares in any fiscal year. The holders of Class E Shares in each calendar year shall only be entitled to receive non-cumulative dividends as Nabati's board may by resolution determine. The Class E Shares, along with the Class F Shares, Class G Shares, Class H Shares, Class I Shares and Class J Shares rank pari passu and in priority to all other Nabati shares with regard to the return of capital. In the event of the liquidation, dissolution or winding-up of Nabati, whether voluntary or involuntary, holders of Class E Shares are entitled to receive the redemption amount of their shares and any declared, but unpaid, dividends and no more before any distribution of Nabati's assets. The Class E Shares are not subject to call or assessment rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Class F Shares

The holders of Class F Shares are entitled to vote on all matters and to have notice of consenting authority for any special resolutions or written resolutions, and each Class F Share confers to right to one vote in person or by proxy at all meeting of Nabati Shareholders. Class F Shares may only be issued in exchange for property (other than a promissory note or promise to pay) or issued shares of the corporation of a different class or series. The Class F Shares are redeemable by Nabati upon notice of either Nabati or the holder of the Class F Shares. The holders of Class F Shares in each calendar year shall be entitled to receive a non-cumulative divided as Nabati's board may by resolution determine. The Class F Shares, along with the Class E Shares, Class G Shares, Class H Shares, Class I Shares and Class J Shares rank pari passu and in priority to all other Nabati shares with regard to the return of capital. In the event of the liquidation, dissolution or winding-up of Nabati, whether voluntary or involuntary, holders of Class F Shares are entitled to receive the redemption amount of their shares and any declared, but unpaid, dividends and no more before any distribution of Nabati's assets. The Class F Shares are not subject to call or assessment rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Class G Shares

The holders of Class G Shares are not entitled to vote at any meeting of Nabati Shareholders, nor to receive notice of any such meeting, to attend or be represented there, except in such matters as are expressly required to be voted on by the holders of Class G Shares. Class G Shares may only be issued in exchange for property (other than a promissory note or promise to pay) or issued shares of the corporation of a different class or series. The Class G Shares are redeemable by Nabati upon notice of either Nabati or the holder of the Class G Shares. The holders of Class G Shares in each calendar year are entitled to receive a non-cumulative dividend as Nabati's board may by resolution determine. The Class G Shares, along with the Class E Shares, Class F Shares, Class H Shares, Class I Shares and Class J Shares rank pari passu and in priority to all other Nabati shares with regard to the return of capital. In the event of the liquidation, dissolution or winding-up of Nabati, whether voluntary or involuntary, holders of Class G Shares are entitled to receive the redemption amount of their shares and any declared, but unpaid, dividends and no more before any distribution of Nabati's assets. The Class G Shares are not subject to call or assessment rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Class H Shares

The holders of Class H Shares are not entitled to vote at any meeting of Nabati Shareholders, nor to receive notice of any such meeting, to attend or be represented there, except in such matters as are expressly required to be voted on by the holders of Class H Shares. Class H Shares may only be issued in exchange for property (other than a promissory note or promise to pay) or issued shares of the corporation of a different class or series. The Class H Shares are redeemable by Nabati upon notice of either Nabati or the holder of the Class H Shares. The holders of Class H Shares in each calendar year are entitled to receive a non-cumulative dividend as Nabati's board may by resolution determine. The Class H Shares, along with the Class E Shares, Class F Shares, Class G Shares, Class I Shares and Class J Shares rank pari passu and in priority to all other Nabati shares with regard to the return of capital. In the event of the liquidation, dissolution or winding-up of Nabati, whether voluntary or involuntary, holders of Class H Shares are entitled to receive the redemption amount of their shares and any declared, but unpaid, dividends and no more before any distribution of Nabati's assets. The Class H Shares are not subject to call or assessment rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Class I Shares

The holders of Class I Shares are not entitled to vote at any meeting of Nabati Shareholders, nor to receive notice of any such meeting, to attend or be represented there, except in such matters as are expressly required to be voted on by the holders of Class I Shares. Class I Shares may only be issued in exchange for property (other than a promissory note or promise to pay) or issued shares of the corporation of a different class or series. The Class I Shares are redeemable by Nabati upon notice of the holder of the Class I Shares to Nabati. The holders of Class I Shares in each calendar year are entitled to receive a non-cumulative dividend as Nabati's board may by resolution determine. The Class I Shares, along with the Class E Shares, Class F Shares, Class G Shares, Class H Shares and Class J Shares rank pari passu and in priority to all other Nabati shares with regard to the return of capital. In the event of the liquidation, dissolution or winding-up of Nabati, whether voluntary or involuntary, holders of Class I Shares are entitled to receive the redemption amount of their shares and any declared, but unpaid, dividends and no more before any distribution of Nabati's assets. The Class I Shares are not subject to call or assessment rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Class J Shares

The holders of Class J Shares are not entitled to vote at any meeting of Nabati Shareholders, nor to receive notice of any such meeting, to attend or be represented there, except in such matters as are expressly required to be voted on by the holders of Class J Shares. Class J Shares may only be issued in exchange for property (other than a promissory note or promise to pay) or issued shares of the corporation of a different class or series. The Class J Shares are redeemable by Nabati upon notice of the holder of the Class J Shares to Nabati. The holders of Class J Shares in each calendar year are entitled to receive a non-cumulative dividend as Nabati's board may by resolution determine. The Class J Shares, along with the Class E Shares, Class F Shares, Class G Shares, Class H Shares and Class I Shares rank pari passu and in priority to all other Nabati shares with regard to the return of capital. In the event of the liquidation, dissolution or winding-up of Nabati, whether voluntary or involuntary, holders of Class J Shares are entitled to receive the redemption amount of their shares and any declared, but unpaid, dividends and no more before any distribution of Nabati's assets. The Class J Shares are not subject to call or assessment rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

CONSOLIDATED CAPITALIZATION

The following table sets forth the Company's capitalization after giving effect to the Private Placement and the Transaction.

This table should be read in conjunction with the financial statements and notes thereto included elsewhere in this Prospectus.

Description of the Security	**Securities Authorized**	**As at the date of this Prospectus**
Common Shares	Unlimited	45,416,897

Fully Diluted Share Capital

The following table sets out the fully diluted share capital of the Company after giving effect to the Transaction and the Private Placements:

Shares to be Issued	Number of Securities as at the date of this Prospectus	% of total issued and outstanding
Common Shares issued as of March 8, 2021	7,000,000(1)	15.41%
Common Shares issued on closing of the Transaction(2)	14,000,000	30.83%
Common Shares issued upon conversion of the Nabati Convertible Notes(3)	6,882,898	15.15%
Common Shares issued upon the deemed conversion of the $0.05 Special Warrants(2)	323,000	0.71%
Common Shares issued on conversion of outstanding $0.50 Special Warrants(4)	15,461,000	34.04%(4)(7)
Common Shares issued as Performance Shares as of the date of the Prospectus(5)	1,749,999	3.85%
Total Company Shares	**45,416,897**	**100%**
Common Shares to be issued upon exercise of Compensation Warrants(4)	857,320	1.28%(7)
Common Shares to be issued on exercise of warrants(5)	10,441,448	15.59%(7)
Common Shares to be issued on exercise of Options	4,509,390	6.73%(7)
Common Shares to be issued on vesting of RSUs	500,000	0.75%(7)
Common Shares to be issued as Performance Shares(5)	5,250,001	7.84%(7)
Total Common Shares reserved for issuance	**21,558,159**	**32.19%**(7)
Fully diluted securities	**66,975,056**	

Notes:

(1) For further details see "*Prior Sales*".
(2) For further details see "*General Development of the Business – History – Nabati Foods*".
(3) See "*General Development of the Business – History – Nabati Foods*" and see "*General Development of the Business – History* – Nabati". Also see "*Prior Sales*".
(4) For further details see "*General Development of the Business – History – Nabati Foods*".
(5) For further details see "*General Development of the Business – History – Nabati Foods*". Also see "*Prior Sales*".
(6) For further details see "*General Development of the Business – History – Nabati Foods*" and see "*Executive Compensation - Employment, Consulting and Management Agreements*".
(7) On a fully-diluted basis.

EQUITY INCENTIVE PLANS

Outstanding Options

Nabati Foods currently does not have any options outstanding.

Option Plan

The Board approved a rolling stock option plan on March 22, 2021 (the "**Option Plan**"), which provides for a total of 10% of the issued and outstanding Common Shares available for issuance thereunder.

The purpose of the Option Plan is to allow the Company to grant stock options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such Options is intended to align the interests of such persons with that of the Company's Shareholders.

The tables below summarize information about the options expected to be issued at Listing:

	Shares under Option	Exercise Price	Expiry Date
Executive Officers(1)	700,000	$0.50	5 years from Listing
Directors(2)	1,400,000	$0.50	5 years from Listing
Employees	973,390	$0.50	5 years from Listing
Consultants	1,436,000	$0.50	5 years from Listing

Notes:

(1) Consists of Ahmad Yehya and Kelvin Lee.
(2) Consists of Magdy Yehya, Ravinder Kang and Don Robinson.

Terms of the Plan

The full text of the Option Plan is available upon written request made directly to the Company at its registered office located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia.

<u>Administration</u>

The Option Plan shall be administered by the Board, a special committee of the Board (the "**Committee**") or by an administrator appointed by the Board or the Committee (the "**Administrator**") either of which will have full and final authority with respect to the granting of all Options thereunder. Options may be granted under the Option Plan to such directors, officers, employees or consultants of the Company, as the Board, the Committee or the Administrator may from time to time designate.

<u>Number of Common Shares Reserved</u>

Subject to adjustment as provided for in the Option Plan, the aggregate number of Common Shares which will be available for purchase pursuant to Options granted under to the Option Plan will not exceed 10% of the number of Common Shares which are issued and outstanding on the particular date of grant. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to the Option Plan.

<u>Exercise Price</u>

The exercise price at which an Option holder may purchase a Common Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option certificate (an "**Option Certificate**") issued in respect of the Option. The exercise price shall not be less than the price determined in accordance with CSE policies while, and if, the Company's Common Shares are listed on the CSE.

<u>Maximum Term of Options</u>

The term of any Option granted under the Option Plan (the "**Term**") shall be determined by the Board, the Committee or the Administrator, as applicable, at the time the Option is granted but, subject to earlier termination in the event of termination, or in the event of death or disability of the Option holder. In the event of death or disability, the Option shall expire on the earlier of the date which is one year following the date of disability or death and the applicable expiry date of the Option. Options granted under the Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

Termination

Subject to such other terms or conditions that may be attached to Options granted under the Option Plan, an Option holder may exercise an Option in whole or in part at any time and from time to time during the Term. Any Option or part thereof not exercised within the Term shall terminate and become null, void and of no effect as of the date of expiry of the Option. The expiry date of an Option shall be the date so fixed by the Committee at the time the Option is granted as set out in the Option Certificate or, if no such date is set out in for the Option Certificate the applicable circumstances, the date established, if applicable, in paragraphs (a) or (b) below or in the event of death or disability (as discussed above under "*Maximum Term of Options*") or in the event of certain triggering events occurring, as provided for under the Option Plan:

(a) *Ceasing to Hold Office* - In the event that the Option holder holds his or her Option as an executive and such Option holder ceases to hold such position other than by reason of death or disability, the expiry date of the Option shall be, unless otherwise determined by the Committee, the Board or the Administrator, as applicable and expressly provided for in the Option certificate, the 30th day following the date the Option holder ceases to hold such position unless the Option holder ceases to hold such position as a result of:

(i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;

(ii) a special resolution having been passed by the Shareholders of the Company removing the Option holder as a director of the Company or any subsidiary; or

(iii) an order made by any regulatory authority having jurisdiction to so order;

in which case the expiry date shall be the date the Option holder ceases to hold such position; or

(b) *Ceasing to be Employed or Engaged* - In the event that the Option holder holds his or her Option as an employee or consultant and such Option holder ceases to hold such position other than by reason of death or disability, the expiry date of the Option shall be, unless otherwise determined by the Committee, the Board or the Administrator, as applicable, and expressly provided for in the Option certificate, the 30th day following the date the Option holder ceases to hold such position as a result of:

(i) termination for cause;

(ii) resigning or terminating his or her position; or

(iii) an order made by any regulatory authority having jurisdiction to so order;

in which case the expiry date shall be the date the Option holder ceases to hold such position.

In the event that the Option holder ceases to hold the position of executive, employee or consultant for which the Option was originally granted, but comes to hold a different position as an executive, employee or consultant prior to the expiry of the Option, the Committee, the Board or the Administrator, as applicable, may, in its sole discretion, choose to permit the Option to stay in place for that Option holder with such Option then to be treated as being held by that Option holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option holder. Notwithstanding anything else contained in the Option Plan, in no case will an Option be exercisable later than the expiry date of the Option.

Restricted Share Unit Plan

The Company intends to adopt a rolling restricted share unit plan (the "**RSU Plan**"). The aggregate number of Common Shares that may be issued pursuant to the RSU Plan, when combined with Common Shares reserved for issuance pursuant to other share compensation arrangements (including the Option Plan), may not exceed 20% of the Common Shares issued and outstanding at the time of the grant.

The purpose of the RSU Plan is to promote and advance the interests of the Company by providing directors, officers, employees and consultants of the Company with an additional incentive through the opportunity to receive bonuses in the form of Common Shares. The potential of receiving Common Shares also increases the Company's ability to attract, retain and motivate directors, officers, employees, and consultants.

The tables below summarize information about the RSUs expected to be issued at Listing:

	RSUs	Vesting Date	Expiry Date
Executive Officers	Nil	N/A	N/A
Directors(1)	500,000	N/A	2 years from Listing
Employees	Nil	N/A	N/A
Consultants	Nil	N/A	N/A

Note:
(1) Consists of Don Robinson.

Terms of the Plan

The full text of the RSU Plan is available upon written request made directly to the Company at its registered office located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia.

Administration

The RSU Plan shall be administered by the Board, which will have the full and final authority to provide for the granting, vesting, settlement and the method of settlement of RSUs granted thereunder. RSUs may be granted to directors, officers, employees or consultants of the Company, as the Board may from time to time designate. The Board has the right to delegate the administration and operation of the RSU Plan to a committee and/or any member of the Board.

Number of Common Shares Reserved

Subject to adjustment as provided for in the RSU Plan, the aggregate number of Common Shares which will be available for issuance under the RSU Plan will not, when combined with Common Shares reserved for issuance pursuant to other share compensation arrangements (including the Option Plan) exceed 10% of the number of Common Shares which are issued and outstanding on the particular date of grant. If any RSU expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of such expired or terminated RSU shall again be available for the purposes of granting RSUs pursuant to the RSU Plan.

Granting, Settlement and Expiry of RSUs

Under the RSU Plan, eligible persons may (at the discretion of the Board) be allocated a number of RSUs as the Board deems appropriate, with vesting provisions also to be determined by the Board. Upon vesting, subject to the provisions of the RSU Plan, the RSU holder may settle its RSUs during the settlement period applicable to such RSUs, provided that no expiry date or any vesting date is a date that is later than December 1st (or December 31st, subject to certain extension provisions of the RSU Plan) of the third year following the end of the year in which the relevant services were rendered that gave rise to the RSU grant. Where, prior to the expiry date, an RSU holder fails to elect to settle an RSU, the holder shall be deemed to have elected to settle such RSUs on the day immediately preceding the expiry date. An RSU holder shall be entitled to receive one Common Share for each vested RSU or, at the sole option of the Company, a cash payment equal to the number of RSUs vested, multiplied by the market price of Common Shares on the redemption date.

<u>Termination</u>

Except as otherwise determined by the Board

(a) all RSUs held by the RSU holder (whether vested or unvested) shall terminate automatically on the date which the RSU holder cases to be eligible to participate in the RSU Plan or otherwise on such date on which the Company terminates its engagement of the RSU holder (the "**RSU Holder Termination Date**") for any reason other than as set forth in paragraph (b) and (c) below;

(b) in the case of a termination of the RSU holder's service by reason of (A) termination by the Company or any subsidiary of the Company other than for cause, or (B) the RSU holder's death or disability, the RSU holder's unvested RSUs shall vest automatically as of such date, and on the earlier of the original expiry date and any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the RSU Holder Termination Date), the RSU holder (or their executor or administrator, or the person or persons to whom the RSUs are transferred by will or the applicable laws of descent and distribution) will be eligible to request that the Company settle their vested RSUs. Where, prior to the 90th day following such termination of service (or, if earlier, the RSU Holder Termination Date) the RSU holder fails to elect to settle a vested RSU, the RSU holder shall be deemed to have elected to settle such RSU on such 90th day (or, if earlier, the RSU Holder Termination Date) and to receive Common Shares in respect thereof;

(c) in the case of a termination of the RSU holder's services by reason of voluntary resignation, only the RSU holder's unvested RSUs shall terminate automatically as of such date, and any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the RSU Holder Termination Date), the RSU holder will be eligible to request that the Company settle their vested RSUs. Where, prior to the 90th day following such termination of service (or, if earlier, the RSU Holder Termination Date) the RSU holder fails to elect to settle a vested RSU, the RSU holder shall be deemed to have elected to settle such RSU on such 90th day (or, if earlier, the RSU Holder Termination Date) and to receive Common Shares in respect thereof;

(d) for greater certainty, where a RSU holder's employment, term of office or other engagement with the Company terminates by reason of termination by the Company or any subsidiary of the Company for cause then any RSUs held by the RSU holder (whether unvested or vested) at the RSU Holder Termination Date, immediately terminate and are cancelled on the RSU Holder Termination Date or at a time as may be determined by the Board, in its discretion;

(e) a RSU holder's eligibility to receive further grants of RSUs under the RSU Plan ceases as of the earliest of the date the RSU holder resigns from or terminates its engagement with the Company or any subsidiary of the Company and the date that the Company or any subsidiary of the Company provides the RSU holder with written notification that the RSU holder's employment, term of office or engagement, as the case may be, is terminated, notwithstanding that such date may be prior to the RSU Holder Termination Date; and

(f) for the purposes of the RSU Plan, a RSU holder shall not be deemed to have terminated service or engagement where the RSU holder: (i) remains in employment or office within or among the Company or any subsidiary of the Company or (ii) is on a leave of absence approved by the Board.

PRIOR SALES

Common Shares

This table sets out particulars of the Common Shares that have been issued or sold since the incorporation of Nabati Foods.

Date of Issuance/Sale	Security Type	Number of Securities (1)	Issue/Sale Price
December 10, 2020	Common Shares	1(1)	$0.01
January 14, 2021	Common Shares	7,000,000(2)	$0.005 / $0.05(7)
March 9, 2021	Common Shares	14,000,000(3)	$0.50
March 15, 2021	Common Shares	6,882,898(4)	$0.35
March 15, 2021	Common Shares	1,749,999(5)	$0.50
June 17, 2021	Common Shares	323,000(6)	$0.05
July 12, 2021	Common Shares	15,461,000(8)	$0.50

Notes:

(1) Incorporator's share was issued and subsequently repurchased.
(2) Issued in connection with the Seed Financing. See "*General Development of the Business – History – Nabati Foods*".
(3) Issued in connection with the Transaction. See "*General Development of the Business – Nabati Foods*".
(4) Issued pursuant to the conversion of Nabati Convertible Notes. See "*General Development of the Business – History – Nabati Foods*" and see "*General Development of the Business – History – Nabati*".
(5) Performance Shares issued to Advisory Consultants upon completion of the first milestone under the Advisory Agreements. See "*General Development of the Business – History – Nabati Foods*" and see "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*".
(6) Issued in connection with the $0.05 Private Placement. The $0.05 Special Warrants were deemed exercised and 323,000 Common Shares were issued on June 17, 2021. (See "*General Development of the Business – History – Nabati Foods*").
(7) 2,100,000 Common Shares are priced at $0.005 per share, whereas 4,900,000 Common Shares were re-priced to $0.05 in connection with the re-pricing of 4,900,000 Amended Seed Financing Units (see "*General Development of the Business – History – Nabati Foods*").
(8) Issued in connection with the $0.50 Private Placement. The $0.50 Special Warrants were deemed to be converted on July 10, 2021 and 15,461,000 Common Shares were issued on July 12, 2021. See "*General Development of the Business – History – Nabati Foods*".

Securities Convertible into Common Shares

This table sets out particulars of Nabati Foods securities exercisable for or exchangeable into Common Shares issued or sold since the incorporation of Nabati Foods.

Date of Issuance	Security Type	Number of Securities	Issue/Exercise Price
January 14, 2021	Warrants	7,000,000 (1)	$0.05
February 16, 2021	$0.05 Special Warrants(2)	-	-
March 9, 2021	$0.50 Special Warrants	15,461,000(3)	$0.50
March 9, 2021	Compensation Warrants	857,320(4)	$0.50
March 15, 2021	Warrants	3,441,448(5)	$0.625

Notes:

(1) Issued in connection with the Seed Financing. Each warrant is exercisable into a Common Share at a price of $0.05 per share until January 14, 2023. See "*General Development of the Business – History – Nabati Foods*".

(2) Issued in connection with the $0.05 Private Placement. The $0.05 Special Warrants were deemed exercised and 323,000 Common Shares were issued on June 17, 2021. (See "*General Development of the Business – History – Nabati Foods*").
(3) Issued in connection with the $0.50 Private Placement. The $0.50 Special Warrants were deemed to be converted on July 10, 2021 and 15,461,000 Common Shares were issued on July 12, 2021 (See "*General Development of the Business – History – Nabati Foods*").
(4) Issued in connection with the $0.50 Private Placement (See "*General Development of the Business – History – Nabati Foods*").
(5) Issued pursuant to the conversion of Nabati Convertible Notes. See "*General Development of the Business – History – Nabati Foods*" and see "*General Development of the Business – History – Nabati*".

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

Escrow

Following completion of the Listing, 37,594,419 securities of the Company (excluding any Performance Shares; see below "*Contractual Lock-up*") are expected to be held in escrow (the "**Escrow Securities**") in accordance with Policy 46-201 – *Escrow for Initial Public Offerings* ("**NP 46-201**"), CSE policy, on a voluntary basis or any combination of the foregoing.

Escrow Securities are expected to be held in escrow on completion of the Listing on the CSE pursuant to either: (i) a mandatory escrow agreement among the Company, the Transfer Agent and certain Shareholders, as required Policy NP 46-201 and CSE policy (the "**Mandatory Escrow Agreement**"); or (ii) a voluntary escrow agreement entered into among the Company, the Transfer Agent and certain Shareholders (the "**Voluntary Escrow Agreement**"). See below "*Mandatory Escrow*" and "*Voluntary Escrow*", as applicable.

Mandatory Escrow

Escrow Securities governed under the Mandatory Escrow Agreement are expected to be subject to the release schedule specified in NP 46-201 for emerging issuers and as set out in the form of escrow required by Policy 2 – *Qualifications for Listing of the CSE*. Ten (10%) percent of such Escrow Securities are expected to be released upon the date of the Listing and an additional 15% are expected to be released every 6 months thereafter until all remaining Escrow Securities under the Mandatory Escrow Agreement have been released (36 months following the date of the Listing).

Name	Designation of Class	Securities held in Escrow(1)	Percentage of Class
Ahmad Yehya	Common Shares	9,296,740	20.47%(2)
Afaf Miri	Common Shares	3,131,709	6.90%(2)
Magdy Yehya	Common Shares	6,932,895	15.27%(2)
Don Robinson	Common Shares	673,077(6)	1.48%(2)
Ravinder Kang	Common Shares	154,000	0.34%(2)
Karamveer Thakur(8)	Common Shares	250,000	0.55%(2)
Sonya Kang	Common Shares	354,000	0.78%(2)
Justin Kang	Common Shares	4,000	0.009%(2)
Daljinder Kang	Common Shares	4,000	0.009%(2)
Ahmad Yehya	Warrants	707,981	6.78%(3)
Afaf Miri	Warrants	10,299	0.10%(3)
Magdy Yehya	Warrants	1,910,892	18.30%(3)
Ravinder Kang	Warrants	150,000	1.44%(3)

Name	Designation of Class	Securities held in Escrow[(1)]	Percentage of Class
Karamveer Thakur[(8)]	Warrants	250,000	2.39%[(3)]
Sonya Kang	Warrants	350,000	3.35%[(3)]
Magdy Yehya	Options[(7)]	400,000	8.87%[(4)]
Ahmad Yehya	Options[(7)]	500,000	11.09%[(4)]
Afaf Miri	Options[(7)]	150,000	3.33%[(4)]
Don Robinson	Options[(7)]	500,000	11.09%[(4)]
Ravinder Kang	Options[(7)]	500,000	11.09%[(4)]
Don Robinson	RSUs[(7)]	500,000	100%[(5)]

Notes:

(1) It is anticipated that the escrow agent under the escrow agreement will be the Transfer Agent.
(2) Based on 45,416,897 issued and outstanding Common Shares as at the date of this Prospectus.
(3) Based on 10,441,448 issued and outstanding Warrants as at the date of this Prospectus.
(4) Based on 4,509,390 Options to be issued and outstanding at Listing.
(5) Based on 500,000 RSUs to be issued and outstanding at Listing.
(6) Performance Shares issued pursuant to the completion of the first milestone under Mr. Robinson's Advisory Agreement. Also see below "*Contractual Lock-Up*".
(7) Options and RSUs are non-transferrable. Common Shares issuable upon the exercise of Options or RSUs (as applicable) will be held in escrow in accordance with the terms of the Mandatory Escrow Agreement.
(8) Securities are registered in the name of 1142377 B.C. Ltd., which is a company under the direction and control of Karamveer Thakur.

Voluntary Escrow

Escrow Securities governed under the Voluntary Escrow Agreement are expected to be subject to the release schedule specified in NP 46-201 for established issuers. Twenty-five (25%) percent of such Escrow Securities are expected to be released upon the date of the Listing and an additional 25% are expected to be released every 6 months thereafter until all remaining Escrow Securities under the Voluntary Escrow Agreement have been released (18 months following the date of the Listing).

Name	Designation of Class	Securities held in Escrow[(1)]	Percentage of Class
Raghav Thakur	Common Shares	3,150,000[(4)]	6.94%[(2)]
Karan Tak[(6)]	Common Shares	1,000,000[(4)]	2.20%[(2)]
Dilshad Hossain	Common Shares	750,000[(4)]	1.65%[(2)]
Reena Thakur	Common Shares	876,551[(5)]	1.93%[(2)]
Raghav Thakur	Warrants	3,150,000[(4)]	30.17%[(3)]
Karan Tak[(6)]	Warrants	1,000,000[(4)]	9.58%[(3)]
Dilshad Hossain[(7)]	Warrants	750,000[(4)]	7.18%[(3)]
Reena Thakur	Warrants	438,275[(5)]	4.20%[(3)]

Notes:

(1) It is anticipated that the escrow agent under the escrow agreement will be the Transfer Agent.
(2) Based on 45,416,897 issued and outstanding Common Shares after giving effect to the Private Placements.
(3) Based on 10,441,448 issued and outstanding Warrants as at the date of this Prospectus.

(4) Securities underlying the Amended Seed Financing Units (see "*General Development of the Business – History – Nabati Foods*").
(5) Securities transferred from Karamveer Thakur, a promoter of the Company, to Reena Thakur on March 17, 2021.
(6) Securities are registered in the name of 1071258 BC Ltd., which is a company under the direction and control of Karan Tak.
(7) Securities are registered in the name of FGH Incorporated Ltd., which is a company under the direction and control of Dilshad Hossain.

Contractual Lock-Up

An aggregate of up to 7,000,000 Performance Shares are expected to be held in escrow (upon issuance), pursuant to the terms of the Advisory Agreement, and released as follows: (i) 25% of all Performance Shares until the date that is 12 months from the date the Company completes the Listing; (ii) 25% of all Performance Shares until the date that is 15 months from the date the Company completes the Listing; (iii) 25% of all Performance Shares until the date that is 18 months from the date the Company completes the Listing; and (iv) 25% of all Performance Shares until the date that is 21 months from the date the Company completes the Listing. See "*General Development of the Business – History – Nabati Foods*".

PRINCIPAL SHAREHOLDERS

The following tables shows the name and information about our voting securities owned by each person or company who, as at the date of the Prospectus, owned of record, or who, to our knowledge, owned beneficially, director or indirectly, 10% or more of any class of series of our voting securities:

Name	Number and type of securities	Type of Ownership	Percentage of Class(1)
Ahmad Yehya(2)	9,296,740 Common Shares(3)	Beneficial and of record	20.47%
Magdy Yehya(2)	6,932,895 Common Shares(4)	Beneficial and of record	15.27%

Note:
(1) Based on 45,416,897 issued and outstanding Common Shares after giving effect to the Private Placements.
(2) Magdy Yehya is the father of Ahmad Yehya. He is not an associate or affiliate of Ahmad Yehya, nor does Ahmad Yehya beneficially own, control or direct, directly or indirectly, the securities held by Magdy Yehya.
(3) Value excludes 500,000 Options to be granted to Mr. Yehya on Listing. See "*Executive Compensation – Stock Options and Other Compensation Securities*".
(4) Value excludes 400,000 Options to be granted to Magdy Yehya on Listing. See "*Executive Compensation – Stock Options and Other Compensation Securities*".

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets out the name, jurisdiction of residence of the Nabati Foods' directors and executive officers as well as their positions with the Company and principal occupation for the previous five years, and the number and percentage of the Common Shares owned, directly or indirectly, or over which control or direction is exercised, by each of our directors and executive officers. All officers and employees are required to sign standard confidentiality and non-disclosure agreements with the Company.

Name and Municipality of Residence[(1)]	Position to be held with the Company[(2)]	Principal Occupation for the Past Five Years[(3)]	Number of Common Shares	Percentage of class[(4)]
Ahmad Yehya[(5)(6)] *Edmonton, Alberta*	CEO, COO and Director	President, director and founder of Nabati since 2014	9,296,740[(7)]	20.47%
Kelvin Lee *Vancouver, British Columbia*	CFO and Corporate Secretary	Director of finance of K2 Capital Advisors since 2019, CFO of Monument Mining Limited from January 2018 to November 2019 and VP Finance and Administration of Monument Mining Limited from July 2013 to January 2018	100,000[(9)]	0.22%
Magdy Yehya[(6)] *Dollard Des Ormeaux, Québec*	Director	Accounting consultant since March 2018 and owner of Nabati Bistro from July 2017 to July 2020	6,932,895[(9)]	15.27%
Ravinder Kang[(5)] *Vancouver, British Columbia*	Director	Principal of RSJ Consulting Inc. since April 2015 and Director of Listed Issuer Services at the TMX Group from March 1992 to March 2015.	154,000[(10)]	0.34%
Don Robinson[(5)] *Florida, United States*	Director	Previous Chief Executive Officer at Cara Operations Limited and Mars Inc., Chairman of Confectionary Manufacturers Association of Canada, and Executive Vice-Chair of the Food and Consumer Products Association of Canada	673,077[(11)]	1.48%

Notes:

(1) Information as to municipality of residence, principal occupation, securities beneficially owned or over which a director or officer exercises control or direction has been furnished by the respective individuals as of the date of this Prospectus.
(2) The term of office of each of the directors expires on the earlier of the Company's next annual general meeting or upon resignation. The term of office of the officers expires at the discretion of the directors.
(3) See "*Biographies*" for additional information regarding the principal occupations of the Company's directors and officers.
(4) Based on 45,416,897 issued and outstanding Common Shares.
(5) Member of the Audit Committee.
(6) Magdy Yehya is the father of Ahmad Yehya.
(7) In addition, Mr. Yehya will be granted 500,000 Options exercisable to acquire up to 500,000 Common Shares at a price of $0.50 per share.
(8) In addition, Mr. Lee will be granted 200,000 Options exercisable to acquire up to 200,000 Common Shares at a price of $0.50 per share.

(9) In addition, Magdy Yehya will be granted 400,000 Options exercisable to acquire up to 400,000 Common Shares at a price of $0.50 per share.
(10) Value excludes any securities held by Mr. Kang's Spouse (Daljinder Kang) or his children (Sonya Kang and Justin Kang) as Mr. Kang does not have control or direction, directly or indirectly, over such securities. Also see "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer – Escrow*". In addition, Mr. Kang will be granted 500,000 Options exercisable to acquire up to 500,000 Common Shares at a price of $0.50 per share.
(11) Performance Shares issued pursuant to the completion of the first milestone under Mr. Robinson's Advisory Agreement. Mr. Robinson may be issued up to an additional 2,019,231 Performance Shares pursuant to his Advisory Agreement. See "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*".
(12) In addition, Mr. Robinson will be granted 500,000 Options exercisable to acquire up to 500,000 Common Shares at a price of $0.50 per share. Mr. Robinson will also be granted 500,000 RSUs.

Biographies

The following are brief profiles of our executive officers and directors, including a description of each individual's principal occupation within the past five years.

Ahmad Yehya (Age 34) – CEO, COO and Director

Mr. Yehya holds a bachelor's degree in Electrical Engineering from Concordia University, an MBA from Whitman Syracuse University, and has several years of experience in the field service engineering and sales in the medical devices industry. Mr. Yehyha self-educated himself in financial literacy and investing. He developed skills in business operations through his MBA and while operating Nabati. As founder of Nabati, Mr. Yehya's focus is on establishing and growing Nabati as a global plant-based food company by inspiring the Nabati team to meet its vision and mission.

Mr. Yehya is an employee of the Nabati Foods and will enter into a confidentiality agreement with the Company. It is expected that he will devote 100% of his time to the business of the Company to effectively fulfill his duties as the CEO, COO and Director of Nabati Foods, and as President of both Nabati and Nabati (USA).

Kelvin Lee (Age 43) – CFO and Corporate Secretary

Mr. Lee has over 15 years of extensive financial management experience with publicly traded companies. Most recently, Mr. Lee worked in progressively senior roles for a TSXV-listed gold producer with $400 million in revenue for the past nine years, progressing from Corporate Controller to VP Finance and Administration, and finally to Chief Financial Officer. His responsibilities included development and execution of financial strategies and operations, including regulatory reporting, financial planning and analysis, treasury, taxes and audits. He held prior Controller positions in the mining industry with various publicly traded companies including Prodigy Gold Inc., which was acquired for $340 million. Mr. Lee is also the CFO of MegaWatt Lithium and Battery Metals Corp. (formerly, Walcott Resources Ltd.).

Mr. Lee will devote 25% of his time to the business of the Company to effectively fulfill his duties as CFO of Nabati Foods. Mr. Lee has not entered into a non-competition or non-disclosure agreement with the Company.

Magdy Yehya (Age 63) – Director

Mr. Yehya is a finance professional who is experienced in financial strategies and operations including regulatory reporting, financial planning and analysis, treasury, taxes, and audits. He has been self-employed since March 2019. He was the Senior Director of Finance at NMG Company and has held other positions as a CPA with this company from July 1992 to August 2018. He was a financial auditor, responsible for various types of audits at Ernst & Young International from 1981 to 1992.

Mr. Yehya will not be a party to any employment, non-competition or confidentiality agreement with the Nabati Foods. It is expected that he will devote approximately 10% of his time to the business of the Company to effectively fulfill his duties as a director of the Nabati Foods.

Ravinder Kang (Age 55) – Director

Mr. Kang has been self-employed since April 2015. He was the Director of Listed Issuer Services and held other positions with TMX Group from March 1992 to March 2015. He is a corporate finance professional who is experienced in all aspects of Exchange policy, corporate governance and public company obligations. Mr. Kang is currently the principal of RSJ Consulting Inc., a firm that provides corporate finance advice. Mr. Kang received a Bachelor of Commerce degree from the University of British Columbia in 1988 and obtained his C.A. designation at Ernst and Young.

Mr. Kang will not be a party to any employment, non-competition or confidentiality agreement with the Nabati Foods. It is expected that he will devote approximately 10% of his time to the business of the Company to effectively fulfill his duties as a director of the Nabati Foods.

Don Robinson (Age 67) – Director

Mr. Robinson has 30 years of management and leadership experience in various consumer goods businesses. From 1983-2006 he served as the CEO of Mars Inc. and from 1998-2006 he was the CEO of Mars Canada Ltd. Further, Mr. Robinson was the CEO of Cara Operations Limited from 2006-2013. Mr. Robinson is also the Chairman of the Confectionary Manufacturers Association of Canada and is the Executive Vice-Chair of the Food and Consumer Products Association of Canada.

It is expected that Mr. Robinson will devote approximately 10% of his time to the business of the Company to effectively fulfill his duties as a directors of the Nabati Foods. Mr. Robinson entered into the Advisory Agreement with the Company, pursuant to which Mr. Robinson will provide advisory services to the Company for a term of two years (subject to earlier termination). See "*General Description of the Business – History – Nabati Foods*".

Share Ownership by Directors and Officers

The Company's directors and officers as a group, will beneficially own, directly and indirectly, or exercise control or direction over, 17,156,712 Common Shares, representing approximately 37.78% of the issued and outstanding Common Shares.

Corporate Cease Trade Orders or Bankruptcies

To the Company's knowledge, no existing or proposed director, officer or promoter of the Company or a securityholder anticipated to hold a sufficient number of securities of the Company to affect materially the control of the Company, within 10 years of the date of this Prospectus, has been a director, officer or promoter of any person or company that, while that person was acting in that capacity,

(a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Applicable Securities Law, for a period of more than 30 consecutive days; or

(b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

To the Company's knowledge, no existing or proposed director, officer or promoter of the Company, or a securityholder anticipated to hold sufficient securities of the Company to affect materially the control of the Company, has:

(a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body that would be likely to be considered important to a reasonable securityholder making a decision in regards to the Company.

Personal Bankruptcies

To the Company's knowledge, no existing or proposed director, officer or promoter of the Company, or a securityholder anticipated to hold sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of such persons has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to holder the assets of the director, officer or promoter.

Conflicts of Interest

Members of management are, and may in future be, associated with other firms involved in a range of business activities. Consequently, there are potential inherent conflicts of interest in their acting as officers and directors of the Company. Although the officers and directors are engaged in other business activities, the Company anticipates they will devote an important amount of time to our affairs.

The Company's officers and directors are now and may in the future become Shareholders, officers or directors of other companies, which may be formed for the purpose of engaging in business activities similar to the Company's. Accordingly, additional direct conflicts of interest may arise in the future with respect to such individuals acting on behalf of us or other entities. Moreover, additional conflicts of interest may arise with respect to opportunities which come to the attention of such individuals in the performance of their duties or otherwise. Currently, the Company does not have a right of first refusal pertaining to opportunities that come to their attention and may relate to our business operations.

The Company's directors and officers are subject to fiduciary obligations to act in the best interest of the Company. Conflicts, if any, will be subject to the procedures and remedies of the BCBCA or CBCA, as applicable, or other applicable corporate legislation, securities law, regulations and policies. See "*Risk Factors*".

EXECUTIVE COMPENSATION

Prior to obtaining a receipt for this Prospectus from securities regulatory authority in British Columbia, neither Nabati Foods nor any of its subsidiaries were a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6 – *Statement of Executive Compensation* ("**Form 51-102F6**") has been omitted pursuant to Section 1.3(8) of Form 51-102F6.

Compensation of Named Executive Officers

Securities legislation requires the disclosure of the compensation received by each Named Executive Officer of the Company. "Named Executive Officer" is defined by securities legislation to mean: (i) the CEO; (ii) the CFO; (iii) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually more than $150,000 for that financial year; and (iv) each individual who would be a "Named Executive Officer" under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in similar capacity, at the end of the most recently completed financial year. At the completion of the Transaction, the Company will have the following Named Executive Officers (collectively, the "**Named Executive Officers**" or "**NEOs**"):

- Ahmad Yehya, President, CEO and Director of the Company;
- Afaf Miri, Director of the Company; and
- Kelvin Lee, CFO and Corporate Secretary of the Company.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

Neither Nabati Foods or Nabati was a reporting issuer at any time during its most recently completed financial year. Accordingly, the following table sets forth information with respect to the anticipated compensation of each Named Executive Officer and director of Company for the 12-month period subsequent to becoming a reporting issuer:

Table of Compensation Excluding Compensation Securities

Name and Principal Position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Long-term incentive plans ($)	Value of all other compen-sation ($)	Total compen-sation ($)
Ahmad Yehya, President, CEO and Director	2021	$150,000	-	-	-	-	-	$150,000
Afaf Miri, Director(1)	2021	$41,600(2)	-	-	-	-	-	$41,600
Kelvin Lee, CFO and Corporate Secretary	2021	$36,000	-	-	-	-	-	$36,000

Notes

(1) Ms. Miri resigned as a director of the Company on June 4, 2021. Ms. Miri is the spouse of Ahmad Yehya. Mr. Yehya does not control or directs, directly or indirectly, the securities held by Ms. Miri.

(2) Estimated annual compensation for social media services for 20 hours per week at $40 per hour. Nabati Foods will continue to compensate Ms. Miri as an employee for her social media services.

The anticipated compensation set out above is based on current conditions in the industry and on the associated approximate allocation of time for each NEO and director, and is subject to adjustments based on changing market conditions and corresponding changes to required time commitments. Following the Listing, the Company will review its compensation policies and may adjust them if warranted by factors such as market conditions.

Stock Options and Other Compensation Securities

Neither Nabati Foods nor Nabati was a reporting issuer at any time during its most recently completed financial year. The following table discloses all anticipated compensation securities the Company expects to grant or issue to each Named Executive Officer and director once the Company becomes a reporting issuer:

Compensation Securities

Name and Position	Type of compensation security	Number of compensation securities and percentage of class	Date of issue or grant	Issue conversion of exercise price	Expiry Date
Ahmad Yehya, President, CEO and Director	Options	500,000 (11.09%)(1)	Listing	$0.50	5 years from Listing
Kelvin Lee, CFO and Corporate Secretary	Options	200,000 (4.44%)(1)	Listing	$0.50	5 years from Listing

Compensation Securities

Name and Position	Type of compensation security	Number of compensation securities and percentage of class	Date of issue or grant	Issue conversion of exercise price	Expiry Date
Afaf Miri, Director(3)	Options	150,000 (3.33%)(1)	Listing	$0.50	5 years from Listing
Magdy Yehya Director	Options	400,000 (8.87%)	Listing	$0.50	5 years from Listing
Ravinder Kang, Director	Options	500,000 (11.09%)(1)	Listing	$0.50	5 years from Listing
Don Robinson, Director	Options	500,000 (11.09%)(1)	Listing	$0.50	5 years from Listing
Don Robinson, Director	RSUs	500,000 (100%)(2)	Listing	N/A	2 years from Listing

Notes:

(1) Based on 4,509,390 Options expected to be granted at Listing.

(2) Based on 500,000 RSUs expected to be granted at Listing.

(3) Ms. Miri resigned as a director of the Company on June 4, 2021. She will receive Options in her capacity as an employee of the Company. Ms. Miri is the spouse of Ahmad Yehya. Mr. Yehya does not control or directs, directly or indirectly, the securities held by Ms. Miri.

Stock Option Plans and Other Incentive Plans

See "*Equity Incentive Plans*".

Employment, Consulting and Management Agreements

The Company has entered into employment and consulting agreements with the following executives and directors on the following terms:

i) Employment agreement dated March 9, 2021 between Nabati Foods and Ahmad Yehya as CEO and COO on an annual basis at $150,000 per year. Mr. Yehya's employment agreement includes the following performance terms: (a) if during any year beginning March 9, 2022, Nabati Foods has a annual revenue of $5 million or more, Mr. Yehya's base salary will be increased to $187,500 per year; and (b) if during any year beginning March 9, 2023, Nabati Foods has a annual revenue of $10 million or more, Mr. Yehya's base salary will be increased to $215,625 per year.

ii) Employment agreement dated March 9, 2021 between Nabati Foods and Kelvin Lee as CFO and Corporate Secretary where Mr. Lee will provide his executive services on a monthly basis at $3,000 per month.

iii) Advisory Agreement dated March 15, 2021 between Nabati Foods and Don Robinson, whereby Mr. Robinson will provide certain advisory services in consideration for an aggregate of 2,692,308 Performance Shares payable in four installments upon completion certain milestones. Mr. Robinsons Performance Shares are subject to escrow and contractual lock-up. See "*General Development of the Business – History – Nabati Foods*" and see "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*".

See "*Stock Options and Other Compensation Securities*" above.

Oversight and Description of Director and Named Executive Officer Compensation

The Company does not have a compensation committee or a formal compensation policy. The Company relies solely on the directors to determine the compensation of the Named Executive Officers. In determining compensation, the directors consider industry standards and the Company's financial situation, but the Company does not have any formal objectives or criteria. The performance of each executive officer is informally monitored by the directors, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

In establishing compensation for executive officers, the Board as a whole seeks to accomplish the following goals:

- To recruit and subsequently retain highly qualified executive officers by competitive offering overall compensation;
- To motivate executives to achieve important corporate and personal performance objectives and reward them when such objectives are met; and
- To align the interests of executive officers with the long-term interests of Shareholders through participation in the Option Plan.

When considering the appropriate executive compensation to be paid to our officers, the Board have regard to a number of factors including: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Company's Shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations generally; and (v) available financial resources.

The Board did not use any formal peer group evaluation to determine executive compensation.

The Company has no intention to make any material changes to the above compensation structure over the course of the 12 months subsequent to the date of this Prospectus.

DIRECTOR COMPENSATION

As of the date hereof, no compensation has been paid to directors.

The Company contemplates that each Non-Executive director will be entitled to participate in any security based compensation arrangement or other plan adopted by the Company with the approval of the Board and/or the Company's Shareholders, as may be required by applicable law or CSE policies.

Directors' and Officers' Liability Insurance

The Company does not carry directors' and officers' liability insurance for any of our directors or officers. We anticipate obtaining directors' and officers' liability insurance prior to becoming a reporting issuer.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Prospectus none of the directors and executive officers of Nabati Foods or Nabati, the directors and officers of the Company, or associates of such persons is indebted to Nabati Foods, Nabati or another entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Nabati Foods or Nabati.

PLAN OF DISTRIBUTION

This is a non-offering prospectus. No securities are offered pursuant to this Prospectus.

Concurrently with the filing of this Prospectus, the Company has received Conditional Approval to list its Common Shares and all other Common Shares issuable as described in this Prospectus on the CSE. The Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange, which cannot be guaranteed.

As at the date of this Prospectus, Nabati Foods and Nabati do not have any of their securities listed or quoted, have not applied to list or quote any of their securities, and do not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a US marketplace, or a marketplace outside Canada and the United States.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Company's securities within the US or to, or for the account or benefit of, US Persons. None of the Common Shares have been or will be registered under the US Securities Act or the securities laws of any state of the US and may not be offered or sold within the US or to, or for the account or benefit of, US Persons, except in transactions exempt from the registration requirements of the US Securities Act and applicable state securities laws. Accordingly, unless an exemption from the registration requirements of the US Securities Act and applicable state securities laws is available, all Common Shares held by or on behalf of a US Person or a person in the US will bear appropriate legends evidencing the restrictions on the offering, sale and transfer of such securities.

AUDIT COMMITTEE

Audit Committee

Upon the Company becoming a reporting issuer in a jurisdiction in Canada, the Company will form the audit committee (the "**Audit Committee**"). The Audit Committee will be comprised as follows:

Member	Relationship to the Company(1)	Financially Literacy(1)
Ahmad Yehya	Director(2)	Financially Literate
Ravinder Kang (Chair)	Non-Executive Director(2)	Financially Literate
Don Robinson	Non-Executive Director(2)	Financially Literate

Notes:

(1) The Company is relying on Section 6.1 – *Venture Issuers* of NI 51-110 – *Audit Committees* ("**NI 51-110**"), which exempts venture issuers (as defined under NI 51-110) from Part 3 – *Composition of the Audit Committee*, under NI 51-110. However, the Company has required that all Audit Committee members are financially literate as required under Part 3 of NI 51-110.

(2) Under Section 6.1.1 – *Composition of Audit Committee* of NI 51-110*,* each member of a venture issuer's audit committee must be a director and a majority of the members of a venture issuer's audit committee must not be executive officers, employees or control persons of the venture issuer or of an affiliate of the venture issuer (a "**Non-Executive Director**").

A description of the education and experience of each Audit Committee member that is relevant to the performance of their responsibilities as an Audit Committee member may be found above under the heading "*Directors and Executive Officers*".

Audit Committee's Charter

The full text of the Audit Committee's charter is attached as Schedule "A" to this Prospectus.

Mandate and Responsibilities of the Audit Committee

The Audit Committee's mandate and responsibilities include: (i) reviewing and recommending for approval to the Board the financial statements, accounting policies that affect the statements, annual MD&A and associated press releases; (ii) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assessing those procedures; (iii) establishing and maintaining complaint procedures regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; (iv) overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing such other audit, review or attest services for the

Company, including the resolution of disagreements between management and the external auditor regarding financial reporting; (v) pre-approving all non-audit services to be provided to the Company or its subsidiary entities by the external auditor; (vi) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company; and (vii) reviewing and approving the Company's hiring policies regarding partners, employees, and former partners and employees of the present and former external auditor of the Company.

The Audit Committee is to meet at least quarterly to review financial statements and MD&A and to meet with the Company's external auditors at least once a year.

Audit Committee Oversight

On December 10, 2020, the sole Shareholder of Nabati Foods elected to waive the appointment of an auditor pursuant to section 203(2) of the BCBCA. Under section 223 of the BCBCA, Nabati Foods has not appointed an audit committee at this time.

The Company intends to ensure that all recommendations of the Audit Committee to nominate or compensate an external auditor will be adopted by the Board.

Reliance on Certain Exemptions

At no time since the date of Nabati Foods's incorporation on December 10, 2020 has the Company relied on the exemption in section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. It is not anticipated that the Company will rely on any of the above exemptions.

Pre-Approval Policies and Procedures

The audit committee of Nabati Foods (or Nabati) has not adopted specific policies and procedures for the engagement of non-audit services but all such services are subject to the prior approval of their respective audit committees. It is not anticipated that the Company will adopt specific policies and procedures for the Audit Committee.

External Auditor Service Fees by Category

The aggregate audit fees incurred by Nabati Foods from its date of incorporation to December 10, 2020 and by Nabati for the period ended December 31, 2020 are set out in the table below. Following closing of the Transaction, the Resulting issuer intends to use Nabati Foods' auditor, Habourside, Chartered Professional Accountants (see "*Auditors, Transfer Agent and Registrars*").

Entity	Financial Year Ended	Audit Fees(1)	Audit Related Fees(2)	Tax Fees(3)	All Other Fees(4)
Nabati Foods(5)	Incorporation to December 31, 2020	\$5,000	\$-	\$-	\$-
Nabati(6)	December 31, 2020	\$30,000	\$-	\$-	\$-
Total		\$35,000	\$-	\$-	\$-

Notes:

(1) "Audit Fees" includes fees necessary to perform the annual audit of Nabati Foods's and Nabati's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
(4) "All Other Fees" include review of the Prospectus and all other non-audit services.
(5) Harbourside, Chartered Professional Accountants, is the auditor of Nabati Foods.
(6) Harbourside, Chartered Professional Accountants is the auditor of Nabati.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making. The Board is of the view that the Company's general approach to corporate governance, summarized below, is appropriate and substantially consistent with objectives reflected in the guidelines for improved corporate governance in Canada adopted by the Canadian Securities Administrators (the "**Governance Policy**").

Board of Directors

The Board will be composed of four directors.

The Company will have three Non-Executive Directors within the meaning of the Governance Policy: Afaf Miri, Ravinder Kang and Don Robinson. The remaining director, Ahmad Yehya, is not considered a Non-Executive Director within the meaning of the Governance Policy, as Mr. Yehya, is an employee of the Company as CEO and COO. In assessing the Governance Policy and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

Directors are expected to attend Board meetings and meetings of committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

Board Mandate

The Board will facilitate independent supervision of management, where possible, through meetings of the Board and through frequent informal discussions among Non-Executive Director members of the Board and management. In addition, the Board will have access to the Company's external auditors, legal counsel and to any of the Company's officers.

The Board will have a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to management, evaluate management, set policies appropriate for the business of the Company and approve corporate strategies and goals.

The day-to-day management of the business and affairs of the Company will be delegated by the Board to the senior officers of the Company. The Board will give direction and guidance through the CEO to management and will keep management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board will recommend nominees to the Shareholders for election as directors, and immediately following each annual general meeting will appoint an Audit Committee.

The Board will exercise its independent supervision over management by: (a) holding periodic meetings of the Board be to obtain an update on significant corporate activities and plans; and (b) ensuring all material transactions of the Company are subject to prior approval of the Board. To facilitate open and candid discussion among its Non-Executive Directors, such directors will be encouraged to communicate with each other directly to discuss ongoing issues pertaining to the Company.

Position Description

Because the Board is a small, working board, it has not developed written position descriptions and does not have a process for assessing the performance of the directors or the chair of the Board committees. It is not anticipated that the Board will perform formal assessments of its members in the 12 months following completion of the Transaction.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Company that are, or have been within the last five years, directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Ravinder Kang	Eat Beyond Holdings Inc.	CSE	Director	November 2020 - Present
	AAJ Capital 2 Corp.	TSX-V	Director	January 2019 - Present
	Axion Ventures Inc. (formerly Capstream Ventures Inc.)	TSX-V	Director	May 2016 – October 2017
	BetterU Education Corp.	TSX-V	Director	March 2017 – May 2020
	Blissco Cannabis Corp.	CSE	CFO	February 2018 – July 2018
	Bluerock Ventures Corp. (now Tombill Mines Ltd.)	TSXV	Director	March 2017 – December 2020
	Cannara Biotech Inc.	CSE	Director	December 2018 – December 2018
	Cognetivity Neurosciences Ltd.	CSE	Director	December 2017 – Present
	Confederation Minerals Ltd. (now Trillium Gold Mines Inc.)	TSX-V	Director	October 2017 – Present
	Cryptanite Blockchain Technologies Corp.	CSE	CFO	March 2018 – Dec 2019
	Element Lifestyle Retirement Inc.	TSX-V	CFO	December 2015 – December 2016
	ESE Entertainment Inc.	TSX-V	Director and CFO	August 2020 - Present
	FogChain Corp.	CSE	CFO	May 2018 – Present
	Hempco Food and Fiber Inc.	TSX-V	Corporate Secretary	April 2016 – August 2019
	Maple Peak Investment Inc.	TSX-V	Director	July 2016 – Present
	ME Resource Corp.	CSE	Director	October 2015 – Present

	MegaWatt Lithium and Battery Metals Corp.	CSE	Director	January 2021 - Present
	New Wave Holdings Corp.	CSE	Director	May 2020 - Present
	PharmaCielo Ltd. (formerly, AAJ Capital 1 Corp.)	TSX-V	Director	January 2018 – January 2019
	PMI Resources Ltd.	TSX-V	Director	May 2016 – March 2017
	Vangold Mining Corp.	TSX-V	Director	December 2018 – January 2019
Kelvin Lee	Spey Resources Corp.	CSE	CFO, Corporate Secretary and Director	September 2020 – Present
	Karam Minerals Inc.	CSE	CFO, Corporate Secretary and Director	September 2020 – Present
	MegaWatt Lithium and Battery Metals Corp. (formerly, Walcott Resources Ltd.)	CSE	CFO, Corporate Secretary and Director	July 2020 – Present
	Freeman Gold Corp. (formerly, Lodge Resources Inc.)	CSE	Vice - President	February 2020 to October 2020
	Monument Mining Limited	TSX-V	CFO	January 2018 to November 2019
Don Robinson	Eat Beyond Holdings Inc.	CSE	Director	August 2000 - Present
	City View Green Holdings Inc.	CSE	Director	April 2000 – Present
	Golden Leaf Holdings Ltd.	CSE	CEO and Director	June 2015 – July 2017

Orientation and Continuing Education

The Board has not adopted formal policies respecting continuing education for Board members. Board members are encouraged to communicate with management, legal counsel, auditors and consultants of the Company, to keep themselves current with industry trends and developments and changes in legislation with management's assistance, and to attend related industry seminars and visit the Company's operations. Board members will have full access to the Company's records. It is not anticipated that the board of the Company will adopt formal guidelines in the 12 months following completion of the Transaction.

Ethical Business Conduct

The Board has not adopted formal guidelines to encourage and promote a culture of ethical business conduct but does promote ethical business conduct by nominating board members it considers ethical, by avoiding or minimizing conflicts of interest and by complying with Audit Committee and board composition requirements under Applicable

Law. It is not anticipated that the Board will adopt formal guidelines in the 12 months following completion of the Transaction.

The Board has found that the fiduciary duties placed on individual directors by governing corporate legislation and the common law, and the restrictions placed by the BCBCA on an individual director's participation in decisions of the Board in which the director has an interest, have helped to ensure that the Board operates independently of management and in the best interests of the Company.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of a company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, if a director of a company also serves as a director or officer of another company engaged in similar business activities to the first company, that director must comply with the conflict of interest provisions of the BCBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors that evoke such a conflict.

Nomination of Directors

The Company will not have a stand-alone nomination committee. The full Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the industry are consulted for possible candidates. It is not anticipated that the nomination committee of the Company will adopt a formal process to determine new nominees in the 12 months following completion of the Transaction.

Compensation

The Board will conduct reviews with regard to directors' and officers' compensation at least once a year. For information regarding the steps taken to determine compensation for the directors and the executive officers, see "*Executive Compensation*".

Other Board Committees

The Board has no other committees other than the Audit Committee. It is not anticipated that the Board will establish any committee other than its Audit Committee in the 12 months following completion of the Transaction.

Assessments

The Board will monitor the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees. On an ongoing annual basis, the Board will assess the performance of the Board as a whole, each of the individual directors and each committee of the Board in order to satisfy itself that each is functioning effectively.

RISK FACTORS

The Company's business and stated business objectives are the business and stated business objectives of Nabati (see "*Description of the Business*"). All references to the Company's business and stated business objectives include the business and stated business objectives of Nabati. To the extent that the Company's business and stated business objectives differ from that of Nabati, further information is provided.

An investment in the Company involves a high degree of risk and should be considered speculative. An investment in the Company should only be undertaken by those persons who can afford the total loss of their investment. You should carefully consider the risks and uncertainties described below, as well as other information contained in this Prospectus, including the financial statements and accompanying notes, appearing elsewhere in this Prospectus, before investing in the Company. The risks and uncertainties below are not the only ones the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company believes to be immaterial may also adversely affect the Company's business. If any of the following risks occur, the Company's business, financial condition and results of operations could be seriously harmed and you could lose all or part of your investment.

Risks Related to the Business of the Company

Reliance on Key Personnel

The Company strongly depends on the business and technical expertise of its management team and certain employees. The Company's success may depend in large measure on certain key personnel. Such key personnel include, among others, Ahmad Yehya. The loss of the services of such key personnel could have a material adverse effect on their business and prospects, as we may not be able to find suitable individuals to replace them on a timely basis.

The Company must rely upon the ability, expertise, judgment, discretion, integrity and good faith its management. The Company may not acquire in the near future key-person insurance policies and there is, therefore, a risk that the departure of any member of management, board member, or any key employee or consultant, could have a material adverse effect on the Company's future.

The Company is dependent on intellectual property rights and/or trade secrets and is susceptible to challenges to those rights as well as claims of infringement of third parties' rights, which could have a material adverse effect on the value of the Company.

The Company, having its business in the development and operation of plant-based protein and meat alternatives, among others, is dependent on intellectual property rights, recipes, know how and branding; the loss or impairment of which could harm the Company's business, results of operations, and its financial condition. The Company's existing, potential or future patents and other intellectual property may not prevent competitors from independently developing products and services similar to or duplicative of the Company's, nor can there be any assurance that the resources invested by the Company to protect its intellectual property, recipes or know how will be sufficient, or that the Company's intellectual property portfolio will adequately deter misappropriation or improper use of the Company's technology.

Nabati has filed trademark application in the US, United Kingdom and European Union. The trademarking process can take up to 24 months and is subject to challenge during this time. There is no guarantee that the trademarks applied for will be approved, refused and/or ultimately registered, and any registered trademark, including those currently registered and held by the Company, may still be subject to cancellation or challenge in the future. Failure to protect the Company's trademarks could prevent us from challenging third parties using the same or confusingly similar marks, potentially hindering the Nabati brand's value.

There can be no assurance that the Company's products will not violate proprietary rights of third parties and the Company may be the target of aggressive and opportunistic enforcement of patents and trademark rights by third parties, including non-practicing entities. The Company's ability to protect its intellectual property could also be affected by changes to existing laws, legal principles, and regulations governing intellectual property, including the ownership and protection of patents.

If any of the foregoing risks were to materialize for the Company, the claims and disputes could result in liability for substantial damages, which in turn could harm the underlying business, results of operations and financial condition of the Company and materially and adversely affect the value of the Company.

Conflicts of interest may arise between the Company and its directors and management.

The directors and officers of the Company may not devote all of their time to the affairs of the Company. The directors and officers of the Company are or may become directors and officers of other companies, some of which may be in the same business as the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances, this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

Competition

The food industry, and especially the plant-based protein and meat alternative industry, is intensely competitive and companies in this sector face competition from numerous brands that produce plant-based protein products including small and large independent companies as well as large-scale manufacturers of animal-based protein that have integrated plant-based meat alternatives within their product offerings. Many of these competitors have substantial financial backing and established brand reputation. Competition is based on product availability, product quality, price, effective promotions, and the ability to target changing consumer preferences. Failure to compete against other similar companies and products could harm the results of operations and financial condition of the Company and materially and adversely affect the value of the Company.

Failure to optimize Facility B Build-Out

The Company anticipates that it will rely heavily on Facility B, which is currently being optimized (due to the recent completion of the Facility B Build-Out). This facility is critical in enabling the Company to meet demands and support future growth. If the Company is unable to successfully optimize and bring Facility B to capacity, it will forego the operational and financial benefits it expects to derive from the facility once it is fully optimized. Moreover, the Company may not be able to re-coup some or all of the funding expended in the Facility B Build-Out.

Failure to Expand Production Capacity

The Company is focused on expanding production capacity in the near future to support anticipated growing demand for existing product lines and the introduction of new product lines, extensions and expanded distribution in the United States and possibly other foreign markets, such as the European Union. In terms of the facility expansions, the Company recently completed its Facility B Build-Out and is working on the build-out of the Brampton Facility. Any substantial delay in bringing any or all of these facilities to full capacity or into operation and subsequently to maximum production may hinder the Company's ability to meet orders, increase sales, retain or recruit customers, or achieve expected financial performance. The build-out and development of new and/or current facilities, as applicable, will require additional capital expenditure and the efforts and attention of management and other key personnel, which has and will continue to divert resources from the Company's existing operations. No assurance can be given regarding the facilities' ability to provide the Company with all of the expected operational and financial benefits.

Disruption at the Facilities

The Company currently manufactures all products at Facility A. Following the build-out of Facility B, the Company's production will be divided between Facility B and Facility A until subsequent expansion occurs. Natural disaster, fires, power interruptions, work stoppages or other calamity at this or any future facility at which the Company engages in production may significantly disrupt the Company's ability to meet demands and operate its business. If any material amount of machinery or inventory is damaged, the Company may be unable to meet contractual obligations and cannot predict whether the replacement or repair of such machinery would materially adversely affect the business, financial condition or results of operations. Similarly, the result of fires, earthquakes or other natural disasters, civil disruption or a health crisis such as the current COVID-19 outbreak may have significant disruptions and expenses to the business and operations, thereby having an adverse effect on the business.

Epidemics/Pandemics and other Public Health Crises

The Company is vulnerable to the general economic effects of epidemics/pandemics and other public health crises, such as COVID-19. Due to the recent outbreak of COVID-19, there has been a substantial curtailment of travel and business activities, globally. A number of countries have also limited the shipment of products in and out of their borders, which could negatively impact supply chains. If not resolved quickly, the impact of COVID-19 could have a material adverse effect on the Company's business operations.

Government Regulation

Various aspects of the Company are subject to laws of the jurisdictions in which it operates including, among others, Health Canada and the CFIA. These agencies regulate the processing, packaging, storage, distribution, advertising and labeling of products, including food safety standards. The Company is required to maintain all applicable permits and licenses relating to its operations and its current and future facilities and all products are subject to inspection by federal, provincial and local authorities. While the company strives to maintain compliance with applicable laws and regulations, there can be no assurance that the Company will be able to comply with such applicable laws and regulators or obtain such necessary permits and licenses in the future. Failure to comply with applicable laws and regulations and permits and licensing requirements may subject the Company to civil remedies including fines, injunctions, recalls or seizures, in addition to potential criminal sanction, all of which may have a material adverse effect on the financial condition and operations of the Company. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner, which could limit or curtail the Company's business model.

Labeling

In recent years, a number of plant-based meat and dairy alternative companies have been the subject of CFIA investigations relating to the use of words such as dairy and meat in connection with plant-based products or other 'alternative' food products. In certain instances the matter was resolved through the use of a hyphenated modifier such as "plant-based" or "dairy-free" but in others, revisions to the labeling of products was required in order to distinguish the products at issue from the conventional understanding of meat, cheese products and dairy products. While the Company believes it employs the use of clear modifying language to distinguish its products from the conventional understanding of traditional food products (including meat and dairy products), it may also market certain products under names commonly associated with animal-based meat and dairy products and may commonly employ the words "meat", "patty" "cheeze" or other similar language as a general descriptor in relation to its product portfolio. The Company will be solely reliant on management to monitor such activities, with the assistance of outside counsel as needed. Although the Company has no reason to expect the product labels and marketing materials to be misleading or deceptive, there is a risk that the CFIA will take up enforcement action against the Company, which could ultimately have a material adverse effect on the value of Company.

Price of Raw Materials

Costs of the ingredients and packaging for food products are volatile and can fluctuate due to conditions that are difficult to predict, including global competition for resources, weather conditions, consumer demand, changes in governmental trade and agricultural programs, epidemics/pandemics and other public health crises, such as COVID-19. Volatility in the prices of raw materials and other supplies food companies purchase could increase the Company's cost of sales and reduce its profitability. Moreover, the Company may not be able to implement product price increases to cover any increased costs, or any price increases implemented may result in lower sales volumes. If the Company is not successful in managing its ingredient and packaging costs, and unable to increase its prices to cover increased costs or if such price increases reduce sales volumes, then such increases in costs will adversely affect its business, results of operations and financial condition and materially and adversely affect the value of the Company.

Consumer Trends

The Company will be focused on the development, manufacture, marketing and distribution of branded plant-based products as alternatives to meat and dairy-based protein products. Consumer demand could change based on a number of possible factors, including dietary habits and nutritional values, concerns regarding the health effects of ingredients and shifts in preference for various product attributes. If consumer demand for the Company's products decreases, its business and financial condition would suffer, thereby adversely affecting the value of the Company. In addition, sales of plant-based protein or meat-alternative products are subject to evolving consumer preferences that the Company may not be able to accurately predict or respond to. Consumer trends could change based on a number of possible factors, including economic factors and social trends. A significant shift in consumer demand away from the products of the Company could reduce its sales, which would harm its business and financial condition and could materially and adversely affect the value of the Company.

Supply Chain Management

Insufficient or delayed supply of products threatens the Company's ability to meet customer demands while over capacity threatens its ability to generate profit. Specifically, the impact of COVID-19 may adversely impact the Company's access to products. Some of these products may be available from only a single supplier or a limited group of suppliers. Accordingly, any failure by the Company to properly manage its supply chain could have a material adverse effect on its business, financial condition and results of its operations.

The Company currently utilizes third-party distributors to distribute its products within Canada and the US. Whereas the Company does not consider these agreements to be material, disruptions, alterations or terminations in these agreements could negatively impact the Company's supply chain and business.

Limited or Disrupted Supply of Key Ingredients

A number of the ingredients in the Company's products are vulnerable to adverse weather conditions and natural disasters, such as floods, droughts, frosts, earthquakes, hurricanes and pestilence. Adverse weather conditions and natural disasters can lower crop yields and reduce crop size and quality, which in turn could reduce the available supply of, or increase the price of quality ingredients. Moreover, the Company may use organic ingredients, which are more limited in supply than conventional product ingredients. The Company also competes with other food producers in the procurement of ingredients, and as consumer demand for plant-based protein products increases, this competition may increase. If supplies of quality ingredients are reduced or there is greater demand for such ingredients, the Company may not be able to obtain sufficient supply on favorable terms, or at all, which could impact its ability to supply products to distributors and retailers and may adversely affect its business, results of operations and financial condition.

Climate Change

There is concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. If such climate change has a negative effect on agricultural productivity, the Company may be subject to decreased availability or less favorable pricing for certain commodities that are necessary for the Company's products, such as legumes.

Food Safety and Consumer Health

The Company is subject to risks that affect the food industry in general, including risks posed by food spoilage, accidental contamination, product tampering, consumer product liability, and the potential costs and disruptions of a product recall. The Company will make commercially reasonable efforts to manage these risks by maintaining strict and rigorous controls and processes in their manufacturing processes and distribution systems. However, there is no assurance that such systems will eliminate the risks related to food safety. The Company could be required to recall certain or a large portion of their products in the event of contamination or adverse test results or as a precautionary measure. There is also a risk that not all of the product subject to the recall will be properly identified, or that the recall will not be successful or not be enacted in a timely manner. A product recall could result in significant losses due to its costs, destruction of product inventory and lost sales due to the unavailability of the product or potential loss of current or new customers as a result of an adverse impact on the Company's reputation. In addition, once purchased by consumers, the Company has no further control over its products and consumers may prepare its products in a manner that is inconsistent with its directions, which may adversely affect the quality and safety of its products. Any product contamination could subject the Company to product liability claims, adverse publicity and government scrutiny, investigation or intervention, resulting in increased costs and decreased sales. Any of these events could have a material adverse impact on the Company's value. Finally, the Company uses dry ice as a coolant in distributing its products to consumers. Dry ice has a temperature of -78C/-109F, and can cause burns or suffocation if handled incorrectly. Whereas the Company warns consumers about the dangers of dry ice and provides handling instructions, there is no guarantee that consumers will handle the dry ice correctly, which could expose the Company to consumer health or product liability claims.

Brand Value

The success of the Company in the food industry depends on its ability to maintain and grow the value of its brand. Maintaining, promoting and positioning its brand and reputation will depend on, among other factors, the success of a company's product offerings, food safety, quality assurance, marketing and merchandising efforts and its ability to provide a consistent, high-quality customer experience. Brand value is based on perceptions of subjective qualities, and any incident that erodes the loyalty of customers or suppliers, including adverse publicity or a governmental investigation or litigation, could significantly reduce the value of the Company's brand and adversely affect its business, results of operations and financial condition, which would have a material adverse effect on the Company's value.

Internet Search Algorithms

A significant portion of the Company's sales currently come from its eCommerce store. In order to attract new customers and retain existing customers, it is important that the Company's brands show up prominently in internet search results. Changes to internet search engines' algorithms or terms of service could cause the Company's website to appear less prominently in search results.

Reputation Risk

Real or perceived quality or food safety concerns or failures to comply with applicable food regulations and requirements, whether or not ultimately based on fact and whether or not involving us or incidents involving competitors, could cause negative publicity and reduced confidence in the Company and its products, which could cause harm to its brand, reputation and sales, and could materially adversely affect its business, financial conditionsand results of its operations. The growing use of social and digital media increases the speed and extent that information or misinformation and opinions can be shared. Negative publicity about the Company, its brand or products on social or digital media could seriously damage its reputation. Without a favorable perception of the Company's brand and products, its sales and profits could be negatively impacted, which would have a material adverse effect on the Company's value.

Risks Associated with Leasing Commercial Space and Equipment

The Company leases its production space and various equipment and is therefore subject to all of the risks associated with leasing, occupying and making tenant improvements to real property, including adverse demographic and competitive changes affecting the location of the property and changes in availability of and contractual terms for leasable commercial and retail space. The Company considers its leases for Facility A and Facility B to be material; any alterations or terminations to these leases or their terms may have a material adverse effect on the Company's ability to produce and distribute its products, negatively affecting the operations and business of the Company.

Effect of Product Innovation

The Company's growth in part depends on its ability to develop and market new products and improvements to its existing products that appeal to consumer preferences. The success of the Company's innovation and product development efforts is affected by its ability to anticipate changes in consumer preferences, the technical capability of its research and development team in developing and testing product prototypes, including complying with applicable governmental regulations, the success of its management and sales and marketing team in introducing and marketing new products and positive acceptance by consumers. Failure to develop, successfully market and sell new products, including Nabati's plant-based egg product, may inhibit the Company's growth, sales and profitability.

Failure to retain current customers and/or recruit new customers

The success of the Company, and its ability to increase revenue and operate profitably, depends in part on its ability to acquire new customers and retain existing customers, so that they continue to purchase the Company's products. The Company may fail to acquire or retain customers across its distribution channels due to negative value and quality perceptions, a lack of new and relevant products or failure to deliver customers' orders in a timely manner.

Litigation Risk

The Company may become party to litigation from time to time in the ordinary course of business, which could adversely affect its business, thereby materially impacting the value of the Company. Should any litigation in which the Company becomes involved be determined against it, such a decision could adversely affect its ability to continue operating and the market price for the Company. Litigation involving the Company may also open the Company to litigation exposure.

Third Party Reliance for Shipping

The Company relies on third party mail and courier delivery organizations to deliver products to distributors and consumers purchasing through its eCommerce store. Increases in shipping, postal or courier rates may have an adverse effect on the results of the Company's operations as it may affect abilities to pass on such increases to customers. Service interruptions such as labour strikes by service providers may also adversely affect the Company's ability to deliver on a timely basis.

Risks Relating to the Company and its Common Shares

History of Losses

Nabati has experienced net losses since incorporation and the Company anticipates that its operating expenses and capital expenditures will increase substantially in the foreseeable future as it continues to increase its customer base, suppliers and distribution channels and expand its production facilities, in particular, Facility B. The Company's expansion plans may be more expensive than anticipated and we may not succeed in increasing margins sufficiently to offset such anticipated higher expenses. We also continue to incur expenses through product development, ingredient purchase and storage and marketing our products. Accordingly, we may be unable to achieve or sustain profitability and could incur significant losses in the future.

Ability of the Company to Continue as a Going Concern

Nabati is in the development stage and subject to material uncertainties casting significant doubt on its ability to continue as a going concern. By adopting Nabati's business, the Company will also be subject to such concerns regarding its ability to continue as a going concern. The Company is dependent on its ability to grow its revenue and achieve profitable operations in the future and is reliant on external financing, predominantly by the issuance of equity and debt, to finance the Company's operations; however, there is no certainty that such funds will be available on terms acceptable to the Company. An investment in the Company is speculative and carries a high degree of risk.

Negative Operating Cash Flow

During the periods ended December 31, 2020 and December 31, 2019, Nabati had negative cash flows from operating activities. Although the Company anticipates that it will have positive cash flow from operating activities in future periods, there is no assurance that the Company will have positive cash flow at any point in future periods. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company.

Market Price of Common Shares and Volatility

The Common Shares do not currently trade on any exchange or stock market. Securities of small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Factors unrelated to our performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Common Shares; the size of our public float may limit the ability of some institutions to invest in Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Common Shares may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares.

The market price of the Common Shares is affected by many other variables, which are not directly related to our success and are, therefore, not within our control. These include other developments that affect the breadth of the public market for the Common Shares, the release or expiration of escrow or other transfer restrictions on the Common Shares, and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common Shares is expected to make the Common Share price volatile in the future, which may result in losses to investors.

No Established Market

There is currently no market through which the Company's securities may be sold and purchasers may not be able to resell the Company's securities. An active public market for the Common Shares might not develop or be sustained following the filing of this Prospectus. If an active public market for the Common Shares does not develop, the liquidity of a Shareholder's investment may be limited, and the Common Share price may decline below the Shareholder's initial investment.

It may be difficult, if not impossible, for US holders of the Company's Common Shares to resell them over the CSE or other stock exchange.

It has recently come to management's attention that all major securities clearing firms in the United States have ceased US residents who acquire Common Shares as "restricted securities" (including any Common Shares pursuant to the exercise of convertible securities) may find it difficult – if not impossible – to resell such shares over the facilities of any Canadian stock exchange on which the shares may then be listed. It remains unclear what impact, if any, this and any future actions among market participants in the United States will have on the ability of US residents to resell any Common Shares that they may acquire in open market transactions. Our understanding is that all US brokers must use a clearing service to facilitate resale transactions over Canadian securities exchanges. Some US brokers have self-clearing capabilities; those that do not must use third party clearing firms. This issue does not apply to the depositary trust company.

Dividends

We intend to retain earnings, if any, to finance the growth and development of our business and do not intend to pay cash dividends on the Common Shares in the foreseeable future. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

The Company will be subject to additional regulatory burden resulting from its Listing.

Prior to the filing of this Prospectus, the Company has not been subject to the continuous and timely disclosure requirements of Canadian securities laws or other rules, regulations and policies of the CSE or other stock exchange. We are working with our legal, accounting and financial advisors to identify those areas in which changes should be made to our financial management control systems to manage our obligations as a public company. These areas include corporate governance, corporate controls, disclosure controls and procedures and financial reporting and accounting systems. We have made, and will continue to make, changes in these and other areas, including our internal controls over financial reporting. However, we cannot assure purchasers of Common Shares that these and other measures that we might take will be sufficient to allow us to satisfy our obligations as a public company on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies will create additional costs for us and will require the time and attention of management. We cannot predict the amount of the additional costs that we might incur, the timing of such costs or the impact that management's attention to these matters will have on our business.

Dilution

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute Shareholders' voting power and reduce future potential earnings per Common Share. We intend to sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance our operations, development, exploration, acquisitions or other projects. We cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per Common Share.

Transactions Engaged in by our Largest Shareholders, our Directors or Officers

As of the date of this Prospectus, our officers, directors and principal shareholders (greater than 10% shareholders) collectively control approximately 37.78% of the Company. Subsequent sales of our Common Shares by these Shareholders could have the effect of lowering the market price of our Common Shares. The perceived risk associated with the possible sale of a large number of Common Shares by these Shareholders, or the adoption of significant short positions by hedge funds or other significant investors, could cause some of our Shareholders to sell their Common Shares, thus causing the market price of our Common Shares to decline. In addition, actual or anticipated downward pressure on our stock price due to actual or anticipated sales of Common Shares by our directors or officers could cause other institutions or individuals to engage in short sales of the Common Shares, which may further cause the market price of our Common Shares to decline.

From time to time our directors and executive officers may sell Common Shares on the open market. These sales will be publicly disclosed in filings made with securities regulators. In the future, our directors and executive officers may sell a significant number of Common Shares for a variety of reasons unrelated to the performance of our business. Our Shareholders may perceive these sales as a reflection on management's view of the business and result in some Shareholders selling their Common Shares. These sales could cause the market price of our Common Shares to drop.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The Company encourages each security holder to consult with its own tax or professional advisor to under the tax considerations generally applicable with purchasing or owning Common Shares.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contain a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CONTRACTUAL RIGHT OF RESCISSION

The Company granted to each holder of a Special Warrant a contractual right of rescission of the prospectus exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides that if a holder of a Special Warrant who acquires Common Shares on the exercise or deemed exercise of the Special

Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this Prospectus or an amendment to this Prospectus containing a misrepresentation,

(a) the holder is entitled to rescission of both the holder's exercise or deemed exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired,

(b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition of the Special Warrant, and

(c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

The contractual rights of action described above are in addition to and without derogation from any other right or remedy that a purchaser of Special Warrants may have at law.

PROMOTERS

Karamveer Thakur may be considered to be a Promoter of the Company for the purposes of Applicable Securities Law, as he has taken the initiative in organizing and financing the Company. Mr. Thakur (through 1142377 B.C. Ltd.) owns 250,000 (0.55%) Common Shares upon closing of the Transaction.

Ahmad Yehya may be considered to be a Promoter of Nabati for the purposes of Applicable Securities Law, as he has taken the initiative in reorganizing and financing Nabati. Mr. Yehya will own 9,296,740 Common Shares (20.47%) Common Shares, and stock options, upon closing of the Transaction. See "*Directors and Officers*", "*Principal Shareholders*", "*Consolidated Capitalization*", "*Executive Compensation*" and "*Prior Sales*".

Neither Karamveer Thakur nor Ahmad Yehya:

- received anything of value directly or indirectly from the Company or a subsidiary;
- sold or otherwise transferred any asset to the Company or a subsidiary within the last two years;
- has been a director, chief executive officer or chief financial officer of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;
- has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;
- has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or
- has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not aware of any material legal proceedings involving the Company nor are any such proceedings known by the Company to be contemplated. The Company is not aware of any penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years preceding the date of this Prospectus, nor has the Company entered into any settlement agreements before a court relating to provincial and territorial securities legislation or within a securities regulatory authority within the three years preceding the date of this Prospectus.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

In December 2020, the Company issued convertible notes to Ahmad Yehya in the aggregate amount of approximately \$495,587 (inclusive of approximately \$8,984 in interest) and Afaf Miri in the aggregate amount of approximately \$7,209 (inclusive of approximately \$171 in interest) to settle their respective outstanding shareholder loans. See "*General Development of the Business – History – Nabati*".

Except as otherwise disclosed in this section, none of (i) the directors or executive officers of the Company, (ii) the Shareholders who beneficially own or control or direct, directly or indirectly, more than ten (10%) percent of the Company's outstanding voting securities, or (iii) any Associate or Affiliate of the foregoing Persons, has or has had any material interest, direct or indirect, in any transaction in which the Company has participated within the three years before the date of this Prospectus, that has materially affected or is reasonably expected to materially affect the Company.

REGULATORY RELIEF

The Company has applied for exemptive relief from the requirements contained in subsections 2.3(1) and 2.3(1.1) of NI 41-101, which prohibit the Company from: (i) filing its first amendment to the Preliminary Prospectus more than 90 days after the date of the Preliminary Receipt; and (ii) filing its Final Prospectus more than 90 days after the date of Preliminary Receipt, respectively. The exemption requested will be evidenced by the issuance of a Final Receipt.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditor of the Company is Harbourside, Chartered Professional Accountants, located in Vancouver, British Columbia and its transfer agent and registrar is Olympia Trust Company, located in Vancouver, British Columbia.

ENFORCEMENT OF JUDGEMENTS AGAINST FOREIGN PERSONS

The Company's indirect subsidiary, Nabati (USA), is formed or continued under the laws of a jurisdiction outside of Canada, therefore, certain of the Company's operations and assets are located outside of Canada. Nabati (USA) either has appointed the Nabati Foods, 1570 – 505 Burrard Street, Vancouver, BC V7X 1M5, as its agent for service of process in Canada, it may not be possible for Shareholders to enforce against such persons judgments obtained in Canadian courts predicated on the civil liability provisions of Applicable Securities Law in Canada.

Shareholders are advised that it may not be possible for them to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

MATERIAL CONTRACTS

The following are material contracts that have been entered into by the Company or its subsidiaries, other than in the ordinary course of business, within the past two years and which are currently in force:

1. Securities Exchange Agreement. See "*General Development of the Business – History – Nabati Foods*";

2. Agency Agreement;

3. Special Warrant Indenture;

4. Escrow Agreement. See "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer – Escrow*";

5. Lease Agreement for 12817 – 66 Street, Edmonton, Alberta, dated August 7, 2020. See "*Description of the Business – Facilities*";

6. Lease Renewal Agreement for 12809 – 66 Street, Edmonton, Alberta, dated August 26, 2019. See "*Description of the Business – Facilities*";

7. Lease Agreement for 14811 – 134 Avenue NW, Edmonton, Alberta, dated December 4, 2020. See "*Description of the Business – Facilities*";

8. Lease Agreement for 14803 – 14823 134th ave Edmonton, Alberta, dated July 28, 2021. See "*Description of the Business – Facilities*"; and

9. MMG Agreement. See "*Description of the Business – Marketing – MMG*".

Copies of the above agreements or redacted versions thereof can be inspected at the Nabati Foods's head office during regular business hours for a period of 30 days after a Final Receipt is issued for this Prospectus and are also available electronically at www.sedar.com.

LEGAL MATTERS

Certain legal matters in connection with this Prospectus have been passed upon by McMillan LLP, on behalf of the Company. As of the date hereof, the partners and associates of McMillan LLP, as a group, beneficially own, directly or indirectly, in the aggregate, less than one percent of the outstanding securities of the Company.

Certain legal matters in connection with this Prospectus will be passed upon by MLT Aikins LLP, on behalf of the Agent. As at the date hereof, the partners and associates of MLT Aikins LLP, as a group, beneficially own, directly or indirectly, in the aggregate, less than one percent of the outstanding Common Shares of the Company.

EXPERTS

No person or company whose profession or business gives authority to a report, valuation, statement or opinion made by such person or company and who is named in this Prospectus as having prepared or certified a part of this Prospectus, or a report, valuation, statement or opinion described in this Prospectus, has received or shall receive a direct or indirect interest in any securities or other property of the Company or any associate or affiliate of the Company.

Harbourside, Chartered Professional Accountants is the external auditor of both Nabati and Nabati Foods. Harbourside, Chartered Professional Accountants reported on Nabati Foods's audited financial statements as at and for the period from December 10, 2020 (date of incorporation) to December 31, 2020, attached as Schedule "B", and on Nabati's audited financial statements as at and for the years ended December 31, 2020 and December 31, 2019, attached as Schedule "D".

Harbourside, Chartered Professional Accountants are independent auditors with respect to both Nabati and Nabati Foods within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation. As of the date of this Prospectus, Harbourside, Chartered Professional Accountants does not hold any registered or beneficial interests, direct or indirect, in any securities or property of the Company.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts relating to the Company that are not otherwise disclosed in this Prospectus or are necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the Company.

Financial Statement Disclosure

SCHEDULE "A" AUDIT COMMITTEE CHARTER

SCHEDULE "B" NABATI FOODS GLOBAL INC. AUDITED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD FROM DECEMBER 10, 2020 (DATE OF INCORPORATION) TO DECEMBER 31, 2020 AND UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2021

SCHEDULE "C" NABATI FOODS GLOBAL INC. MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PERIOD FROM DECEMBER 10, 2020 (DATE OF INCORPORATION) TO DECEMBER 31, 2020 AND FOR THE SIX MONTHS ENDED JUNE 30, 2021

SCHEDULE "D" NABATI FOODS INC. AUDITED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

SCHEDULE "E" NABATI FOODS INC. MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PERIODS ENDED DECEMBER 31, 2020 AND 2019

SCHEDULE A

AUDIT COMMITTEE CHARTER

NABATI FOODS GLOBAL INC.
CHARTER OF THE AUDIT COMMITTEE

PURPOSE AND PRIMARY RESPONSIBILITY

1. This Charter sets out the Audit Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the "**Board**") of Nabati Foods Global Inc., (the "**Company**"), annual evaluation and compliance with this Charter.

2. The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this Charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

MEMBERSHIP

3. If the Company is a "venture issuer", as such term is defined under National Instrument 52-110 – Audit Committees ("**NI 52-110**"), at least a majority of the Audit Committee must be comprised of directors who are not executive officers, employees or control persons (a "**Non-Executive Director**") of the Company or of an affiliate of the Company, provided that at any time the Board may deem it to be in the best interest of the Company to comply with the independence requirements set out in Section 2 hereof. Notwithstanding the foregoing, should the Company become listed on a more senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange.

4. If the Company is not a venture issuer, at least a majority of the Audit Committee must be comprised of independent directors of the Company as defined in sections 1.4 and 1.5 of NI 52-110, provided that should the Company become listed on a more senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange.

5. The Audit Committee will consist of at least three directors, all of whom shall be financially literate, provided that an Audit Committee member who is not financially literate may be appointed to the Audit Committee if such member becomes financially literate within a reasonable period of time following his or her appointment. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, the Audit Committee will consist of at least three directors, all of whom shall meet the experience and financial literacy requirements of such exchange and of NI 52-110.

6. The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent director or a Non-Executive Director, as applicable.

7. The Chair of the Audit Committee will be appointed by the Board.

AUTHORITY

8. In addition to all authority required to carry out the duties and responsibilities included in this Charter, the Audit Committee has specific authority to:

(i) engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;

(ii) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and

(iii) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

DUTIES AND RESPONSIBILITIES

9. The duties and responsibilities of the Audit Committee include:

(i) recommending to the Board the external auditor to be nominated by the Board;

(ii) recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;

(iii) reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);

(iv) overseeing the work of the external auditor;

(v) ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to the Company;

(vi) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;

(vii) ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;

(viii) reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("**MD&A**"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;

(ix) reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;

(x) reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;

(xi) reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;

(xii) reviewing the external auditor's report to the shareholders on the Company's annual financial statements;

(xiii) reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;

(xiv) satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;

(xv) overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;

(xvi) reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;

(xvii) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;

(xviii) satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;

(xix) resolving disputes between management and the external auditor regarding financial reporting;

(xx) establishing procedures for:

1. the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and

2. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

(xxi) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;

(xxii) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;

(xxiii) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;

(xxiv) establishing procedures for:

3. reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage;

4. reviewing activities, organizational structure, and qualifications of the Chief Financial Officer ("**CFO**") and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board;

5. obtaining reasonable assurance as to the integrity of the Chief Executive Officer ("**CEO**") and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;

6. reviewing fraud prevention policies and programs, and monitoring their implementation;

7. reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company's compliance with laws and regulations having a material impact on the financial statements including:

(I) Tax and financial reporting laws and regulations;

(II) Legal withholding requirements;

(III) Environmental protection laws and regulations; and

(IV) Other laws and regulations which expose directors to liability;

10. A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.

11. On an annual basis the Audit Committee shall review and assess the adequacy of this Charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee Charter to the Board for its approval.

MEETINGS

12. The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee.

13. The Chair of the Audit Committee shall be responsible for leadership of the Audit Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. The Chair of the Audit Committee will also maintain regular liaison with the CEO, CFO, and the lead external audit partner.

14. The Audit Committee will meet in camera separately with each of the CEO and the CFO of the Company at least annually to review the financial affairs of the Company.

15. The Audit Committee will meet with the external auditor of the Company in camera at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

16. The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Audit Committee.

17. Each of the Chair of the Audit Committee, members of the Audit Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

REPORTS

18. The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.

19. The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

MINUTES

20. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

ANNUAL PERFORMANCE EVALUATION

21. The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the Charter, to determine the effectiveness of the Committee.

SCHEDULE B

NABATI FOODS GLOBAL INC. (FORMERLY 1279006 B.C. LTD.) AUDITED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD FROM DECEMBER 10, 2020 (DATE OF INCORPORATION) TO DECEMBER 31, 2020 AND UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2021

Nabati Foods Global Inc. (formerly 1279006 B.C. Ltd.)

Financial Statements

For the period from incorporation on December 10, 2020 to December 31, 2020

Expressed in Canadian Dollars

Nabati Foods Global Inc. (formerly 1279006 B.C. LTD.)

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HARBOURSIDE CPA

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Nabati Foods Global Inc. (formerly 1279006 B.C. Ltd.)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nabati Foods Global Inc. Ltd. (the "Company"), which comprise the statement of financial position as at December 31, 2020 and the statement of changes in equity, statement of loss and comprehensive loss and statement of cash flows for the period from incorporation on December 10, 2020 to December 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the period from incorporation on December 10, 2020 to December 31, 2020 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Consolidated Financial Statements and the Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, included in Management's discussion and analysis report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's discussion and analysis report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Mickey Goldstein.

HARBOURSIDE CPA LLP

Vancouver, British Columbia
September 20, 2021

Harbourside CPA, LLP
Chartered Professional Accountants

Nabati Foods Global Inc. (formerly 1279006 B.C. LTD.)
Statement of Financial Position
As at December 31, 2020
(Expressed in Canadian Dollars)

			December 31, 2020
Assets			
Current assets:			
Cash and cash equivalents	3	**$**	**-**
Amounts receivable			1
		$	**1**
Liabilities and Shareholders' Equity			
Shareholders' equity:			
Share capital			1
Deficit			**-**
		$	**1**

Nature of business (Note 1)
Subsequent events (Note 8)

Approved on behalf of the board of directors:

"Kelvin Lee"	*"Ravinder Kang"*
Kelvin Lee, Director	**Ravinder Kang, Director**

The accompanying notes form an integral part of these financial statements.

Nabati Foods Global Inc. (formerly 1279006 B.C. LTD.)
Statement of Changes in Equity
For the period from incorporation on December 10, 2020 to December 31, 2020
(Expressed in Canadian Dollars)

	Note	Common Shares		Deficit	Total Shareholders' Equity
		Number of Shares	Share Capital		
Balance, December 10, 2020 (date of incorporation)		-	$ -	$ -	$ -
Share issued on incorporation	4	1	1	-	1
Net Loss for the period		-		-	
Balance, December 31, 2020		**1**	**$ 1**	**$ -**	**$ 1**

The accompanying notes form an integral part of these financial statements

Nabati Foods Global Inc. (formerly 1279006 B.C. LTD.)

Statement of Loss and Comprehensive Loss
For the period from Incorporation on December 10, 2020 to December 31, 2020
(Expressed in Canadian Dollars)

		For the period from December 10, 2020 to December 31, 2020
Expenses:		
Office and administration	$	-
Professional fees		-
Net and comprehensive loss	$	-
Loss per common share – basic and diluted	$	-
Weighted average number of common shares outstanding – basic and diluted		1

The accompanying notes form an integral part of these financial statements

Nabati Foods Global Inc. (formerly 1279006 B.C. LTD.)

Statement of Cash Flows
For the period from incorporation on December 10, 2020 to December 31, 2020
(Expressed in Canadian Dollars)

		For the period from December 10, 2020 to December 31, 2020
Cash provided by (used in):		
Operating activities		
Net loss for the period	$	-
Changes in non-cash working capital:		
Accounts payable and accrued liabilities		-
		-
Financing activities		
Proceeds from common share issuances		-
Net proceeds from special warrant issuances		-
		-
Change in cash		-
Cash, beginning of period		-
Cash, end of period	$	-

The accompanying notes form an integral part of these financial statements

1. NATURE OF BUSINESS

Nabati Foods Global Inc. (formerly 1279006 B.C. Ltd.) (the "Company") was incorporated on December 10, 2020 under the laws of the Province of British Columbia, Canada by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia). On March 11, 2021 the Company changed its name from 1279006 B.C. Ltd. to Nabati Foods Global Inc. The Company's head office and principal address is Suite 1570 – 505 Burrard Street, Vancouver BC, V6E 3P3. The registered and records office is 1500-1055 West Georgia Street, Vancouver, BC, V6E 4N7.

The Company was incorporated for the sole purpose of completing financings in anticipation of completing the acquisition of Nabati Foods Inc. ("Nabati") (Note 8) and concurrently applying for a listing on the Canadian Securities Exchange (the "CSE").

These financial statements have been prepared on the basis that the Company will continue as a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation for at least twelve months from December 31, 2020.

Global outbreak of COVID-19

In March 2020 there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements were reviewed, approved and authorized for issuance by the Company's Board of Directors on September 20, 2021.

Basis of presentation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. These financial statements are presented for the period from incorporation on December 10, 2020 to December 31, 2020. The Company's fiscal year end is December 31. All amounts in the financial statements are presented in Canadian dollars, unless otherwise noted, which is also the Company's functional currency.

2. SIGNIFICANT ACCOUNTING POLICIES

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to 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.

Cash and cash equivalents

The Company considered all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

Share capital

Common shares and special warrants are classified as equity. Transaction costs directly attributable to the issue of common shares and special warrants are recognized as a deduction from equity as share issue costs, net of any tax effects. Common shares issued for consideration other than cash are valued based on their fair value at the date the shares are issued.

Share issue costs and other legal fees related to and incurred in advance of share subscriptions are recorded as deferred financing costs. Share issue costs related to uncompleted share subscriptions are charged to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital. When vested options are forfeited or are not exercised at the expiry date, the amount previously recognized is transferred to deficit. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Loss per share

Basic earnings (loss) per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

Income taxes

Current income tax:
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:
Deferred income tax is based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

***Income taxes** (cont'd)*

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation.

Financial instruments

The Company recognizes financial assets and financial liabilities at fair value on the date the Company becomes a party to the contractual provisions of the instruments.

The Company classifies its financial assets into the following categories: fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI"), or amortized cost.

The Company classifies its financial liabilities at amortized cost. Financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method. Interest expense is recorded to profit or loss.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (an irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or accumulated other comprehensive income (loss).

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Company's financial assets and financial liabilities are classified and measured as follows:

Asset/Liability	Measurement Category
Cash	FVTPL
Amounts receivable	FVTPL
Accounts payable and accrued liabilities	Amortized cost

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Standards issued but not yet effective

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2021. These updates are not applicable or consequential to the Company and have been omitted from discussion herein.

3. CASH AND CASH EQUIVALENTS

		December 31, 2020
Cash	$	-
Funds held in trust		-
	$	-

4. SHARE CAPITAL

a. Authorized

Unlimited number of common shares without par value.

b. Issued and outstanding

During the period from December 10, 2020, date of incorporation, to December 31, 2020, the Company completed the following transactions:

i) On December 10, 2020, 1 common share was issued to the incorporator of the Company for $1.00.

c. Warrants

During the period from December 10, 2020, date of incorporation, to December 31, 2020, the Company did not issue any share purchase warrants.

5. INCOME TAXES

A reconciliation of combined federal and provincial corporate income taxes of statutory rates of 27% and the Company's effective income tax expense is as follows:

		2020
Earnings (loss) for the year	$	**-**
Combined federal and provincial rate		**27%**
Expected income tax (recovery)		**-**
Change in statutory, foreign tax, foreign exchange rates and others		**-**
Permanent difference		**-**
Change in unrecognized deductible temporary differences		**-**
Total income tax expense (recovery)	$	**-**

5. INCOME TAXES – (cont'd)

Significant components of the deferred income tax assets (liabilities) are as follows:

		2020
Deferred tax assets (liabilities)		
Non-capital losses	$	-
Unrecognized deferred tax assets		
Deferred tax assets (liabilities)	**$**	**-**

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. The unrecognised deductible temporary differences at December 31, 2020 are as follows:

		2020
Non-capital losses	$	-
Total unrecognized temporary differences	**$**	**-**

As at December 31, 2020, the Company has a non-capital loss for income tax purposes of approximately $nil which may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

Expiry		**December 31, 2020**
2039	$	-
Total	$	-

The Company has not recorded deferred tax assets related to these unused non-capital loss carryforwards as it is not probable that future taxable profits will be available to utilize these loss carryforwards.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at December 31, 2020, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

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's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and seeking equity financing when needed.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held in an account with a major Canadian financial institution. The funds may be withdrawn at any time without penalty.

(b) Foreign currency risk
The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

(c) Price risk
The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potentially adverse impact on the Company's ability to obtain equity financing due to movements in individual equity prices. The Company closely monitors individual equity movements to determine the appropriate course of action to be taken by the Company.

7. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. As at December 31, 2020, the Company's shareholders' equity was $1 and it had no current liabilities. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its future liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. The Company currently is not subject to externally imposed capital requirements.

8. SUBSEQUENT EVENTS

a) On January 14, 2021, the Company issued 7,000,000 units at a price of $0.005 per unit as part of a seed round financing for aggregate proceeds of $35,000. Each unit consisted of one Common Share and one common share purchase warrant with each warrant exercisable to acquire one additional Common Share at a price of $0.05 per share until January 14, 2023.

b) On February 16, 2021, the Company issued a total of 323,000 special warrants at the $0.05 Offering Price pursuant to the Offering for aggregate gross proceeds of $16,150.

c) On January 19, 2021, as amended February 3, 2021, the Company entered into a letter of intent (“LOI”) with Nabati Foods Inc. (“Nabati”) whereby the Company will acquire all of the issued and outstanding ordinary shares in the capital of Nabati (the “Transaction”) by way of a reverse takeover (“RTO”). It is contemplated that the Transaction will take place whereby the Company will acquire all of the issued and outstanding securities of Nabati in exchange for the issuance of 14,000,000 shares in the Company to former Nabati Shareholders on a pro rata basis, which will result in Nabati becoming a 100% wholly-owned subsidiary of the Company. The Transaction was completed on March 10, 2021.

   Following the closing of the acquisition of Nabati by the Company pursuant to the terms of the Securities Exchange Agreement, Nabati became a wholly owned subsidiary of the Company that resulted in it becoming a reporting issuer and will apply to list (the “Listing”) its common shares on the Canadian Stock Exchange (“CSE”). The Company will carry on the business of Nabati.

d) Subsequent to December 31, 2020, the Company commenced a financing of Special Warrants at $0.50 Each Special Warrant will be exercisable to acquire one Common Share of the Company at no additional cost.

Nabati Foods Global Inc.

(formerly 1279006 B.C. Ltd.)

Condensed Consolidated Interim Financial Statements

Six months ended June 30, 2021

(In Canadian Dollars)

(Unaudited)

Nabati Foods Global Inc.
(formerly 1279006 B.C. Ltd.)
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

		June 30, 2021		December 31, 2020
Assets				
Current assets				
Cash	**$**	**3,556,129**	$	14,893
Restricted cash		**6,400**		-
Trade and other receivables		**425,259**		168,788
Inventory *(Note 5)*		**907,997**		103,160
		4,895,785		286,841
Deposit		**15,067**		15,067
Property and equipment *(Note 6)*		**1,757,609**		107,088
Right-of-use assets *(Note 7)*		**95,406**		128,125
Total assets		**6,763,867**		537,121
Liabilities				
Current liabilities				
Trade and other payables		**1,232,692**		171,688
Due to shareholders *(Note 11)*		**19,297**		290,545
Loan payable *(Note 9)*		**-**		31,985
Current portion of lease liabilities *(Note 7)*		**48,894**		58,721
		1,300,883		552,939
Non-current liability				
Convertible notes *(Note 8)*		**-**		528,280
Derivative liability *(Note 8)*		**-**		1,221,673
Lease liabilities *(Note 7)*		**49,760**		71,529
Total liabilities		**1,350,643**		2,374,421
Equity				
Share capital *(Note 10)*		**9,140,031**		225
Special warrants *(Note 10)*		**8,040,580**		-
Reserves *(Note 10)*		**259,004**		-
Accumulated other comprehensive income (loss)		**(365)**		1,683
Deficit		**(12,026,026)**		(1,839,208)
Total equity (deficit)		**5,413,224**		(1,837,300)
Total liabilities and equity	**$**	**6,763,867**	$	537,121

Nature and Continuance of Operations (Note 1)
Commitments (Note 14)
Subsequent Event (Note 16)

Approved on behalf of the board of directors on September 20, 2021:

"Ahmad Yehya" — **Ahmad Yehya, Director**

"Ravinder Kang" — **Ravinder Kang, Director**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Nabati Foods Global Inc.
(formerly 1279006 B.C. Ltd.)
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Six Months Period ended June 30, 2021	Six Months Period ended June 30, 2020	**Three Months Period ended June 30, 2021**	Three Months Period ended June 30, 2020
Revenue	**$ 335,301**	$ 268,443	**$ 195,750**	$ 157,322
Cost of sales	**(359,593)**	(120,637)	**(213,011)**	(66,660)
Gross profit	**(24,292)**	147,806	**(17,261)**	90,662
Operating expenses				
Advertising and promotion *(Note 10)*	**1,436,882**	57,354	**203,640**	41,886
Bank charges	**6,129**	5,551	**2,035**	4,586
Consulting fees	**288,028**	-	**90,721**	-
Depreciation	**132,844**	13,421	**21,121**	7,920
Foreign exchange	**(5,058)**	494	**(118,607)**	265
Interest expense	**38,226**	-	**33,840**	-
Office and administration	**225,306**	42,394	**116,372**	24,598
Professional fees	**534,717**	35,721	**327,117**	29,248
Rent	**21,845**	5,096	**15,926**	2,816
Repairs and maintenance	**15,844**	14,576	**13,271**	2,527
Research and development	**2,854**	-	**2,854**	-
Telephone and utilities	**19,784**	7,920	**6,598**	4,884
Travel	**2,348**	5,274	**2,284**	1,380
Salaries and benefits *(Note 11)*	**352,554**	93,564	**271,808**	32,331
Total operating expenses	**3,072,303**	281,365	**988,980**	152,441
Net loss before other items	**(3,096,595)**	(133,559)	**(1,006,241)**	(61,779)
Other income				
Listing expense *(Note 4)*	**(7,084,984)**	-	**-**	-
Interest and accretion	**(5,239)**	3,761	**31,367**	3,761
Fair value gain on derivative liability	**-**	-	**(42,700)**	-
Grant income	**-**	-	**(16,721)**	-
Net loss	**(10,186,818)**	(129,798)	**(1,034,295)**	(58,018)
Other comprehensive loss				
Foreign currency translation	**(2,048)**	86	**(1,241)**	86
Net loss and other comprehensive loss	**$ (10,188,866)**	$ (129,712)	**$ (1,035,536)**	$ (57,932)
Loss per share - basic and diluted	**$ (1.61)**	$ (576.50)	**$ (0.03)**	$ (257.48)
Weighted average number of shares outstanding - basic and diluted	**6,344,062**	225	**29,632,897**	225
Loss per share - diluted	**$ (0.31)**	$ (576.50)	**$ (0.02)**	$ (257.48)
Weighted average number of shares outstanding - diluted	**33,102,830**	225	**56,391,665**	225

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Nabati Foods Global Inc.
(formerly 1279006 B.C. Ltd.)
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)
(Unaudited)

					Reserves			
	Number of Shares	**Number of special warrants**	**Capital Amount**	**Special warrants**	**Warrant reserve**	**Cumulative translation adjustment**	**Deficit**	**Total Equity**
Balance, December 31, 2019	225	-	$ 225	$ -	$ -	$ (20)	$ (1,304,024)	$ (1,303,819)
Net loss for the period	-	-	-	-	-	86	(129,798)	(129,712)
Balance, June 30, 2020	**225**	**-**	**$ 225**	**$ -**	**$ -**	**$ 66**	**$ (1,433,822)**	**$ (1,433,531)**

					Reserves			
	Number of Shares	**Number of special warrants**	**Capital Amount**	**Special warrants**	**Warrant reserve**	**Cumulative translation adjustment**	**Deficit**	**Total Equity**
Balance, December 31, 2020	225	-	$ 225	$ -	$ -	$ 1,683	$ (1,839,208)	$ (1,837,300)
Shares cancelled	(225)	-	-	-	-	-	-	-
Units issued	7,000,000	-	35,000	-	-	-	-	35,000
Share issuance costs	-	-	(804,014)	-	259,004	-	-	(545,010)
Exercised convertible debenture	6,882,897	-	2,315,170	-	-	-	-	2,315,170
Special warrants issued	-	323,000	-	16,150	-	-	-	16,150
Special warrants issued	-	15,461,000	-	7,730,500	-	-	-	7,730,500
Shares issued for exercise of special warrants	323,000	(323,000)	16,150	(16,150)	-	-	-	-
Consideration shares issued for acquisition	14,000,000	-	6,702,500	310,080	-	-	-	7,012,580
Performance shares issued	1,750,000	-	875,000	-	-	-	-	875,000
Net loss for the period	-	-	-	-	-	-	(10,186,818)	(10,186,818)
Translation adjustment	-	-	-	-	-	(2,048)	-	(2,048)
Balance, June 30, 2021	**29,955,897**	**15,461,000**	**$ 9,140,031**	**$ 8,040,580**	**$ 259,004**	**$ (365)**	**$ (12,026,026)**	**$ 5,413,224**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Nabati Foods Global Inc.
(formerly 1279006 B.C. Ltd.)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	June 30, 2021	June 30, 2020
Operating activities		
Loss for the period	**$ (10,174,238)**	$ (129,798)
Amortization	**132,843**	13,420
Shares issued for consulting services	**875,000**	-
Fair value gain on derivative liability	**(42,700)**	-
Listing expense	**7,072,404**	-
Interest and accretion	**41,844**	3,781
Foreign exchange	**5,058**	
Change in non-cash working capital components		
Increase in trade and other receivables	**(285,284)**	(64,474)
Increase in trade and other payables	**993,432**	92,781
Due to shareholders	**63**	-
Increase in inventory	**(796,371)**	(69,170)
Net cash flows used in operating activities	**(2,177,948)**	(153,460)
Investing activities		
Purchase of property and equipment	**(1,750,645)**	(7,228)
Lease payments	**(36,834)**	(15,053)
Cash used in investing activity	**(1,787,479)**	(22,281)
Financing activities		
Proceeds from issuance of units	**35,000**	-
Proceeds from issuance of special warrants	**7,746,650**	-
Share issuance costs	**(533,602)**	-
Restricted cash	**(6,400)**	-
Proceeds from convertible debt	**300,000**	-
Exercise of convertible debenture	**-**	218,443
Vehicle loan payments	**(32,820)**	(4,386)
Cash provided by financing activities	**7,508,828**	214,057
Change in cash during the period	**3,543,401**	38,316
Effect of exchange rate changes on cash	**(2,165)**	36
Cash, beginning of period	**14,893**	7,880
Cash, end of period	**$ 3,556,129**	$ 46,232

For supplemental cash flow disclosures, see Note 15

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. Nature and Continuance of Operations

Nabati Foods Global Inc. (formerly 1279006 B.C. Ltd.) (the "Company") was incorporated under the Business Corporations Act (British Columbia) on December 10, 2020. The Company is a food technology company that offers healthy, plant-based products. The Company's head office is located at 1570 – 505 Burrard Street, Vancouver, British Columbia V7X 1M5 and its registered and records office is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

On March 9, 2021, the Company acquired all of the issued and outstanding ordinary shares in the capital of Nabati Foods Inc. by way of a reverse takeover ("RTO"), in exchange of the issuance of 14,000,000 shares in the Company to former Nabati Foods Inc. shareholders. This resulted in Nabati Foods Inc. becoming a 100% wholly-owned subsidiary of the Company.

These condensed consolidated interim financial statements have been prepared using accounting principles applicable to a going concern which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The ability of the Company to carry out its business objectives is dependent on the Company's ability to receive continued financial support from related parties, to obtain equity or debt financing, and to generate profitable operations in the future. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These consolidated financial statements do not include any adjustments to the recoverability or classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The recent outbreak of the coronavirus, also known as "COVID-19," has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. The effect that these events will have on the price of Bitcoin, the ability for the Company to raise capital and the supply of upgraded equipment are highly uncertain and as such, the Company cannot determine the corresponding financial impacts at this time.

2. Basis of Presentation and Critical Accounting Estimates, Judgments and Assumptions

Statement of Compliance

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting for the International Financial Reporting Standards" ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2020, which have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee ("IFRIC"). The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company's financial statements for the year ended December 31, 2020.

These condensed consolidated interim financial statements were approved and authorized for issuance on September 20, 2021 by the directors of the Company.

2. Basis of Presentation and Critical Accounting Estimates, Judgments and Assumptions (cont'd)

Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the accounting policies set out below. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except cash flow information.

Principles of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. All intercompany balances, transactions, revenues and expenses have been eliminated on consolidation.

As of June 30, 2021, the Company had two wholly-owned subsidiaries:
- Nabati Foods Inc.
- Nabati Foods Inc. (US)

Functional and Presentation Currency

These condensed consolidated interim financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company.

The functional currency of Nabati Foods Global Inc. and Nabati Foods Inc. is the Canadian dollar while the functional currency of Nabati Foods Inc. (US) is the US dollar.

Critical Accounting Estimates, Judgments and Assumptions

The preparation of the Company's condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

There are no new accounting estimates and judgements for the period ended June 30, 2021 other than those previously disclosed in the annual financial statements for the year ended December 31, 2020.

3. Significant Accounting Policies

The accounting policies set out in the audited financial statements for the year ended December 31, 2020 have been applied consistently to all periods presented in these condensed interim financial statements, other than the new policies discussed below.

Share based payments

The Company applies the fair value method of accounting for stock option awards using the Black-Scholes option pricing model. Under this method, the Company recognizes compensation expense for employee stock option awards, based on the grant date fair value, for each vesting instalment, over the vesting period of the options. Each instalment is valued separately, based on assumptions determined from historical reference and recognized as compensation expense over each instalment's individual tranche vesting period, which results in a corresponding increase in equity (reserves). Forfeiture estimates are recognized in the period they are estimated and are revised for actual forfeitures in subsequent periods.

In situations where stock option awards are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share based payment. Otherwise, share based payments are measured at the fair value of goods or services received.

Upon the exercise of stock options, consideration received on the exercise of these equity instruments is recorded as share capital and the related share based payment reserve is transferred to share capital.

Special Warrants

Special warrants are classified as equity. Incremental costs directly attributable to the issue of special warrants are recognized as a deduction from equity, net of any tax effects. Upon the exercise of special warrants, the fair value of the special warrants on the date of issue is allocated to share capital.

Commissions and fees paid to agents and other related special warrants issue costs are charged directly to special warrants.

4. Reverse Takeover Transaction

On March 9, 2021, the Company acquired all of the issued and outstanding shares in the capital of Nabati Foods Inc. by way of a reverse takeover ("RTO"). For accounting purposes, the acquisition was considered to be a reverse acquisition under IFRS 3 Business Combinations ("IFRS 3") as the shareholders of Nabati Foods Inc. obtained control of the Company. However, as the Company does not meet the definition of a business as defined by IFRS 3, it has been accounted for as a share-based payment transaction in accordance with IFRS 2. The accounting for this transaction resulted in the following:

4.

(i) The consolidated financial statements of the combined entity are issued under the legal parent, Nabati Foods Global Inc., but are considered a continuation of the financial statements of the legal subsidiary, Nabati Foods Inc.

(Expressed in Canadian Dollars)

4. Reverse Takeover Transaction (cont'd)

(ii) is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.

Since the shares allocated to the former shareholders of Nabati Foods Inc. on closing the RTO is considered within the scope of IFRS 2, and the Company cannot identify specifically some or all of the goods or services received in return for the allocation of the shares, the value in excess of the net identifiable assets or obligations of the Company acquired on closing was expensed in the consolidated statement of loss and comprehensive loss as a listing expense. The fair value of the 7,000,000 units of the Company was determined to be $6,702,500 or $0.96 per unit, which comprised of $3,500,000 for the value of 7,000,000 common shares and $3,202,500 for the value of 7,000,000 warrants determined using the Black-Scholes Option pricing model with the following assumptions: Volatility of 120%, expected life of 1.85 years, and risk-free discount rate of 0.27%. In addition, the fair value of the 323,000 special warrants was determined to be $310,080 or $0.96 per special warrant.

(iii) The fair value of the consideration given and charged to listing expense was comprised of:

Consideration	
7,000,000 units at $0.96 per unit	6,702,500
323,000 Special warrants at $0.96 per warrant	310,080
	7,012,580
Net assets acquired	
Accounts payable	(72,404)
	(72,404)
Listing fee	7,084,984
	7,012,580

5. Inventory

		June 30, 2021		December 31, 2020
Finished goods	$	628,087	$	40,222
Raw materials		279,910		62,938
Balance, end of year	$	907,997	$	103,160

The Company records a reserve to value inventory to its estimated net realizable value. There were no adjustments to cost of sales during the period ended June 30, 2021 and December 31, 2020. No inventory write-downs recorded in the previous periods were reversed.

(Expressed in Canadian Dollars)

6. Property, Plant and Equipment

	Furniture and equipment	Computer equipment	Leasehold improvements	Machinery and equipment	Vehicles	Total
Cost:						
At December 31, 2019	$ 8,080	$ 760	$ 31,014	$ 70,529	$ 55,899	$ 166,282
Additions	2,834	–	4,768	33,418	–	41,020
At December 31, 2020	10,914	760	35,782	103,947	55,899	207,302
Additions	23,905	9,521	452,044	1,265,175	–	1,750,645
At June 30, 2021	$ 34,819	$ 10,281	$ 487,826	$ 1,369,122	$ 55,899	$ 1,957,947
Accumulated amortization:						
At December 31, 2019	$ 2,857	$ 738	$ 13,919	$ 32,195	$ 26,110	$ 75,819
Additions	1,328	12	2,388	11,731	8,936	24,395
At December 31, 2020	4,185	750	16,307	43,926	35,046	100,214
Additions	1,868	1,312	24,555	69,261	3,128	100,214
At June 30, 2021	$ 6,053	$ 2,062	$ 40,862	$ 113,187	$ 38,174	$ 200,338
Net book value:						
At December 31, 2020	$ 6,729	$ 10	$ 19,475	$ 60,021	$ 20,853	$ 107,088
At June 30, 2021	$ 28,766	$ 8,219	$ 446,964	$ 1,255,935	$ 17,725	$ 1,757,609

(Expressed in Canadian Dollars)

7. Right-of-use Assets

Right-of-use Assets

		Equipment Leases		Vehicle Lease		Warehouse lease		Office Lease		Total
Costs:										
At December 31, 2019	$	-	$	-	$	-	$	66,010	$	66,010
Additions		52,167		32,879		26,181		-		111,227
At December 31, 2020		52,167		32,879		26,181		66,010		177,237
Additions		-		-		-		-		-
At June 30, 2021	$	52,167	$	32,879	$	26,181	$	66,010	$	177,237
Depreciation:										
At December 31, 2019	$	-	$	-	$	-	$	5,500	$	5,500
Charge for the period		8,806		1,580		11,221		22,005		43,612
At December 31, 2020		8,806		1,580		11,221		27,505		49,112
Charge for the period		6,387		4,110		11,221		11,001		32,719
At June 30, 2021	$	15,193	$	5,690	$	22,442	$	38,506	$	81,831
Net book value:										
At December 31, 2020	$	43,361	$	31,299	$	14,960	$	38,505	$	128,125
At June 30, 2021	$	**36,974**	$	**27,189**	$	**3,739**	$	**27,504**	$	**95,406**

Depreciation of right-of-use assets is calculated using the straight-line method over the remaining lease term.

Lease Liabilities

Lease liabilities recognized as of December 31, 2019	$	61,232
Lease additions		63,811
Interest expense on lease liabilities		5,207
		130,250
Less: current portion		(58,721)
At December 31, 2020	$	**71,529**
At December 31, 2020	$	130,250
Interest expense on lease liabilities		(31,596)
		98,654
Less: current portion		48,894
At June 30, 2021	$	**49,760**

Refer to Note 14 Commitments for the remaining minimum future lease payments, excluding estimated operating costs.

8. Convertible Notes

On September 25, 2020 and December 15, 2020, the Company entered into unsecured convertible note agreements for aggregate proceeds of $1,778,097. The convertible notes bear interest at 10% per annum and are due on September 25, 2025. The convertible notes are convertible into units consisting of one common share of the Company and one-half share purchase warrant (“Conversion Shares”). The convertible notes are convertible to Conversion Shares if the Company’s shares are listed on a recognized stock exchange (“Listing Event”) or all of the shares of the Company are acquired by a purchaser within 18 months from September 25, 2020 (“Conversion Period”). Upon this occurring, the holder may elect to convert all or any portion of the outstanding loan balance into Conversion Shares of the Company at a conversion price at 30% discount from the listing price at the time of the Listing Event for the common shares. Each common share purchase warrant entitles the holder to purchase a further common share of the Company at 25% premium of the listing price at the time of the Listing Event.

On January 5, 2021, the Company entered into an unsecured convertible note agreement for proceeds of $300,000. The convertible note has a maturity date of August 22, 2021 and bears interest at 10% per annum. The convertible note is convertible into units consisting of one common share of the Company and one half share purchase warrant (“Conversion Shares”). The convertible notes are convertible to Conversion Shares if the Company’s shares are listed on a recognized stock exchange (“Listing Event”) or all of the shares of the Company are acquired by a purchaser within 18 months from September 25, 2020 (“Conversion Period”). Upon this occurring, the holder may elect to convert all or any portion of the outstanding loan balance into Conversion Shares of the Company at a conversion price at 30% discount from the listing price at the time of the Listing Event for the common shares. Each common share purchase warrant entitles the holder to purchase a further common share of the Company at 25% premium of the listing price at the time of the Listing Event.

On January 5, 2021, the Company amended one of the convertible note agreements entered into on December 15, 2020 with a director and officer of the Company to increase the principal amount from $215,417 to $486,603 in exchange for the outstanding due to shareholder balance.

In the event of the Company obtaining an arm’s length equity financing of $2,000,000 or more, the convertible note holders will have the right to convert the outstanding amounts into fully paid and non-assessable common shares of the Company on the same terms of the financing.

The convertible notes were determined to be a hybrid financial instrument comprised of the debt host liability and an embedded derivative liability, as under the conversion feature the number of shares that will or may be issued to settle the convertible notes may vary.

On the issuance date of the convertible note, the fair value of the host liability was determined to be $505,379 and the embedded derivative liability was valued at $1,272,718, using the Black-Scholes Option Pricing Model and based on certain risks and assumptions, as set out below.

(Expressed in Canadian Dollars)

8. Convertible Notes (cont'd)

Value host liability		**Total**
Value host liability, January 1, 2020	$	-
Additions		505,379
Accretion and interest expense		22,901
Value of convertible notes, December 31, 2020		528,280
Additions		237,284
Accretion and interest expense		36,606
Conversion of notes payable		(802,170)
Value of convertible notes, June 30, 2021	$	-

Fair value of embedded derivative liability		**Total**
Fair value of embedded derivative liability, January 1, 2020	$	-
Additions		1,272,718
Fair value adjustment		(51,045)
Fair value of embedded derivative liability, December 31, 2020		1,221,673
Additions		334,027
Fair value adjustment		(42,700)
Conversion of notes payable		(1,513,000)
Fair value of embedded derivative liability, June 30, 2021	$	-

The inputs used to fair value the embedded derivative using the Black Scholes Option Pricing Model are as follows:

	September 25, 2020	December 15, 2020	December 31, 2020	January 5, 2021	March 15, 2021
Risk free rate	0.22%	0.22%	0.22%	0.19%	0.31%
Expected dividend yield	0%	0%	0%	0%	0%
Expected stock price volatility	149.96%	104.81%	101.14%	80.19%	84.65%
Weighted average expected life	1.42 years	1.2 years	1.15 years	0.63 years	0.98 years
Weighted share price	$0.50	$0.50	$0.50	$0.50	$0.50

The host liability of the convertible note will be amortized at cost, with the embedded derivative liability measured at fair value through profit and loss.

During the period ended June 30, 2021, all convertible debt, plus interest of $2,409,014 were converted and settled by issuing 6,882,898 units. Each unit consisted of one common share, and one half of a common share purchase warrant. Each whole warrant is convertible into one common share of the resulting entity at $0.625, for two years.

9. Loans Payable

During the year ended December 31, 2018, the Company obtained a vehicle loan of $47,549. The loan is secured against the vehicle, bears interest at 7.65% and has monthly payments due of $835 and is due on November 1, 2024. During the period ended June 30, 2021, the Company fully repaid the principal and interest balance totaling $34,374. As of June 30, 2021, the outstanding balance was $Nil (December 31, 2020 - $31,985).

10. Share Capital

(a) Authorized:

Unlimited common shares without par value

(b) Issued – common shares

The Company issued the following common shares, special warrants during the six months period ended June 30, 2021:

(i) On January 14, 2021, the Company completed a private placement of 7,000,000 units at $0.005 per unit, for proceeds of $35,000. Each unit consisted of one common share and one common share purchase warrant, with each warrant exercisable to acquire one additional common share of the Company at a price of $0.05 per share until January 14, 2023. The fair value of the warrants was determined to be $nil, using the residual value method.

(ii) On February 16, 2021, the Company completed a private placement of 323,000 special warrants at $0.05 per special warrant, for proceeds of $16,150. Each special warrant will be exercisable into one common share of the Company at no additional cost. These 323,000 special warrants have been converted into 323,000 common shares of the Company as at June 30, 2021.

(iii) On March 9, 2021, the Company completed a financing of 15,461,000 special warrants at $0.50 per special warrant, for total proceeds of $7,730,500. Each special warrant will be exercisable into one common share of the Company at no additional cost. In connection with this financing, the Company incurred $533,602 in cash costs and issued 856,320 agent warrants. Each agent warrant is exercisable into a special warrant at a price of $0.50 until March 9, 2023. The value of the agent warrants was determined to be $259,004 using the Black-Scholes Option pricing model with the following assumptions: Volatility of 120%, expected life of 2 years, and risk-free discount rate of 0.27%.

(iv) On March 15, 2021, the Company issued 1,750,000 performance shares to advisors valued at $0.50 per share, for a total value of $875,000.

(v) On June 17, 2021, the company issued 323,000 shares pursuant to the exercise of special warrants with no additional consideration.

The Company did not issue any shares during the six months period ended June 30, 2020.

(Expressed in Canadian Dollars)

10. Share Capital (cont'd)

(c) Warrants

The following table summarizes the common share purchase warrant activity during the period ended June 30, 2021:

	Warrants	Weighted-average exercise price ($)
Balance, December 31, 2020	-	-
Issued - private placement	7,000,000	0.050
Issued - agent's warrants	856,320	0.500
Issued - convertible note	3,441,448	0.625
Balance, June 30, 2021	11,297,768	0.26

No common share purchase warrants were issued or outstanding during the year ended December 31, 2020.

As at June 30, 2021, the Company has the following warrants outstanding:

Number of warrants	Exercise price	Expiry date	Remaining life (years)
7,000,000	$0.05	January 14, 2023	1.54
856,320*	$0.50	March 9, 2023	1.69
3,441,448	$0.625	March 15, 2023	1.71
11,297,768	$0.26		1.60

*Agent's warrants

During the period ended June 30, 2021, the Company assigned a fair value to the agent warrant issued of $259,004 based on the Black Scholes valuation model using the following assumptions:

	June 30,2021	June 30,2020
Share Price	$ 0.50	$ -
Risk Free Interest Rate	0.27%	-
Expected Life	2 years	-
Expected Volatility	120%	-
Expected Dividend	NIL	-

The common share purchase warrants issued as part of the private placement units during the period had a fair value of $nil assigned to the warrant using the residual value method.

(Expressed in Canadian Dollars)

11. Related Party Transactions

Key management remuneration:

A Company director is a key management personnel who has the authority and responsibility for planning, directing and controlling the activities of the Company.

During the six month period ended June 30, 2021, the remuneration of the key management personnel was as follows:

		June 30, 2021		June 30, 2020
Salaries	$	**48,878**	$	4,808

Other related party transactions and balances:

As at June 30, 2021, the Company owed $19,297 (December 31, 2020 - $290,545) to the CEO and director of the Company, the amount was non-interest bearing and payable upon demand.

On December 15, 2020, the Company repaid $1,528,322 of due on demand loans to the CEO and shareholders of the Company by issuing convertible notes in exchange for the balance owing. Refer to Note 8 for details. As at June 30, 2021, the outstanding balance including accrued interest and principal was $nil (December 31, 2020 - $1,535,021).

On February 3, 2021, the Company issued 1,415,962 common shares and 709,781 warrants to the CEO of the Company for the conversion of note payable of $486,603 plus interest accrual of $8,984.

During the period ended June 30, 2021, the Company has revenues of $nil (2020 - $40,168) and costs of goods sold of $nil (2020 - $50) with a company controlled by the CEO.

12. Financial Instruments

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk.

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial assets / liabilities	**Classification**
Cash	FVTPL
Restricted cash	FVTPL
Trade and other receivables	Amortized costs
Trade and other payables	Amortized costs
Loan payable	Amortized costs
Convertible debt – derivative liability	FVTPL

12. Financial Instruments (cont'd)

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk.

(a) Credit risk
Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The risk for cash is mitigated by holding these instruments with highly rated Canadian financial institutions. Trade and other receivables primarily consist of trade receivables from sale of goods and sales tax recoverable from the Canadian Revenue Agency. The maximum credit risk exposure associated with cash and trade and others receivable is limited to the total carrying value.

(b) Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to meet liabilities when due. As at June 30, 2021, the Company had a cash balance of $3,556,129 (December 31, 2020 - $14,893) and current liabilities of $1,300,883 (December 31, 2020 - $552,939). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(i) Interest rate risk
The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The interest rate risk on bank deposits is insignificant as the deposits are short term. A 10% change in the LIBOR rates will result in an insignificant impact on the consolidated statements of loss and comprehensive loss. The loan payable and convertible note payable are subject to fixed interest rates; therefore, the Company is not exposed to interest rate risk on these financial liabilities.

(ii) Foreign currency risk
As at June 30, 2021 and December 31, 2020, the Company's expenditures are in Canadian dollars. Any future equity raised is expected to be predominantly in Canadian dollars. The Company believes it has no significant foreign exchange rate risk.

The Company hold insignificant balances in foreign currencies which would give rise to exposure to foreign exchange rate risk.

Fair value hierarchy
The Company applied the following fair value hierarchy which prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels.

The three levels are defined as follows:
Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

(Expressed in Canadian Dollars)

12. Financial Instruments (cont'd)

As at June 30, 2021 and December 31, 2020, cash is assessed to be Level 1 instruments.

The fair value of trade and other receivables, trade and other payables, loan payable and convertible note payable is equal to its carrying value due to its short-term maturity.

13. Capital Management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of share capital and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources for its operations and to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The Company monitors capital on the basis of maintaining sufficient cash flow to comply with financial obligations. During the year, the Company's strategy, which was unchanged from the prior year, was to issue sufficient additional shares from treasury to meet all such obligations.

The Company is not subject to any externally imposed capital requirements.

14. Commitments

On August 9, 2014, the Company entered into a five-year lease agreement. On August 26, 2019, the Company has extended the lease term which ends on September 30, 2022.

On December 4, 2020, the Company entered into a five-year lease agreement that commenced on April 1, 2021.

Minimum annual lease payments of base rent for the terms of the lease are as follows:

Lease Period	Amount
2021	$ 77,670
2022	97,170
2023	78,000
2024	78,000
2025	78,000
Thereafter	19,500
	$ 422,340

(Expressed in Canadian Dollars)

15. Supplemental Cash Flow

		June 30, 2021		June 30, 2020
Exercise of convertible notes	$	2,315,170	$	-
Lease liabilities	$	52,167	$	-

16. Subsequent Event

On July 10, 2021, 15,461,000 common shares of the Company were issued upon the conversion of 15,461,000 special warrants.

On August 9, 2021, the Company entered into lease agreement for a warehouse facility located in Edmonton, AB. The lease is for a 4.5-year term commencing October 1, 2021 and expiring on March 31, 2026. The facility comprises approximately 14,860 square feet of warehousing space. Pursuant to the lease agreement, the annual base rent is $89,160 per annum for the first year, and $178,320 for the remaining years. The Company is required to pay a security deposit of $31,206 to be included in the first month's rent payment.

SCHEDULE C

NABATI FOODS GLOBAL INC. (FORMERLY 1279006 B.C. LTD.) MD&A FOR THE PERIOD FROM DECEMBER 10, 2020 (DATE OF INCORPORATION) TO DECEMBER 31, 2020 AND FOR THE SIX MONTHS ENDED JUNE 30, 2021

Nabati Foods Global Inc. (formerly 1279006 B.C. LTD.)

MANAGEMENT DISCUSSION AND ANALYSIS
For the period from incorporation on December 10, 2020 to December 31, 2020

1.1 Date

This Management Discussion and Analysis ("MD&A") of Nabati Foods Global Inc, (formerly 1279006 B.C. Ltd.) (the "Company") has been prepared by management as of September 20, 2021 and should be read in conjunction with the audited financial statements and related notes thereto of the Company for the period from incorporation on December 10, 2020 to December 31, 2020, which was prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC").

This MD&A contains forward-looking information which reflects management's expectations regarding the Company's growth, results of operation, performance and business prospects and opportunities. The use of words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", believe", outlook", "forecast" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements in this MD&A include, but not limited to, the Company's expectation of future activities and results, of its working capital needs and its ability to identify, evaluate and pursue suitable business opportunity. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results of events to differ materially from those anticipated in these forward-looking statements. Readers should not put undue reliance on forward-looking information.

All amounts in this MD&A are presented in Canadian dollars ("CAD"). The financial statements are presented for the stub period from incorporation on December 10, 2020 to December 31, 2020. The Company's fiscal year end is December 31.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations.

Global outbreak of COVID-19

In March 2020 there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

1.2 Overall Performance

The Company was incorporated on December 10, 2020 under the laws of the Province of British Columbia, Canada by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia). The Company was incorporated for the sole purpose of completing financings in anticipation of completing the acquisition of Nabati and applying for a listing on the Canadian Securities Exchange (the "CSE").

On January 19, 2021, as amended February 3, 2021 and March 3, 2021, the Company entered into a letter of intent ("LOI") with Nabati Foods Inc. ("Nabati") whereby the Company will acquire all of the issued and outstanding ordinary shares in the capital of Nabati (the "Transaction") by way of a reverse takeover ("RTO"). It is contemplated that the Transaction will take place whereby the Company will acquire all of the issued and outstanding securities of Nabati in exchange for the issuance of 14,000,000 shares in the

Company to former Nabati Shareholders on a pro rata basis, which will result in Nabati becoming a 100% wholly-owned subsidiary of the Company. The Transaction was completed on March 9, 2021.

Following the closing of the acquisition of Nabati by the Company pursuant to the terms of the Securities Exchange Agreement, Nabati became a wholly owned subsidiary of the Company that resulted in it becoming a reporting issuer and will apply to list (the "Listing") its common shares on the Canadian Stock Exchange ("CSE"). The Company will carry on the business of Nabati.

1.3 Selected Annual Information

	For the period from incorporation on December 10, 2020 to December 31, 2020
Loss for the period	$ -
Loss per share	$ -
Current assets	$1
Total assets	$1
Total non-current liabilities	$ Nil

Current assets consist of cash in the amount of $1, for working capital purposes.

1.4 Results of Operations

Period from incorporation on December 10, 2020 to December 31, 2020

During the period from incorporation on December 10, 2020 to December 31, 2020, the Company reported no losses.

1.5 Summary of Quarterly Results

Quarterly financial information for interim periods preceding the date of this MD&A have been omitted as the Company was incorporated on December 10, 2020.

1.6 Liquidity and Capital Resources

As at December 31, 2020, the Company had working capital of $1.

The Company may continue to have capital requirements more than its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

1.7 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

1.8 Risk and Uncertainties

The Company's financial performance is likely to be subject to the following risks:

- The Company has not generated any revenue and has not incurred any losses since inception.
- Although management of the Company is working diligently to complete the business transaction, there is no assurance that a definitive agreement will be entered into nor completed.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company is exposed to credit risk by holding cash, which is held in trust with Canadian legal counsel, and in a Canadian bank account. Management believes there is no exposure to credit risk with respect to its cash balances.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

Interest rate risk

Interest rate risk is the Company's exposure to changes in results of operations because of fluctuating interest rates. The Company has no variable interest-bearing financial instruments and is therefore not exposed to interest rate risk.

Currency risk

The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

1.9 Transactions with Related Parties

None.

1.10 Fourth Quarter

Please refer to 1.4 Results of Operations and 1.11 Subsequent Events.

1.11 Subsequent Events

- On January 14, 2021, the Company issued 7,000,000 units at a price of $0.005 per unit as part of a seed round financing for aggregate proceeds of $35,000. Each unit consisted of one Common Share and one common share purchase warrant with each warrant exercisable to acquire one additional Common Share at a price of $0.05 per share until January 14, 2023.
- On February 16, 2021, the Company issued a total of 323,000 special warrants at the $0.05 Offering Price pursuant to the Offering for aggregate gross proceeds of $16,150. Each Special Warrant will be exercisable to acquire one Common Share of the Company at no additional cost

- On January 19, 2021, as amended February 3, 2021 and March 3, 2021, the Company entered into a letter of intent ("LOI") with Nabati Foods Inc. ("Nabati") whereby the Company will acquire all of the issued and outstanding ordinary shares in the capital of Nabati (the "Transaction") by way of a reverse takeover ("RTO"). It is contemplated that the Transaction will take place whereby the Company will acquire all of the issued and outstanding securities of Nabati in exchange for the issuance of 14,000,000 shares in the Company to former Nabati Shareholders on a pro rata basis, which will result in Nabati becoming a 100% wholly-owned subsidiary of the Company. The Transaction was completed on March 9, 2021.

  Following the closing of the acquisition of Nabati by the Company pursuant to the terms of the Securities Exchange Agreement, Nabati became a wholly owned subsidiary of the Company that resulted in it becoming a reporting issuer and will apply to list (the "Listing") its common shares on the Canadian Stock Exchange ("CSE"). The Company will carry on the business of Nabati.

- On March 9, 2021, the Company completed a financing of 15,461,000 Special Warrants at $0.50 for total proceeds of $7,730,500. Each Special Warrant will be exercisable to acquire one Common Share of the Company at no additional cost. In connection with the financing, the Company incurred $857,320 in cash costs, and issued 856,320 agent warrants. Each agent warrant is exercisable at a price of $0.50 until March 9, 2023.

1.12 Critical Accounting Estimates

Not applicable to venture issuers.

1.13 Changes in Accounting Policies including Initial Adoption

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards. Our significant accounting policies are set out in Note 2 of the financial statements of the Company, as at and for the period ended December 31, 2020.

1.14 Financial Instruments and Other Instruments

The Company's classifies and measures its financial instruments as follows:

Asset/Liability	**Measurement Category**
Cash	FVTPL
Amounts receivable	FVTPL
Accounts payable and accrued liabilities	Amortized cost

On behalf of the Board of Directors, thank you for your continued support.

As per:

"Ravinder Kang"

Ravinder Kang
Director

Nabati Foods Global Inc. (formerly 1279006 B.C. Ltd.)

MANAGEMENT DISCUSSION AND ANALYSIS
For the six months ended June 30, 2021

Nabati Foods Global Inc.
(formerly 1279006 B.C. Ltd.)
Management Discussion & Analysis
June 30, 2021

INTRODUCTION

This Management Discussion and Analysis ("MD&A") of Nabati Foods Global Inc, (formerly 1279006 B.C. Ltd.) ("Nabati" or the "Company") has been prepared by management as of September 20, 2021 and should be read in conjunction with the condensed consolidated interim financial statements and related notes thereto of the Company for the period ended June 30, 2021 and the audited consolidated financial statement as at and for the year ended December 31, 2020 and notes thereto of Nabati Foods Inc., which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC").

This MD&A contains forward-looking information which reflects management's expectations regarding the Company's growth, results of operation, performance and business prospects and opportunities. The use of words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", believe", outlook", "forecast" and similar expressions are intended to identify forward-looking statements.

The Company has based the forward-looking statements largely on the Company's current expectations, estimates, assumptions, and projections about future events and financial and other trends that the Company believes, as of the date of such statements, may affect its business, financial condition and results of operations. Such expectations, estimates, assumptions, and projections, many of which are beyond the Company's control, include, but are not limited to: management's expectations regarding the future business, objectives and operations of the Company; the Company's anticipated cash needs and the need for additional financing; the Company's ability to successfully complete future financings; the acceptance by the marketplace of new technologies and solutions; the Company's expectations regarding its competitive position; the Company's expectations regarding regulatory developments and the impact of the regulatory environment in which the Company operates; the Company's ability to attract and retain qualified management personnel and key employees; and anticipated trends and challenges in the Company's business and the markets in which it operates. Assumptions underlying the Company's working capital requirements are based on management's experience with other public companies. Forward-looking statements regarding treatment by governmental authorities assumes no material change in regulations, policies, or the application of the same by such authorities. 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 with the risks set forth.

DESCRIPTION OF THE COMPANY

The Company was incorporated on December 10, 2020 under the laws of the Province of British Columbia, Canada by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia). The Company was incorporated for the sole purpose of completing financings in anticipation of completing the acquisition of Nabati and applying for a listing on the Canadian Securities Exchange (the "CSE").

On January 19, 2021, as amended February 3, 2021 and March 3, 2021, the Company entered into a letter of intent ("LOI") with Nabati Foods Inc. ("Nabati Foods") whereby the Company will acquire all of the issued and outstanding ordinary shares in the capital of Nabati Foods (the "Transaction") by way of a reverse takeover ("RTO"). It is contemplated that the Transaction will take place whereby the Company will acquire all of the issued and outstanding securities of Nabati Foods in exchange for the issuance of 14,000,000 shares in the Company to former Nabati Foods Shareholders on a pro rata basis, which will result in Nabati Foods becoming a 100% wholly-owned subsidiary of the Company. The Transaction was completed on March 9, 2021. For accounting purposes, the acquisition was considered to be a reverse acquisition under IFRS 3 Business Combinations ("IFRS 3") as the shareholders of Nabati Foods Inc. obtained control of the Company.

Nabati Foods was incorporated on July 11, 2014, under the ABCA under the name “Yemira Trading Inc.”. On July 18, 2016, it changed its name to “Nabati Foods Inc.”.

Nabati is an emerging plant-based food technology company that designs, develops, produces, distributes and sells a variety of plant-based meat and other food alternatives. Nabati’s mission is to employ plant-based food technology to inspire those who value their health to indulge in real, clean, plant-based foods for a nourished, sustainable and compassionate life. See “Outlook”.

Nabati (USA), a wholly-owned subsidiary of Nabati, was formed on September 17, 2019, under the Washington Business Company’s Act under the name “Nabati Foods Inc.” See “Outlook”.

OUTLOOK

During the 1st quarter ended March 31, 2021, the Company:

Started supplying Cobs Bread through its distribution partner Tree of Life, Nabati Cheeze™ to all its locations part of a limited time offer across Canada. In February 2021, Cobs Bread made the decision to continue offering its plant-based pizza using Nabati Cheeze™ on its menu as an everyday item making Nabati an official supplier to Cobs Bread.

In March 2021, Mucho Burrito, part of the MTY group, began discussing using Nabati Cheeze™ for a limited time offer launching in April 2021 nationally with Tree of Life. The Company geared all its production capacity of its pilot plant towards producing inventory for COBS Bread and Mucho Burrito while its new facility is being built out.

The Company during this period focused on the long-term benefits of supporting these two large branded deals, sacrificing revenue from its dairy free cheesecakes and plant-based meats which were just recently launched.

During the 2nd quarter ended June 30, 2021, the Company:

Commissioned its 7,403 square foot facility in Edmonton, AB (“Facility B”) and began production of its Nabati Cheeze™ and its plant-based meats at the new location. Within a few weeks, production ramped up to support the demand for retail and foodservice Nabati Cheeze™ in the market while many businesses entered prolonged shutdowns during the period.

During this quarter, the Company focused its resources on finalizing the development, filing of trademarks and patents, and sourcing all raw materials as well as equipment for its Nabati Plant Eggz™. An innovative product meant to disrupt the Canadian Market and driving growth in new markets. The Company finalized its co-packing agreement with WG Pro-Manufacturing Inc. to produce the product, with the aim of being one of the first to market. The Company commenced planning for the expansion of Facility B to relocate its pilot facility and to add a processing line for Nabati Plant Eggz™, to expand production for global expansion.

Finally, the Company during this period dedicated resources laying the infrastructure for new business development in Canada, the US, and South Korea.

Transaction

On March 9, 2021, Nabati Foods Global Inc. acquired all of the issued and outstanding securities of the Company (the "Transaction") in exchange for the issuance of 14,000,000 Common Shares to former Nabati Foods Shareholders on a pro rata basis pursuant to a share exchange agreement dated January 19, 2021, as amended February 3, 2021 and March 3, 2021, among Nabati Foods, Nabati and the Nabati Shareholders (the "Securities Exchange Agreement"). Following the closing of the Transaction, Nabati became a wholly-owned subsidiary of Nabati Foods.

RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021

Corporate Highlights:

During the six months ended June 30, 2021, the Company incurred a net loss of $10,186,818 as compared to a net loss of $129,798 for the comparative six months ended June 30, 2020, an increase of $10,057,020.

The increase in net loss during the period was primarily a result of the Transaction which incurred listing expenses totalling $7,084,984.

Operational Highlights:

Gross profit of negative $24,292 was mainly due to increased logistical costs as the Company expanded its distribution networks compared to gross profit of $147,806 in the same period last year.

Advertising and promotion of $1,436,882 was incurred for the Company's branding, promotional videos, conferences and other investor awareness promotion of which $875,000 relates to the 1,750,000 performance shares issued and valued at $0.50 per share.

Professional fees of $534,717 was incurred in relation to legal fees for the Transaction and patents and trademarks globally for Nabati Plant Eggz™.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of certain financial information concerning the Company for each of the last eight quarters:

			Loss per share	
Quarter ended	**Revenue ($)**	**Loss ($)**	**Basic ($)**	**Diluted ($)**
June 30, 2021	195,750	(1,034,295)	(1.61)	(0.31)
March 31, 2021	139,551	(9,152,523)	(3.85)	(0.31)
December 31, 2020	70,863	(244,175)	(2,378.60)	(2,378.60)
September 30, 2020	139,747	(161,811)	(719.16)	(719.16)
June 30, 2020	157,322	(58,018)	(257.86)	(257.86)
March 31, 2020	111,121	(71,180)	(316.36)	(316.36)
December 31, 2019	63,171	(141,122)	(627.21)	(627.21)
September 30, 2019	118,036	(30,879)	(137.24)	(137.24)

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2021, the Company reported working capital of $3,594,902 as compared to working capital deficiency of $266,098 at December 31, 2020, representing an increase of $3,861,000.

Net cash and cash equivalents increased by $3,541,236 from $14,893 at December 31, 2020 to $3,556,129 at June 30, 2021 as a result of cash generated by financing activities mainly from issuance of special warrants from investors of $7,746,650. The Company also used $2,177,948 in operating activities consisting of general and administrative expenditures, trade receivables, purchase of inventory and payments of trade payables, and $1,787,479 in investing activities for the purchase of property and equipment and lease payments.

Current assets excluding cash, as at June 30, 2021, consisted of restricted cash of $6,400 (December 31, 2020 - $nil), trade and other receivables of $425,259 (December 31, 2020 - $168,788) and inventory of $907,997 (December 31, 2020 - $103,160). Current liabilities increased by $747,944 from $552,939 at December 31, 2020 to $1,300,883 at June 30, 2021.

Under its current business plans, the Company has sufficient liquid assets to fund its operations for the next twelve months. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. Although the Company has been successful in raising funds in the past, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RISKS AND UNCERTAINTIES

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk.

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial assets / liabilities	Classification
Cash	FVTPL
Restricted cash	FVTPL
Trade and other receivables	Amortized costs
Trade and other payables	Amortized costs
Loan payable	Amortized costs
Convertible debt – derivative liability	FVTPL

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk.

(a) Credit risk
Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The risk for cash is mitigated by holding these instruments with highly rated Canadian financial institutions. Trade and other receivables primarily consist of trade receivables from sale of goods and sales tax recoverable from the Canadian Revenue Agency. The maximum credit risk exposure associated with cash and trade and others receivable is limited to the total carrying value.

(b) Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to meet liabilities when due. As at June 30, 2021, the Company had a cash balance of $3,556,129 (December 31, 2020 - $14,893) and current liabilities of $1,300,883 (December 31, 2020 - $552,939). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(i) Interest rate risk
The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The interest rate risk on bank deposits is insignificant as the deposits are short term. A 10% change in the LIBOR rates will result in an insignificant impact on the consolidated statements of loss and comprehensive loss. The loan payable and convertible note payable are subject to fixed interest rates; therefore, the Company is not exposed to interest rate risk on these financial liabilities.

(ii) Foreign currency risk
As at June 30, 2021 and December 31, 2020, the Company's expenditures are in Canadian dollars. Any future equity raised is expected to be predominantly in Canadian dollars. The Company believes it has no significant foreign exchange rate risk.

The Company hold insignificant balances in foreign currencies which would give rise to exposure to foreign exchange rate risk.

Fair value hierarchy
The Company applied the following fair value hierarchy which prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels.

The three levels are defined as follows:
Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As at June 30, 2021 and December 31, 2020, cash is assessed to be Level 1 instruments.

The fair value of trade and other receivables, trade and other payables, loan payable and convertible note payable is equal to its carrying value due to its short-term maturity.

TRANSACTIONS WITH RELATED PARTIES

Key management remuneration:

A Company director is a key management personnel who has the authority and responsibility for planning, directing and controlling the activities of the Company.

During the six months period ended June 30, 2021, the remuneration of the key management personnel was as follows:

		June 30, 2021		June 30, 2020
Salaries	$	**48,878**	$	4,808

Other related party transactions and balances:

As at June 30, 2021, the Company owed $19,297 (December 31, 2020 - $290,545) to the CEO and director of the Company, the amount was non-interest bearing and payable upon demand.

On December 15, 2020, the Company repaid $1,528,322 of due on demand loans to the CEO and shareholders of the Company by issuing convertible notes in exchange for the balance owing. Refer to Note 8 for details. As at June 30, 2021, the outstanding balance including accrued interest and principal was $nil (December 31, 2020 - $1,535,021).

On February 3, 2021, the Company issued 1,415,962 common shares and 709,781 warrants to the CEO of the Company for the conversion of note payable of $486,603 plus interest accrual of $8,984.

During the period ended June 30, 2021, the Company has revenues of $nil (2020 - $40,168) and costs of goods sold of $nil (2020 - $50) with a company controlled by the CEO.

CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of the Company’s condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

There are no new accounting estimates and judgements for the period ended June 30, 2021 other than those previously disclosed in the annual financial statements for the year ended December 31, 2020.

OTHER REQUIREMENTS

Summary of Outstanding Share Data as at September 20, 2021:

Authorized:	Unlimited common shares without par value
Common shares:	45,416,897
Warrants:	11,297,768

Additional disclosures pertaining to the Company are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors,

"Ahmad Yehya"

Ahmad Yehya

Director & CEO

SCHEDULE D

NABATI FOODS INC. AUDITED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Nabati Foods Inc.

Consolidated Financial Statements

For the Years Ended December 31, 2020 and 2019

(In Canadian Dollars)

HARBOURSIDE CPA

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Nabati Foods Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Nabati Foods Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and December 31, 2019 and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' deficiency and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2020 and December 31, 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1 to the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Information other than the Consolidated Financial Statements and the Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, included in Management's discussion and analysis report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's discussion and analysis report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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SUITE 1140–1185
WEST GEORGIA STREET,
VANCOUVER, BC V6E 4E6

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Mickey Goldstein.

HARBOURSIDE CPA LLP

Vancouver, British Columbia
September 20, 2021

Harbourside CPA, LLP
Chartered Professional Accountants

Nabati Foods Inc.
Consolidated Statements of Financial Position
As at December 31, 2020 and 2019
(Expressed in Canadian Dollars)

		December 31, 2020		December 31, 2019
Assets				
Current assets				
Cash	**$**	**14,893**	$	7,880
Trade and other receivables		**168,788**		11,140
Inventory *(Note 4)*		**103,160**		43,281
		286,841		63,301
Deposit		**15,067**		-
Property and equipment *(Note 5)*		**107,088**		90,463
Right-of-use assets *(Note 6)*		**128,125**		60,510
	$	**537,121**	$	213,274
Liabilities				
Current liabilities				
Trade and other payables	**$**	**171,688**	$	74,918
Due to shareholders *(Note 10)*		**290,545**		1,339,769
Loan payable *(Note 8)*		**31,985**		41,174
Current portion of lease liabilities *(Note 6)*		**58,721**		20,353
		552,939		1,476,214
Non-current liability				
Convertible notes *(Note 7)*		**528,280**		-
Derivative liability *(Note 7)*		**1,221,673**		-
Lease liabilities *(Note 6)*		**71,529**		40,879
		2,374,421		1,517,093
Shareholders' Deficiency				
Share capital *(Note 9)*		**225**		225
Accumulated other comprehensive income (loss)		**1,683**		(20)
Accumulated Deficit		**(1,839,208)**		(1,304,024)
		(1,837,300)		(1,303,819)
	$	**537,121**	$	213,274

Nature and Continuance of Operations (Note 1)
Commitments (Note 14)
Subsequent events (Note 16)

Approved on behalf of the Board of Directors on September 20, 2021:

"Ahmad Yehya", Director *"Ravinder Kang", Director*

The accompanying notes are an integral part of these consolidated financial statements

Nabati Foods Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

		For the Year Ended December 31, 2020		For the Year Ended December 31, 2019
Sales revenue (Note 10)	**$**	**440,958**	$	196,474
Consulting fee revenue		**38,095**		101,312
		479,053		297,786
Cost of sales (Note 10)		**(312,092)**		(184,259)
Gross profit		**166,961**		113,527
Operating expenses				
Advertising and promotion		**196,156**		49,013
Bank charges		**12,948**		2,370
Bad debt expense		**49,798**		-
Consulting fees		**-**		33,587
Depreciation (Notes 5, 6)		**68,007**		42,802
Foreign exchange		**183**		(112)
Interest expense		**13,926**		8,381
Office and administration		**115,948**		58,401
Professional fees		**97,800**		22,874
Rent		**10,978**		5,591
Repairs and maintenance		**13,381**		2,732
Telephone and utilities		**18,564**		17,302
Travel		**5,455**		16,848
Salaries and benefits (Note 10)		**202,555**		152,390
Total operating expenses		**805,699**		412,179
Net loss before other items		**(638,738)**		(298,652)
Interest and accretion (Note 6)		**(22,901)**		-
Fair value gain on derivative liability (Note 7)		**51,045**		-
Grant income		**75,410**		26,049
Net loss		**(535,184)**		(272,603)
Other comprehensive income (loss)				
Foreign currency translation		**1,703**		(20)
Comprehensive loss	**$**	**(533,481)**	$	(272,623)
Loss per share - basic and diluted	**$**	**(2,379)**	$	(1,212)
Weighted average number of shares outstanding - basic and diluted		**225**		225

The accompanying notes are an integral part of these consolidated financial statements

Nabati Foods Inc.
Consolidated Statements of Changes in Shareholders' Deficiency
For the Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

	Number of Shares	Capital Amount	Cumulative translation adjustment	Accumulated Deficit	Total Shareholders' Deficiency
Balance, January 1, 2019	225	$ 225	$ -	$ (1,031,421)	$ (1,031,196)
Translation adjustments	-	-	(20)	-	(20)
Net loss for the year	-	-	-	(272,603)	(272,603)
Balance, December 31, 2019	**225**	**225**	**(20)**	**$ (1,304,024)**	**$ (1,303,819**
Translation adjustments	-	-	1,703	-	(14,571)
Net loss for the year	-	-	-	(535,184)	(535,184)
Balance, December 31, 2020	**225**	**$ 225**	**$ 1,683**	**$ (1,839,208)**	**$ (1,837,300)**

The accompanying notes are an integral part of these consolidated financial statements

Nabati Foods Inc.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

	Year Ended December 31, 2020	Year Ended December 31, 2019
Operating activities		
Loss for the year	**$ (535,184)**	$ (272,603)
Depreciation	**68,007**	42,802
Bad debt expense	**49,798**	-
Fair value gain on derivative liability	**(51,045)**	-
Foreign exchange	**436**	(119)
Interest	**1,040**	1,492
Interest and accretion	**22,901**	-
Lease finance expense	**5,207**	2,266
Change in non-cash working capital components		
Trade and other receivables	**(207,446)**	22,876
Trade and other payables	**97,201**	(6,919)
Prepaid expenses	**-**	8,853
Inventory	**(59,879)**	9,100
Net cash flows used in operating activities	**(608,964)**	(192,252)
Investing activities		
Purchase of property and equipment	**(41,020)**	(10,954)
Security deposits	**(15,067)**	-
Cash used in investing activities	**(56,087)**	(10,954)
Financing activities		
Lease payments	**(47,415)**	(19,655)
Advances from shareholders	**728,873**	230,491
Vehicle loan payments	**(9,394)**	(7,936)
Cash provided by financing activities	**672,064**	202,900
Change in cash during the year	**7,013**	(306)
Cash, beginning of year	**7,880**	8,186
Cash, end of year	**$ 14,893**	$ 7,880

For supplemental disclosure with respect to cash flow, see Note 15

The accompanying notes are an integral part of these consolidated financial statements

1. Nature and Continuance of Operations

Nabati Foods Inc. (the "Company") was incorporated under the Business Corporations Act (Alberta) on July 11, 2014. The Company is a food technology company that offers healthy, plant-based products. The Company's head office and registered and records office is located at 12809 66 Street NW, Edmonton, Alberta, T5C 0A4.

These consolidated financial statements have been prepared using accounting principles applicable to a going concern which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The ability of the Company to carry out its business objectives is dependent on the Company's ability to receive continued financial support from related parties, to obtain equity or debt financing, and to generate profitable operations in the future. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These factors, indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability or classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material.

Impact of COVID-19 on the Financial Position of the Company

In December 2019, a strain of novel coronavirus (now commonly known as "COVID-19") was reported to have surfaced in Wuhan, China. COVID-19 has since spread rapidly throughout many countries, and, on March 11, 2020, the World Health Organization declared COVID-19 to be a pandemic. In an effort to contain and mitigate the spread of COVID-19, many countries, including Canada and the United States, have imposed unprecedented restrictions on travel, and there have been business closures and a substantial reduction in economic activity in countries that have had significant outbreaks of COVID-19.

At this time the Company remains open for business, however, significant uncertainty remains as to the potential impact of the COVID-19 pandemic on our operations, and on the global economy as a whole. Government-imposed restrictions on travel and other "social-distancing" measures such restrictions on assembly of groups of persons, have the potential to disrupt government agencies who the Company does business with, supply chains for materials used to manufacture products and sales channels for our products, as well as may result in labor shortages.

It is currently not possible to predict how long the pandemic will last or the time that it will take for economic activity to return to prior levels. Management continues to monitor the COVID-19 situation closely and intends to follow health and safety guidelines as they evolve.

2. Basis of Presentation and Critical Accounting Estimates, Judgments and Assumptions

The consolidated financial statements were approved and authorized for issuance on September 20, 2021 by the directors of the Company.

Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") and related IFRS Interpretations Committee ("IFRICs") as issued by the International Accounting Standards Board ("IASB").

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the accounting policies set out below. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except cash flow information.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All intercompany balances, transactions, revenues and expenses have been eliminated on consolidation. Nabati Foods Inc. (US) is a wholly-owned subsidiary of the Company.

Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company.

The functional currency of Nabati Foods Inc. is the Canadian dollar while the functional currency of Nabati Foods Inc. (US) is the US dollar.

Critical Accounting Estimates, Judgments and Assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

2. Basis of Presentation and Critical Accounting Estimates, Judgments and Assumptions (cont'd)

Critical Accounting Estimates, Judgments and Assumptions (cont'd)

Critical accounting estimates made by the Company, include the following:

Deferred tax liabilities and assets
Deferred tax liabilities and assets are measured at tax rates expected in the period during which the asset is realized or the liability is settled, based on tax rates (and tax laws) that are enacted or substantively enacted at the end of the reporting period of the financial information. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that result from the manner in which the Company expects, at the end of the reporting period of the financial information, to recover or settle the carrying amount of its assets and liabilities.

Depreciation
Depreciation of property, plant and equipment and right-of-use assets is dependent upon estimates of useful lives based on management's judgment.

Impairment of non-financial assets
The assessment of any impairment of property, plant and equipment is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions, the useful lives of assets, definition of the cost generating unit and estimates used to measure impairment losses. The recoverable value of these assets is determined using discounted future cash flow models, which incorporate assumptions regarding future events, specifically future cash flows, growth rates and discount rates.

Variables and assumptions used in measurement of liabilities
The measurement or convertible notes, derivative liabilities and lease liabilities are determined based on estimates of discount rates and assumptions determined by management at the time of measurement.

3. Significant Accounting Policies

Cash and cash equivalents

Cash equivalents include money market instruments that are readily convertible to cash and have maturities at the date of purchase of less than ninety days. There were no cash equivalents as at December 31, 2020 and December 31, 2019.

3. Significant Accounting Policies (cont'd)

Leases

The measurement of the right-of-use asset ("ROU"), lease liability, and the resulting interest expense and depreciation expense are determined with the application of the rate implicit in the lease, unless this cannot readily be determined, in which case the lessee's incremental borrowing rate is used instead. The incremental borrowing rate is defined as the rate that the lessee would have to pay to borrow over a similar term and with similar security, the fund necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate involves estimate and judgements including economic environment, term, currency and the underlying risk inherent to the asset.

Accounting Policy Implemented on January 1, 2019

Effective January 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16") which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less), leases with certain variable lease payments and leases of low-value assets.

The Company applied IFRS 16 using the modified retrospective method, which did not result in material opening adjustment. At inception of a contract, the Company will assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. The Company has implemented the following accounting policies under the new standard:

Right-of-use asset

The calculated ROU asset is initially recorded at cost, which comprises the initial amount of the lease liability and any initial direct costs incurred less any lease payments made at or before the initial adoption date. The ROU is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term. The lease term includes periods covered by an option to extend if the Company's intention is to exercise that option. The ROU asset is periodically reduced by impairment losses, if any, and adjusted for remeasurements of the lease obligation.

Lease liability

The Company incorporates both the lease and non-lease components as part of the total lease payment, as the Company elected not to separate non-lease components. The lease liability is measured at the present value of the expected lease payments over the lease term, discounted at the interest rate implicit in the lease; if the rate cannot be determined, the incremental borrowing rate is used. The liability is increased for the passage of time and payments on the lease are offset against the lease liability. The liability is subsequently remeasured when there is a change in the lease agreement, such as a change in future lease payments or if the Company decides to purchase, extend or terminate the lease option. When the lease liability is re-measured, an adjustment is applied to the carrying value of the ROU asset.

3. Significant Accounting Policies (cont'd)

Financial instruments

Financial instruments are accounted for in accordance with IFRS 9 Financial Instruments: Classification and Measurement.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Recognition and classification
The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and wages payable. Receivables are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI - equity investment; or fair value through profit or loss ("FVTPL"). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial assets / liabilities	Classification
Cash	FVTPL
Trade and other receivables	Amortized cost
Deposit	Amortized cost
Trade and other payables	Amortized cost
Due to shareholders	Amortized cost
Loan payable	Amortized cost
Convertible debt	Amortized cost
Derivative liability	FVTPL

(ii) Measurement

Financial assets: Initial measurement

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3. Significant Accounting Policies (cont'd)

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the consolidated statement of loss and comprehensive loss. Any gain or loss on derecognition is recognized in the consolidated statement of loss and comprehensive loss.

Financial liabilities

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the consolidated statement of loss and comprehensive loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the consolidated statement of loss and comprehensive loss. Any gain or loss on derecognition is also recognized in the consolidated statement of loss and comprehensive loss.

(iii) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognized in its consolidated statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the consolidated statement of loss or comprehensive loss.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3. Significant Accounting Policies (cont'd)

Impairment of financial assets

The Company recognizes an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contact and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company recognizes expected credit losses for trade receivables based on the simplified approach under IFRS 9. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable.

Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Trade receivables are reviewed qualitatively on a case-by-case basis to determine whether they need to be written off.

Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a declining basis over the estimated useful life of the assets as follows:

Furniture and equipment	20% declining balance
Computer equipment	55% declining balance
Leasehold improvements	Term of lease
Machinery and equipment	20% declining balance
Vehicles	30% declining balance

An asset's residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted if appropriate.

The Company capitalizes borrowing costs on capital invested in projects under construction. Upon commencement of operations, capitalized borrowing costs, as a portion of the total cost of the asset, are depreciated over the estimated useful life of the related asset.

3. Significant Accounting Policies (cont'd)

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the consolidated statements of operations.

Revenue recognition

IFRS 15, *Revenue from contracts with customers* ("IFRS 15"), effective for annual periods beginning on or after January 1, 2018, specifies how and when to recognize revenue, based on a five-step model, and enhances relevant disclosures to be applied to all contracts with customers. To recognize revenue under IFRS 15, the Company applies the following give steps:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when or as the Company satisfies a performance obligation.

The Company recognizes revenue when control of the goods or services has been transferred to the customer. Revenue is measured at the fair value of the amount of consideration to which the Company expects to be entitled to, including variable consideration, if any, to the extent that it is highly probable that a significant reversal will not occur.

Net revenue reflects the Company's sale of merchandise, less returns and discounts. Retail revenue at point-of-sale is measured at the fair value of the consideration received at the time the sale is made to the customer, net of discounts and estimated allowance for returns. eCommerce revenue is recognized at the date control has been transferred to the customer, and measured at the fair value of the consideration received, net of discounts and an estimated allowance for returns.

Shipping fees billed to customers are recorded as revenue, and shipping costs are recognized within cost of sales in the same period the related revenue is recognized.

Revenues are reported net of sales taxes collected for various governmental agencies.

Receipts from the sale of gift cards are treated as deferred revenue. When gift cards are redeemed for merchandise, the Company recognizes the related revenue. The Company estimates gift card breakage, to the extent there is no requirement for remitting card balances to government agencies under unclaimed property laws, and recognizes revenue in proportion to actual gift card redemptions as a component of net revenue.

The Company recognizes promotional gift cards as reduction of revenue upon redemption.

Consulting fee revenue is earned from management oversight services provided by the Company. Performance obligations are considered satisfied once the monthly consulting services have been provided. At this point revenue is recognized provided that collectability is assured.

3. Significant Accounting Policies (cont'd)

Cost of sales

Cost of sales includes:

- the cost of purchased merchandise, which includes acquisition and production costs including raw material and labor, as applicable;
- the cost incurred to deliver inventory to the Company's distribution centers including freight, non-refundable taxes, duty, and other landing costs;
- the cost of the Company's distribution centers, such as labor, rent, utilities, and depreciation;
- the cost of the Company's production, design, research and development, distribution, and merchandising departments including salaries, stock-based compensation and benefits, and other expenses;
- occupancy costs such as minimum rent, contingent rent where applicable, property taxes, utilities, and depreciation expense for the Company's company-operated store locations; and
- shrink and inventory provision expense.

Inventories

Inventories, consisting of finished goods, inventories in transit, and raw materials, are stated at the lower of cost and net realizable value. Cost is determined using weighted-average costs, and includes all costs incurred to deliver inventory to the Company's distribution centers including freight, non-refundable taxes, duty, and other landing costs.

The Company periodically reviews its inventories and makes a provision as necessary to appropriately value goods that are obsolete, have quality issues, or are damaged. The amount of the provision is equal to the difference between the cost of the inventory and its net realizable value based upon assumptions about product quality, damages, future demand, selling prices, and market conditions. If changes in market conditions result in reductions in the estimated net realizable value of its inventory below its previous estimate, the Company would increase its reserve in the period in which it made such a determination.

In addition, the Company provides for inventory shrinkage based on historical trends from actual physical inventory counts. Inventory shrinkage estimates are made to reduce the inventory value for lost or stolen items. The Company performs physical inventory counts and cycle counts throughout the year and adjusts the shrink reserve accordingly.

Grant income

Grant income are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

3. Significant Accounting Policies (cont'd)

Impairment of non-financial assets

The carrying amount of the Company's non-financial assets is reviewed at each financial reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized when the carrying amount of an asset or CGU exceeds its recoverable amount. If the carrying value of the Company's property, plant and equipment exceeds its estimated recoverable value, an impairment loss is recognized to write the assets down to the recoverable value. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount is the greater of value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred income tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Deferred taxes are recorded using the liability method. Under the liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that the substantive enactment or enactment occurs. Deferred tax assets are recognized only to the extent it is probable that future taxable profits will be available against which the asset can be utilized.

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (cont'd)

Per share amounts

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury method. The treasury method assumes that proceeds received from the exercise of stock options, warrants and convertible debt are used to repurchase common shares at the prevailing market rate. Diluted earnings (loss) per share is equal to the basic earnings (loss) per share as the outstanding options and warrants are anti-dilutive.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Provisions

Liabilities are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. A provision is a liability of uncertain timing or amount.

Provisions are measured as the expenditure expected to be required to settle the obligation at the reporting date. In cases where it is determined that the effects of the time value of money are significant, the provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

4. Inventory

	December 31, 2020	December 31, 2019
Finished goods	$ 40,222	$ 12,375
Raw materials	62,938	30,906
Balance, end of year	$ 103,160	$ 43,281

The Company records a reserve to value inventory to its estimated net realizable value. There were no adjustments to cost of sales during the year ended December 31, 2020 and 2019. No inventory write-downs recorded in the previous periods were reversed.

(Expressed in Canadian Dollars)

5. Property, Plant and Equipment

	Furniture and equipment	Computer equipment	Leasehold improvements	Machinery and equipment	Vehicles	Total
Cost:						
At January 1, 2019	$ 8,080	$ 760	$ 28,797	$ 59,378	$ 55,899	$ 152,914
Additions	–	–	2,217	8,737	–	10,954
At December 31, 2019	8,080	760	31,014	68,115	55,899	163,868
Additions	2,834	–	4,768	33,418	–	41,020
At December 31, 2020	$ 10,914	$ 760	$ 35,782	$ 101,533	$ 55,899	$ 204,888
Accumulated depreciation						
At January 1, 2019	$ 1,581	$ 710	$ 11,505	$ 21,575	$ 13,343	$ 48,714
Additions	1,276	28	2,414	8,206	12,767	24,691
At December 31, 2019	2,857	738	13,919	29,781	26,110	73,405
Additions	1,328	12	3,111	11,008	8,936	24,395
At December 31, 2020	$ 4,185	$ 750	$ 17,030	$ 40,789	$ 35,046	$ 97,800
Net book value:						
At December 31, 2019	$ 5,223	$ 22	$ 17,095	$ 38,334	$ 29,789	$ 90,463
At December 31, 2020	$ 6,729	$ 10	$ 18,752	$ 60,744	$ 20,853	$ 107,088

(Expressed in Canadian Dollars)

6. Right-of-use Assets

Right-of-use Assets

	Equipment Leases	Vehicle Lease	Warehouse Lease	Office Lease	Total
Cost:					
At January 1, 2019	$ -	$ -	$ -	$ -	$ -
Adjustment on initial adoption of IFRS 16	-	-	-	86,879	86,879
Additions	-	-	-	66,010	66,010
Disposal	-	-	-	(86,879)	(86,879)
At December 31, 2019	-	-	-	66,010	66,010
Additions	52,167	32,879	26,181	-	111,227
At December 31, 2020	$ 52,167	$ 32,879	$ 26,181	$ 66,010	$ 177,237
Depreciation:					
At January 1, 2019	$ -	$ -	$ -	$ -	$ -
Adjustment on initial adoption of IFRS 16	-	-	-	74,268	74,268
Charge for the period	-	-	-	18,111	18,111
Disposal	-	-	-	(86,879)	(86,879)
At December 31, 2019	-	-	-	5,500	5,500
Charge for the period	8,806	1,580	11,221	22,005	43,612
At December 31, 2020	$ 8,806	$ 1,580	$ 11,221	$ 27,505	$49,112
Net book value:					
At December 31, 2019	$ -	$ -	$ -	$ 60,510	$ 60,510
At December 31, 2020	**$ 43,361**	**$ 31,299**	**$ 4,960**	**$ 38,505**	**$ 128,125**

Depreciation of right-of-use assets is calculated using the straight-line method over the remaining lease term.

Lease Liabilities

Lease liabilities recognized as of January 1, 2019	$	15,545
Lease additions		43,421
Interest expense on lease liabilities		2,266
		61,232
Less: current portion		(20,353)
At December 31, 2019	$	**40,879**
At December 31, 2019	$	61,232
Lease additions		63,811
Interest expense on lease liabilities		5,207
		130,250
Less: current portion		(58,721)
At December 31, 2020	$	**71,529**

(Expressed in Canadian Dollars)

6. Right-of-use Assets (cont'd)

Refer to Note 14 Commitments for the remaining minimum future lease payments, excluding estimated operating costs.

7. Convertible Notes

On September 25, 2020 and December 15, 2020 the Company entered into unsecured convertible note agreements for aggregate proceeds of $1,778,097. The convertible notes bear interest at 10% per annum and are due on September 25, 2025. The convertible notes are convertible into units consisting of one common share of the Company and one half share purchase warrant ("Conversion Shares"). The convertible notes are convertible to Conversion Shares if the Company's shares are listed on an recognized stock exchange ("Listing Event") or all of the shares of the Company are acquired by a purchaser or investor within 18 months from September 25, 2020 ("Conversion Period"). Upon this occurring, the holder may elect to convert all or any portion of the outstanding loan balance into Conversion Shares of the Company at a conversion price at 30% discount from the listing price at the time of the Listing Event for the common shares. Each common share purchase warrant entitles the holder to purchase a further common share of the Company at 25% premium of the listing price at the time of the Listing Event.

If the Listing Event has not occurred by the Conversion Period, the aggregate principal on the convertible notes will increase to $1,956,154.

Even if no Listing Event has occurred prior to the end of the Conversion Period, the lender has the right to convert all or any portion of the outstanding amounts into Conversion Shares in any Listing Event or acquisition event at the listing price or acquisition valuation.

In the event of the Company obtaining an arm's length equity financing of $2,000,000 or more, the convertible note holders will have the right to convert the outstanding amounts into fully paid and non-assessable common shares of the Company on the same terms of the financing.

The convertible notes were determined to be a hybrid financial instrument comprised of the debt host liability and an embedded derivative liability, as under the conversion feature the number of shares that will or may be issued to settle the convertible notes may vary.

On the issuance date of the convertible note, the fair value of the host liability was determined to be $505,379 and the embedded derivative liability was valued at $1,272,718, using the Black-Scholes Option Pricing Model and based on certain risks and assumptions, as set out below.

	December 31, 2020
Value of host liability	$505,379
Accretion and interest expense	22,901
Value of convertible notes, end of year	**$528,280**
Fair value of embedded derivative liability	$1,272,718
Fair value adjustment	(51,045)
Fair value of derivative liability, end of year	**$1,221,673**

(Expressed in Canadian Dollars)

7. Convertible Notes (cont'd)

The inputs used to fair value the embedded derivative using the Black Scholes Option Pricing Model are as follows:

	September 25, 2020	December 15, 2020	December 31, 2020
Risk free rate	0.22%	0.22%	0.22%
Expected dividend yield	0%	0%	0%
Expected stock price volatility	149.96%	104.81%	101.14%
Weighted average expected life	1.42 years	1.2 years	1.15 years
Weighted share price	$0.50	$0.50	$0.50

The host liability of the convertible note will be amortized at cost, with the embedded derivative liability measured at fair value through profit and loss.

8. Loans Payable

During the year ended December 31, 2018, the Company obtained a vehicle loan of $47,549. The loan is secured against the vehicle, bears interest at 7.99% and has monthly payments due of $835 and is due on November 1, 2024. During the year ended December 31, 2020 the Company made repayments of principal and interest totaling $10,434 (2019 - $9,428). As of December 31, 2020 the outstanding balance was $31,985 (2019 - $41,174).

9. Share Capital

(a) Authorized:

Unlimited common shares without par value

(b) Issued – common shares

(i) There were no shares issued during the year ended December 31, 2020 and 2019.

(Expressed in Canadian Dollars)

10. Related Party Transactions

Key management remuneration:

A Company director is a key management personnel who has the authority and responsibility for planning, directing and controlling the activities of the Company.

During the year ended December 31, 2020, the remuneration of the key management personnel was as follows:

		December 31, 2020		December 31, 2019
Salaries	$	**9,615**	$	10,577

Other related party transactions and balances:

As at December 31, 2020, the Company owed $290,545 (December 31, 2019 - $32,596) to the CEO and director of the Company, the amount was non-interest bearing and payable upon demand.

As at December 31, 2020, the Company owed $nil (December 31, 2019 - $6,988) to a shareholder of the Company, the amount is non-interest bearing and payable upon demand.

As at December 31, 2020, the Company owed $nil (December 31, 2019 - $1,300,185) to a shareholder of the Company, the amount was non-interest bearing and payable upon demand.

On December 15, 2020, the Company repaid $1,528,322 of due on demand loans to the CEO and shareholders of the Company by issuing convertible notes in exchange for the balance owing. Refer to Note 7 for details. As at December 31, 2020, the outstanding balance including accrued interest and principal was $ 1,535,021 (December 31, 2019 - $nil).

During the year ended December 31, 2020, the Company has revenues of $39,141 (2019 - $123,606) and costs of goods sold of $50 (2019 - $9,449) with a company controlled by the CEO.

11. Income Taxes

A reconciliation of combined federal and provincial corporate income taxes of statutory rates of 25% (2019 - 26.5%) and the Company's effective income tax expense is as follows:

		2020		2019
Earnings (loss) for the year	$	**(535,184)**	$	(272,603)
Combined federal and provincial rate		**25%**		26.5%
Expected income tax (recovery)		**(134,000)**		(72,000)
Change in statutory, foreign tax, foreign exchange rates and others		**45,000**		1,000
Permanent difference		**8,000**		5,000
Change in unrecognized deductible temporary differences		**81,000**		66,000
Total income tax expense (recovery)	$	**-**	$	-

(Expressed in Canadian Dollars)

11. Income Taxes (cont'd)

Significant components of the deferred income tax assets (liabilities) are as follows:

		2020		2019
Deferred tax assets (liabilities)				
Property and equipment	$	(23,000)	$	(13,000)
Debt with accretiob		26,000		16,000
Non-capital losses		393,000		312,000
Unrecognized deferred tax assets		(396,000)		(315,000)
Deferred tax assets (liabilities)	**$**	**-**	**$**	**-**

As at December 31, 2020 and 2019, the Company has the following tax assets which may be carried forward to apply against future year income tax for Canadian income tax purposes.

		December 31, 2020	**Expiry**		December 31, 2019
Debt with accretion	$	102,000	No expiry	$	61,000
Canadian non-capital losses	$	1,560,000	2034 - 2040	$	1,176,000

The Company has not recorded deferred tax assets related to these unused non-capital loss carryforwards as it is not probable that future taxable profits will be available to utilize these loss carryforwards.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

12. Financial Instruments

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk.

(a) Credit risk
Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The risk for cash is mitigated by holding these instruments with highly rated Canadian financial institutions. Trade and other receivables primarily consist of trade receivables from sale of goods and sales tax recoverable from the Canadian Revenue Agency. The maximum credit risk exposure associated with cash and trade and others receivable is limited to the total carrying value.

(b) Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to meet liabilities when due. As at December 31, 2020, the Company had a cash balance of $14,893 (2019 - $7,880) and current liabilities of $552,939 (2019 - $1,476,214). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(i) Interest rate risk
The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The interest rate risk on bank deposits is insignificant as the deposits are short term. A 10% change in the LIBOR rates will result in an insignificant impact on the consolidated statements of loss and comprehensive loss. The loan payable and convertible note payable are subject to fixed interest rates; therefore, the Company is not exposed to interest rate risk on these financial liabilities.

(ii) Foreign currency risk
As at December 31, 2020 and 2019, the Company's expenditures are in Canadian dollars. Any future equity raised is expected to be predominantly in Canadian dollars. The Company believes it has no significant foreign exchange rate risk.

The Company hold insignificant balances in foreign currencies which would give rise to exposure to foreign exchange rate risk.

Fair value hierarchy
The Company applied the following fair value hierarchy which prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels.

The three levels are defined as follows:
Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As at December 31, 2020 and 2019, cash is assessed to be Level 1 instruments.

The fair value of trade and other receivables, trade and other payables, loan payable and convertible note payable is equal to its carrying value due to their short-term nature.

(Expressed in Canadian Dollars)

13. Capital Management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of share capital and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources for its operations and to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The Company monitors capital on the basis of maintaining sufficient cash flow to comply with financial obligations. During the year, the Company's strategy, which was unchanged from the prior year, was to issue sufficient additional shares from treasury to meet all such obligations.

The Company is not subject to any externally imposed capital requirements.

14. Commitments

On August 9, 2014, the Company entered into a five-year lease agreement. On August 26, 2019, the Company has extended the lease term which ends on September 30, 2022.

On December 4, 2020, the Company entered into a five-year lease agreement that commences on April 1, 2021.

Minimum annual lease payments of base rent for the terms of the lease is as follows:

Lease Period		Amount
2021	$	77,670
2022		97,170
2023		78,000
2024		78,000
2025		78,000
Thereafter		19,500
	$	422,340

15. Supplemental Cash Flow

		Year Ended December 31, 2020		Year Ended December 31, 2019
Interest paid	$	7,291	$	8,381
Taxes paid	$	-	$	-
Equipment and facilities acquired under leases	$	111,228	$	66,010
Shareholder loans repaid by issuance of convertible notes	$	1,528,322	$	-

16. Subsequent Events

Subsequent to December 31, 2020, the Company:

(a) On January 19, 2021 and February 3, 2021, the Company entered into a letter of intent and amended letter of intent ("LOI") with Nabati Foods Global Inc. (formerly 1279006 B.C. Ltd.) ("1279006") whereby the Company will receive 14,000,000 of the issued and outstanding ordinary shares of capital in 1279006 (the "Transaction") by way of a reverse takeover ("RTO"). It is contemplated that the Transaction will take place whereby 1279006 will acquire all of the issued and outstanding shares of the Company in exchange for the issuance of 14,000,000 of 1279006 shares to former shareholders of the Company on a pro rata basis, which will result in the Company becoming a 100% wholly-owned subsidiary of 1279006. On March 9, 2021, the transaction was completed.

Following the closing of the acquisition of the Company by 1279006 pursuant to the terms of the Securities Exchange Agreement, the Company has become a wholly owned subsidiary of 1279006 that has resulted in it becoming a reporting issuer and will apply to list (the "Listing") its common shares on the Canadian Securities Exchange ("CSE"). 1279006 will carry on the business of the Company.

SCHEDULE E

NABATI FOODS INC. MD&A FOR THE PERIODS ENDED DECEMBER 31, 2020 AND 2019

NABATI FOODS INC.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2020

INTRODUCTION

This Management Discussion and Analysis ("MD&A") of Nabati Foods Inc. (the "Company" or "Nabati") has been prepared by management as of September 20, 2021 and should be read in conjunction with the audited consolidated financial statements and related notes thereto for the year ended December 31, 2020, which were prepared in accordance with International Financial Reporting Standards ("IFRS").

This MD&A contains forward-looking information which reflects management's expectations regarding the Company's growth, results of operation, performance and business prospects and opportunities. The use of words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", believe", outlook", "forecast" and similar expressions are intended to identify forward-looking statements.

The Company has based the forward-looking statements largely on the Company's current expectations, estimates, assumptions, and projections about future events and financial and other trends that the Company believes, as of the date of such statements, may affect its business, financial condition and results of operations. Such expectations, estimates, assumptions, and projections, many of which are beyond the Company's control, include, but are not limited to: management's expectations regarding the future business, objectives and operations of the Company; the Company's anticipated cash needs and the need for additional financing; the Company's ability to successfully complete future financings; the acceptance by the marketplace of new technologies and solutions; the Company's expectations regarding its competitive position; the Company's expectations regarding regulatory developments and the impact of the regulatory environment in which the Company operates; the Company's ability to attract and retain qualified management personnel and key employees; and anticipated trends and challenges in the Company's business and the markets in which it operates. Assumptions underlying the Company's working capital requirements are based on management's experience with other public companies. Forward-looking statements regarding treatment by governmental authorities assumes no material change in regulations, policies, or the application of the same by such authorities. 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 with the risks set forth.

DESCRIPTION OF THE COMPANY

Nabati was incorporated on July 11, 2014, under the ABCA under the name "Yemira Trading Inc.". On July 18, 2016, it changed its name to "Nabati Foods Inc.". Nabati's head office and its registered office are located at 12809 66 Street North West, Edmonton, Alberta T5C 0A4.

Nabati is an emerging plant-based food technology company that designs, develops, produces, distributes and sells a variety of plant-based meat and other food alternatives. Nabati's mission is to employ plant-based food technology to inspire those who value their health to indulge in real, clean, plant-based foods for a nourished, sustainable and compassionate life. See "Description of the Business".

Nabati (USA), a wholly-owned subsidiary of Nabati, was formed on September 17, 2019, under the Washington Business Companys Act under the name "Nabati Foods Inc." See "Description of the Business".

General Development of the Business

In 2017, Nabati established its Food Safety Program and in May 2018, Nabati passed its food safety audit by NSF, which enabled Nabati to sell its products across Canada.

In 2018, Nabati launched its dairy-free cheesecake product line in select Canadian grocery chains.

In 2019, Nabati entered into an exclusive national distribution agreement with Tree of Life Canada, ULC ("Tree of Life") to distribute the Company's products within Canada.

In mid-2019, Nabati completed the development of its cheese alternative product line, launching it in late 2019. In January 2020, Nabati began national distribution of its cheese alternative product line within Canada.

On September 17, 2019, Nabati formed its wholly owned subsidiary, Nabati (USA), to distribute its products in the US.

Transaction

On March 9, 2021, Nabati Foods Global Inc. ("Nabati Foods") acquired all of the issued and outstanding securities of the Company (the "Transaction") in exchange for the issuance of 14,000,000 Common Shares to former Nabati Shareholders on a pro rata basis pursuant to a share exchange agreement dated January 19, 2021, as amended February 3, 2021 and March 3, 2021, among Nabati Foods, Nabati and the Nabati Shareholders (the "Securities Exchange Agreement"). Following the closing of the Transaction, Nabati became a wholly-owned subsidiary of Nabati Foods.

Corporate and Operational Highlights

During the 4th quarter ended December 31, 2020, the Company:

In 2020, Nabati, through Nabati (USA), entered into a distribution agreement with KeHE Distributors, LLC ("KeHE") in the US to distribute its dairy-free cheesecake product line.

In September 2020, Nabati issued a convertible note to Eat Beyond Holdings Inc. ("Eat Beyond"), an investment issuer listed on the CSE, in the aggregate principal amount of $250,000 (the "Eat Beyond Convertible Note"). The Eat Beyond Convertible Note bore interest at a rate of 10% per annum for a term of five years.

In November 2020, Nabati launched its plant-based meat alternatives product line.

In December 2020, Nabati entered into a lease agreement for Facility B.

In December 2020, Nabati converted four outstanding shareholder loans into convertible notes and it raised $300,000 from a private investor in the form of a Convertible Note in January 2021. The Convertible Notes bear interest at a rate of 10% per annum for a term of five years. Refer to Note 7 of the audited consolidated financial statements for details.

SELECTED ANNUAL INFORMATION AND RESULTS OF OPERATIONS

The following table provides a summary of the financial condition of the Company prepared in accordance with International Financial Reporting Standards ("IFRS"):

	December 31, 2020 ($)	December 31, 2019 ($)	December 31, 2018 ($)
Loss	(535,184)	(272,603)	(397,292)
Loss per share	(2,379)	(1,212)	(1,766)
Total assets	537,121	246,074	227,293
Total liabilities	2,374,421	1,501,956	1,222,458
Cash dividends declared per share for each class of share	Nil	Nil	Nil

The increase in net loss for the year ended December 31, 2020 was primarily a result of the Company's increased operations. The Company recorded a loss of $535,184 for the year ended December 31, 2020 comprised mainly of $196,156 in advertising and promotion, $115,948 in office and administration, $202,555 in salaries and benefits. Bad debt expense of $49,798 related mainly to a customer that had discontinued operations. Grant income of $75,410 was mainly from the provincial government for a new product to market program, conditions included certain qualifying expenditure on equipment and a food safety program.

During the year-ended December 31, 2020, the Company purchased property and equipment for its operations and expansion.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2020, the Company reported working capital deficiency of $266,098 as compared to working capital deficiency of $1,412,913 at December 31, 2019, representing an increase of $1,146,815.

Net cash and cash equivalents increased by $7,013 from $7,880 at December 31, 2019 to $14,893 at December 31, 2020 as a result of cash generated by financing activities mainly from advances from shareholders $728,873. The Company also used $608,964 in operating activities consisting of general and administrative expenditures, trade receivables, purchase of inventory and payments of trade payables, and $103,502 in investing activities for the purchase of property and equipment, lease payments and security deposits.

Current assets excluding cash, as at December 31, 2020, consisted of trade and other receivables of $168,788 (December 31, 2019 - $11,140) and inventory of $103,160 (December 31, 2019 - $43,281). Current liabilities decreased by $923,275 from $1,461,077 at December 31 2019 to $552,939 at December 31, 2020.

Under its current business plans, the Company has sufficient liquid assets to fund its operations for the next twelve months. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. Although the Company has been successful in raising funds in the past, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Risks and Uncertainties

The Company has not generated any significant revenue and has incurred significant losses since inception.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Key management remuneration:

A Company director is a key management personnel who has the authority and responsibility for planning, directing and controlling the activities of the Company.

During the year ended December 31, 2020, the remuneration of the key management personnel was as follows:

	December 31, 2020	December 31, 2019
Salaries	$ **9,615**	$ 10,577

Other related party transactions and balances:

As at December 31, 2020, the Company owed $290,545 (December 31, 2019 - $32,596) to the Ahmad Yehya, CEO and director of the Company, the amount was non-interest bearing and payable upon demand.

As at December 31, 2020, the Company owed $nil (December 31, 2019 - $6,988) to a shareholder of the Company, the amount is non-interest bearing and payable upon demand.

As at December 31, 2020, the Company owed $nil (December 31, 2019 - $1,300,185) to a shareholder of the Company, the amount was non-interest bearing and payable upon demand.

On December 15, 2020, the Company repaid $1,528,322 of due on demand loans to the CEO and shareholders of the Company by issuing convertible notes in exchange for the balance owing. Refer to Note 7 for details. As at December 31, 2020, the outstanding balance including accrued interest and principal was $ 1,535,021 (December 31, 2019 - $nil).

During the year ended December 31, 2020, the Company has revenues of $39,141 (2019 - $123,606) and costs of goods sold of $50 (2019 - $9,449) with a company controlled by the CEO.

SUBSEQUENT EVENTS

Subsequent to December 31, 2020, the Company:

(a) On January 5, 2021, the Company entered into an unsecured convertible note agreement for proceeds of $300,000. The convertible note has a maturity date of August 22, 2021 and bears interest at 10% per annum. The convertible note is convertible into units consisting of one common share of the Company and one half share purchase warrant under the terms of the existing convertible notes.

(b) On February 3, 2021, the Company issued 6,882,898 common shares and 3,441,448 warrants for the conversion of notes payable.

(c) On January 19, 2021, as amended February 3, 2021 and March 3, 2021, the Company entered into a letter of intent and amended letter of intent ("LOI") with Nabati Foods Global Inc. (formerly 1279006 B.C. Ltd.) ("1279006") whereby the Company will receive 14,000,000 of the issued and outstanding ordinary shares of capital in 1279006 (the "Transaction") by way of a reverse takeover ("RTO"). It is contemplated that the Transaction will take place whereby 1279006 will acquire all of the issued and outstanding shares of the Company in exchange for the issuance of 14,000,000 of 1279006 shares to former shareholders of the Company on a pro rata basis, which will result in the Company becoming a 100% wholly-owned subsidiary of 1279006. On March 9, 2021, the transaction was completed.

    Following the closing of the acquisition of the Company by 1279006 pursuant to the terms of the Securities Exchange Agreement, the Company has become a wholly owned subsidiary of 1279006 that has resulted in it becoming a reporting issuer and will apply to list (the "Listing") its common shares on the Canadian Securities Exchange ("CSE"). 1279006 will carry on the business of the Company.

CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Critical accounting estimates made by the Company, include the following:

Deferred tax liabilities and assets
Deferred tax liabilities and assets are measured at tax rates expected in the period during which the asset is realized or the liability is settled, based on tax rates (and tax laws) that are enacted or substantively enacted at the end of the reporting period of the financial information. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that result from the manner in which the Company expects, at the end of the reporting period of the financial information, to recover or settle the carrying amount of its assets and liabilities.

Depreciation
Depreciation of property, plant and equipment and right-of-use assets is dependent upon estimates of useful lives based on management's judgment.

Impairment of non-financial assets
The assessment of any impairment of property, plant and equipment is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions, the useful lives of assets, definition of the cost generating unit and estimates used to measure impairment losses. The recoverable value of these assets is determined using discounted future cash flow models, which incorporate assumptions regarding future events, specifically future cash flows, growth rates and discount rates.

Variables and assumptions used in measurement of liabilities
The measurement or convertible notes, derivative liabilities and lease liabilities are determined based on estimates of discount rates and assumptions determined by management at the time of measurement.

FINANCIAL INSTRUEMENTS AND OTHER INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk.

(a) Credit risk
Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The risk for cash is mitigated by holding these instruments with highly rated Canadian financial institutions. Trade and other receivables primarily consist of trade receivables from sale of goods and sales tax recoverable from the Canadian Revenue Agency. The maximum credit risk exposure associated with cash and trade and others receivable is limited to the total carrying value.

(b) Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to meet liabilities when due. As at December 31, 2020, the Company had a cash balance of $14,893 (2019 - $7,880) and current liabilities of $552,939 (2019 - $1,476,214). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(i) Interest rate risk
The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The interest rate risk on bank deposits is insignificant as the deposits are short term. A 10% change in the LIBOR rates will result in an insignificant impact on the consolidated statements of loss and comprehensive loss. The loan payable and convertible note payable are subject to fixed interest rates; therefore, the Company is not exposed to interest rate risk on these financial liabilities.

(ii) Foreign currency risk
As at December 31, 2020 and 2019, the Company's expenditures are in Canadian dollars. Any future equity raised is expected to be predominantly in Canadian dollars. The Company believes it has no significant foreign exchange rate risk.

The Company hold insignificant balances in foreign currencies which would give rise to exposure to foreign exchange rate risk.

Fair value hierarchy

The Company applied the following fair value hierarchy which prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels.

The three levels are defined as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As at December 31, 2020 and 2019, cash is assessed to be Level 1 instruments.

The fair value of trade and other receivables, trade and other payables, loan payable and convertible note payable is equal to its carrying value due to their short-term nature.

OTHER REQUIREMENTS

Summary of Outstanding Share Data as at September 20, 2021:

Authorized:	Unlimited common shares without par value
Issued and outstanding:	225 common shares

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors,

"Ahmad Yehya"
Ahmad Yehya
Director & CEO

CERTIFICATE OF NABATI FOODS GLOBAL INC.

Dated: September 20, 2021

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by the securities legislation of British Columbia, Ontario, Alberta and Manitoba.

(signed) "Ahmad Yehya"
Ahmad Yehya
Chief Executive Officer

(signed) "Kelvin Lee"
Kelvin Lee
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Ravinder Kang"
Ravinder Kang
Director

(signed) "Magdy Yehya"
Magdy Yehya
Director

(signed) "Don Robinson"
Don Robinson
Director

CERTIFICATE OF THE PROMOTERS

Dated: September 20, 2021

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by the securities legislation of British Columbia, Ontario, Alberta and Manitoba.

(signed) "Karamveer Thakur"
Karamveer Thakur, Promoter

Dated: September 20, 2021

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by the securities legislation of British Columbia, Ontario, Alberta and Manitoba.

(signed) "Ahmad Yehya"
Ahmad Yehya, Promoter

SCHEDULE B

Exchange Listing Statement Disclosure – Additional Information

14. Capitalization

14.1 Issued Capital

	Number of Securities (non-diluted)	**Number of Securities (fully-diluted)**	**% of Issued (non-diluted)**	**% of Issued (fully diluted)**
Public Float				
Total outstanding (A)	45,416,897	66,975,056	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	23,442,421	37,499,663	51.62%	55.99%
Total Public Float (A-B)	21,974,476	29,475,393	48.38%	44.01%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	26,576,972	39,863,650	58.52%	59.52%
Total Tradeable Float (A-C)	18,839,925	27,111,406	41.48%	40.48%

Public Securityholders (Registered)

For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	18	18,000
2,000 – 2,999 securities	72	144,000
3,000 – 3,999 securities	12	36,000
4,000 – 4,999 securities	10	40,000
5,000 or more securities	119	21,736,476
Total	**231**	**21,974,476**

Public Securityholders (Beneficial)

Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	18	18,000
2,000 – 2,999 securities	72	144,000
3,000 – 3,999 securities	12	36,000

Size of Holding	Number of holders	Total number of securities
4,000 – 4,999 securities	10	40,000
5,000 or more securities	269	21,736,476
Unable to confirm	0	0
Total	**381**	**21,974,476**

Non-Public Securityholders (Registered)

For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	7	23,442,421
Total	**7**	**23,442,421**

14.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Finder's common share purchase warrants. Each warrant entitles the holder thereof to purchase one common share of the Issuer at an exercise price of $0.50 on or before March 9, 2023	857,320	857,320

Description of Security (include conversion / exercise terms, including conversion / exercise price)	**Number of convertible / exchangeable securities outstanding**	**Number of listed securities issuable upon conversion / exercise**
Common share purchase warrants. Each warrant entitles the holder thereof to purchase one common share of the Issuer at an exercise price of $0.05 on or before January 14, 2023	7,000,000	7,000,000
Common share purchase warrants. Each warrant entitles the holder thereof to purchase one common share of the Issuer at an exercise price of $0.625 on or before March 15, 2023	3,441,448	3,441,448
Stock options exercisable at $0.50 for a period of five years from the date of listing	4,509,390	4,509,390
Restricted Share Units to expire two years from the date of listing	500,000	500,000
Common shares to be issued as Performance Shares at a deemed price of $0.50 each upon reaching certain milestones	5,250,001	5,250,001
Total	**21,558,159**	**21,558,159**

14.3 Provide details of any listed securities reserved for issuance that are not included in section 14.2.

The Issuer has no other listed securities reserved for issuance that are not included in section 14.2.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Nabati Foods Global Inc., hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Nabati Foods Global Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, BC this 28th day of September, 2021.

"*Ahmad Yehya*" Ahmad Yehya Chief Executive Officer	"*Kelvin Lee*" Kelvin Lee Chief Financial Officer
"*Magdy Yehya*" Magdy Yehya Director	"*Ravinder Kang*" Ravinder Kang Director
"*Karamveer Singh Thakur*" Karamveer Singh Thakur Promoter	"*Ahmad Yehya*" Ahmad Yehya Promoter