

Nepra Foods Inc.
Management Discussion and Analysis
For the three months ended March 31, 2022 and 2021
(expressed in Canadian Dollars)

May 30, 2022

This MD&A should be read in conjunction with the condensed consolidated interim financial statements for the three month period ended March 31, 2022 and the related notes thereto. Those financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All currency amounts are expressed in Canadian dollars, unless otherwise noted.

Nepra Foods Inc. is classified as a “venture issuer” for the purposes of National Instrument 51-102. This MD&A was approved by the directors on May 30, 2022.

Disclaimer

Certain statements in this report are forward-looking statements which reflect management’s expectations regarding future growth, results of operations, performance, business prospects and opportunities such as intended work programs on existing properties, the Company’s ability to meet financial commitments and its ability to raise funds when required. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations, or intentions regarding the future. When used in this MD&A, such information uses such words as “may”, “would”, “could”, “will”, “intend”, “predict”, “aim”, “seek”, “potential”, “expect”, “believe”, “plan”, “anticipate”, “estimate” or the negative of these terms, or other similar expressions intended to identify forward-looking statements. Such statements are subject to risks and uncertainties that may cause actual results, performance, or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management’s current views and are based on certain assumptions only as of the date of this report. These assumptions, which include management’s current expectations, the global economic environment, and the Company’s ability to manage its operating costs, may prove to be incorrect. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual realities to differ materially from those contained in any forward-looking statements. There is a significant risk that such forward-looking statements or information will not prove to be accurate. No forward-looking statement is a guarantee of future results. Several risks and uncertainties could cause actual results to differ materially from those expressed or implied by the forward-looking statements.

The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information contained in this MD&A. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Nature of Business

Neptra Foods Inc. (“Neptra” or “the Company”) was incorporated on November 27, 2020 under the provisions of the British Columbia Business Corporations Act. The Company operates as a vertically integrated healthy plant-based food and specialty ingredient company supporting allergen free and functional food brands. The Company’s head office is located at 7025 S. Revere Parkway, Unit 100, Centennial, Colorado, USA 80112. The Company’s registered and records office is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7. The Company’s Common Shares are listed for trading on the Canadian Securities Exchange (“CSE”) under the symbol “NPRA” and began trading on September 20, 2021. The Common Shares are also listed on the OTCQB under the trading symbol “NPRFF” and on the FSE under the trading symbol “2P6”.

On April 16, 2021, the Company completed the reverse take over (“RTO”) of Neptra Foods, Ltd. (“Neptra US”). Neptra US was incorporated as a limited liability company (“LLC”) on August 15, 2019 under the provisions of the Colorado Revised Status and on November 1, 2020, Neptra US converted from a LLC to a corporation. These consolidated financial statements are presented as a continuation of Neptra US as the deemed acquirer.

The Company’s wholly owned subsidiaries include Neptra Foods, Ltd., incorporated August 15, 2019, Gluten Free Baking Solutions, LLC (“GFBS”), incorporated on August 10, 2016, and Total Blending Solutions, Ltd. (“TBS”), incorporated on November 25, 2019.

On June 30, 2020, the Company completed a reorganization with GFBS and Gluten Free Sprouting and Malting, LLC (“GFSM”) - related companies under common control. The Company issued 189,999 membership units to the members of GFBS and GFSM, in exchange for all the membership units in GFBS and GFSM, resulting in GFBS and GFSM becoming wholly owned subsidiaries of the Company. GFSM dissolved on December 31, 2020.

Through its strategic leverage of its manufacturing facilities and co-packers, the Company’s products are offered to commercial food manufacturers and directly to consumers under the Company’s consumer packaged goods (“CPG”) brands. The Company’s products include several products ranging from plant-based meat and dairy alternatives to snacks and baked goods, supported by a lineup of specialty ingredients. The Company’s headquarters and main manufacturing facility is located in Centennial, Colorado.

The Company’s mission is to “promote healthy allergen-free foods”. Milk, eggs, fish, shellfish, tree nuts, peanuts, wheat, and soybeans are all major food allergens according to the United States Food and Drug Administration (“FDA”) and the Food Allergen Labeling and Consumer Protection Act of 2004, Public Law 108-282, Title II, as amended (“FALCPA”). The Company’s products consist of (i) gluten-free and allergen-free plant-based specialty ingredients, blends and mixes typically sold business-to-business or “B2B” (“Plant-Based Ingredients”), (ii) plant-based meat alternatives (“Plant-Based Proteins”), (iii) plant-based dairy alternatives products, ranging from milk to cheese, yogurt, dressing, dips, and sour cream (“Plant-Based Dairy Alternatives”), (iv) plant-based baked goods, snacks, and spreads (“Plant-Based Baked Goods, Snacks and Spreads”) and (v) plant-based ready-to-eat meals (“Plant-Based Meals”). NFL holds Hazard Analysis and Critical Control Points (“HACCP”) and Good Manufacturing Practices (“GMP”) certifications for its production facility and is currently pursuing its Global Food Safety Initiative (“GFSI”) certification. The Company sells its products directly to food manufacturers or through distributors, retailers and Direct

to Consumers (“DTC”) across North America. The Company’s product lines currently consist of eighteen (18) Plant-Based Ingredients SKUs, seven (7) Plant-Based Protein SKUs, eight (8) Plant-Based Dairy Alternatives SKUs, twelve (12) Plant-Based Baked Goods, Snacks and Spreads SKUs and five (5) Plant-Based Meals SKUs.

During the three months ended March 31, 2022, the Company focused on its sale and processing of specialty ingredients.

Operational Updates

After the initial public offering (“IPO”) in which the Company raised gross proceeds of \$7,474,629 in late September 2021, Nepra’s operations have experienced a significant capacity expansion of its hemp flour and oil processing line, as well as the establishment of additional revenue streams resulting from its procurement and installation of new ingredients and food production manufacturing equipment. During the three months ended March 31, 2022, the Company raised gross proceeds of \$4,500,000 from share issued through a prospectus offering to further fund this expansion.

Hemp Flour and Oil Production

Investments in labor, industrial hemp seed inventory, and various manufacturing equipment, including automation, packaging, bottling, and storage have enabled Nepra to increase its allergen-free hemp flour production capacity by 400% to produce 1,500 pounds of finished product per day. A joint product of the hemp product flour line is the production of cold-pressed hemp heart oil. Current inventories of hemp heart oil are estimated at 15,000 gallons with several strategic customers currently sampling for purchase, including a club store retailer, a private label of salad dressings made from Nepra’s proprietary cold-pressed virgin hemp oil. Nepra produces its refined hemp oil using a cold process to preserve the natural omegas, yielding an extra fresh oil that is vibrant, golden, and well-balanced for blending into a wide variety of clean label dressings, including Creamy Italian, Balsamic Vinaigrette, Citrus Thai, and Creamy Caesar. The anticipated volume agreement is estimated to generate initial orders totaling up to 20,000 gallons of dressings per month to be sold in large retail chains across the United States.

In preparation for further expansion, the Company is planning to double its hemp seed pressing operation with new equipment and intends to hire additional production staff with the aim of reaching a throughput target of 2,500 pounds of flour produced per day by the end of 2022. Nepra recently added a second Canadian supplier of industrial hemp seeds to its supply chain to lower input costs and improve its supply chain resilience.

The Company has also begun discussions to potentially invest in industrial hemp seed production in the U.S. which could result in the direct-farming of a Nepra proprietary strain of industrial hemp plant that may produce larger and more balanced seeds to meet Nepra’s specific manufacturing requirements.

Wholesale Ingredients

In support of Nepra’s intention to double its wholesale specialty ingredients business in 2022, the Company has invested in increasing its inventory, expanding its supply chain, and engaging in strategic partnerships. In February 2022, the Company entered into a strategic arrangement with Sarda Bio Polymers Pvt. Ltd. (“Sarda”), an Indian ingredients manufacturer, and paid USD\$550,000 as a pre-payment for an aggregate of 54 metric tons of 99% hemp protein isolate to be delivered by Sarda between April

and October 2022. The Company's pre-payment is expected to allow Sarda to invest in additional equipment for its facilities in order to enable Sarda to meet the delivery expectations to the Company, which will enable the Company to expand research and production of its proprietary plant-based egg white replacement powder called ProCell™. This arrangement is anticipated to allow Nepra to market its allergen-free egg white replacement to commercial bakeries seeking to completely remove allergens from their operations by using a plant-based alternative that provides similar functionality as conventional egg white powders, including structure and foaming capability. This expansion, which entails capacity ownership in perpetuity will allow Nepra Foods to market this unique allergen-free egg white replacement to existing customers and commercial bakeries that are seeking to remove allergens from their operation facilities by using a plant-based alternative. Unlike current plant-based liquid egg replacements, Nepra's is specifically designed for commercial baking, providing an interchangeable functionality compared to conventional egg white powders, including the structure and foaming capabilities to produce all baked goods, even meringues and soufflés.

The egg white powder market has long been plagued by fluctuating supplies of conventional eggs and increasing demand from commercial food manufacturers for allergen-free alternatives. The Company's investment and strategic partnership is expected to enable the Company to begin sampling its plant-based product in Q2 2022 to wholesale customers with a plan for a full product launch in Q3 2022. As a result of Nepra's investment in capacity expansion, the Company's plant-based allergen-free egg white powder inventories are expected to climb to 35MT in 2022 with further expansion to 54MT in early 2023. The additional manufacturing capacity in India is expected to grow Nepra's rapidly expanding wholesale ingredients business currently based in Centennial, Colorado.

Another exciting development is Nepra's strategic partnership in Thailand to expand its wholesale ingredients blending capacity and strengthen its global supply chain for specialty ingredients originating in southeast Asia. This strategic partnership will allow Nepra to double its existing blending capacity and create a more reliant supply of specialty ingredients, including our highly sought-after Essential Bases and Essential Blends made from tapioca starches and cassava flours used in the commercial baking industry to produce allergen-free baked goods. The Company believes the specialty ingredients market is a rapidly growing segment driven by the demand for plant-based ingredients and foods that are allergen-free and perform like conventional wheat-based ingredients and consumer packaged goods containing gluten.

Consumer Packaged Goods

In October 2021, the Company added Plant-Based Meals to its product offerings through the introduction of PROPASTA™ ready-to-eat meals, which utilizes the Company's proprietary plant-based meat analogues and pasta. Since initial introduction, the Company has expanded its PROPASTA™ Plant-Based Frozen Meals product line to include five (5) SKUs. Nepra invested in its pilot line operations to enable the rapid scale up of PROPASTA™ in time for Natural Foods Expo West, the largest plant-based trade show which was held in Anaheim, California in early March 2022. Nepra's PROPASTA™ brand officially launched at the expo, generating interest from retail chains, private-label brands, and online distributors. Nepra's team of food scientists and expert chefs created three market-launch SKUs, including Spaghetti and Meatballs, Ricotta Filled Raviolis with Marinara, and Macaroni and Cheese to demonstrate the versatility of using hemp proteins to create state-of-the-art pasta, meat-analogs, and dairy-free cheeses. Initial commercial production of PROPASTA™ began in April 2022.

One of the largest and most strategic investments made by Nepra after its IPO was the purchase of a plant-based protein texturizer to produce its meat analogs. This equipment, currently installed and being made ready for production, is expected to be able to produce up to 800,000 pounds of textured hemp protein (THP™) annually. Nepra plans to use up to 300,000 pounds of THP™ product in its PROPASTA™ consumer packaged ready-to-eat frozen meals and intends to sell the remainder to institutional customers, including restaurant chains, schools, and hospitals.

Food manufacturing equipment, including a pasta machine, meatball maker, blast freezer, marinara kettle, packaging, and a walk-in freezer for storage is now installed and operational. The Company anticipates producing 500 units per day in-house before transitioning to a large-scale contract manufacturer. Internal production would be used to market to grocers and will be available online for direct-to-consumer purchase. Additional revenue opportunities exist with institutional customers interested in purchasing Nepra's high-protein hemp pasta and THP™ meatballs in bulk. Initial production of THP™ began in April 2022.

Overall Performance

The key factors pertaining to the Company's overall performance for the three months ended March 31, 2022 are as follows:

The Company recorded revenue of \$2,078,112 for the three months ended March 31, 2022, as compared to revenue of \$1,440,338 for the three months ended March 31, 2021. Revenue from the processing and sale of specialty ingredients increased by \$703,615 from \$1,374,497 in 2021 to \$2,078,112 in 2022. This increase is primarily attributed to a higher sales volume of specialty starch products to existing customers. Revenue from consulting decreased by \$65,841 from \$65,841 in 2021 to \$Nil in 2022 as a result of the Company not providing additional consulting services to customers during the three months ended March 31, 2022.

The net loss for the three months ended March 31, 2022 was \$1,659,705 compared to \$914,853 for the three months ended March 31, 2021. The higher net loss in 2022 was largely due to higher salaries and benefit costs of \$587,523 in 2022, (2021 – \$374,997), higher share-based payments of \$402,959 in 2022 (2021 - \$nil) and higher general and administrative costs of \$363,666 in 2022 (2021 - \$126,740). These amounts were further increased by a lower gross profit which decreased by \$205,113 from \$287,305 in 2021 to \$82,192 in 2022.

The Company has negative operating cash flow and its level of operations has been determined by the availability of capital resources. Cash used in operating activities increased by \$946,940 mainly due to the increase in consulting, professional, and general and administrative expenses, as well as research and development of new potential products.

Working capital increased as at March 31, 2022 to \$6,394,520 from \$3,237,628 as at December 31, 2021. Working capital increased mostly due to the funds raised from shares sold under the Company's prospectus offering for net proceeds of \$3,925,111.

Going Concern

During the three months ended March 31, 2022, the Company had negative cash flows from operations of \$2,107,447, and as at March 31, 2022, had an accumulated deficit of \$9,473,806. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to

raise financing and generate profits and positive cash flows from operations in order to cover its operating costs. From time to time, the Company generates working capital to fund its operations by raising additional capital through equity or debt financing. However, there is no assurance it will be able to continue to do so in the future. The accompanying condensed consolidated interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. If the going concern assumption was not appropriate for the accompanying financial statements, adjustments would be necessary to the statement of financial position classifications used. Such adjustments could be material. Additional funds will be required to enable the Company to pursue its initiatives, and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern. Should the Company be unable to complete these plans to obtain additional financing and be unable to continue as a going concern, the Company may be forced to cease operations.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

Results of Operations for the three years ended March 31, 2022 and 2021

Revenue

For three months ended March 31, 2022, the Company generated total revenues of \$2,078,112, an increase of \$637,774 compared to revenue of \$1,440,338 for the three months ended March 31, 2021. Revenue for the three months ended March 31, 2022 consisted of the processing and sale of specialty ingredients, as well as consulting to support allergen free and functional food brands. The revenue from the processing and sale of specialty ingredients increased by \$703,615 from \$1,374,497 in 2021 to \$2,078,112 in 2022 and is primarily attributed to an increase in the sales volume of specialty starch products to existing customers. Revenue from consulting decreased by \$65,841 from \$65,841 in 2021 to \$Nil in 2022 as a result of the Company not providing additional consulting services to customers during the three months ended March 31, 2022..

Cost of sales and gross profit

For the three months ended March 31, 2022, the Company's costs of sales and gross profit were \$1,995,920, compared to \$1,153,033 for the three months ended March 31, 2021. Gross profit margin decreased from 20% in 2021 to 4% in 2022. The decrease in gross profit margin was largely due to significantly higher international shipping costs for specialty ingredients stemming from COVID-19 related supply chain and transportation issues.

Expenses

General and administrative costs for the three months ended March 31, 2022 and 2021 can be summarized as follows (in Canadian Dollars):

For the three months ended	2022	2021	Change \$	Change %
Advertising and promotion	\$ 116,448	\$ 11,991	\$ 104,457	871%
Insurance expense	50,158	10,211	39,947	391%
Meals and entertainment	-	1,789	(1,789)	(100)%
Office and miscellaneous expense	68,952	41,137	27,815	68%
Rent	64,588	53,347	11,241	21%
Repairs and maintenance	4,524	-	4,524	100%
Shareholder communication	22,505	-	22,505	100%
Subscriptions and dues	24,700	6,076	18,624	307%
Utilities	11,790	2,189	9,601	439%
Total G&A	\$ 363,665	\$ 126,740	\$ 236,925	187%

Total general and administrative expenses increased by \$236,925 compared to the same period of the prior year. This is due to an increase of \$104,457 in advertising and promotion related to brand and website development, presentations, and preparation for Expo West which was held in Anaheim, California in early March 2022, as well as an increase in insurance of \$39,947 due to the increase in the insurance policy rates attributable to the Company's expansion. There was also a \$27,815 increase in office and miscellaneous due to expanded operations and going public on the CSE.

Professional fees decreased by \$111,044 from \$188,831 in 2021 to \$77,787 in 2022. The decrease is mostly a result of fees associated with the prior year preparation and execution of the initial public offering completed on September 17, 2021, more operational activity and growth of the Company, the reverse takeover that occurred on April 16, 2021 and work completed in 2021 to reflect the corporate reorganization that occurred in 2020.

Research and development costs increased by \$46,327 from \$30,049 in 2021 to \$76,376 in 2022. The increase is attributed to the Company's efforts to develop new product offerings such as new PROPASTA™, textured hemp protein (THP™), and plant-based egg white powder products.

Salaries and benefits increased by \$212,526 from \$374,997 in 2021 to \$587,523 in 2022. The increase is attributed to hiring additional operations staff and filling key leadership, sales, and operations positions to facilitate the Company's scaling.

Share-based payments increased by \$402,959 from \$Nil in 2021 to \$402,959 in 2022. The increase is due to the Company granting restricted share units to new members of management and employee stock options.

Travel expense increased by \$27,757 from \$18,802 in 2021 to \$46,559 in 2022. This increase is mostly due to higher domestic and international travel required to support the launch of the Company's new product line.

Summary of Quarterly Results

The following financial data was derived from the eight most recently completed financial quarters:

	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Revenue	2,078,112	1,659,670	\$1,201,941	\$1,750,160
Income (loss) for the period	(\$1,659,705)	(\$3,514,851)	(\$1,622,452)	(\$627,713)
Loss per share - basic and diluted	(\$0.04)	(\$0.10)	(\$0.09)	(\$0.04)
Weighted average number of shares outstanding	37,002,418	36,575,023	17,886,837	14,926,676

	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Revenue	\$1,440,338	\$1,022,213	\$696,686	\$553,179
Income (loss) for the period	(\$914,853)	(\$595,198)	\$49,390	\$11,982
Loss per share - basic and diluted	(\$0.13)	(\$1.43)	\$0.23	\$0.06
Weighted average number of shares outstanding	7,205,947	417,497	218,265	190,000

Revenue increased for the three months ended March 31, 2022 from \$1,659,790 for the three months ended December 31, 2021 to \$2,078,112. The increase in revenue is attributable to the expanding of operation and increase of sales of processed products in the period. Net loss decreased from the prior quarter from \$3,514,851 to \$1,657,700. This decrease in net loss is attributable to a decrease in consulting expense, the Company incurred \$39,062 in consulting fees for the three months ended March 31, 2022, compared to \$1,286,219 in the three months ended December 31, 2021. The decrease in consulting expense is due to the large write-off of prepaid advertising and marketing expense in the previous quarter, this quarter amounts have normalized.

Revenue increased for the three months ended December 31, 2021 from \$1,201,941 for the three months ended September 30, 2021 to \$1,659,670. The increase in revenue is attributable to increases in sales of processed products in the period. Net loss increased from the prior quarter from \$1,622,452 to \$3,514,851. The increase in net loss is attributable to an increase in share-based payments of \$599,172 in the three months ended December 31, 2021, compared to \$119,965 in the three months ended September 30, 2021. The increase in share-based payments is due to the issuance of restricted share units and vesting of previously issued employee stock options.

Revenue decreased for the three months ended September 30, 2021 from \$1,750,160 for the three months ended June 30, 2021 to \$1,201,941. The decrease in revenue is attributable to increases in sales of processed products in the period. Net loss increased from the prior quarter from \$627,713 to \$1,622,452. The increase in net loss is attributable to an increase in share-based payments of \$119,965 on the three months ended September 30, 2021, compared to \$Nil in the three months ended June 30, 2021. The increase in net loss is also attributable to an increase in consulting fees to \$471,948 during the three months ended September 30, 2021 compared to \$6,649 during the 3 months ended June 30, 2021 due to an increase in costs related to the IPO, corporate marketing, and promotion consulting expenses.

Revenue increased for the three months ended June 30, 2021 from \$1,440,338 for the three months ended March 31, 2021 to \$1,750,160. The increase in revenue is attributable to increases in sales of processed products in the period. Net loss decreased from the prior quarter from \$914,853 to \$627,713. The decrease in net loss is attributable to an increase in gross profit in the period of \$49,034, as well as a decrease in the change in fair value of convertible debentures of \$229,262.

Revenue increased for the three months ended March 31, 2021 from \$1,022,213 from the three months ended December 31, 2020 to \$1,440,338. The increase in revenue is attributable to increases in consulting income, and increased inventory purchases as financed in the period. Net loss increased from the prior quarter from \$595,198 to \$914,853. The increase in net loss is attributable to the loss from change in fair value of convertible debentures of \$253,299. The Company also had an increase in salaries as the Company hired additional employees.

The factors that have caused variations in results over the quarters up to and including the quarter ended December 31, 2020 were mostly related to seasonal demands, new customers, and the timing order placement and product shipment. The Company had higher revenue during the quarter ended December 31, 2020 due to increased orders, new customers, and new products beginning to be sold, including hemp heart flour. Other variations from quarter to quarter were impacted by the acquisition of new customers and the timing of when existing customers re-ordered and when products were shipped. The loss for the quarter ended December 31, 2020 was greater than in prior quarters due to share-based compensation of \$428,541 being issued during this time period, as well as accounting work beginning for the 2018 and 2019 fiscal years performed during this quarter. The audit accrual for the 2020 fiscal year audit was also recorded during this period.

Liquidity and Capital Resources

As at March 31, 2022, the Company had working capital of \$6,394,520 as compared to working capital of \$3,237,628 as at December 31, 2021, which is an increase in working capital of \$3,156,892. The working capital increased due to the cash proceeds of \$3,925,111 raised from share issuance through a prospectus offering and USD \$400,000 received under the existing revolving loan facility with companies controller by the CEO which mature on December 31, 2025.

The Company expects that it will need additional capital to fund operations and increased working capital over the next 12 months in order to settle its obligations as they come due. The Company plans to fund the capital required by raising funds through share issuances and loans.

Cash Flows

A summary of cash flows for the three months ended March 31, 2022 and 2021 is as follows (in Canadian Dollars):

For the three months ended March 31,	2022	2021	Change
Operating activities	\$ (2,107,447)	\$ (1,160,507)	\$ (946,940)
Investing activities	85,305	(156,069)	241,374
Financing activities	4,382,801	1,343,996	3,038,805
Change in cash	\$ 2,360,659	\$ 27,420	\$ 2,333,239

Cash used in operating activities decreased by \$946,940 mainly due to an increase in cash outflow for prepaid expenses from an inflow of \$68,600 for three months ended March 31, 2021. Cash used in prepaid expenses increased due to the USD\$550,000 prepayment made under the strategic arrangement with Sarda for the purchase of inventory. Cash from operating activities also decreased due to the increase in cash outflows to settle trade and other payables as the Company used proceeds from their recent financings to settle these liabilities.

Cash flows used in investing activities decreased from \$156,069 during the three months ended March 31, 2021 to cash flows produced in investing activities of \$85,305 during the three months ended March 31, 2022. This is primarily due to the Company receiving a refund of \$117,783 during the three months ended March 31, 2022 upon returning equipment for which the Company had previously paid a down-payment during the year ended December 31, 2021.

During the three months ended March 31, 2022, the Company's cash flows from financing activities increased by \$3,038,805 compared to the three months ended March 31, 2021. The increase can mainly be attributed to the net proceeds of \$3,925,111 from the issuance of shares under the Company's prospectus offering and the receipt of \$507,249 under the Company's existing revolving loan facilities.

Related Party Disclosures

Key management consists of the directors and officers who are responsible for planning, directing, and controlling the activities of the Company.

Due to/from related parties

As at March 31, 2022, included in due from related parties is \$8,526 (2021 - \$8,657) due from Marc Olmsted, a director of the Company. The amount is unsecured, non-interest bearing and due on demand.

As at March 31, 2022, included in due from related parties is \$749 (2021 - \$761) due from Chadwick White, a director of the Company. The amount is unsecured, non-interest bearing and due on demand.

As at March 31, 2022, included in accounts payable and accrued liabilities is \$23,692 (2021 – \$24,119) due to Chadwick White, a director of the Company. The amount consists of expenses charged to a personal credit card of Chadwick White and is unsecured, non-interest bearing and due on demand.

As at March 31, 2022, included in accounts payable and accrued liabilities is \$50,410 (2021 – \$44,494) due to ACM Management Inc., a company controlled by Alex McAulay, CFO and Director. The amount is unsecured, non-interest bearing and due on demand.

As at March 31, 2022, included in accounts payable and accrued liabilities is \$1,657 (2021 – \$Nil) due to David Breda, a director of the Company. The amount is unsecured, non-interest bearing and due on demand.

As at March 31, 2022, included in accounts payable and accrued liabilities is \$8,757 (2021 – \$nil) due to David Wood, a director of the Company. The amount consists of expense reimbursements owed and is

unsecured, non-interest bearing and due on demand.

As at March 31, 2022, included in accounts payable and accrued liabilities is \$7,506 (2021 – \$24,388) due to Robert G. Wood and Company Inc. (“RG Wood”), a company controlled by a director of the Company. The amount consists of expense reimbursements owed and is unsecured, non-interest bearing and due on demand.

As at March 31, 2022, included in accounts payable and accrued liabilities is \$23,499 (2021 – \$15,907) due RG Wood, a company controlled by a director of the Company. The amount consists of lease payments owed and is unsecured, non-interest bearing and due on demand.

As at March 31, 2022, included in accounts payable and accrued liabilities is \$51,583 (2021 - \$68,248) due to the estate of the late Robert Hopp, former President and COO of the Company. The amount consists of termination benefits owed upon Robert Hopp’s passing and is unsecured, non-interest bearing and due on demand.

As at March 31, 2022, the Company had a lease liability balance of \$11,056 (2021 - \$12,688) for an equipment lease entered into with RG Wood, a company controlled by David Wood, CEO and Director of the Company

Related party transactions

Key management consists of the directors and officers who are responsible for planning, directing, and controlling the activities of the Company. The Company incurred charges with related parties recorded at their exchange amounts as agreed upon by transacting parties as follows:

For the three months ended March 31,	2022		2021	
Salaries and benefits	\$	425,277	\$	162,963
Share-based payments		299,380		-
	\$	724,657	\$	162,963

During the three months ended March 31, 2022, the Company incurred \$Nil (2021 – \$28,497) for salaries and benefits of the late Robert Hopp, the former President and COO of the Company.

During the three months ended March 31, 2022, the Company paid \$57,927 (2021 - \$36,993) for salaries and benefits of Chadwick White, Chief Innovation Officer and Director of the Company.

During the three months ended March 31, 2022, the Company paid \$72,024 (2021 - \$16,376) in salaries and benefits to family members of Chadwick White, Chief Innovation Officer, and Director of the Company.

During the three months ended March 31, 2022, the Company paid \$40,216 (2021 - \$25,398) for salaries and benefits of Marc Olmsted, Director the Company.

During the three months ended March 31, 2022, the Company paid \$36,069 (2021 - \$Nil) for salaries and benefits of Paul Feldman, Chief Engineer.

During the three months ended March 31, 2022, the Company paid \$57,933 (2021 - \$28,496) for salaries and benefits of David Wood, CEO and Director of the Company.

During the three months ended March 31, 2022, the Company paid \$45,286 (2021 - \$27,203) for salaries and benefits of family members of David Wood, CEO and Director of the Company.

During the three months ended March 31, 2022, the Company paid \$58,096 (2021 - \$Nil) for salaries and benefits of John Maculley, COO of the Company.

During the three months ended March 31, 2022, the Company paid \$23,301 (2021 - \$Nil) for salaries and benefits to family members of John Maculley, COO of the Company.

During the three months ended March 31, 2022, the Company paid \$34,425 (2021 - \$Nil) for salaries and benefits of Eric Kriegisch, Vice President of Ingredient Sales of the Company.

During the three months ended March 31, 2022, the Company incurred share-based payments expense of \$31,413 (2021 - \$Nil) from the issuance of 300,000 stock options to David Wood, CEO and Director of the Company.

During the three months ended March 31, 2022, the Company incurred share-based payments expense of \$31,413 (2021 - \$Nil) from the issuance of 300,000 stock options to Chadwick White, Chief Innovation Officer and a Director of the Company.

During the three months ended March 31, 2022, the Company incurred share-based payments expense of \$31,413 (2021 - \$Nil) from the issuance of 300,000 stock options to Paul Feldman, Chief Engineer of the Company.

During the three months ended March 31, 2022, the Company incurred share-based payments expense of \$31,413 (2021 - \$Nil) from the issuance of 300,000 stock options to Marc Olmsted, Director the Company.

During the three months ended March 31, 2022, the Company incurred share-based payments expense of \$31,413 (2021 - \$Nil) from the issuance of 300,000 stock options to Alex McAulay, CFO, Corporate Secretary and Director of the Company.

During the three months ended March 31, 2022, the Company incurred share-based payments expense of \$15,707 (2021 - \$Nil) from the issuance of 150,000 stock options to Joel Leonard, Director of the Company.

During the three months ended March 31, 2022, the Company incurred share-based payments expense of \$15,707 (2021 - \$Nil) from the issuance of 150,000 stock options to David Breda, Director of the Company.

During the three months ended March 31, 2022, the Company incurred share-based payments expense of \$18,307 (2021 - \$Nil) from the issuance of 150,000 stock options to Eric Kriegisch, VP of Ingredient Sales of the Company.

During the three months ended March 31, 2022, the Company incurred share-based payments expense of \$34,089 (2021 - \$Nil) from the issuance of 100,000 restricted share units to Eric Kriegisch, VP of Ingredient Sales of the Company.

During the three months ended March 31, 2022, the Company incurred share-based payments expense of \$58,505 (2021 - \$Nil) from the issuance of 300,000 restricted share units to John Maculley, COO of the Company.

Other Transactions

During the year ended December 31, 2020, the Company entered into an unsecured revolving loan facility with Firefighter Trucks of Colorado LLC and RG Wood, two companies controlled by the CEO and Director of the Company for up to a total of USD\$400,000. The loan facility is unsecured, bears interest at a rate of 6% per annum, and matures on December 31, 2025. On January 1, 2022, the revolving loan facility with RG Wood was amended to increase the amount by USD \$200,000 resulting in an amended total of USD \$600,000. During the three months ended March 31, 2022 the Company received additional loan proceeds of USD\$400,500. The balance payable as of March 31, 2022 was \$716,209 (December 31, 2021 - \$218,701). Interest of \$10,726 (2021 - \$7,374) for the revolving note was charged and included in accounts payable and accrued liabilities. The Company incurred interest expense of \$6,229 in the three months ended March 31, 2022.

During the three months ended March 31, 2022, \$26,454 (2021 – \$nil) was charged by ACM Management Inc., a Company controlled by Alex McAulay, CFO and Director of the Company for accounting and corporate secretarial fees.

During the three months ended March 31, 2022, the Company purchased equipment of \$8,929 (2021 - \$nil) from Paul Feldman Company's Vice President of Research and Development.

During the three months ended March 31, 2021, the Company settled debt owing to ACM Management Inc., a company controlled by Alex McAulay, CFO of \$39,361 in exchange for 17,651 common shares of the Company.

During the three months ended March 31, 2021, the Company was charged USD\$3,132 (CAD\$3,967) (2020 – USD\$3,132 or CAD\$4,156) in lease payments for equipment by RG Wood, a company controlled by David Wood, CEO and Director of the Company.

Use of Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. Although management uses historical experience and its best knowledge of the amounts, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. These financial statements do not include any accounts that require significant estimates as the basis for determining the stated amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Going concern

The Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.

Useful lives of property and equipment

Property and equipment are amortized or depreciated over their useful lives. Useful lives are based on management's estimate of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the statement of loss and other comprehensive loss in specific periods.

Provision for expected credit losses ('ECLs')

The Company performs impairment testing annually for accounts receivable in accordance with IFRS 9. The ECL model requires considerable judgment, including consideration of how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. IFRS 9 outlines a three-stage approach to recognizing ECLs which is intended to reflect the increase in credit risks of a financial instrument based on 1) 12-month expected credit losses or 2) lifetime expected credit losses. The Company measures provision for ECLs on its trade receivables at an amount equal to lifetime ECLs.

Impairment

Long-lived assets, including equipment, are reviewed for indicators of impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). Judgments and estimates are required in defining a CGU and determining the indicators of impairment and the estimates required to measure an impairment, if any.

Convertible notes

The identification of convertible debenture components is based on interpretations of the substance of the contractual arrangement and therefore requires judgment from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability is also based on a number of assumptions, including contractual future cash flows, discount factors, and the presence of any derivative financial instruments.

Share-based payments

The Company measures the cost of equity-settled transactions with employees and non-employees by reference to the fair value of the equity instruments at the date on which they are granted. The Company has estimated the fair value of the equity instruments issued for share-based payments based on the common share price agreed upon for a private placement and shares for debt settlements.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law in the relevant jurisdiction. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Useful lives of intangible assets

The amortization of intangible assets is dependent upon estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of the assets. Many factors used in assessing recoverable amounts are outside of the control of management and it is reasonably likely that assumptions and estimates will change from period to period. These changes may result in future impairments.

Determination of functional currency

The determination of the functional currency for the Company and its subsidiaries was based on management's judgment of the underlying transactions, events and conditions relevant to each entity.

Significant Accounting Policies

The significant accounting policies applied in the preparation of the Company's condensed consolidated interim financial statements are disclosed in Note 3 of the audited consolidated financial statements for the years ended December 31, 2021 and 2020.

Changes in Accounting Policies including Initial Adoption

Initial adoption of new accounting standards:

Adoption of new accounting standards have been disclosed in Note 3 of the Company's audited consolidated financial statements for the years ended December 31, 2021 and 2020.

Future accounting standards issued but not yet in effect:

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

Pronouncements that may have a significant impact to the Company have been disclosed in Note 3 of the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2022.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Subsequent Events

On May 18, 2022, the Company issued 100,000 common shares upon conversion of RSUs.

Proposed Transactions

There are no proposed transactions as at the date of this MD&A.

Financial Instruments and Other Instruments

Basis of Fair Value

	Level	March 31, 2022	December 31, 2021
FINANCIAL ASSETS			
FVTPL			
Cash	1	\$ 3,829,470	\$ 1,463,859
Restricted cash		68,785	69,843
Other assets, at amortized cost			
Accounts receivable		814,674	590,243
Due from related party		9,276	9,418
Total financial assets		\$ 2,133,363	\$ 2,133,363
FINANCIAL LIABILITIES			
FVTPL			
Convertible notes	3	\$ -	\$ 31,837
Other liabilities, at amortized cost			
Accounts payable and accrued liabilities		1,292,768	1,216,484
Loans payable		894,805	403,444
Promissory note payable		-	-
Total financial liabilities		\$ 2,187,573	\$ 1,651,765

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of their issuance; (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

The carrying value of the Company's financial instruments approximate their fair values due to their short-term maturities. Cash is measured at fair value on a recurring basis.

Reconciliation of Use of Proceeds from Financing Activities

On September 16, 2021, the Company closed the September 2021 Public Financing for net proceeds of \$6,779,881. The following table sets out a comparison of how the Company intended to use the net proceeds from the September 2021 Public Financing (as described in the 2021 Long Form Prospectus) and its actual use of proceeds. It includes an explanation of variances and the impact of variances on the ability of the Company to achieve its business and milestones.

Intended Use of Proceeds ⁽¹⁾		Actual Use of Proceeds	Variance – (Over)/Under Expenditure	Explanation of Variance and Impact on Business Objectives
Expenditure	Amount			
Product inventory	\$700,000	\$1,441,000	(\$741,000)	Due to trends of consistent delays in the transportation industry, the Company has taken on more inventory to ensure it has enough inventory on hand to meet customer demand. The Company has doubled its anticipated expenditure as a result.
Marketing & Outreach	\$1,360,000	\$1,429,000	(\$69,000)	No material variances on dollars spent. Due to significant market challenges, the Company fully expended its budget earlier than anticipated.
Product Sales & Marketing	\$300,000	\$187,000	\$113,000	The Company is on track to spend its expected budget.
Facilities Buildout	\$410,000	\$301,000	\$109,000	The Company has completed its initial purchases of equipment for the production facility. The Company has not completed its development kitchen buildout yet due to budget reallocation. This has not impacted innovation or production.
R&D/Product innovation	\$500,000	\$142,000	\$358,000	The Company has made further progress towards its objectives to develop its products further. Production delays of specialty ingredients made exclusively for the Company have caused a decrease in anticipated expenditures, but the Company expects to fully expend this original budget.
CPG Brand Funding	\$610,000	\$700,000	(\$90,000)	The Company has paused the launch of the Carb Savvy brand that was previously disclosed due to a business decision to focus resources on the ProPasta brand. The Company engaged Navigating the Curve Consulting Inc. to provide marketing services.
General and administrative expenses	\$1,030,000	\$1,675,000	(\$645,000)	The launch of the consumer products division has added significant overhead to the Company's operations. The Company anticipates spending \$345,000 per month going forward on G&A. The increase in G&A is anticipated to be offset by sales from its new consumer products division.
Unallocated General Working Capital	\$1,015,000	-	\$1,015,000	Unallocated capital was allocated to the above items indiscriminately.
Total	\$5,925,000	\$5,875,000	\$50,000	

Notes:

- (1) For full details of the Company's intended use of proceeds for the September 2021 Public Financing, see "Use of Proceeds" in the 2021 Long Form Prospectus.

Although the Company intends to spend remaining net proceeds of the September 2021 Public Financing as set forth above, there may be situations where, due to changes in the Company's circumstances, business outlook, research results and/or for other reasons, that a reallocation of funds is necessary in order for the Company to achieve its overall business objectives. Management has, and will continue to have, the discretion to modify the allocation of the Company's available funds, including the remaining net proceeds of the September 2021 Public Financing, if necessary. The actual amount that the Company spends in connection with each of the intended uses of funds may vary significantly from the amounts specified above and will depend on a number of factors.

Risk Management

The Company is exposed, through its operations, to the following financial risks:

- a) Market Risk
- b) Credit Risk
- c) Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General Objectives, Policies, and Processes:

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

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous reported periods unless otherwise stated in the note.

The overall objective of the directors and officers is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

a) Market Risk

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

(i) Foreign Currency Risk:

The Company generates revenues and incurs expenditures primarily through its subsidiaries in United States dollar. The functional currency of the Company's subsidiary is the United States dollar. In addition, the Company holds financial assets and liabilities in foreign currencies that expose the Company to the foreign exchange risks. Assuming all other variables remain constant, a 5% weakening or strengthening of the Canadian

dollar would result in approximately \$64,000 (2021 - \$Nil) foreign exchange gain or loss in the condensed consolidated interim statement of comprehensive loss. In 2021, management believed the Company was not subject to foreign currency risk as the comparative financial statements (prior to the reverse takeover) are those of Nepra Foods, Ltd. which has the US dollar as its functional currency.

(ii) Interest Rate Risk:

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The interest earned on cash is insignificant. The Company's outstanding promissory note, loans payable, and convertible notes bear interest at fixed rates. As a result, at March 31, 2022, management believes that the Company is not exposed to any significant interest rate risk.

b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's cash, due from related party and accounts receivables are exposed to credit risk. The Company limits its exposure to credit loss on cash by placing its cash with a high-quality financial institution. The Company has concentrations of credit risk with respect to accounts receivable as large amounts of its accounts receivable are concentrated amongst a small number of customers. The Company performs credit evaluations of its customers but generally does not require collateral to support accounts receivable. The Company has certain amounts of aged receivables that are not deemed impaired as follows:

	March 31, 2022	December 31, 2021
1 – 60 days	\$ 805,627	\$ 567,379
61 - 90 days (past due)	-	-
Over 90 days (past due)	6,672	24,769
Provision for expected credit losses	(1,876)	(1,905)
Total	\$ 810,423	\$ 590,243

The Company is exposed to increased credit risk due to major customers that comprise 10% or more of revenue. For the year ended December 31, 2021 and 2020, the following revenue was recorded from major customers:

	Three months ended March 31, 2022	Three months ended March 31, 2021
Amount of revenue from major customers		
Customer A	\$ 1,322,760	\$ 575,617
Customer B	\$ -	\$ 261,096
Customer C	\$ -	\$ 185,276

Due from related party consists of advances made to a director of the Company and is believed to be credit worthy.

c) 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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. Historically, the Company's sources of funding has been through equity financings, loans from a company controlled by the CEO and director, and convertible notes

	Within one year		Between one and five years		More than five years	
Accounts payable and accrued liabilities	\$	1,292,768	\$	-	\$	-
Loans payable		28,780		973,220		269,760
Lease liability		383,510		1,613,219		1,936,902
	\$	1,705,058	\$	2,586,439	\$	2,206,662

Risks

The material risk factors involved with the Company include, but are not limited to, the following:

Dependence on Key Personnel and Consultants

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

Limited Operating History

The Company has had a limited history of operations and is in the early stage of development and must be considered a start-up. As such, the Company will be subject to many risks common to such enterprises, including start-up losses, lack and uncertainty of revenues, markets and profitability, under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources. The Company has a limited history of earnings and its limited operating history makes it difficult to predict how its business will develop and its future operating results. There is no assurance that any future products will

generate earnings, operate profitably, or provide a return on investment in the future and the likelihood of success and any potential return on a shareholder's investment must be considered in light of the Company's early stage of operations.

Disruption of Trade, Suppliers, and Facilities

The Company imports specialty ingredients from Asia and Canada and is at risk should there be changes in government policies or international shipping disruptions. The Company does not control the operations at the third-party facilities, including any third-party warehouses. These facilities are vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, terrorist attacks, loss of power, telecommunications failures, and similar events. The facilities could be subject to break-ins, computer viruses, denial of service attacks, sabotage, intentional acts of vandalism and other misconduct. The occurrence of a natural disaster, an act of terrorism, a decision to close the third-party facilities without adequate notice or other unanticipated problems could result in lengthy interruptions in the Company's operations.

Refer to the Risk Factors section of the prospectus to which this MD&A is attached for additional risks.

Other MD&A Requirements

Outstanding Share Data

	March 31, 2022	As at the date of this report
Class A shares	273,468	273,468
Common shares	46,641,376	46,741,376
Restricted share units	527,500	427,500
Warrants	11,540,649	11,540,649
Options	2,150,000	2,150,000