

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

PROSPECTUS

Non-Offering Prospectus

June 20, 2022

PANGEA NATURAL FOODS INC.



No securities are being offered pursuant to this prospectus

This non-offering prospectus (the “**Prospectus**”) is being filed with the securities regulatory authorities in the Provinces of British Columbia (the “**Principal Regulator**”) and Alberta to enable Pangea Natural Foods Inc. (the “**Company**” or “**Pangea**”) to become a reporting issuer pursuant to applicable securities legislation in the Provinces of British Columbia and Alberta. Upon the final receipt of this Prospectus by the Principal Regulator, the Company will become a reporting issuer in British Columbia and Alberta.

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

There is no market through which the securities of the Company may be sold and holders of the Company’s securities may not be able to resell any such securities. This may affect the pricing of the Company’s securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See “Risk Factors” and “Cautionary Note Regarding Forward-Looking Information”.

The Canadian Securities Exchange (the “**Exchange**” or the “**CSE**”) has conditionally accepted the listing of the company’s common shares (the “**Shares**”). Listing is subject to the Company fulfilling the listing requirements of the CSE.

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 U.S. marketplace, or a marketplace outside Canada and the United States.

An investment in the securities of the Company is subject to a number of risks. Investors should carefully consider the risk factors described under heading “*Risk Factors*” before purchasing any securities of the Company.

No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.

No person has been authorized to provide any information or to make any representation not contained in this Prospectus and, if provided or made, such information or representation should not be relied upon. The information contained in this Prospectus is accurate only as of the date of this Prospectus.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.

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

The Company's head office is located at 8035 – 130th Street, Surrey, BC V3W 0H7 and its registered and records office is located at 10th Floor, 595 Howe Street, Vancouver, BC V6C 2T5.

TABLE OF CONTENTS

| | |
|--|-----------|
| INTERPRETATION | 6 |
| CAUTION REGARDING FORWARD-LOOKING STATEMENTS | 6 |
| CONVENTIONS | 7 |
| GLOSSARY OF TERMS | 8 |
| SUMMARY OF PROSPECTUS | 11 |
| THE COMPANY | 11 |
| PRINCIPAL BUSINESS | 11 |
| MANAGEMENT, DIRECTORS & OFFICERS | 11 |
| ESTIMATED AVAILABLE FUNDS | 11 |
| SUMMARY OF SELECTED FINANCIAL INFORMATION | 13 |
| RISK FACTORS | 13 |
| CORPORATE STRUCTURE | 14 |
| GENERAL DEVELOPMENT AND BUSINESS OF THE COMPANY | 14 |
| OVERVIEW | 14 |
| HISTORY | 14 |
| PRINCIPAL MARKET | 17 |
| DISTRIBUTION | 17 |
| FACILITY | 18 |
| REGULATION | 18 |
| DEVELOPMENT | 19 |
| PRODUCTION AND SERVICES | 19 |
| SPECIALIZED SKILL AND KNOWLEDGE | 20 |
| COMPETITIVE CONDITIONS | 21 |
| COMPONENTS | 22 |
| INTANGIBLE PROPERTIES | 23 |
| CYCLES | 23 |
| ECONOMIC DEPENDENCE AND CHANGES TO CONTRACTS | 23 |
| ENVIRONMENTAL PROTECTION | 24 |
| EMPLOYEES | 24 |
| FOREIGN OPERATIONS | 24 |
| BANKRUPTCY AND SIMILAR PROCEDURES | 24 |
| REORGANIZATIONS | 24 |
| SOCIAL AND ENVIRONMENTAL POLICIES | 25 |
| USE OF AVAILABLE FUNDS | 25 |
| AVAILABLE FUNDS | 25 |
| PRINCIPAL PURPOSES | 25 |
| UNALLOCATED FUNDS | 27 |
| BUSINESS OBJECTIVES AND MILESTONES | 27 |
| NEGATIVE OPERATING CASH FLOWS | 28 |
| DIVIDENDS | 28 |
| SELECTED FINANCIAL INFORMATION | 28 |
| SUMMARY OF SELECTED FINANCIAL INFORMATION | 28 |
| MANAGEMENT’S DISCUSSION AND ANALYSIS | 29 |
| DESCRIPTION OF SHARE CAPITAL | 29 |
| SHARES | 29 |

| | |
|---|-----------|
| CONSOLIDATED CAPITALIZATION | 29 |
| OPTIONS TO PURCHASE SECURITIES | 30 |
| PRIOR SALES | 32 |
| ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER | 32 |
| ESCROWED SECURITIES | 33 |
| PRINCIPAL SHAREHOLDERS | 34 |
| EXECUTIVE OFFICERS AND DIRECTORS | 34 |
| BIOGRAPHIES | 35 |
| SHARE OWNERSHIP BY DIRECTORS AND OFFICERS | 36 |
| CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES | 36 |
| PENALTIES OR SANCTIONS | 36 |
| PERSONAL BANKRUPTCIES | 37 |
| CONFLICTS OF INTEREST | 37 |
| EXECUTIVE COMPENSATION | 37 |
| COMPENSATION OF NAMED EXECUTIVE OFFICERS | 37 |
| COMPENSATION DISCUSSION AND ANALYSIS | 38 |
| DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION, EXCLUDING COMPENSATION SECURITIES | 38 |
| OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS | 39 |
| STOCK OPTION PLANS AND OTHER INCENTIVE PLANS | 39 |
| EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS | 39 |
| INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS | 40 |
| STOCK EXCHANGE LISTING | 40 |
| AUDIT COMMITTEE | 40 |
| THE AUDIT COMMITTEE’S MANDATE | 40 |
| MANDATE AND RESPONSIBILITIES OF THE AUDIT COMMITTEE | 40 |
| COMPOSITION OF THE AUDIT COMMITTEE | 40 |
| RELEVANT EDUCATION AND EXPERIENCE | 41 |
| AUDIT COMMITTEE OVERSIGHT | 41 |
| RELIANCE ON CERTAIN EXEMPTIONS | 41 |
| PRE-APPROVAL POLICIES AND PROCEDURES | 41 |
| EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY) | 41 |
| CORPORATE GOVERNANCE | 42 |
| BOARD | 42 |
| DIRECTORSHIPS | 42 |
| ORIENTATION AND CONTINUING EDUCATION | 43 |
| ETHICAL BUSINESS CONDUCT | 43 |
| NOMINATION OF DIRECTORS | 43 |
| COMPENSATION | 43 |
| OTHER BOARD COMMITTEES | 43 |
| ASSESSMENTS | 43 |
| RISK FACTORS | 43 |
| PROMOTERS | 55 |
| LEGAL PROCEEDINGS AND REGULATORY ACTIONS | 55 |
| INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS | 55 |
| AUDITOR | 55 |

| | |
|--|--|
| TRANSFER AGENT AND REGISTRAR | 55 |
| MATERIAL CONTRACTS | 56 |
| EXPERTS | 56 |
| PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION | 56 |
| | |
| APPENDIX A | AUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM INCORPORATION ON APRIL 10, 2021 TO OCTOBER 31, 2021 |
| APPENDIX B | MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PERIOD FROM INCORPORATION ON APRIL 10, 2021 TO OCTOBER 31, 2021 |
| APPENDIX C | INTERIM FINANCIAL STATEMENTS FOR THE FIVE MONTHS ENDED MARCH 31, 2022 |
| APPENDIX D | MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FIVE MONTHS ENDED MARCH 31, 2022 |
| APPENDIX E | AUDIT COMMITTEE CHARTER |
| CERTIFICATE OF THE ISSUER | |
| CERTIFICATE OF PROMOTER | |

INTERPRETATION

Unless the context otherwise requires, all references in this Prospectus to “we”, “our”, “us”, “Pangea” or the “Company” refer to Pangea Natural Foods Inc. and, to the extent references in this Prospectus are made to matters undertaken by a predecessor in interest to Pangea or its subsidiaries, include such predecessor in interest to the Company or its subsidiaries, include such predecessor in interest.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus are forward-looking statements or information (collectively “**forward-looking statements**”). The Company is hereby providing cautionary statements identifying important factors that could cause the actual results of the Company to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as “may”, “is expected to”, “anticipates”, “estimates”, “intends”, “plans”, “projection”, “could”, “vision”, “goals”, “objective” and “outlook”) are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. 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:

- approval of the Exchange to list our Shares;
- our ability to successfully execute our overall strategy and goals;
- we have a limited operating history and negative operating cash flow;
- we may not be able to access sufficient capital to carry out our business plans;
- economic uncertainties, including changes and volatility in global capital, currency and commodity markets which may impact our ability to raise capital to execute our business plans;
- the COVID-19 pandemic;
- competition from other plant based food businesses;
- market acceptance and demand for the Company’s products;
- changes in laws and regulations;
- we may be subject to claims or legal proceedings;
- the possibility of a conflict of interest arising for certain of our director and officers;
- volatility in the market price of the Shares;
- future sales or issuances of equity securities could decrease the value of the Shares, dilute shareholders’ voting power and reduce future potential earnings per Share; and
- 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 Shares in the foreseeable future.

Such forward-looking information is necessarily based upon a number of factors and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The assumptions underlying the forward-looking information in this Prospectus, which may prove to be incorrect, include, but are not limited to, assumptions relating to:

- our business strategies and development plans;
- the costs of implementation of our business plans and development plans;
- the availability of sufficient capital to enable us to carry out our business strategy and development plans;
- the completion of the listing of our Shares on the Exchange;
- we will be able to obtain the required regulatory approvals necessary to enable us to proceed with our development programs
- there will not be any material adverse events or changes outside the normal course of our business; and
- the competitive environment for plant based foods, and the food industry generally.

Should one or more of the underlying assumptions prove incorrect, or should the risks and uncertainties materialize, actual results may vary materially from those described in the forward-looking statements.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. 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 business of the Company or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See *"Risk Factors"*.

CONVENTIONS

Certain terms used herein are defined in the *"Glossary of Terms"*. Unless otherwise indicated, references to "\$" or "C\$" are to Canadian dollars, references to "US\$" or "USD\$" are to U.S. dollars. All financial information with respect to the Company 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 the Company 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.

“\$0.02 Private Placement” has the meaning ascribed thereto under the heading *“General Development and Business of the Company – History – Financings and Other Events”*;

“\$0.05 Unit Private Placement” has the meaning ascribed thereto under the heading *“General Development and Business of the Company – History – Financings and Other Events”*;

“\$0.10 Unit Private Placement” has the meaning ascribed thereto under the heading *“General Development and Business of the Company – History – Financings and Other Events”*;

“ACM Consulting Agreement” means the consulting agreement between the Company and ACM Management Inc. for Toni Madan to act as CFO of the Company;

“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:

- (a) a Company controlled by that Person, or
- (b) an Affiliate of that Person, or
- (c) an Affiliate of any Company controlled by that Person;

“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:
 - 1. that person's spouse or child; or
 - 2. any relative of the person or of his spouse who has the same residence as that person; but

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;

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

"Board" means the board of directors of the Company;

"Business Day" means a day other than Saturday, Sunday or a statutory holiday in British Columbia, Canada;

"CEO" means Chief Executive Officer;

"CFIA" means the Canadian Food Inspection Agency;

"CFO" means Chief Financial Officer;

"Company" or **"Pangea"** means Pangea Natural Foods Inc.;

"Escrow Agent" means Endeavor Trust Corporation;

"Escrow Agreement" means the escrow agreement dated June 20, 2022 among the Company, the Escrow Agent and certain shareholders, pursuant to which the Escrowed Securities will be held in escrow;

"Escrowed Holders" has the meaning ascribed thereto under the heading *"Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer"*;

"Escrowed Securities" has the meaning ascribed thereto under the heading *"Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer"*;

"Exchange" or **"CSE"** means the Canadian Securities Exchange;

"Facility" means the production facility rented by the Company located at 8035 – 130th Street, Surrey, BC V3W 0H7;

"Facility Agreement" means the facility agreement between the Company and Prabu Foods Inc. dated February 23, 2022;

"FDA" means the United States Federal Drug Administration;

"Final Exchange Bulletin" means the bulletin of the Exchange evidencing the final Exchange acceptance of the listing of the Shares on the Exchange;

“GMO” means genetically modified organism;

“Listing Date” means the date the Company’s securities are listed on a Canadian stock exchange;

“NI 41-101” means National Instrument 41-101 – *General Prospectus Requirements* of the Canadian Securities Administrators;

“NI 52-110” means National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators;

“non-GMO” means non-genetically modified organisms;

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

“Prabu Foods” means Prabu Foods Inc.;

“Principal Regulator” means the British Columbia Securities Commission;

“Prospectus” means this non-offering prospectus of the Company, prepared in accordance with NI 41-101;

“SEDAR” means the System for Electronic Document Analysis and Retrieval, accessible through the internet at www.sedar.com;

“Shareholders” means the holders of Shares;

“Shares” means the Class “A” common shares in the capital of the Company;

“Stock Option Plan” means the stock option plan of the Company discussed under *“Options to Purchase Securities – Stock Option Plan”*;

“Stock Options” means the stock options issued pursuant to the Stock Option Plan;

“Transfer Agent” means the transfer agent and registrar of the Company, being Endeavor Trust Corporation;

“Warrants” means the Share purchase warrants of the Company; and

“Warrant Share” means the Shares issuable on the exercise of the Warrants.

Words importing the singular number only, include the plural and vice versa, and words importing any gender include all genders.

SUMMARY OF PROSPECTUS

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

The Company

The Company was incorporated under the *Business Corporations Act* (British Columbia) on April 10, 2021 under the name “Plant-Faced Foods Ltd.” On September 14, 2021, the Company changed its name from “Plant-Faced Food Ltd.” to “Pangea Natural Foods Inc.” The Company’s head office is located at 8035 – 130th Street, Surrey, BC V3W 0H7 and its registered and records office is located at 10th Floor, 595 Howe Street, Vancouver, BC V6C 2T5. The Company intends to apply to list the Shares on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE. See “*Corporate Structure*”.

Principal Business

Pangea’s principal business is the production and sale of plant-based patties, which began in October 2021. Prior to production, Pangea was engaged in research and development and ran multiple production test runs with different combinations of ingredients to determine the best combination for taste, presentation and texture. Pangea manufactures the plant-based patties at the Facility in the Vancouver lower mainland and sells the patties through multiple distribution channels including online sales platforms and retailers. See “*General Development and Business of the Company*”.

Management, Directors & Officers

The Company’s management team includes the following individuals, each of whom has experience in food manufacturing: Pratap Sandhu (CEO, Corporate Secretary and Director), Mohammad S. Fazil (Director), Toni Madan (CFO) and Nashir Virani (Director). See “*Directors and Executive Officers*” where the biographies are listed.

Estimated Available Funds

No securities are being offered pursuant to this Prospectus. This Prospectus is being filed with the Principal Regulator for the purpose of allowing the Company to become a reporting issuer in British Columbia and Alberta and to enable the Company to develop an organized market for its Shares. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company from general corporate funds.

As at May 31, 2022, the Company had positive working capital of approximately \$944,000. See “*General Development and Business of the Company – History – Financings and Other Events*”. For the purposes of this Prospectus, the terms “working capital” and “funds” have the same meaning.

The Company intends to use its working capital balance of \$944,000 for the purposes set out in the table below during the 12-month period following the date of this Prospectus:

| Item | Allocated Amount CAD\$ |
|---|---------------------------|
| Marketing & Advertisement ⁽¹⁾ | \$135,000 |
| Product Inventory ⁽²⁾ | \$100,000 |
| Listing Expenses ⁽³⁾ | \$90,000 |
| General and Administrative ⁽⁴⁾ | \$504,000 |
| Unallocated Working Capital | \$115,000 |
| Total | \$944,000 |

Notes:

- (1) Comprised of costs related to digital marketing campaigns of the Company, its plant-based patties, and its plant-based Chickn' bites. These campaigns will include, but are not limited to news distributions, video creations, search engine optimization, social media advertising and campaigns and product photoshoots.
- (2) Comprised of the costs of the raw materials comprising the Company's products and the costs of packaging materials. See "General Development and Business of the Company – Components".
- (3) Comprised of legal fees (\$40,000), professional fees for audit services (\$30,000), listing fees (\$15,000) and filing fees (\$5,000).
- (4) See directly below under "General and Administrative Expenses" for a breakdown of these expenses.

General and Administrative Expenses

The Company intends to spend \$504,000 of its working capital balance of \$944,000 on general and administrative expenses, broken down as follows:

- salaries and benefits for the CEO, two part-time administrative and operations staff and one full-time sales person (\$130,000, \$51,000 and \$100,000, respectively);
- consulting expenses related to general business development, media consulting and website development from an arms-length party (\$84,000);
- bank charges (\$1,000);
- insurance (\$3,000);
- professional fees for accounting and financial reporting services and legal services (\$36,000 and \$24,000, respectively);
- rent (\$30,000);
- regulatory fees (\$9,000);
- transfer agent fees (\$6,000);
- subscriptions (\$8,000);
- automobile expenses for the lease and insurance of a Company vehicle for product deliveries (\$16,000);
- office and miscellaneous (\$2,000); and
- storage and shipping (\$4,000).

The Company's current business objectives are to:

- continue to manufacture and increase sales of its plant-based patties;
- execute and expand its planned digital marketing programs;
- increase distribution of its plant-based patties from the current 50 retail sales locations to over 100 retail sales locations by December 2022;
- increase its personnel team by hiring operations staff and a full-time sales person; and
- research and develop an additional range of products.

The Company's unallocated working capital will not be sufficient to fund the Company's business objectives beyond the next 12 months. See "Use of Available Funds".

The Company intends to spend its available funds as set out in this Prospectus. However, there may be situations where, due to changes in the Company's circumstances, business outlook, and/or for other reasons, that a reallocation of funds is necessary in order for the Company to achieve its overall business objectives.

Summary of Selected Financial Information

The following selected financial information derives from the Company's audited financial statements for the period from incorporation on April 10, 2021 to October 31, 2021 and the interim financial statements for the five months ended March 31, 2022. For reporting purposes, the Company's financial statements are prepared in Canadian dollars and in accordance with IFRS. You should read the following information in conjunction with the financial statements and the related notes thereto, along with the respective Management's Discussion and Analysis.

| | Period Ended October 31, 2021 (\$) | Period Ended March 31, 2022 (\$) |
|----------------------------|---|--|
| Current assets | 1,281,877 | 1,081,121 |
| Total assets | 1,341,949 | 1,139,568 |
| Total liabilities | 116,822 | 180,586 |
| Shareholders' Equity | 1,225,127 | 958,982 |
| Net and Comprehensive Loss | (173,193) | (357,593) |

See "Selected Financial Information".

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 following:

- Our success is dependent upon manufacturing and selling our patties.
- We are a start-up company and, as such, are subject to many risks common to such enterprises.
- Additional financing may not be available on terms favourable to the Company, or at all.
- We face strong competition from other plant-based food companies in the sale of our products.
- The loss of key executives may adversely affect our business and future operations.
- The price of the Shares and our financial results, activities and future prospects may be adversely affected by adverse economic conditions related to the COVID-19 pandemic.

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

CORPORATE STRUCTURE

The Company was incorporated under the *Business Corporations Act* (British Columbia) on April 10, 2021 with the name “Plant-Faced Foods Ltd.”. On September 14, 2021, the Company changed its name from “Plant-Faced Foods Ltd.” to “Pangea Natural Foods Inc.”. The Company has no subsidiaries.

The Company’s head office is located at 8035 – 130th Street, Surrey, BC V3W 0H7 and its registered and records office is located at 10th Floor, 595 Howe Street, Vancouver, BC V6C 2T5.

GENERAL DEVELOPMENT AND BUSINESS OF THE COMPANY

Overview

The Company produces and sells plant-based patties that are both nutritious and non-GMO. Pangea’s plant-based patties are manufactured in-house at the Facility in the Vancouver lower mainland, which has been approved by both the Canadian Food Inspection Agency (“CFIA”) and the U.S. Food and Drug Administration (“FDA”). An approval from the CFIA allows a facility to manufacture and package food, among other activities, and distribute such food internationally. An approval from the FDA allows for food products to be marketed and sold in the United States. Once manufactured, the Company’s products are then packaged and distributed via its multiple sales channels.

The Company recently developed a vegan nugget called “Chickn’ bites” for production and sale and a new product called “Old Fashioned Ghee” made using organic butter from New Zealand. For further information on these products, see “*General Development and Business of the Company – History*” and “*General Development and Business of the Company – Development*”.

To provide a convenient experience for Pangea customers, the Company offers its products via e-commerce platforms as well as traditional retail outlets. Pangea has a relationship with Prabu Foods, which is a wholesale manufacturer and distributor with over 20 years of experience in the food industry. The Company currently rents the Facility from Prabu Foods pursuant to the Facility Agreement, which is the only written agreement in place between the parties. For further information on the Company’s relationship with Prabu Foods, see “*Facility*”.

The Company’s key objective is to create products that are nutritious, delicious, and that will satisfy consumer palates while being plant-based and non-GMO. At Pangea, we believe in the ability to create flavourful food without harming animals in the process.

The Company is not currently a reporting issuer in any jurisdiction and no securities of the Company are listed or posted for trading on any stock exchange. The CSE has conditionally accepted the listing of the Shares. Listing is subject to the Company fulfilling the listing requirements of the CSE.

History

The Company was incorporated under the *Business Corporations Act* (British Columbia) on April 10, 2021 with the name “Plant-Faced Foods Ltd.”. On September 14, 2021, the Company changed its name from “Plant-Faced Foods Ltd.” to “Pangea Natural Foods Inc.”. The Company does not have any subsidiaries.

In May 2021, the Company began research and development for its plant-based patties and ran multiple production test runs with different combinations of ingredients to determine the best combination for taste, presentation and texture.

In July 2021, the Company completed its research and development program for the formulation for the patties.

In October 2021 the Company launched its e-commerce platform on the Company's website "www.pangeafood.com" and began to expand its market presence.

On October 18th, 2021, the Company participated in a giveaway with Daily Hive which created a lot of publicity for Pangea and directed many people to their social media platforms.

On October 29th, 2021, the Company had its first sale on its e-commerce platform via Shopify.

In November 2021, the Company began distributing its products to retail stores and launched its plant-based patties in selected Save-on-Foods locations. See "*General Development and Business of the Company – Distribution*" for a full listing of retail locations currently carrying the Company's plant-based patties. As at the date of this Prospectus, the Company does not have a formal agreement in place with Save-On-Foods, but conducts its sales through purchase orders from Save-On-Foods for Pangea's plant-based patties. Pangea has received repeated orders from Save-On-Foods for each of its locations to which Save-On-Foods has distributed Pangea's products thus far, and the Company's plant-based patties are currently stocked in approximately 41 Save-On-Foods locations. To date, the Company has sold approximately 237 master cases, representing approximately 11,400 plant-based patties, to Save-On-Foods locations. The Company has received approximately 65% of the payments related to this product as of the date of this Prospectus.

On November 9th, 2021, the Company released a press release with "Newswire" announcing the closing of Pangea's financings to date as well as announcing its attendance at the Planted Expo in Vancouver, B.C.

On November 26th, 2021, the Company commenced their audit for the period from incorporation on April 10, 2021 to period ended October 31, 2021 with Harbourside CPA.

In December 2021, the Company had their first purchase from Vegano Foods and the product became available on Vegano's virtual marketplace at www.veganofoods.com.

In January 2022, the Company received their first order with Vegano Foods Inc. for the Company's plant-based patties in the amount of approximately \$20,000. To date, the Company has sold approximately 758 master cases, representing approximately 36,400 plant-based patties, to Vegano. The Company has received 100% of the payments related to this product as of the date of this Prospectus. The Company also expanded its presence in Save-on-Foods retail stores during this month by increasing distribution to an additional 25 locations, bringing the current total number to 41 locations.

In February 2022, the Company expanded its retail presence by distributing its products to and having its products made available for sale in retail locations of Fresh St. Market. The Company has sold approximately 7 master cases, representing approximately 300 plant-based patties, to Fresh St. Market. The Company has not yet received any payments related to this product as of the date of this Prospectus.

In March 2022, the Company completed the research and development of their plant-based Chickn' bites and finalized the packaging for the product in May 2022. The Company also developed another product to add to the Company's product list called "Old Fashioned Ghee". This product is a 400g jar of clarified butter made using organic butter from New Zealand. The cows producing the milk used to make Old Fashioned Ghee are grass fed. Old Fashioned Ghee is rich in Vitamin E, Vitamin A and antioxidants and lactose free. Prabu Foods, which owns the Facility rented by the Company, has a special permit issued by the Canadian Dairy Commission required to purchase the butter from New Zealand. The Company purchases the butter from Prabu Foods and is invoiced by Prabu Foods such purchases. To date, the Company has sold approximately 120 individual jars of the Old Fashioned Ghee to Real Canadian Superstore. As of the date of this Prospectus, the Company has not yet received any payments related to the sale of this product to Real Canadian Superstore.

Also in March 2022, the Company received its first set of purchase orders for plant-based patties from Loblaws on behalf of Real Canadian Superstore, including orders from 7 different retail locations. As at the date of this Prospectus, the Company does not have a formal agreement in place with Loblaws, but conducts sales through purchase orders from Real Canadian Superstore for Pangea's plant-based patties. To date, the Company has sold approximately 140 master cases, representing approximately 6,700 plant-based patties, to Real Canadian Superstore locations. The Company has received 32% of the payments related to the sale of this product as of the date of this Prospectus.

In April 2022, the Company added an additional two products to its product list, being Whole Wheat Flour and Durum Flour. These products are sold in 20lb bags. The Company has sold approximately 100 individual bags of these products, half being Whole Wheat Flour and half being Durum Flour to Real Canadian Superstore locations. The Company has not yet collected any payments related this product as of the date of this Prospectus. In April 2022, the Company decided to add rice to the Company's product list and is currently in the process of investigating suppliers for the raw materials for this product.

In April 2022, the Company completed a purchase order from Save-On-Foods to purchase 400 cases of Old Fashioned Ghee, representing approximately 4,800 individual jars. These cases of Old Fashioned Ghee are being distributed to all Save-On-Foods locations across Canada, making the product a nationally sold product. The Company has received 100% of the payments related to this product as of the date of this Prospectus.

Also in April 2022, the Company began negotiations with SMPL Oats Ltd. to act as a distributor for their oat milk products to retailers. As at the date of this Prospectus, the Company does not yet have a formal agreement in place.

In May 2022, the Company finalized the packaging design of the plant-based Chickn' bites and is waiting on the packaging to be delivered to begin selling this product.

Also in May 2022, the Company began the process of adding another product to its product line, a 'munchie mix', which includes mixed nuts, such as almonds and cashews, white chocolate chunks and raisins. These mixes will be sold in individual 45 grams packages. The Company is waiting on packing to be delivered to begin selling this product.

Financings and Other Events

The Company was incorporated on April 10th, 2021. The Company was founded by its CEO, Pratap Sandhu.

On September 17, 2021, the Company completed a private placement of 10,000,000 Shares at a price of \$0.02 per share for gross proceeds of \$200,000 (the "**\$0.02 Private Placement**").

On September 28, 2021, the Company completed a private placement of 10,400,000 units of the Company at a price of \$0.05 per unit for gross proceeds of \$520,000 (the "**\$0.05 Unit Private Placement**"). Each unit consists of one Share in the capital of the Company and one-half of one Warrant. Each Warrant entitles the warrant holder to acquire one Share at an exercise price of \$0.10 for a period of 24 months commencing on the date of issuance, subject to the Company's right to accelerate the expiry of the Warrants in certain circumstances.

On October 27, 2021 and November 17, 2021, the Company completed a private placement of 6,935,000 units of the Company at a price of \$0.10 per unit for gross proceeds of \$693,500 in two tranches (the "**\$0.10 Unit Private Placement**"). Each unit consists of one Share in the capital of the Company and one-half of one Warrant. Each Warrant entitles the warrant holder to acquire one Share at an exercise price of \$0.20 for a period of 24 months commencing on the date of issuance, subject to the Company's right to accelerate the expiry of the Warrants in certain circumstances.

On September 14, 2021, the Company changed its name from "Plant-Faced Foods Ltd." to "Pangea Natural Foods Inc."

On February 14, 2022, the Company granted 2,350,000 Stock Options to certain directors, officers, employees and consultants of the Company. Each Stock Option has an exercise price of \$0.10 and is exercisable for 5 years.

Principal Market

For years, veganism and vegetarianism have been expanding in Canada. There are an estimated 850,000 vegans and 2.3 million vegetarians in the country, and British Columbia, along with Ontario, has the highest percentage of both within Canada.¹

Despite being a novelty a decade ago, products which cater to vegetarians and vegans have become more mainstream. In North America, plant-based meat sales grew to US\$800 million in 2019, up 37 percent from 2017 as reported by Euromonitor by 2023.²

The Company's growth strategy is an ever-changing approach, including, but not limited to:

- New Markets - Targeting the growing American Market.
- Diversification - Expanding the Company's product selection by adding additional products.
- Larger Retailers - Distributing the Company's products to larger retailers around the country.

The Company also intends to continue its current expansion strategies such as increasing its social media presence, collaborations, press releases and involvements in local plant-based conferences and expos.

Distribution

The Company's plant-based patties are manufactured at the Facility in the lower mainland of Vancouver. The Facility has been approved by both the CFIA and the FDA. The products are then packaged and distributed via our multiple sales channels.

In October 2021, the Company launched its e-commerce platform, allowing consumers to directly purchase the Company's products from the website. The Company's e-commerce site is powered by Shopify, a multinational e-commerce technology company that offers online retailers a suite of services including retail infrastructure, payments, marketing, shipping, and customer engagement tools for businesses to process e-commerce transactions.

In addition to Pangea's offer of its products through its own e-commerce platform, Pangea makes its products available through traditional retail networks. The patties are available through the Company's website, Vegano Foods' online marketplace and are available for purchase at the following retailers:

- Select Save-On-Foods locations
- Surrey Super Market
- Overwaitea Food Group
- Fresh St. Market
- Buy-Low-Foods
- The Calgary co-op
- Freson Bros.
- Select Imperial convenience stores
- Price Pro
- select Real Canadian Superstore locations

¹ Flanagan, Ryan. 2018. "More than 3 million Canadians vegetarian or vegan: study." CTV News. <https://www.ctvnews.ca/canada/more-than-3-million-canadians-vegetarian-or-vegan-study-1.4027606>.

² "More than 50% of Americans Consume Plant Based Meals." 2021. Baystreet.ca. <https://www.baystreet.ca/stockstowatch/9962/More-than-50-of-Americans-Consume-Plant-Based-Meals>.

In total, the Company has distributed its patties to 53 total retail locations, including 41 Save-On-Foods locations.

Prabu Foods, a wholesale manufacturer and distributor with over 20 years of experience in the food industry, will be handling all distribution of the Company's products within British Columbia. The Company currently rents Prabu Foods' production facility for both production and storage of the Company's products. Once a customer completes a purchase order, Prabu Foods compiles the product and delivers it to the customer within 7-10 days.

EV Logistics Inc., a company based out of Langley, British Columbia, will be in charge of the Company's distribution within Canada outside of British Columbia. EV Logistics has been in business since 2001 and distributes to Save-on-Foods, Loblaws and Sobeys on an ongoing basis. The Company will deliver its products to EV Logistics once a set of purchase orders have been completed. EV Logistics will then separate and ship the products to retail locations, with an estimated charge to the Company of between \$1 and \$3 per delivery.

Facility

The Company does not own any real estate. Instead, the Company rents the Facility, including equipment used to prepare the Company's products, from Prabu Foods pursuant to the Facility Agreement. The Company believes that it can secure equivalent space and move its operations from the Facility with little to no disruption in operations if the tenancy is terminated by Prabu Foods.

Pursuant to the Facility Agreement, Prabu Foods rents the Facility and certain equipment located in the Facility to the Company for consideration of \$3,500 per month. The term of the Facility Agreement extends until February 16, 2023, but may continue on a month-to-month basis afterwards with the consent of Prabu Foods. The Company may terminate the agreement by giving Prabu Foods three month's notice.

Regulation

The Company is subject to a wide variety of laws, regulations and orders across all jurisdictions in which it does business, including those laws involving food safety, employment and consumer protection.

Food Safety

The Company and its suppliers must comply with applicable federal and provincial regulations relating to the manufacturing, handling, preparation, and labelling of food products. This includes regulation of the handling and packaging of produce regulated by Health Canada, the CFIA and British Columbia's Ministry of Health.

Canada recently adopted significant portions of the regulations under the *Safe Food for Canadians Act*, which are in addition to the regulatory regime imposed by the Province of British Columbia. The legislation allows inspectors to monitor and apply food safety both federal and provincial laws to the shipment and handling of goods internationally, nationally, and locally. The Company has selected a courier and shipping provider that adheres to the standards set by these regulations including packaging requirements, and temperature control.

Processing, Storage and Delivery of Foods

The Company is subject to applicable federal and provincial regulations relating to the manufacturing, handling, preparation, packaging, and labelling of food products. The Company has a full food safety plan in line with regulation, and as regulation changes, the Company will modify its internal controls and handling as necessary.

The Company will continue to employ the appropriate individuals to oversee Health and Safety compliance in respect of all facets of food production and delivery logistics.

Labelling and Nutritional Information

The Company contracts a food consultancy firm to ensure compliance with regulatory requirements surrounding labelling and nutritional information. The consulting firm ensures that the Company provides clear, accurate, and compliant nutritional information for its products. The consulting firm also creates nutritional values tables and lists of ingredients for the Company's proprietary products. Contracting this work ensures that the Company is compliant with Health Canada's standards for labelling products.

Importing

The Company's new product under development, Old Fashioned Ghee, is made from butter imported from New Zealand. Prabu Foods, which owns the Facility rented by the Company, has a special permit issued by the Canadian Dairy Commission which is required to purchase and import this butter. The Company purchases the butter from Prabu Foods and is invoiced by Prabu Foods for the products.

COVID-19

At the Facility, there are operational and monitoring protocols to ensure the health and safety of employees and contractors, in consultation with local communities and following the advice of local governments and health authorities in Canada. These protocols include supporting physical distancing or enhanced protection through other means where physical distancing is not practical, increased hygiene practices, enhanced cleaning and disinfecting of high touch areas. The Company continues to monitor developments to mitigate risks related to the COVID-19 pandemic and modify its operations to seek to reduce impacts on the Company's operations and business.

Development

Research and development of the Company's plant-based patties began in May 2021 and the Company finished its formulation in July 2021. Research and development was conducted by Prabu Foods, a Company with over 20 years of experience in the food industry and which has worked alongside research and development specialists from across North America.

The development process of the patties was a simple process of trial and error. The Company chose to employ a method using more diced vegetables instead of grinding all the ingredients together in a "paste-like" fashion. This process ensured the exact formulation the Company was looking to accomplish.

The Company began the development of a new plant-based product, 'Chickn' bites', in March 2022 and completed the formulation and packaging design in May 2022. The plant-based Chickn' bites are breaded and half fried. Prabu Foods conducted all of the research and development on behalf of the Company, similar to the process for the Company's plant-based patties. Prabu Foods currently has a Rheon machine at the Facility, which the Company will utilize for the production of the plant-based Chickn' bites once production begins, that has the ability to make an estimated 40-45 pieces per minute. The development of the plant-based Chickn' bites was a process of trial and error, similar to the plant-based patties, in order to obtain the best combination of ingredients.

Production and Services

Pangea will be outsourcing to Gordon's Food Services as our supplier for raw materials and vegetables. Gordon's Food Services is based out of Delta, British Columbia and has become the largest family operated distributor in North America and has upheld the same business approach since 1897. There is currently no written agreement in place between Pangea and Gordon's Food Services.

Pangea has also outsourced fresh ingredients from Freshpoint, North America's largest exclusively owned produce distributor. Freshpoint will be Pangea's main supplier for raw cubed vegetables and is based out of Richmond, British Columbia. There is currently no written agreement in place between Pangea and Freshpoint.

Richard's Packaging will be Pangea's packaging supplier for bags, retail boxes and master case boxes. Richard's Packaging is widely known in both the U.S and Canadian market and were founded over 100 years ago as a pharmaceutical packaging company. There is currently no written agreement in place between Pangea and Richard's Packaging.

Pangea currently uses Pea Protein as its main source of protein for its plant-based patties. Pangea is currently sourcing its protein from British Columbia Importers, a company with over 80 years of experience in importing and distributing ingredients in Vancouver, B.C. There is currently no written agreement in place between Pangea and British Columbia Importers.

To guarantee freshness, Pangea sources all of its raw ingredients the day before preparation from Freshpoint and Gordon's Food Services. Production of the plant-based patties begins at 6:00 AM the following morning. Each ingredient is quality tested, portioned and weighed to ensure the patties' high-quality standards. The ingredients are then transferred into a state-of-the-art kettle mixer to gently combine all of the ingredients, which then are run through a machine that precisely formulates the 81g balls; these are then hand-formed into patties. Once this process is completed, the patties are put into trays, frozen and packaged for the following day.

This process is designed to create 1,000 plant-based patties. Pangea is able to produce anywhere from 2,000 patties to 10,000 patties per day.



Specialized Skill and Knowledge

The Company's primary marketing and sales tool is its website, an e-commerce site powered by Shopify. Through the website, customers can purchase the Company's products and subscribe to recurring shipments of its Plant-based Pattie products.

The Company's website also features a blog, a recipe library FAQ page, and a live-chat functionality so that customers can access educational resources and support. The website is mobile optimized, meaning customers can access all website functionality through their mobile device.

The Company's website is used to organically drive traffic through content creation and search engine optimization practices. Further to that, the Company utilizes digital advertising on Google, Facebook and Instagram to drive additional traffic to the website.

Certain of Pangea’s directors and officers, whose biographies are set out below, have an in-depth knowledge of the competitive market:

Pratap Sandhu – CEO, Corporate Secretary and Director

Pratap Sandhu is an entrepreneur with over 10 years of experience in food manufacturing and distribution, product research and development, manufacturing processes, product marketing and sales and product distribution. This experience primarily comes from his involvement with Prabu Foods. Pratap studied marketing, professional sales at BCIT. He is currently the Director of Marketing at Prabu Foods, which manufactures and distributes to retail and wholesale outlets across the world. Pratap has made connections with Save-On-Foods and Loblaws through his work at Prabu Foods and has utilized these connections to promote the distribution of Pangea’s products.

Nashir Virani - Director

Mr. Virani has 43 years of experience in the food manufacturing industry. Mr. Virani started the Golden Boy Foods company in 1979, a business which focused on the coffee industry but which quickly progressed to the wholesaling of nuts, dried fruits, baking goods and peanut butter. This experience has given him experience in working with and growing start-up businesses. He remained the CEO of Golden Boy Foods until it was sold for US\$500 million in 2015. He is now the current owner and CEO of First Choice Foods and is focused on using his industry and branding knowledge to expand the Pangea Natural Foods brand.

Competitive Conditions

Pangea strives for its products to be non-GMO, but without losing out on flavour. Many competitors in the plant-based community have opted to produce vegetarian or vegan products which endeavor to taste like meat. We have decided to stick to the basics and market towards vegans who don’t want their proteins to taste like meat. This sets us apart from many companies as most are directed towards newer consumers with plant-based diets and not those who have been plant-based for a longer period of time.

Pangea’s CEO, Pratap Sandhu, has 10 years of experience in the food manufacturing industry in connection with his work with Prabu Foods, a company dedicated to making top quality vegetarian and plant-based products. Mr. Sandhu’s experience and connections within the industry has helped Pangea and presented the Company with opportunities to expand its distribution base to retailers such as Save-on-Foods.

The following is a list of companies that are considered to be Pangea’s strongest competitors:

- The Very Good Butcher is a meat alternative company, founded on Denman Island, British Columbia by Mitchell Scott. The company distributes their products widely through wholesale channels and their e-commerce platform. They were also able to raise \$600,000 from 250 Canadians across Canada. Today the company is worth over \$400 million.³
- Modern Meat is a plant-based meat manufacturing company that offers their products through the “SPUD’s” online grocery service. They were founded in 1997 and are headquartered in Vancouver, British Columbia and run by Tara Haddad. They offer products that are 100% plant-based and stay away from soy, gluten, nuts and GMO’s.⁴

³ Morton, Michelle. 2021. “Butchering beans, not animals: How vegan butcher grew to 150 staff | Dished.” Daily Hive. <https://dailyhive.com/vancouver/the-very-good-butchers>.

⁴ “Modern Meat Strengthens its Brand through SPUD, a Leading Food Delivery Service.” 2020. Newswire.ca. <https://www.newswire.ca/news-releases/modern-meat-strengthens-its-brand-through-spud-a-leading-food-delivery-service-810197445.html>.

- Boosh Food is a ready-to-eat vegan comfort food company located out of Cloverdale, BC. This company was founded by Connie Marples in 2017 and provides products consisting of single serving food bowls, such as macaroni & cheese, curry bowls and veggie bolognese. They are currently available in over 150 British Columbia retailers and expect to continue to grow throughout Canada.⁵
- Beyond Meat is one of the most renowned brands for plant-based meats all over the world and was founded by Ethan Brown in 2009. They specialize in providing innovative, non-GMO products that taste great to their health-conscious consumers by offering plant based ground meats, patties, and sausages.⁶
- Gardein is a plant-based meat alternatives company which is a sub-brand of Conagra Brands Inc. Their products are available nationwide at most retailers in Canada as well as some e-commerce outlets⁷
- The Impossible Company was founded by Dr. Patrick O. Brown in 2009. Their first product was the well-known Impossible Burger, which launched in 2016. A focus of this brand is on lowering the production of meat to help prevent the effects of climate change.⁸

Components

The Company does not currently have any written supply agreements in place. However, as most of the raw materials used in the Company's products are generic and readily available in the market from a variety of suppliers, the Company believes that it can make satisfactory alternative arrangements within a reasonable period of time in the event of an interruption of supply. As the Company's production ramps up in the future, the Company expects to implement long-term supply agreements to secure pricing and ensure access for the Company's supply chain. The Company continually evaluates and strives to improve its supply chain process in an effort to increase the Company's sustainability, manufacturing efficiencies and the quality of output while at the same time optimizing costs.

The Company's current pricing for the raw materials which make up its patties is the following (\$ / lb):

- Red Pepper Diced (5.76)
- Yellow Pepper diced (8.40)
- Spinach Shredded (3.06)
- Bread Crumbs (1.80)
- Leeks (3.19)
- Chickpeas (1.20)
- Pea Protein (9.07)
- Olive Oil (4.00)
- Jalapeno Diced (3.25)
- Mushrooms Diced (1.20)
- Methyl Cellulose Sea Salt (0.90)
- Green Chilli Diced (1.20)
- Hot Sauce (0.99)
- Oregano (0.67)
- White Pepper (0.80)

For more information on the processing of its products, see "*Production and Services*".

⁵ Marples, Connie. 2021. "Award-winning BC-based Boosh Food expands to larger headquarters." Food In Canada. <https://www.foodincanada.com/food-business/award-winning-bc-based-boosh-food-expands-to-larger-headquarters-147597/>.

⁶ "Beyond Meat." n.d. Crunchbase. Accessed January 18, 2022. <https://www.crunchbase.com/organization/beyond-meat>.

⁷ "Gardein® Debuts First-Ever Collection Of Plant-Based Meat Alternative Soups." 2020. PR Newswire. <https://www.prnewswire.com/news-releases/gardein-debuts-first-ever-collection-of-plant-based-meat-alternative-soups-301136294.html>.

⁸ "Company Overview." 2021. Impossible Foods. <https://impossiblefoods.com/ca/company/overview>.

Intangible Properties

Trade Secrets

We consider proprietary information related to recipes, formulas, and production methods as trade secrets. Information about our recipes and production methods acquired by consultants during, in the course of, or in connection with their engagement with the Company are subject to confidentiality provisions. Domain names, social media addresses, business names, and brand portfolios all serve as assets which customers can recognize and appreciate.

Trademark

The Company has filed and formalized a trademark application for the use of its logo.

Regulation

The Company is subject to a wide variety of laws, regulations and orders across all jurisdictions in which it does business, including those laws involving food safety, employment and consumer protection.

Pangea uses its Facility in the Vancouver lower mainland that has been approved by both the CFIA and the FDA.

Food Safety

The Company and its suppliers must comply with applicable federal and provincial regulations relating to the manufacturing, handling, preparation, and labeling of food products. The Company is also subject to pricing requirements with respect to certain products by applicable regulatory authorities or marketing boards.

Canada has recently adopted significant portions of the regulations under the *Safe Food for Canadians Act*, which are in addition to the regulatory regime imposed by the Province of British Columbia. The legislation allows inspectors to monitor and apply food safety both federal and provincial laws to the shipment and handling of goods internationally, nationally, and locally.

Cycles

The Company does not expect its business to be cyclical or seasonal. Pangea's plant-based patties might sell marginally better in the summer months than during the winter months. However, during the COVID-19 pandemic, larger grocery retailers are increasing the amount of frozen shelf space they have available in retail stores.⁹

The Company does not rely on high economy and cyclical statistics. The food industry is a necessity to consumers and a drop in the economy would not be likely to affect the Company's sales.

Economic Dependence and Changes to Contracts

Pangea currently relies entirely on one co-packer/manufacturer of its products. However, Pangea is in negotiations with a secondary manufacturer/co-packer. Pangea will work alongside both co-packers to ensure the price of its products is competitive and products are made to match the market's demand. For example, for large orders from the company's largest purchaser, Save-on-Foods, Pangea is given four weeks to execute the order. For small-scale orders, the Company's standard is to complete orders within a two-week period to ensure its purchasers are fully stocked at all times.

⁹"Coronavirus Will Increase Demand for Cold Storage Options." 2020. Food Logistics. <https://www.foodlogistics.com/warehousing/press-release/21128408/cbre-research-coronavirus-will-increase-demand-for-cold-storage-options>.

Pangea currently relies directly on Prabu Foods to distribute its products. However, Pangea expects to distribute its products directly to stores and customers throughout Canada in the near future. It is not expected that the Company's business will be affected in the current financial year by the negotiations or termination of contracts or subcontracts.

During the period from incorporation on April 10, 2021 to October 31, 2021, the Company made a single sale in the amount of \$68,495 to First Choice Foods for raw pistachio products. This was a one-off sale unrelated to the Company's plant-based patties and the Company does not have any economic dependence on this customer. First Choice Foods is owned and operated by Nashir Virani, one of the Company's directors, and the \$68,495 was collected subsequent to the period from incorporation on April 10, 2021 to October 31, 2021.

Environmental Protection

The operation of the Business has no extraordinary environmental protection requirements. As a result, the Company does not anticipate that any environmental regulations or controls will materially affect its product or services.

Employees

As of the date of this Prospectus, the Company, had the following number of employees and contractors:

| Location | Full Time Employees | Contractors |
|------------------|----------------------------|--------------------|
| British Columbia | 2 | 1 |

To date, the Company has engaged a minimal staff to develop its business. As the Company expands its activities, it is probable that it will hire additional employees. The Company currently has 1 contractor who will be providing design, marketing, and public relations services. The Company is also seeking up to two in-house salespersons.

The Company advocates the importance of a quality product and quick distribution. One of the full-time employees of Pangea is Pratap Sandhu, its CEO. Mr. Sandhu has over 10 years of experience in the food industry with distribution, research and development of new products and the outsourcing of raw materials from his time with Prabu Foods. The Company benefits from Mr. Sandhu's connections within the food industry.

Foreign Operations

Currently, the company has no dependencies on any foreign operations, and will continue to be fully dependent on its Canadian markets. However, Pangea intends to work on expanding to American markets.

Bankruptcy and Similar Procedures

The Company does not and has not had any bankruptcy (whether voluntary or otherwise), receivership or other similar proceedings instituted by it or against it since its incorporation nor are any such proceedings being contemplated or threatened in the foreseeable future.

Reorganizations

The Company has not completed any material restructuring transactions since incorporation. Currently, the Company has no acquisitions proposed for the current financial year.

Social and Environmental Policies

To the extent relevant to its business, the Company will conduct its activities in accordance with high environmental standards, including compliance with environmental laws, policies and regulations. The Company's management, with assistance of its contractor, will ensure the ongoing compliance with local environmental laws in the jurisdiction in which it does business.

Pangea may support different community groups in British Columbia where possible by donating its patties.

Pangea is working alongside Multi Material BC (a not-for-profit organization engaged in residential packaging and paper recycling throughout British Columbia)¹⁰, by reusing and recycling master cases when possible. Pangea aspires to work alongside the community to reduce the carbon footprint when possible.

USE OF AVAILABLE FUNDS

This Prospectus is a non-offering prospectus. The Company is not raising any funds in connection with this Prospectus and accordingly, there are no proceeds.

Available Funds

As at May 31, 2022, the Company had positive working capital of approximately \$944,000. See "General Development and Business of the Company – History – Financings and Other Events". For the purposes of this Prospectus, the terms "working capital" and "funds" have the same meaning.

Principal Purposes

The Company intends to use its working capital balance of \$944,000 for the purposes set out in the table below during the 12-month period following the date of this Prospectus:

| Item | Allocated Amount CAD\$ |
|---|---------------------------|
| Marketing & Advertisement ⁽¹⁾ | \$135,000 |
| Product Inventory ⁽²⁾ | \$100,000 |
| Listing Expenses ⁽³⁾ | \$90,000 |
| General and Administrative ⁽⁴⁾ | \$504,000 |
| Unallocated Working Capital | \$115,000 |
| Total | \$944,000 |

Notes:

- (1) Comprised of costs related to digital marketing campaigns of the Company, its plant-based patties, and its plant-based Chickn' bites. These campaigns will include, but are not limited to news distributions, video creations, search engine optimization, social media advertising and campaigns and product photoshoots.
- (2) Comprised of the costs of the raw materials comprising the Company's products and the costs of packaging materials. See "General Development and Business of the Company – Components".
- (3) Comprised of legal fees (\$40,000), professional fees for audit services (\$30,000), listing fees (\$15,000) and filing fees (\$5,000).
- (4) See directly below under "General and Administrative Expenses" for a breakdown of these expenses.

¹⁰ "MMBC Changes its Name to Recycle BC » Recycle BC - Making a difference together." 2017. Recycle BC. <https://recyclebc.ca/mmbc-changes-its-name-to-recycle-bc/>.

General and Administrative Expenses

The Company intends to spend \$504,000 of its working capital balance of \$944,000 on general and administrative expenses, broken down as follows:

- salaries and benefits for the CEO, two part-time administrative and operations staff and one full-time sales person (\$130,000, \$51,000 and \$100,000, respectively);
- consulting expenses related to general business development, media consulting and website development from an arms-length party (\$84,000);
- bank charges (\$1,000);
- insurance (\$3,000);
- professional fees for accounting and financial reporting services and legal services (\$36,000 and \$24,000, respectively);
- rent (\$30,000);
- regulatory fees (\$9,000);
- transfer agent fees (\$6,000);
- subscriptions (\$8,000);
- automobile expenses for the lease and insurance of a Company vehicle for product deliveries (\$16,000);
- office and miscellaneous (\$2,000); and
- storage and shipping (\$4,000).

The Company's current business objectives are to:

- continue to manufacture and increase sales of its plant-based patties;
- execute and expand its planned digital marketing program;
- increase distribution of its plant-based patties from the current 50 locations to over 100 locations by December 2022;
- increase its personnel team by hiring operations staff and a full-time sales person; and
- research and develop an additional range of products.

The Company's unallocated working capital will not be sufficient to fund the Company's business objectives beyond the next 12 months. See *"Use of Available Funds"*.

The Company intends to spend its available funds as set out in this Prospectus. However, there may be situations where, due to changes in the Company's circumstances, business outlook, and/or for other reasons, that a reallocation of funds is necessary in order for the Company to achieve its overall business objectives.

The speed and extent of the spread of COVID-19, the effectiveness and efficacy of the COVID-19 vaccine rollout and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain. Such adverse effects related to COVID-19 crises may be material to the Company and could have a negative impact on the Company's business, financial condition, results of operations and use of available funds. It is not presently possible to predict the extent or durations of any such adverse effects. Such adverse effects could be rapid, unexpected and may severely impact the Company's ability to carry out its objectives as outlined herein. The COVID-19 pandemic has not had a negative impact on the Company's business, financial condition, results of operations and use of available funds, and the Company does not currently anticipate that the COVID-19 pandemic will have an impact on the Company's business, financial condition, results of operations and use of available funds. See *"Risk Factors"*.

Unallocated Funds

Unallocated funds will be deposited in the Company's bank account and added to the working capital of the Company. The CFO is responsible for the supervision of all financial assets of the Company. Based on the Company's cash flow requirements, management will determine the appropriate level of liquidity required for operations and will draw down such funds as necessary. There may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives.

Unless otherwise deemed advantageous and approved by the Board, unallocated funds will be invested only in securities of, or those guaranteed by, the Government of Canada or any provinces of Canada, in certificates of deposit or interest-bearing accounts of Canadian chartered banks or trust companies or in prime commercial paper. The Company's Chief Financial Officer will be responsible for the investment of all unallocated funds.

Business Objectives and Milestones

In the forthcoming twelve (12) month period, the Company expects to accomplish the following business objectives:

| Business Objective | Milestone that must occur for business objective to be accomplished | Timing | Estimated Expenditure |
|---|---|-----------------------------|-----------------------|
| #1 – Increase Sales | Place products in a minimum of 50 Save-On-Foods locations across Canada. ⁽¹⁾ | June 2022 to August 2022 | \$7,000 |
| | Produce and sell further inventories of 120,000 units of the Plant Based Pattie to Vegano Foods Inc. ⁽²⁾ | June 2022 to September 2022 | \$70,000 |
| | Produce and sell inventories of 100,000 units of the Plant Based Pattie to distributors in Seattle, Washington and Houston, Texas. ⁽³⁾ | June 2022 to October 2022 | \$58,000 |
| | Place products in a minimum of 25 Real Canadian Superstore locations across Canada. ⁽⁴⁾ | June 2022 to August 2022 | \$7,000 |
| | Increase sales of Pangea's new product - Old Fashioned Ghee. ⁽⁵⁾ | June 2022 | \$5,000 |
| | Begin to sell Pangea's newly developed product – plant-based Chickn' bites. ⁽⁶⁾ | July 2022 to August 2022 | \$5,000 |
| | Begin to sell Pangea's new product – Munchie Mix. ⁽⁶⁾ | July 2022 to August 2022 | \$5,000 |
| #2 – Execute Marketing Program | Carry out public relations and media campaigns with Maynard Communication Ltd. | June 2022 to November 2022 | Nil ⁽⁷⁾ |
| | Corporate marketing and investor relations including direct-to-consumer sampling and taste testing. | June 2022 to December 2022 | \$60,000 |
| #3 – Engage additional personnel | Engage (i) a full-time salesperson and (ii) distributors in Los Angeles. | June 2022 to September 2022 | \$120,000 |
| Estimated Total Operating Costs Necessary to Achieve Business Objectives | | | \$337,000 |

Notes:

- (1) The Company currently has the Plant-Based Patties product placed in approximately 41 Save-On-Foods locations and has the Old Fashioned Ghee product placed in all Save-On-Foods locations across Canada.

- (2) The Company has sold approximately 37,000 units to Vegano Foods Inc. to date, which is included in the milestone of 120,000 units.
- (3) The Company has not sold any product to these distributors to date. However, Pangea has provided these distributors with products for them to test.
- (4) The Company currently has products placed in 7 Real Canadian Superstore locations.
- (5) The Company started selling the product in May 2022.
- (6) The Company has finalized the packaging for this product, but is waiting on the final packaging to be delivered to start selling the product.
- (7) The Company has paid for these services in advance. See *"Interest of Management and Others in Material Transactions"*.

The Company strives to maintain its premium quality products and plans to begin distributing to wholesalers as the majority of its business currently relies on its retail customers. Pangea plans to grow and distribute its products across Canada and the rest of North America, as well as to other vendors such as London Drugs and Fruiticana. Pangea also plans on expanding its product line by adding Old Fashioned Ghee, a butter product, and by beginning to sell a vegan nugget, the Company's Chickn' bites, to be sold within the freezer section of grocers.

Negative Operating Cash Flows

Since its inception, the Company has generated negative operating cash flows and the Company anticipates it will continue to have negative operating cash flows in future periods until such time as the Company's products generate significant revenues. Future cash flows from such interests are dependent on the Company's products achieving production and sales. There can be no assurance that the Company will ever have positive operating cash flows. The Company has to this date funded its operations with proceeds from equity financings and expects to raise additional funds through equity financings.

DIVIDENDS

The Company has not, since its inception, declared or paid any dividends on its Shares. The declaration of dividends on the Company's Shares is within the discretion of the Board and will depend on the assessment of, among other factors, capital requirements, earnings, and the operating and financial condition of the Company. The Company currently intends to retain future earnings, if any, to finance the expansion of our business and do not anticipate paying dividends in the foreseeable future. See *"Risk Factors"*.

SELECTED FINANCIAL INFORMATION

Summary of Selected Financial Information

The following selected financial information derives from the Company's audited financial statements for the period from incorporation on April 10, 2021 to October 31, 2021 and the interim financial statements for the five months ended March 31, 2022. For reporting purposes, the Company's financial statements are prepared in Canadian dollars and in accordance with IFRS. You should read the following information in conjunction with the financial statements and the related notes thereto, along with the respective Management's Discussion and Analysis.

| | Year Ended October 31, 2021 (\$) | Five Months Ended March 31, 2022 (\$) |
|--------------------------------|--|---|
| Current assets | 1,281,877 | 1,081,121 |
| Total assets | 1,341,949 | 1,139,568 |
| Total liabilities | 116,822 | 180,586 |
| Shareholders' Equity (Deficit) | 1,225,127 | 958,982 |
| Net and Comprehensive Loss | (173,193) | (357,593) |

Management’s Discussion and Analysis

The Management’s Discussion and Analysis for Pangea for the period from incorporation on April 10, 2021 to October 31, 2021 and for the five months ended March 31, 2022 are Appendix B and Appendix D of this Prospectus, respectively.

Certain information included in Pangea’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

Pangea is authorized to issue an unlimited number of Shares without par value. As of the date of this Prospectus, there were 27,335,001 Shares issued and outstanding as fully paid and non-assessable Class “A” common shares.

Shares

Holders of Shares are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Company, and each 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 Shares, subject to the prior rights, if any, of any other class of shares of the Company, 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 Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. The 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.

CONSOLIDATED CAPITALIZATION

The following table sets forth our share and loan capitalization as at the date of this Prospectus. This table should be read in conjunction with the financial statements and notes thereto incorporated by reference in this Prospectus.

| Description of the Share and Loan Capital | Securities Authorized | As at March 31, 2022 | As at the date of this Prospectus |
|---|-----------------------|--------------------------|-----------------------------------|
| Shares | Unlimited | 27,335,001 | 27,335,001 |
| Warrants | N/A | 8,667,500 ⁽¹⁾ | 8,667,500 |
| Stock Options | 2,733,500 | 2,350,000 | 2,350,000 |

Notes:

- (1) 5,200,000 of the Warrants entitle the holder thereof to purchase one Common Share at an exercise price of \$0.10 per share and 3,467,500 of the Warrants entitle the holder thereof to purchase one Common Share at an exercise price of \$0.20 per Share. In each case, the Warrants are exercisable for a period of 24 months commencing on the date of issuance, subject to the Company’s right to accelerate the expiry of the Warrants in certain circumstances. See “*General Development of the Business – History – Financings and Other Events*”.

OPTIONS TO PURCHASE SECURITIES

On February 14, 2022 the Board approved the Stock Option Plan. The information below should be read in conjunction with the Stock Option Plan. Any definitions or capitalized terms used or referenced below have the same meaning attributed to them in the Stock Option Plan which will be accessible on the Company’s SEDAR profile at www.sedar.com.

The purpose of the Stock Option Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants, to reward those individuals from time to time for their contributions toward the long terms goals of the Company and to enable and encourage those individuals to acquire Shares as long term investments. The general terms and conditions of the Stock Option Plan are reflected in the disclosure below.

| Key Terms | Summary |
|--|---|
| Administration | The Stock Option Plan will be administered by the Board, or such director or other senior officer of the Company as may be designated as administrator by the Board. The Board or such committee may make, amend and repeal at any time, and from time to time, such regulations not inconsistent with the Stock Option Plan. |
| Number of Shares | The aggregate number of Shares that may be reserved for issuance pursuant to Stock Options, or other proposed share compensation arrangements, shall not exceed 10% of the outstanding Shares at the time of the granting of any Stock Option. |
| Securities | Each Stock Option entitles the Participant to purchase one Share at an exercise price determined by the Board. |
| Participation | Stock Options shall only be granted to "Eligible Persons", being directors, senior officers, employees, consultants, consultant companies or management company employees of the Company. |
| Exercise Price | The Company must not grant Stock Options with an exercise price lower than the market price of the Shares as determined by the Board, provided that if the Company is listed on a recognized stock exchange, such price shall not be less than the market price determined in accordance with the rules of such stock exchange. |
| Exercise Period | The exercise period of a Stock Option will be the period from and including the award date through to and including the expiry date that will be determined by the Board at the time of grant (the "Expiry Date"), provided that every Stock Option shall have a term not exceeding, and shall therefore expire no later than, 10 years after the date of grant, subject to extension where the Expiry Date falls within a blackout period. |
| Vesting | Unless otherwise determined by the Board, all Stock Options shall vest over an 18 month period, with 1/3 of such Stock Options vesting every 6 months. The Board may decide to shorter vesting schedules; however, Stock Options granted to Eligible Persons performing Investor Relations Activities shall vest over a minimum of 12 months with no more than 1/4 of such Options vesting in any three month period. |
| Cessation of being an Eligible Person | Subject to certain limitations, in the event that an participant ceases to be an officer, or consultant of the company or ceases to be employed by the Company, other than by reason of death or disability, each Stock Option held by such participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the expiry date and the date which is 90 days after such event, provided that the Board may, in its discretion, extend the date of such termination and the resulting period in which such Stock Option remains exercisable to a date not exceeding the earlier of the expiry date and the date which is one year after such event. If a participant dies or otherwise ceasing to be an Eligible Person, each Stock Option held by such participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the expiry date and the date which is 365 days after the date of the Participant’s death. |
| Limitations | To any one person. The number of Shares reserved for issuance to any one person in any 12 month period under the Stock Option Plan and any other share compensation arrangement shall not exceed 5% of the outstanding Shares at the time of the grant, unless the Company has obtained disinterested shareholder approval to exceed such limit. |

| Key Terms | Summary |
|---|---|
| | <p>To Consultants. The number of Shares reserved for issuance to any one Consultant in any 12-month period under the Stock Option Plan and any other share compensation arrangement shall not exceed 2% of the outstanding Shares (on a non-diluted basis) at the time of the grant.</p> <p>To persons conducting Investor Relations Activities. The aggregate number of Shares reserved for issuance to all Eligible Persons conducting "Investor Relations Activities" in any 12-month period under the Stock Option Plan and any other share compensation arrangement shall not exceed 1% of the outstanding Shares at the time of the grant.</p> <p>To Insiders. Unless the Company has received disinterested shareholder approval to do so, the aggregate number of Shares reserved for issuance to insiders under the Stock Option Plan and any other share compensation arrangement shall not exceed 10% of the outstanding Shares at the time of the grant; the aggregate number of Shares reserved for issuance to Insiders in any 12 month period under the Stock Option Plan and any other share compensation arrangement shall not exceed 10% of the outstanding Shares at the time of the grant.</p> |
| Amendments, Suspension and Termination | <p>The Board may amend, subject to the approval of any regulatory authority whose approval is required, suspend or terminate the Stock Option Plan or any portion thereof. No such amendment, suspension or termination shall alter or impair any outstanding unexercised Stock Options or any rights without the consent of such Participant. If the Stock Option Plan is suspended or terminated, the provisions of the Stock Option Plan and any administrative guidelines, rules and regulations relating to the Stock Option Plan shall continue in effect for the duration of such time as any Stock Option remains outstanding.</p> |

On February 14, 2022, the Company granted 2,350,000 Stock Options to certain directors, officers, employees and consultants of the Company. Each Stock Option has an exercise price of \$0.10 and is exercisable for 5 years.

The following table sets out information about the Stock Options issued and outstanding pursuant to the Stock Option Plan as of the date of this Prospectus:

| Name of Optionee | Designation of Securities under Option | Price per Share | Number of Shares | Expiry Date |
|--|--|-----------------|------------------|-------------------|
| All executive officers and past executive officers as a group (1 person) | Shares | \$0.10 | 1,000,000 | February 14, 2027 |
| All directors and past directors who are not also executive officers as a group (1 person) | Shares | \$0.10 | 250,000 | February 14, 2027 |
| All consultants of the Company as a group (6 persons) | Shares | \$0.10 | 1,100,000 | February 14, 2027 |
| TOTAL | | | 2,350,000 | |

PRIOR SALES

The following table sets out particulars of the Shares and securities exercisable for or exchangeable into Shares issued within the 12 months prior to the date of this Prospectus:

| Date | Type of Security | Number of Securities Issued | Reason for Issuance | Issue/Exercise Price |
|--------------------|------------------|-----------------------------|--|----------------------|
| September 17, 2021 | Shares | 10,000,000 | \$0.02 Private Placement ⁽¹⁾ | \$0.02 |
| September 28, 2021 | Shares | 10,400,000 | \$0.05 Unit Private Placement ⁽¹⁾ | \$0.05 |
| September 28, 2021 | Warrants | 5,200,000 | \$0.05 Unit Private Placement ⁽¹⁾ | \$0.10 |
| October 27, 2021 | Shares | 6,785,000 | \$0.10 Unit Private Placement ⁽¹⁾ | \$0.10 |
| October 27, 2021 | Warrants | 3,392,500 | \$0.10 Unit Private Placement ⁽¹⁾ | \$0.20 |
| November 17, 2021 | Shares | 150,000 | \$0.10 Unit Private Placement ⁽¹⁾ | \$0.10 |
| November 17, 2021 | Warrants | 75,000 | \$0.10 Unit Private Placement ⁽¹⁾ | \$0.20 |
| February 14, 2022 | Stock Options | 2,350,000 | Incentive Stock Option Grants | \$0.10 |

Notes:

(1) See “General Development and Business of the Company – History – Financings and Other Events”.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

As of Listing and except as described below, no securities of the Company are held, to the knowledge of the Company, in escrow or are subject to a contractual restriction on transfer.

| Designation of class | Number of securities held in escrow or that are subject to a contractual restriction on transfer | Percentage of class |
|----------------------|--|-----------------------|
| Shares | 22,100,001 | 80.85% ⁽¹⁾ |
| Warrants | 6,050,000 | 69.80% ⁽²⁾ |

Notes:

(1) Based on 27,335,001 Shares issued and outstanding as at the date of this Prospectus.

(2) Based on 8,667,500 Warrants issued and outstanding as at the date of this Prospectus.

Escrowed Securities

Pursuant to National Policy 46-201 – *Escrow for Initial Public Offerings* (“NP 46-201”), the following securities held by principals of the Company (the “**Escrowed Securityholders**”) are expected to be held in escrow on listing on the Exchange (the “**Escrowed Securities**”):

| Name of Shareholder | Type of Securities Held in Escrow | Number | Percentage of Class |
|-------------------------------|-----------------------------------|---------------------------|-----------------------|
| Pratapvir Sandhu | Shares | 14,100,001 ⁽¹⁾ | 51.58% ⁽⁵⁾ |
| | Warrants | 2,550,000 ⁽²⁾ | 29.42% ⁽⁶⁾ |
| Mohammad S. Fazil | Shares | 1,000,000 | 3.66% ⁽⁵⁾ |
| Nashir Virani | Shares | 1,000,000 ⁽³⁾ | 3.66% ⁽⁵⁾ |
| | Warrants | 500,000 ⁽⁴⁾ | 5.77% ⁽⁶⁾ |
| Tegpal Khaira | Shares | 3,000,000 | 10.97% ⁽⁵⁾ |
| | Warrants | 1,500,000 | 17.31% ⁽⁶⁾ |
| Maynard Communication Limited | Shares | 3,000,000 | 10.97% ⁽⁵⁾ |
| | Warrants | 1,500,000 | 17.31% ⁽⁶⁾ |

Notes:

- (1) 1,600,000 of these Shares are held by relatives of Mr. Sandhu.
- (2) 800,000 of these Warrants are held by relatives of Mr. Sandhu.
- (3) 500,000 of these Shares are held by a relative of Mr. Virani.
- (4) 250,000 of these Warrants are held by a relative of Mr. Virani.
- (5) Based on 27,335,001 Shares issued and outstanding.
- (6) Based on 8,667,500 Warrants issued and outstanding.

The Escrowed Securities will be held in escrow pursuant to an escrow agreement (the “**Escrow Agreement**”) between Endeavor Trust Corporation as escrow agent (the “**Escrow Agent**”), the Company and the Escrowed Securityholders. The Company is an “emerging issuer” for the purposes of NP 46-201. Accordingly, the Escrowed Securities will be released from escrow in accordance with the following schedule:

| Release Date | Portion of Escrowed Securities Released |
|---|---|
| The date the Company’s securities are listed on a Canadian exchange (the “ Listing Date ”) | 10% of the Escrowed Securities |
| 6 months after the Listing Date | 15% of the Escrowed Securities |
| 12 months after the Listing Date | 15% of the Escrowed Securities |
| 18 months after the Listing Date | 15% of the Escrowed Securities |
| 24 months after the Listing Date | 15% of the Escrowed Securities |
| 30 months after the Listing Date | 15% of the Escrowed Securities |
| 36 months after the Listing Date | 15% of the Escrowed Securities |

Additional Securities

If the Escrowed Securityholders acquire any additional securities of the Company of the type listed above, those securities will be added to the securities already in escrow, to increase the number of remaining Escrowed Securities. Such increased number of remaining Escrowed Securities will be released in accordance with the release schedule in the table above.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Company, no person directly or indirectly beneficially owns, or exercises control or direction over, Shares carrying more than 10% of the voting rights attaching to all the outstanding Shares as at the date of this Prospectus except as disclosed in the table below:

| Name and Municipality of Residence or Province of Incorporation | Number of Shares | Percentage of Ownership ⁽¹⁾ |
|--|------------------|--|
| Pratapvir Sandhu <i>Surrey, BC</i> | 12,500,001 | 45.73% |
| Tegpal Khaira <i>Langley, BC</i> | 3,000,000 | 10.97% |
| Maynard Communication Limited ⁽²⁾ <i>Hong Kong</i> | 3,000,000 | 10.97% |

Notes:

- (1) Based on 27,335,001 Shares issued and outstanding as at the date of this Prospectus.
- (2) Maynard Communication Limited is controlled by Karl Marek, Mark Marek, Philip Livingstone, Michale Holuboch and Frances Barker.

EXECUTIVE OFFICERS AND DIRECTORS

The following table sets out the name, jurisdiction of residence of our 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 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, Current Position, Province and Country of Residence | Position Held Since ⁽¹⁾ | Principal Occupation(s) During Past Five Years | Number and Percentage of Shares Beneficially owned or Controlled ⁽²⁾ |
|--|---|---|---|
| Pratap Sandhu ⁽³⁾ CEO, Corporate Secretary and Director <i>British Columbia, Canada</i> | April 10, 2021 (CEO and Director) March 25, 2022 (Corporate Secretary) | CEO, Corporate Secretary & Director of Pangea Natural Foods Inc., April 2021 to Present; Director of Marketing of Prabu Foods, May 2011 to January 2021. | 12,500,001 45.73% |
| Mohammad S. Fazil ⁽³⁾ Director <i>British Columbia, Canada</i> | February 14, 2022 | Director of Comprehensive Healthcare Inc., June 2018 to Present; President, CEO & CFO, Real Luck Group, January 2018 to December 2020; Founder & CEO of Harbour Star Capital, July 2014 to July 2018. | 1,000,000 3.66% |
| Nashir Virani ⁽⁴⁾ Director <i>British Columbia, Canada</i> | February 14, 2022 | Owner & Operator of First Choice Foods, February 2015 to Present. | 500,000 1.83% |
| Toni Madan CFO <i>British Columbia, Canada</i> | January 26, 2022 | CPA, ACM Management, June 2021 to Present; Accountant with Baker Tilly WM LLP, January 2018 to June 2021. | Nil Nil% |
| TOTAL | | | 14,000,001 (51.22%) |

Notes:

- (1) Term of board appointment expires upon holding the next annual meeting of shareholders.
- (2) Based on 27,335,001 Shares issued and outstanding as at the date of this Prospectus.
- (3) Member of the Audit Committee.
- (4) Chair of the Audit Committee.

Biographies

Pratap Sandhu – Chief Executive Officer, Corporate Secretary and Director, Age 26

Pratap Sandhu is an entrepreneur with over 10 years of experience in food manufacturing and distribution, product research and development, manufacturing processes, product marketing and sales and product distribution. This experience primarily comes from his involvement with Prabu Foods. Pratap studied marketing, professional sales at BCIT. He is currently the Director of Marketing at Prabu Foods, which manufactures and distributes to retail and wholesale outlets across the world. Pratap has made connections with Save-On-Foods and Loblaws through his work at Prabu Foods and has utilized these connections to promote the distribution of Pangea's products.

Mr. Sandhu has participated in many investment opportunities within the food and technology industry and has committed over \$1 Million of his own money into these ventures.

Mr. Sandhu intends to devote approximately 90% of his working time to the affairs of the Company. Mr. Sandhu is an employee of the Company and has not entered into a non-competition agreement with the Company.

Mohammad S. Fazil – Director, Age 60

Mr. Fazil has been active in venture capital for over 25 years. He was employed by boutique investment dealers in Canada as a finance professional focusing on funding junior listed issuers on the TSX and TSX Venture Exchange ("TSXV"). During his career he has raised over \$300 Million for venture companies. Mr. Fazil has a Bachelor's degree in Economics from the University of Calgary.

He is the founder and President of Lion Park Capital, a private financial advisory firm helping companies raise funding and list on a Canadian stock exchange. He is the Chairman of the Calgary branch of the TSX Venture Exchange's Listing Advisory Committee and a member of the National Advisory Committee.

Mr. Fazil is currently a director of Comprehensive Healthcare Systems Inc., a US based Healthcare administration company. He was formerly the CEO and Director of Elephant Hill Capital Inc. which is now Real Luck Group Ltd. and listed on the TSX Venture Exchange. Real Luck Group Ltd. is a fully licensed eSports betting platform.

He was the founder and of CEO of Harbour Star Capital (now Eastwest Bioscience Inc., listed on the TSXV), a hemp manufacturing and marketing company and the founder and President of Bow Energy Ltd. (was listed on TSXV), an Indonesia focused E& P company which was sold to Petrolia Energy Corporation (listed in the US) in February 2018. He is also the former President and founder of Scythian Biosciences Corp. (now SOL Global Investments Corp.), listed on the TSXV which is active in the US cannabis sector.

Mr. Fazil intends to devote approximately 5% of his working time to the affairs of the Company. Mr. Fazil is not an employee of the Company and has not entered into a non-competition agreement with the Company.

Nashir Virani - Director, Age 70

Mr. Virani founded Golden Boy Foods in 1979, which started off as a coffee business and expanded to become a wholesaler for peanut butter, baking goods, nuts and dried fruit. Golden Boy Foods was then sold for \$500 million (USD) to Kraft Foods. This experience then led him to the opportunity to own and operate First Choice Foods which generated \$25.07(USD) million in sales. Mr. Virani has a CA from the London School of Economics.

Nashir has experiencing working with and investing in startups and junior stage issuers, in a variety of industries including: property, food and tech companies. He helped raised over \$6 million in financing, while continuing to operate First Choice Foods.

Mr. Virani intends to devote approximately 5% of his working time to the affairs of the Company. Mr. Virani is not an employee of the Company and has not entered into a non-competition agreement with the Company.

Toni Madan – Chief Financial Officer, Age 30

Ms. Madan is a Chartered Professional Account (CPA) with experience in accounting, regulatory compliance and financial reporting. She is currently providing accounting and financial reporting services through her position with ACM Management Inc., a provider of financial and accounting services to public companies in various industries in both the United States and Canada.

Ms. Madan is currently a Manager of Financial Reporting and Advisory Services at ACM Management Inc., since June 2021. Prior to that she was an Accountant at Baker Tilly WM LLP, a Company providing audit, tax and advisory services, from January 2018 to June 2021.

Ms. Madan received her CPA designation in April 2021. Ms. Madan has previous experience auditing public companies listed on both the TSXV and CSE in various industries such as cannabis, mining, and film production.

Ms. Madan intends to devote approximately 15% of her working time to the affairs of the Company. Ms. Madan is not an employee of the Company and has not entered into a non-competition agreement with the Company.

Share Ownership by Directors and Officers

As a group, the Company's directors and executive officers beneficially own, directly or indirectly, or exercise control over 14,000,001 Shares or 51.22% of the issued and outstanding Shares on an undiluted basis. The statement as to the number of Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the directors and officers of the Company, as a group, is based upon information furnished by the directors and officers.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Company, no existing or proposed director, officer of the Company, nor any shareholder holding sufficient securities of the Company to affect materially the control of the Company is, or within the ten years prior to the date hereof has been, a director or CEO or CFO of any corporation that, while that person was acting in the capacity of director or CEO or CFO of that corporation, was the subject of a cease trade order or similar order or an order that denied the corporation access to any exemption under securities legislation for a period of more than 30 consecutive days.

Fulucai Productions Ltd., a reporting issuer of which Mr. Mohammad Fazil, a director of the Company, was President and a director, was subject to a cease trade order commencing August 18, 2014 for failure to file annual financial statements and the associated management's discussion and analysis for the year ended January 31, 2014, and interim financial statements and the associated management's discussion and analysis for the interim period ended April 30, 2014 within the required time period. This cease trade order has not been revoked as of the date of this Prospectus.

Penalties or Sanctions

To the knowledge of the Company, no existing or proposed director or officer of the Company, nor any shareholder holding sufficient securities of the Company to materially affect control of the Company 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 or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

To the knowledge of the Company, no existing or proposed director or officer of the Company, nor any shareholder holding sufficient securities of the Company to affect materially the control of the Company, nor any personal holding company of any such person has, within the ten 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, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

Other than as disclosed in this Prospectus, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. See *"Risk Factors"*.

EXECUTIVE COMPENSATION

Prior to obtaining a receipt for this Prospectus from securities regulatory authorities in British Columbia and Alberta, the Company was not a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6V – *Statement of Executive Compensation* ("**Form 51-102F6V**") has been omitted pursuant to Section 1.3(8) of Form 51-102F6V.

Compensation of Named Executive Officers

In this section "Named Executive Officer" or a "NEO" means each individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year (a "CEO"), each individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year (a "CFO") and each of the three most highly compensated executive officers, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than CDN\$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

As of the date of this Prospectus, the Company has the following Named Executive Officers (collectively, the "**Named Executive Officers**" or "**NEOs**"):

- Pratap Sandhu, CEO and a Director of the Company; and
- Toni Madan, CFO of the Company.

Compensation Discussion and Analysis

In assessing the compensation of its Named Executive Officers, the Company does not have in place any formal objectives, criteria or analysis; compensation payable is currently determined by the Board.

As of the date of this Prospectus, the Board has not established any benchmark or performance goals to be achieved or met by Named Executive Officers; however, such Named Executive Officers are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Company. The satisfactory discharge of such duties is subject to ongoing monitoring by the Company's directors.

It is expected that once the Company becomes a reporting issuer, base salary will be the principal component of Named Executive Officer compensation. The base salary for each Named Executive Officer will be based on the position held, the related responsibilities and functions performed by the executive and salary ranges for similar positions in comparable companies. Individual and corporate performance will also be taken into account in determining base salary levels.

Option Based Awards

Another component of Named Executive Officer compensation is the grant of Stock Options pursuant to the Company's Stock Option Plan. The objective of this compensation component is to attract, retain and motivate certain persons of training, experience and leadership as key service providers to the Company, including its directors, Named Executive Officers and employees and to advance the interest of the Company by providing such persons with additional compensation and the opportunity to participate in the success of the Company.

In addition to, or in lieu of, the compensation components described above, payments may be made from time to time to individuals, including Named Executive Officers or directors of the Company, or companies they control for the provision of management or consulting services. Such services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The Company intends to pay the persons outlined below the following compensation over the next twelve months. The compensation set out herein is based on current and anticipated conditions in the food industry and on the associated approximate allocation of time for each NEO and director of the Company.

| Name and Principal Position | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Long-term incentive plans (\$) |
|------------------------------------|--|-------------------|---------------------------------------|----------------------------------|---------------------------------------|
| Pratap Sandhu CEO and Director | \$120,000 | Nil | Nil | Nil | Nil |
| Mohammad S. Fazil Director | Nil | Nil | Nil | Nil | Nil |
| Nashir Virani Director | Nil | Nil | Nil | Nil | Nil |
| Toni Madan CFO | \$18,000 | Nil | Nil | Nil | Nil |

The compensation set out above is based on current conditions in the Company’s industry and on the associated approximate allocation of time for the CEO and CFO and is subject in future to adjustments based on changing market conditions and corresponding changes to required time commitments. Directors of the Company are expected to be compensated in line with current conditions in the Company’s industry. Following the listing of the Shares on the Exchange, the Company will review its compensation policies and may adjust them if warranted by factors such as market conditions.

Outstanding Share-Based Awards and Option-Based Awards

The Company’s Stock Option Plan was adopted by the Board on February 14, 2022. As at the date of this Prospectus, there are 2,350,000 Stock Options outstanding.

For a description of the Company’s Stock Option Plan, see “Options to Purchase Securities”. The following table discloses all compensation securities granted or issued to each Named Executive Officer and director by the Company as at the date hereof.

| Name and position | Type of compensation security | Number of compensation securities, number of underlying securities, and percentage of class | Date of issue or grant | Exercise price (\$) | Expiry Date |
|-----------------------------------|-------------------------------|---|------------------------|---------------------|----------------------|
| Pratap Sandhu CEO and Director | Stock Options | 1,000,000 (42.55%) | February 14, 2022 | \$0.10 | February 14, 2027 |
| Mohammad S. Fazil Director | Stock Options | 250,000 (10.64%) | February 14, 2022 | \$0.10 | February 14, 2027 |
| Nashir Virani Director | N/A | N/A | N/A | N/A | N/A |

The Company does not provide any retirement benefits for its directors or officers; nor does it have any long-term incentive plans.

Stock Option Plans and Other Incentive Plans

See “Options to Purchase Securities” for a description of the Company’s Stock Option Plan.

Employment, Consulting and Management Agreements

Except as disclosed below, the Company does not have any written employment, consulting or management agreements in place with any of its officers or directors. No benefits will accrue to any of the Company’s Named Executive Officers, officers, employees or directors upon their termination, or upon any change of control of the Company.

Pratap Sandhu has a written employment agreement in place with the Company to act as the Company’s CEO, dated effective April 1, 2021.

Toni Madan provides her services as CFO of the Company pursuant to a consulting agreement between the Company and ACM Management Inc., of which Ms. Madan is an employee, dated effective September 28, 2021 (the “**ACM Consulting Agreement**”). Under the terms of the agreement, the Company will be invoiced for services performed at a rate of \$60-\$200 per hour, depending on the service. The ACM Consulting Agreement is for a term of one year.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Prospectus, none of the directors and executive officers of Pangea or associates of such persons is indebted to Pangea 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 Pangea.

STOCK EXCHANGE LISTING

This Prospectus is being filed in the provinces of British Columbia and Alberta to qualify the Company as a reporting issuer in British Columbia and Alberta. There is no distribution or offering being made pursuant to this Prospectus.

As at 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, a U.S. marketplace, or a marketplace outside Canada and the United States.

The Company intends to apply to list the Shares for trading on the Exchange. The listing of the Shares will be subject to the Company fulfilling the listing requirements of the Exchange, which cannot be guaranteed.

AUDIT COMMITTEE

The Audit Committee's Mandate

The full text of the Audit Committee's charter is attached as Appendix C 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 management discussion and analysis ("**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 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.

Composition of the Audit Committee

The Audit Committee is presently composed of Pratap Sandhu, Mohammad S. Fazil and Nashir Virani, with Nashir Virani as the Audit Committee Chair. Mr. Fazil and Mr. Virani are independent directors as defined in NI 52-110. Mr. Sandhu is not independent as he is the CEO of the Company. All of the Audit Committee members are "financially literate", as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

The members of the Audit Committee are elected by the Board at its first meeting following each annual shareholders' meeting to serve one-year terms and are permitted to serve an unlimited number of consecutive terms.

Relevant Education and Experience

Each member of the Company's Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

For the education and experience of each member of the Audit Committee relevant to the performance of their duties as a member of the Audit Committee, see "*Executive Officers and Directors*".

Audit Committee Oversight

The Audit Committee was established on February 14, 2022 and will, among other things, make recommendations to the Board to nominate or compensate an external auditor. The Audit Committee has recommended that Harbourside CPA, LLP, be appointed as the auditor of the Company for the ensuing year.

Reliance on Certain Exemptions

The Company is a "venture issuer" as defined in NI 52-110 and is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee will have authority and responsibility for pre-approval of all non-audit services to be provided to the Company or its subsidiary entities by the external auditors or the external auditors of the Company's subsidiary entities, unless such pre-approval is otherwise appropriately delegated or if appropriate specific policies and procedures for the engagement of non-audit services have been adopted by the Audit Committee.

External Auditor Service Fees (By Category)

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company’s external auditor, Harbourside CPA, LLP, during the period from incorporation on April 10, 2021 to October 31, 2021 and the period from November 1, 2021 to March 31, 2022 with respect to the Company, by category, are as follows:

| Financial Period Ended | Audit Fees | Audit Related Fees | Tax Fees | All Other Fees |
|------------------------|------------|--------------------|----------|----------------|
| October 31, 2021 | \$15,000 | N/A | \$1,500 | N/A |
| March 31, 2022 | \$15,000 | N/A | N/A | N/A |

CORPORATE GOVERNANCE

Corporate governance refers to the policies and structure of the Board of a corporation, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the opinion of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board facilitates its exercise of independent judgment in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board requires management to provide complete and accurate information with respect to the Company’s activities and to provide relevant information concerning the mineral exploration industry in order to identify and manage risks. The Board is responsible for monitoring the Company’s senior officers, who in turn are responsible for the maintenance of internal controls and management information systems.

The independent members of the Board are Mohammad S. Fazil and Nashir Virani. Pratap Sandhu, by reason of being CEO of the Company, is a non-independent member of the Board.

Directorships

The following directors of the Company are currently directors of other reporting issuers (or equivalent in a foreign jurisdiction):

| Name | Name of Other Reporting Issuers | Name of Exchange or Market | Position | From | To |
|-------------------|---|----------------------------|--------------------------|---------------|----------------|
| Mohammad S. Fazil | Comprehensive Healthcare Systems Inc. (formerly Greenstone Capital Corp.) | TSXV | Director | October, 2021 | Present |
| | Bow Energy Ltd. | TSXV | President, Director | June, 2015 | February, 2018 |
| | ITOK Capital Corp. | Not listed on any exchange | President, CEO, Director | October, 2020 | Present |

Orientation and Continuing Education

Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and developments, and to attend related industry seminars. Board members have full access to the Company's records and management provide regular updates to the Board members on financial, technical and other information as relevant.

Ethical Business Conduct

While Pangea has not adopted a written code of business conduct and ethics, the Board will from time to time discuss and emphasize the importance of matters relating to conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, compliance with laws and the reporting of any illegal or unethical behaviour.

Nomination of Directors

The Company's management is continually in contact with individuals involved with public sector issuers. From these sources, management has made numerous contacts and, in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board. The Company conducts due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, integrity of character and a willingness to serve.

Compensation

The entire Board acts as a *de facto* Compensation Committee to monitor and review the salary and benefits of its executive officers. The Board will periodically review the Company's general compensation structure, policies and programs in consideration of industry standards and the Company's financial situation until a Compensation Committee is formed.

Other Board Committees

At present, the only committee the Company has is an Audit Committee. The Company may create other committees in the future.

Assessments

Neither the Company nor the Board has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director are informally monitored by the other Board members, having in mind the business and other strengths of the individual and the purpose of originally nominating the individual to the Board.

RISK FACTORS

An investment in the Shares involves a high degree of risk and should be considered speculative. An investment in the Shares 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 buying Shares. The risks and uncertainties below are not the only ones Pangea faces. Additional risks and uncertainties not presently known to Pangea or that Pangea believes to be immaterial may also adversely affect Pangea's business. If any of the following risks occur, Pangea's business, financial condition and results of operations could be seriously harmed, and you could lose all or part of your investment.

Limited Operating History

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

Public Health Crises such as the COVID-19 Pandemic

In October 2019, a novel strain of coronavirus known as COVID-19 surfaced and has spread around the world causing significant business and social disruption. COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of COVID-19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain. Such adverse effects related to COVID-19 and other public health crises may be material to the Company and could have a negative impact on the Company's business, financial condition and results of operations. It is not presently possible to predict the extent or durations of any such adverse effects. Such adverse effects could be rapid, unexpected and may severely impact the Company's ability to carry out its business plans for 2022 in accordance with the "Use of Available Funds" section above.

To date, a number of governments, including Canada, have declared states of emergency and have implemented restrictive measures such as travel bans, quarantine and self-isolation. In mid-March, 2020, all of Canada's provinces and territories declared province- and territory-wide states of emergency, including Ontario on March 17, 2020 and British Columbia on March 18, 2020. On September 23, 2020, in a speech from the throne, Canada's Prime Minister, Justin Trudeau, declared Canada was experiencing its second wave of COVID-19. On April 6, 2021, Canada's Prime Minister, Justin Trudeau, declared Canada was experiencing its third wave of COVID-19. As of the date of this Prospectus, however, several Canadian provinces including British Columbia, Ontario, Quebec, Alberta, Saskatchewan, Nova Scotia and Prince Edward Island have begun to lift COVID-19 restrictions in the midst of declining COVID-19 cases.

COVID-19 and efforts to contain it may have broad impacts on the Company's business or the global economy, which could have a material adverse effect on the Company's financial position. While governmental agencies and private sector participants are seeking to mitigate the adverse effects of COVID-19, and the medical community is seeking to develop vaccines and other treatment options, the efficacy and timing of such measures is uncertain.

The COVID-19 pandemic has not had a negative impact on the Company's business, and the Company does not currently anticipate that the COVID-19 pandemic will have an impact on its business.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company as a Going Concern

The continued operation of the Company as a going concern is dependent upon the Company's ability to generate positive cash flows and/or obtain additional financing sufficient to fund continuing activities and acquisitions. While the Company continues to review its operations in order to identify strategies and tactics to increase revenue streams and financing opportunities, there is no assurance that the Company will be successful in such efforts; if the Company is not successful, it may be required to significantly reduce or limit operations, or no longer operate as a going concern. It is also possible that operating expenses could increase in order to grow the business. If the

Company does not significantly increase its revenue to meet these increased operating expenses and/or obtain financing until its revenue meets these operating expenses, its business, financial condition and operating results could be materially adversely affected. The Company cannot be sure when or if it will ever achieve profitability and, if it does, it may not be able to sustain or increase that profitability.

Need for Additional Financing and Possible Dilution

The development of the business of the Company and its ability to execute on its expansion opportunities described herein will depend, in part, upon the amount of additional financing available. Failure to obtain sufficient financing may result in delaying, scaling back, eliminating or indefinitely postponing expansion opportunities and the business of the Company's current or future operations. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be acceptable to the Company. In addition, there can be no assurance that future financing can be obtained without substantial dilution to existing shareholders.

Conflicts of Interest

The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may become involved in other transactions which conflict with the interests of its directors and officers who may from time-to-time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Negative Operating Cash Flow

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

Internal Controls

One or more material weaknesses in the Company's internal controls over financial reporting could occur or be identified in the future. In addition, because of inherent limitations, the Company's internal controls over financial reporting may not prevent or detect misstatements, and any projections of any evaluation of effectiveness of

internal controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the Company's policies or procedures may deteriorate. If the Company fails to maintain the adequacy of its internal controls, including any failure or difficulty in implementing required new or improved controls, its business and results of operations could be harmed, the Company may not be able to provide reasonable assurance as to its financial results or meet its reporting obligations and there could be a material adverse effect on the price of its securities.

Facilities

The Company has not been subject to any risks regarding the Facility to date, although, there are still some factors that may arise. Raw material prices are subject to unexpected fluctuations, specifically due to unexpected environmental changes, such as floods, pandemics and wildfires. Property damage is another unexpected risk that cannot be predicted, this could create a vast halt on manufacturing of any product. As these risks are highly unlikely, Pangea will continue to protect themselves against any Facility risks moving forward.

Increased Costs of Being a Publicly Traded Company

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 any other stock exchange. In anticipation of listing, the Company is working with its legal, accounting, and financial advisors to identify those areas in which changes should be made to its financial management control systems to manage its obligations as a public company. These areas include corporate governance, corporate controls, disclosure controls and procedures and financial reporting and accounting systems. The Company has made, and will continue to make, changes in these and other areas, including its internal controls over financial reporting. However, the Company cannot assure purchasers of Shares that these and other measures that it might take will be sufficient to allow it to satisfy its 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 the Company and will require the time and attention of management. The Company cannot predict the amount of the additional costs that it might incur, the timing of such costs or the impact that management's attention to these matters will have on its business.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, labour disputes and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability. Although the Company maintains and intends to continue to maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Any such litigation could be very costly and could distract its management from focusing on operating the Company's business. The existence and/or outcome of any such litigation could harm the Company's business.

Governmental Regulations and Risks

The Company and its suppliers are subject to a wide variety of laws, regulations and orders across all jurisdictions in which they do business, including those laws involving product liability, labour and employment, food safety, intellectual property, privacy, environmental and other matters. Changes to any of the laws, rules, regulations or policies applicable to the Company's business, including tax laws, and laws affecting the production, processing, preparation, distribution, packaging and labelling of food, beverages and general merchandise products, could adversely affect the operations or financial condition or performance of the Company. Failure by the Company or its suppliers to comply with applicable laws, regulations and orders could subject the Company to civil or regulatory actions, investigations or proceedings, including fines, assessments, injunctions, recalls or seizures, which in turn could adversely affect reputation, operations or financial condition or performance of the Company. In the course of complying with changes to laws, the Company could incur significant costs. Changing laws or interpretations of such laws or enhanced enforcement of existing laws could restrict the Company's operations or profitability and thereby threaten the Company's competitive position and ability to efficiently conduct business.

Environmental and Health and Safety Risks

The Company is subject to environmental, health and safety laws and regulations in each jurisdiction in which it operates or is planning to operate. Such regulations govern, among other things, emissions of pollutants into the air, wastewater discharges, waste disposal, the investigation and remediation of soil and groundwater contamination, and the health and safety of the Company's employees. For example, the Company's products and the raw materials used in its production processes are subject to numerous environmental laws and regulations. The Company may be required to obtain environmental permits from governmental authorities for certain of its current or proposed operations. The Company may not have been, nor may it be able to be at all times, in full compliance with such laws, regulations and permits. If the Company violates or fails to comply with these laws, regulations or permits, the Company could be fined or otherwise sanctioned by regulators.

As with other companies engaged in similar activities or that own or operate real property, the Company faces inherent risks of environmental liability at its current and historical production sites. Certain environmental laws impose strict and, in certain circumstances, joint and several liability on current or previous owners or operators of real property for the cost of the investigation, removal or remediation of hazardous substances as well as liability for related damages to natural resources. In addition, the Company may discover new facts or conditions that may change its expectations or be faced with changes in environmental laws or their enforcement that would increase its liabilities. Furthermore, its costs of complying with current and future environmental and health and safety laws, or the Company's liabilities arising from past or future releases of, or exposure to, regulated materials, may have a material adverse effect on its business, financial condition, and results of operations.

Competition

The industry in which the Company operates is intensely competitive. The Company faces competition from numerous brands in the plant-based food market. Many of these companies can be expected to have longer operating histories and more financial resources and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company. Some of these competitors and new entrants may have brands that are or become more widely recognized by consumers than the Company's brand, and they may also have substantially greater financial, marketing, technical or other resources. The Company's competitors may also merge or form strategic partnerships. These factors could adversely impact the Company's competitive position. To remain competitive, the Company will require a continued high level of investment in marketing, sales and customer support. The Company may not have sufficient resources to maintain marketing, sales and customer support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Company.

Reputation Risk

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Company and its activities, whether true or not. Although the Company believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on the Company's business, results of operations, financial performance, financial condition, cash flows and growth prospects.

Brand Value

The Company's success largely depends on its ability to maintain and grow the value of the Company's brands. Maintaining, promoting and positioning the Company's brands and reputation will depend on, among other factors, the success of the Company's product offerings, food safety, quality assurance, marketing and merchandising efforts and the Company's ability to provide a consistent, high-quality product, which the Company may not do successfully. The Company may introduce new products that customers do not like, which may negatively affect its brand and reputation. Any negative publicity, regardless of its accuracy, could materially adversely affect the business. 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 our brand and adversely affect our business, results of operations and financial condition.

Food Industry

The financial performance of the Company is subject to a number of factors that affect the food service industry generally. The Canadian food service industry is intensely competitive with respect to price, value proposition, service, location and food quality. There are many well-established competitors, including those with greater financial and other resources than the Company. Some of the Company's competitors may have brands with longer operating histories or may be better established in markets where the Company operates or may operate in the future. If the Company is unable to successfully compete in the segments of the industry in which it operates, the financial condition and results of operations of the Company may be adversely affected. The Company's business is also affected by factors such as inflation, increased food, labour and benefit costs, and the availability of experienced management and hourly employees may adversely affect the industry in general and the Company in particular. Even if the Company is able to successfully compete with other companies, it may be forced to make changes in one or more of its concepts in order to respond to changes in consumer trends.

Regulation of the Food Industry

The Company's operations are subject to regulation by government agencies which regulate the processing, packaging, storage, distribution, advertising, and labeling of our products, including food safety standards. The Company strives to maintain compliance with all laws and regulations and maintain all approvals and licenses relating to our operations. Nevertheless, there can be no assurance that the Company is in compliance with all such laws and regulations, has all necessary approvals, permits and licenses, and will be able to comply with such laws and regulations, or obtain such approvals, permits and licenses, in the future. Failure by the Company to comply with applicable laws and regulations and permits and licenses could subject us to civil remedies, including fines, injunctions, recalls or seizures, as well as potential criminal sanctions, which could have a material adverse effect on our financial condition and results of operations. In addition, enforcement of existing laws and regulations, changes in legal requirements and/or evolving interpretations of existing regulatory requirements may result in increased compliance costs and create other obligations, financial or otherwise, that could adversely affect our business, financial condition or results of operations.

Quality Control and Health Concerns

The Company's business can be materially and adversely affected by negative publicity resulting from such an illness, injury, cleanliness, poor food quality or safety or any other health concerns or operating issues relating to the Company's products. Such negative publicity or concerns could reduce sales and gross revenues and have a material adverse effect on the Company's business. The Company has procedures in place for managing food safety and quality. Nevertheless, the risk of food borne illness or contamination cannot be completely eliminated. Any outbreak of such illness or contamination at the Facility or within the food service industry more generally, or the perception of such an outbreak, could have a material adverse effect on the financial condition and results of operations of the Company.

Product Recalls

Manufacturers and distributors of food products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the Company's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. There can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if subject to a recall, the reputation of the Company could be harmed. A recall for any reason could lead to decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company.

Product Liability

As a manufacturer and distributor of products designed to be ingested by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if the products it distributes are alleged to have caused significant loss or injury. In addition, the preparation and sale of the Company's products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. Additionally, the Company is exposed to many types of operational risk, including the risk of misconduct and errors by its employees and third-party service providers. The Company may be subject to various product liability claims. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of the Company.

There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products.

Liability for Actions of Employees, Contractors and Consultants

The Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Company.

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates (i) government regulations; (ii) manufacturing standards; (iii) fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on its business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, the curtailment of the Company's operations or asset seizures, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Innovation Risks

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

Consumer Trends

The Company's business is focused on the development, manufacture, marketing and distribution of branded plant-based food. 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, the Company's business and financial condition would suffer. In addition, sales of plant-based food is 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 Company's products could reduce sales, which would harm the Company's business and financial condition.

Limited Number of Products

The Company currently offers its products to customers in British Columbia. Some of the Company's competitors offer a more diverse set of products and in additional markets. There can be no assurance that the Company will be successful in broadening the scope of products offered. Failure to broaden the scope of products offered to potential customers may inhibit the growth of repeat business and harm the operating results of the Company. There also can be no guarantee that the Company will be successful with respect to its current efforts in the rest of Canada, as well as any further expansion beyond Canada, which may also inhibit the growth of the Company's business. Expanding the Company's operations into new markets would subject the Company's business to new challenges, regulations and risks.

Transportation Disruptions

Utilization of courier services for shipments is subject to risks, including increases in fuel prices, which would increase its shipping costs, and employee strikes and inclement weather, which may impact the ability of providers to provide delivery services that adequately meet shipping needs. Interruptions, delays or failures in these courier services could delay or prevent the delivery of products, and adversely affect the Company's ability to fulfill customers' orders.

and could result in lost sales. Any prolonged disruption of these courier services could have an adverse effect on the financial condition and results of operations of the Company. Rising costs associated with the courier services used by the Company to ship its products may also adversely impact the business of the Company and its ability to operate profitably. In addition, courier interruptions and delays as a result of the COVID-19 pandemic could impact the Company's ability to deliver orders to customers in a timely manner.

Availability, Price and Quality of Raw Materials

Costs of the ingredients and packaging for the Company's products are volatile and can fluctuate due to conditions that are difficult to predict, including global competition for resources, weather conditions, consumer demand and changes in governmental trade and agricultural programs. Volatility in the prices of raw materials and other supplies the Company purchases could increase our cost of sales and reduce the Company's 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 prices to cover increased costs, or if such price increases reduce sales volumes, then such increases in costs will adversely affect the Company's business, results of operations and financial condition.

Reliance on Third Party Co-Packer

The Company currently relies on a singular co-packer to produce its products. The Company's financial performance depends in large part on its ability to produce its products in a timely manner at competitive pricing. The Company and the co-packer could terminate their relationship.

Any disruption in the Company's ability to deliver its products would have a material adverse effect on the Company's business if it cannot replace the co-packer in a timely manner or at all.

The Company continuously seeks alternative and secondary co-packing relationships for redundancy, but it may not be successful in diversifying.

If the Company needs to replace its co-packer, there can be no assurance that an alternative co-packer will be available when required on acceptable terms, or at all, or that a new co-packer would allocate sufficient capacity to the Company in order to meet its requirements, fill its orders in a timely manner or meet its strict quality standards. If the Company is unable to manage its supply chain effectively and ensure that its products are available to meet consumer demand, its operating costs could increase, and its profit margins could decrease.

Supply Chain Management

Insufficient or delayed supply of products threatens the Company's ability to meet customer demands while over capacity threatens the Company's ability to generate profit. Accordingly, any failure by the Company to properly manage the Company's supply chain could have a material adverse effect on the Company's business, financial condition and results of operations. The Company does not currently have written supply agreements with its suppliers. Because of the absence of such contracts, any of such suppliers could seek to alter or terminate its relationship with the Company at any time, which could result in disruption in the Company's supply chain.

If the Company needs to replace an existing supplier, there can be no assurance that supplies of raw materials will be available when required on acceptable terms, or at all, or that a new supplier would allocate sufficient capacity to the Company in order to meet its requirements, fill its orders in a timely manner or meet its strict quality standards. If the Company is unable to manage its supply chain effectively and ensure that its products are available to meet consumer demand, its operating costs could increase and its profit margins could decrease. Any significant increase in the price of raw materials that cannot be passed on to the customers could have a material adverse effect on the Company's results of operations or financial condition.

Reliance on Key Personnel

The success of the Company is highly dependent upon the ability, expertise, judgment, discretion and good faith of its limited number of senior management personnel. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. In addition, the Company's lean management structure may be strained as the Company pursues growth opportunities in the future. Any loss of the services of such individuals or an inability to attract other suitably qualified persons when needed, could have a material adverse effect on the Company's business, operating results or financial condition.

Climate Change and Environmental Risks

Governments are moving to introduce climate change legislation and treaties at the international, national, state/province and local levels. Regulation relating to emission levels (such as carbon taxes) and energy use and efficiency is becoming more stringent. This trend could lead to an increased cost of compliance over time, the impact of which is not currently known.

In addition, 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. The Company can provide no assurance that efforts to mitigate the risks of climate changes will be effective and that the physical risks of climate change will not have an adverse effect on its operations.

Disruption at our Facility

Currently, all of our products are manufactured at our Facility. A natural disaster, fire, power interruption, work stoppage or other calamity at the Facility, or at any future facility at which we produce our products, would significantly disrupt our ability to deliver our products and operate our business. If any material amount of our machinery or inventory were damaged, we would be unable to meet our contractual obligations and cannot predict when, if at all, we could replace or repair such machinery, which could materially adversely affect our business, financial condition and results of operations.

Internet Search Algorithms

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 our website to appear less prominently in search results.

Leasing Commercial Space

The Company does not own any real estate. Instead, the Company leases its production and distribution location. Accordingly, the Company is 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. Changes in areas around the Facility that render the location unsuitable or altogether unavailable due to unforeseen or extraordinary circumstances including as a result of the COVID-19 pandemic could adversely affect the Company's business, results of operation, and financial condition.

Retention of Existing Customers and Attracting New Customers

The Company's success, and its ability to increase revenue and operate profitably, depends in part on the Company's 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 due to negative value and quality perceptions and a lack of new and relevant. If the Company is unable to cost-effectively acquire new customers, retain existing customers or keep existing customers engaged, the business, financial condition and operating results would be materially adversely affected. Further, if customers do not perceive the Company's product offerings to be of sufficient value and quality, or if it fails to offer new and relevant product offerings, the Company may not be able to attract or retain customers or engage existing customers so that they continue to purchase products.

If the Company fails to manage its future growth effectively, the business could be materially adversely affected.

Protection of Intellectual Property Rights

The Company may not be able to protect its intellectual property adequately, which may harm the value of its brand. The Company believes that its intellectual property has substantial value and has contributed significantly to the success of the business. The Company's trademarks are valuable assets that reinforce its brand and consumers' favorable perception of its products. The Company also relies on unpatented proprietary expertise, recipes and formulations and other trade secrets to develop and maintain its competitive position. The Company's continued success depends, to a significant degree, upon its ability to protect and preserve its intellectual property, including its trademarks and trade secrets. The Company relies on confidentiality agreements and trademark, trade secret law to protect its intellectual property rights.

The Company's confidentiality agreements with its consultants, contract employees, suppliers and independent contractors who use its formulations to manufacture its products, generally require that all information made known to them be kept strictly confidential. Nevertheless, trade secrets are difficult to protect. Although the Company attempts to protect its trade secrets, its confidentiality agreements may not effectively prevent disclosure of proprietary information and may not provide an adequate remedy in the event of unauthorized disclosure of such information.

The Company cannot assure purchasers that the steps taken to protect its intellectual property rights are adequate, that its intellectual property rights can be successfully defended and asserted in the future or that third parties will not infringe upon or misappropriate any such rights. In addition, the Company's trademark rights and related registrations may be challenged in the future and could be canceled or narrowed. Failure to protect trademark rights could prevent the Company in the future from challenging third parties who use names and logos similar to its trademarks, which may in turn cause consumer confusion or negatively affect consumers' perception of the brand and products. In addition, if the Company does not keep its trade secrets confidential, others may produce products with the Company's recipes or formulations. Moreover, intellectual property disputes and proceedings and infringement claims may result in a significant distraction for management and significant expense, which may not be recoverable regardless of whether it is successful. Such proceedings may be protracted with no certainty of success, and an adverse outcome could subject the Company to liabilities, force it to cease use of certain trademarks or other intellectual property or force it to enter into licenses with others. Any one of these occurrences may have a material adverse effect on the business, results of operations and financial condition.

Risks relating to changes in accounting standards.

Generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to the Company's business, including but not limited to revenue recognition, impairment of assets, leases, inventory, income taxes and litigation, are highly complex and involve many subjective assumptions, estimates and judgments. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments could significantly change the Company's reported financial performance or financial condition in accordance with generally accepted accounting principles.

Market for Securities and Volatility of Share Price

No public market exists for the Shares. The CSE has conditionally accepted the listing of the Shares. Listing is subject to the Company fulfilling the listing requirements of the CSE. In the event of such listing, external factors outside of our control, such as announcements of quarterly variations in operating results, revenues and costs, and sentiments toward stocks, may have a significant impact on the market price of the Shares. Global stock markets, including the CSE, have experienced extreme price and volume fluctuations from time to time. There can be no assurance that an active or liquid market will develop or be sustained for the Shares.

Dividends

The Company has not paid dividends in the past and do not anticipate paying dividends in the near future. The Company intends to retain earnings, if any, to finance the growth and development of the Company's business and, where appropriate, retire debt. 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.

Use of Available Funds

The Company currently intends to use its available funds as described under "*Use of Available Funds*". However, the Board and/or management will have discretion in the actual application of the available funds, and may elect to allocate available funds differently from that described under "*Use of Available Funds*" if they believe it would be in our best interests to do so. Shareholders may not agree with the manner in which the Board and/or management chooses to allocate and spend the available funds. The failure by the Board and/or management to apply these funds effectively could have a material adverse effect on our business, financial condition, results of operations, cash flows or prospects.

Additional Financing

The Company will require equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to fund on-going operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon the Company's business, results of operations, financial condition or prospects.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

CSE Listing

In the future, the Company may fail to meet the continued listing requirements for the Shares to be listed on the CSE. If the CSE delists the Shares from trading on its exchange, the Company could face significant material adverse consequences, including; a limited availability of market quotations for the Shares; a determination the Shares are a "penny stock" which will subject brokers trading in the Shares to more stringent rules and therefore, possible result in a reduced level of trading activity in the secondary market for the Shares, a limited amount of news and analysts coverage for the Company; and a decreased ability to issue additional securities or obtain additional financing in the future.

No Dividends Expected for Foreseeable Future

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 Shares in the foreseeable future. The payment of future cash dividends, if any, will be reviewed periodically by our 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. See “Dividends”.

PROMOTERS

Pratap Sandhu, the Chief Executive Officer, Corporate Secretary and a director of the Company, is considered to be a Promoter of the Company because he took the initiative in founding and organizing the Company. Mr. Sandhu holds 12,500,001 Shares, 1,750,000 Warrants and 1,000,000 Stock Options, representing 45.73% of the issued and outstanding Shares on an undiluted basis and 32.59% on a fully diluted basis.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the Company’s knowledge, there are no legal proceedings or regulatory actions material to the Company to which it is a party, or has been a party to, or of which any of its property is the subject matter of, or was the subject matter of, and no such proceedings or actions are known by the Company to be contemplated.

There have been no penalties or sanctions imposed against the Company by a court or regulatory authority, and the Company has not entered into any settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, since its incorporation.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed below and elsewhere in this Prospectus, since the incorporation of the Company on April 10, 2021, no director, executive officer or person that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the outstanding voting securities of the Company or any associate or affiliate of the foregoing as, or has had, any material interest, direct or indirect, in transaction prior to the date of this Prospectus or any proposed transaction that has materially affected, or is reasonably expected to materially affect, the Company or any of its affiliates.

On September 14, 2021, the Company entered into an agreement with Maynard Communication Limited (“**Maynard**”), a shareholder holding greater than 10% of the outstanding Shares of the Company, for advertising and marketing services. The services to be provided by Maynard include, but are not limited to: search engine optimization, digital media campaigns for branding, media consulting, general business development, multimedia services and project management. The agreement is for a period of three months, commencing once the Company initiates the services, for total compensation of \$300,000. As at the date of this Prospectus, services have not yet been provided. The Company has paid the \$300,000 to Maynard, which amount is included in the balance of prepaid expenses in the financial statements of the Company for the period from incorporation on April 10, 2021 to October 31, 2021.

AUDITOR

The auditor of Pangea is Harbourside CPA, located at 1140-1185 West Georgia St. Vancouver, B.C. V6E 4E6.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Shares is Endeavor Trust Corporation at its principal offices in Vancouver, British Columbia located at 702 - 777 Hornby Street, Vancouver, B.C. V6Z 1S4.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company since its incorporation, which are currently in effect and considered to be currently material:

- the Escrow Agreement; and
- the Transfer Agent and Registrar Agreement between the Company and the Transfer Agent dated January 26, 2022.

Each of the above agreements are available on the Company's SEDAR profile at www.sedar.com.

EXPERTS

The Company's auditor for the financial statements included in this Prospectus, Harbourside CPA , in Vancouver, British Columbia, has informed the Company that it is independent with respect to the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

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 contains 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.

However, in light of the fact that this Prospectus is being filed to allow the Company to become a reporting issuer in British Columbia and Alberta, and not in connection with an offering of securities, the Company believes that the remedies described in the foregoing paragraph are not applicable to the transactions described in this Prospectus.

APPENDIX A
PANGEA NATURAL FOODS INC. – AUDITED ANNUAL FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION ON APRIL 10, 2021 TO OCTOBER 31, 2021

[See attached]

Pangea Natural Foods Inc.

FINANCIAL STATEMENTS

For the period from incorporation on April 10, 2021
to October 31, 2021

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Pangea Natural Foods Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pangea Natural Foods Inc. (the "Company"), which comprise the statement of financial position as at October 31, 2021 and the statement of loss and comprehensive loss, statement of changes in shareholders' equity and statement of cash flows for the period from incorporation on April 10, 2021 to October 31, 2021, 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 October 31, 2021, and its financial performance and its cash flows for the period from incorporation on April 10, 2021 to October 31, 2021 in accordance with International Financial Reporting Standards (IFRS).

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 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 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 IFRS, 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.

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.

Vancouver, British Columbia
June 20, 2022

HARBORSIDE CPA LLP

Harbourside CPA, LLP
Chartered Professional Accountants

Pangea Natural Foods Inc.
Statement of Financial Position
(Expressed in Canadian dollars)

| As at October 31, | Notes | 2021 |
|---|-------|---------------------|
| ASSETS | | |
| Current assets | | |
| Cash | | \$ 807,574 |
| Accounts receivable and other receivables | 5 | 83,625 |
| Prepaid expenses | | 383,966 |
| Inventory | 6 | 6,712 |
| | | 1,281,877 |
| Equipment | 7 | 23,072 |
| Intangible asset | 8 | 37,000 |
| Total assets | | \$ 1,341,949 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 9,11 | \$ 116,822 |
| Total liabilities | | \$ 116,822 |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 10 | 747,070 |
| Contributed surplus | | 651,250 |
| Accumulated deficit | | (173,193) |
| Total shareholders' equity | | 1,225,127 |
| Total liabilities and shareholders' equity | | \$ 1,341,949 |
| Nature of operations and going concern | 1 | |
| Subsequent events | 16 | |

APPROVED BY THE BOARD OF DIRECTORS:

Pratap Sandhu

Director

The accompanying notes are an integral part of these Financial Statements.

Pangea Natural Foods Inc.

Statement of Loss and Comprehensive Loss

For the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

| | Notes | | Period from incorporation on April 10, 2021 to October 31, 2021 |
|---|-------|----|--|
| Revenue | 14 | \$ | 68,495 |
| Cost of sales | 6 | | 54,032 |
| Gross profit | | | 14,463 |
| Expenses | | | |
| Advertising and promotion | | | 6,740 |
| Depreciation | 7 | | 909 |
| Dues and subscriptions | | | 3,705 |
| Office and administration | | | 1,136 |
| Professional fees | | | 55,077 |
| Rent | | | 17,500 |
| Salaries and wages | 11 | | 80,803 |
| Total operating expenses | | | 165,870 |
| Net loss before other items | | | (151,407) |
| Other items | | | |
| Inventory write-off | 6 | | (21,786) |
| Net loss and comprehensive loss | | \$ | (173,193) |
| Weighted average number of shares – Basic and diluted | | | 3,972,256 |
| Loss per share – Basic and diluted | | \$ | (0.044) |

The accompanying notes are an integral part of these Financial Statements.

Pangea Natural Foods Inc.

Statement of Changes in Shareholder's Equity

For the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

| | Notes | Number of common shares | Share capital | Contributed surplus | Accumulated deficit | Total shareholders' equity |
|---|-------|-------------------------------|-------------------|------------------------|------------------------|----------------------------------|
| Balance, April 10, 2021 | | - | \$ - | \$ - | \$ - | - |
| Shares issued on incorporation | | 1 | - | - | - | - |
| Units issued from private placements | 10 | 27,185,000 | 747,250 | 651,250 | - | 1,398,500 |
| Share issuance costs | 10 | - | (180) | - | - | (180) |
| Net loss for the period | | - | - | - | (173,193) | (173,193) |
| Balance, October 31, 2021 | | 27,185,001 | \$ 747,070 | \$ 651,250 | \$ (173,193) | \$ 1,225,127 |

The accompanying notes are an integral part of these Financial Statements.

Pangea Natural Foods Inc.

Statement of Cash Flows

For the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

| | Notes | Period from incorporation on April 10, 2021 to October 31, 2021 |
|---|-------|--|
| Operating activities | | |
| Net loss for the period | | \$ (173,193) |
| Items not affecting cash: | | |
| Depreciation | 7 | 909 |
| Non-cash working capital items: | | |
| Accounts receivable and other receivables | | (83,625) |
| Prepaid expenses | | (383,966) |
| Inventory | | (6,712) |
| Accounts payable and accrued liabilities | | 116,822 |
| Net cash used in operating activities | | (529,765) |
| Investing activities | | |
| Purchase of intangible asset | 8 | (37,000) |
| Purchase of equipment | 7 | (23,981) |
| Net cash used in investing activities | | (60,981) |
| Financing activities | | |
| Proceeds from the issuance of shares | 9 | 1,398,500 |
| Share issuance costs | 9 | (180) |
| Net cash provided by financing activities | | 1,398,320 |
| Change in cash | | 807,574 |
| Cash, beginning of the period | | - |
| Cash, end of the period | | \$ 807,574 |

Supplemental Cash Flow Information

| | | |
|--------------------------|----|---|
| Income tax paid | \$ | - |
| Interest paid (received) | \$ | - |
| Non-cash transactions | \$ | - |

The accompanying notes are an integral part of these Financial Statements.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Pangea Natural Foods Inc. (“Pangea” or the “Company”) was incorporated on April 10, 2021 under the laws of the British Columbia Business Corporations Act. The registered records office of Pangea is located at 10th Floor, 595 Howe Street, Vancouver B.C. V6C 2T5.

The Company was formed to produce and sell plant-based patties that are both nutritious and non-GMO.

2. BASIS OF PRESENTATION

a) Statement of compliance

These 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”).

The Financial Statements were approved and authorized for issuance on June 20, 2022 by the Board of Directors.

b) Basis of measurement

These Financial Statements have been prepared on a historical cost basis, except for any financial assets and liabilities measured at fair value, as explained in the accounting policies set out below. In addition, these Financial Statements have been prepared using the accrual basis of accounting on a going concern basis except for cash flow information. The Financial Statements are presented in Canadian dollars, unless otherwise noted.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied and consistently presented in these financial statements, unless otherwise indicated.

a) Foreign currency transactions

Functional and presentation currency

The functional currency of the Company is determined based on the currency of the primary economic environment in which the Company operates. The functional currency of the Company is the Canadian dollar. The presentation currency of the Company is the Canadian dollar.

Transactions and balances

At the transaction date, each asset, liability, revenue, and expense denominated in a foreign currency is translated into the functional currency using the exchange rate in effect at that date. At the reporting period end date, monetary assets and liabilities are translated into the relevant functional currency using the exchange rate in effect at that date and the related translation differences are recognized in profit or loss.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Loss per share

Basic loss per share is calculated by dividing the Company's net loss for the period by the weighted average number of shares outstanding. Diluted earnings per share is calculated by dividing the Company's net loss by the sum of the weighted average number of shares issued and outstanding assuming all additional shares that would have been outstanding if potentially dilutive instruments were converted. Diluted loss per share excludes potentially dilutive instruments from the calculation, as their inclusion would be anti-dilutive. Therefore, diluted loss per share is equivalent to basic loss per share.

c) Revenue recognition

The Company primarily generates revenue from the sale of their plant-based patty product and other food products.

The Company follows IFRS 15, Revenue from Contracts with Customers ("IFRS 15"), to recognize its revenue. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, the Company's accounting policy for revenue recognition is as follows: i) identify the contract with the customer; ii) identify the performance obligation(s) in the contract; iii) determine the transaction price; iv) allocate the transaction price to the performance obligation(s); and (v) recognize revenue when (or as) performance obligation(s) are satisfied.

Revenue is recognized at the point in which the performance obligation under the terms of a contract with the customer have been satisfied and control has transferred. The Company's performance obligation is typically defined as the accepted purchase order with the customer which requires the Company to deliver the requested products at agreed upon prices at the time and location of the customer's choice. The Company satisfies its performance obligation and transfers control to the customer upon customer receipt of the product. Billings rendered in advance of performance under contracts are recorded as deferred revenue.

Revenue is measured at the fair value of the consideration received or receivable, net of estimated returns and discounts. The time between invoicing and when payment is due is not significant. None of the Company's customer contracts contain a significant financing component.

d) Inventories and cost of sales

Inventories are recorded at lower of cost or net realizable value. Cost is determined used the weighted average method. In addition to product cost, inventory costs include direct expenditures such as direct labor, shipping and freight supply and expenses and any third-party costs as well as indirect expenditures such as rent and depreciation of production equipment. Inventories are comprised primarily of raw materials purchase costs and direct labor. The Company reviews the quantities and conditions of the inventory on hand on a regular basis and records a provision for spoiled inventory when it is incurred. Any write-down recorded of inventory is included in other items in net loss and comprehensive loss.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Financial instruments

Recognition, classification and measurement

Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 contains three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income (“FVTOCI”) and fair value through profit and loss (“FVTPL”). Financial assets are recognized in the statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership.

All financial liabilities are recognized initially on the transaction date at which the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial instruments 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.

The Company has classified its accounts receivable and other receivables, and accounts payable as financial assets and financial liabilities measured at amortized cost. Such assets and liabilities are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses. The Company has classified its cash as a financial asset measured at fair value through profit and loss. Derivative financial instruments entered into by the Company that do not meet hedge accounting criteria are classified as FVTPL.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derecognition

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.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

e) Financial instruments (continued)

Derecognition (continued)

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 comprehensive loss.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivable and other receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in the statements of loss and comprehensive loss and reflected in an allowance account against accounts receivable and other receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of loss and comprehensive loss.

f) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss, except to the extent that it relates to items recognized in other comprehensive loss or directly in equity. In this case the income tax is also recognized in other comprehensive loss or directly in equity, respectively.

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 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 countries where the Company operates and generates taxable income.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Current income tax (continued)

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 tax

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized. Deferred 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 and are expected to apply by the end of the reporting period. Deferred 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 taxes relate to the same taxable entity and the same taxation authority.

g) 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 resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the obligation amount can be made. The amount recognized is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount receivable can be measured reliably.

h) Equipment

Equipment is recorded at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. This includes the purchase price, any other costs directly attributable to bringing the assets to a working condition for intended use and the costs of dismantling and removing the items and restoring the site on which they are located.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Equipment (continued)

Where an item of equipment comprises significant parts with useful lives that are significantly different from that of the asset as a whole, the parts are accounted for as separate items of equipment and depreciated accordingly. An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from derecognizing an asset determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized through profit or loss.

Equipment is depreciated over its estimated useful life. Costs for normal repairs and maintenance that do not extend economic life or improve service potential are expensed as incurred. Costs of improvements that extend economic life or improve service potential are capitalized and depreciated over the estimated remaining useful life.

The Company commences recording depreciation when the assets are in a working condition ready for use using the straight-line method at the following rates:

| Class | Useful Life |
|----------------------|--------------------|
| Computer equipment | 3 years |
| Production equipment | 7 years |

i) Impairment of assets

The carrying amount of the Company's non-financial assets (which include equipment and inventory) is reviewed at each 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 whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Intangible assets

Intangible assets with finite lives are measured on initial recognition at cost, which comprises the purchase price plus any directly attributable costs of preparing the asset for intended use. Following initial recognition, such intangible assets are carried as cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether this status continues to be appropriate.

| Class | Useful Life |
|-------------------|--------------------|
| Formula | Indefinite |
| Development costs | Indefinite |

k) Share Capital and Warrants

The Company records proceeds from common share and unit issuances net of issue costs and any related tax effects. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units.

Proceeds from unit offerings, which consist of common shares and share purchase warrants, are bifurcated using the residual value approach whereby the common share component of the unit is measured at fair value based on quoted trading prices and the warrant component is measured by reference to the residual value, if any. Any value allocated to the warrant component is credited to contributed surplus.

4. MANAGEMENT'S USE OF JUDGEMENTS AND ESTIMATES

The preparation of these Financial Statements in accordance with IFRS requires management to make estimates, judgements and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the Financial Statements and the reported amount of expenses during the period. Actual results could differ from these estimates.

These Financial Statements include estimates which, by their nature, are uncertain. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

4. MANAGEMENT'S USE OF JUDGEMENTS AND ESTIMATES (continued)

The global pandemic related to an outbreak of COVID-19 has cast additional uncertainty on the assumptions used by management in making its judgements and estimates. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. Given that the full extent of the impact that COVID-19, including government and/or regulatory responses to the outbreak, will have on the global economy and the Company's business is highly uncertain and difficult to predict at this time, there is a higher level of uncertainty with respect to management's judgements and estimates.

Judgements

Judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements are outlined below.

Determination of the functional currency

In concluding that CAD is the functional currency of the Company, management considered the currency that mainly influences the cost of providing goods and services in the primary economic environment in which each entity operates, or if there has been a change in events or conditions that determined the primary economic environment.

Trade receivables

The Company's assessment of collectability of its trade receivables requires judgement. In assessing whether an allowance is necessary, the Company uses historical trends to determine the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Estimates

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods are outlined below.

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Inventory

In calculating final inventory values, management is required to determine an estimate of spoiled, obsolete or expired inventory and compares the inventory cost to estimated net realizable value. The Company must determine if the cost of any inventory exceeds its net realizable value, such as cases where prices have decreased or inventory has spoiled or has otherwise been damaged.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

4. MANAGEMENT'S USE OF JUDGEMENTS AND ESTIMATES (continued)

Estimates (continued)

Estimated useful lives and depreciation of equipment

Depreciation of equipment is dependent upon estimates of useful lives which are determined through the exercise of judgment. Changes to the estimated useful life of equipment could result in differences in their carrying amounts.

Carrying value and recoverability of equipment

The Company has determined that equipment that are capitalized have future economic benefits and will be economically recoverable. 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 useful lives of the assets.

Intangible assets

The Company estimates the value of intangible assets acquired. This valuation is completed through determining an appropriate discount rate to apply to future cash flows from respective assets. Asset cash flows are also estimated based on prevailing and forecasted market conditions as well as the Company's ability to leverage its intangible assets.

Impairment of intangible assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less costs of disposal and its value in use. 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 groups 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.

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 costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other relevant fair value indicators. The Company bases its impairment calculation on the most recent management forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

5. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

| | | October 31, 2021 |
|----------------------|----|-----------------------------|
| Trade receivables | \$ | 68,495 |
| Sales tax receivable | | 15,130 |
| | \$ | 83,625 |

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

6. INVENTORY

As at October 31, 2021, inventory consisted entirely of packaging materials. During the period ended October 31, 2021, the Company expensed \$54,032 of inventory in the cost of sales and wrote off \$21,786 of unusable packaging materials.

7. EQUIPMENT

| Cost | | Computer Equipment | | Production Equipment | | Total |
|---------------------------------|----|-------------------------------|----|---------------------------------|----|--------------|
| Balance, April 10, 2021 | \$ | - | \$ | - | \$ | - |
| Additions | | 2,481 | | 21,500 | | 23,981 |
| Balance, October 31, 2021 | \$ | 2,481 | \$ | 21,500 | \$ | 23,981 |
| Accumulated Depreciation | | | | | | |
| Balance, April 10, 2021 | \$ | - | \$ | - | \$ | - |
| Depreciation | | 397 | | 512 | | 909 |
| Balance, October 31, 2021 | \$ | 397 | \$ | 512 | \$ | 909 |
| Carrying amounts | | | | | | |
| At October 31, 2021 | \$ | 2,084 | \$ | 20,988 | \$ | 23,072 |

8. INTANGIBLE ASSET

During the period ended October 31, 2021, the Company acquired the formula which forms the basis for their plant-based patties.

| Cost | | Formula | | Development costs | | Total |
|---------------------------|----|----------------|----|--------------------------|----|--------------|
| Balance, April 10, 2021 | \$ | - | \$ | - | \$ | - |
| Additions | | 25,000 | | 12,000 | | 37,000 |
| Balance, October 31, 2021 | \$ | 25,000 | \$ | 12,000 | \$ | 37,000 |
| Carrying amounts | | | | | | |
| At October 31, 2021 | \$ | 25,000 | \$ | 12,000 | \$ | 37,000 |

9. ACCOUNTS PAYABLE

| | | October 31, 2021 |
|---------------------|----|-----------------------------|
| Trade payables | \$ | 28,413 |
| Accrued liabilities | | 22,638 |
| Payroll payable | | 65,771 |
| | \$ | 116,822 |

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

10. SHAREHOLDERS' EQUITY

Authorized capital

The Company is authorized to issue:

- Unlimited commons shares without par value

Issued and outstanding capital

As at October 31, there were 27,185,001 common shares issued and outstanding.

During the period ended October 31, 2021

On September 17, 2021, the Company completed a Founders Round of financing and issued 10,000,000 common shares at a price of \$0.02 per common share for gross proceeds of \$200,000.

On September 28, 2021, the Company completed a private placement, issuing 10,400,000 units at a price of \$0.05 per unit for gross proceeds of \$520,000. Each unit consists of one common share and one half of one common share purchase warrant. Each warrant entitles the warrant holder to acquire one additional common share of the Company at an exercise price of \$0.10 for a period of 24 months commencing on the date of issuance. A value of \$312,000 has been allocated to the common share purchase warrants using the residual method.

On October 27, 2021, the Company completed a private placement, issuing 6,785,000 units at a price of \$0.10 per unit for gross proceeds of \$678,500. Each unit consists of one common share and one half of one common share purchase warrant. Each warrant entitles the warrant holder to acquire one additional common share of the Company at an exercise price of \$0.20 for a period of 24 months commencing on the date of issuance. \$180 in share issuance costs were incurred in connection with this private placement. A value of \$339,250 has been allocated to the common share purchase warrants using the residual method.

Warrants

Continuity of the Company's warrants is as follows:

| | Number of warrants | Weighted average exercise price |
|-------------------------------|--------------------|---------------------------------|
| Outstanding, April 10, 2021 | - | - |
| Issued | 8,592,500 | \$ 0.14 |
| Outstanding, October 31, 2021 | 8,592,500 | \$ 0.14 |

As at October 31, 2021, the following warrants were outstanding:

| Grant date | Warrants outstanding | Exercise price | Expiry date | Remaining contractual life (years) |
|------------------|----------------------|----------------|------------------|------------------------------------|
| October 27, 2021 | 5,200,000 | \$0.10 | October 27, 2023 | 1.99 |
| October 27, 2021 | 3,392,500 | \$0.20 | October 27, 2023 | 1.99 |
| | 8,592,500 | \$0.14 | | 1.99 |

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties and related party transactions impacting the Financial Statements not disclosed elsewhere in these financial statements are summarized below. Transactions with related parties are incurred in the normal course of business and are initially recorded at fair value.

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

Remuneration attributed to key management personnel are summarized as follows:

| | Period from incorporation on April 10, 2021 to October 31, 2021 |
|---------------------------|--|
| Salaries and wages | |
| Chief Executive Officer | \$ 74,013 |

As at October 31, \$66,075 in accounts payable and accrued liabilities was owed to the Chief Executive Officer of the Company.

12. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to support its business plan, as well as to ensure that the Company is able to meet its financial obligations as they become due. The Company considers its capital for this purpose to be equity, \$1,225,127.

The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in business environment. To maintain or adjust the capital structure, the Company may seek additional funding.

The Company believes it will be able to raise capital as required but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital. There have been no changes in the way in which the Company manages capital in the period. As at October 31, 2021, the Company expects its capital resources and projected future cash flows from operations to support its normal operating requirements on an ongoing basis. As at October 31, 2021, there was no externally imposed capital requirements to which the Company was subject and with which the Company did not comply.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

13. FINANCIAL RISK MANAGEMENT

Fair values

The Company's financial instruments consist of cash, accounts receivable and other receivables, and accounts payable. Cash is carried at fair value, while accounts receivable and other receivables, and accounts payable are carried at amortized cost. The fair values of cash, accounts receivable and other receivables, and accounts payable approximate their carrying value due to their current nature as follows:

| Financial Instrument | Classification | Fair Value Hierarchy | October 31, 2021 |
|--|-----------------------|-----------------------------|-------------------------|
| Cash | FVTPL | Level 1 | \$ 807,574 |
| Accounts receivables and other receivables | Amortized cost | N/A | \$ 68,495 |
| Accounts payable and accrued liabilities | Amortized cost | N/A | \$ 94,184 |

The Company classifies its financial assets at FVTPL according to the fair value hierarchy as follows:

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 marker data (unobservable inputs).

The Company's financial instruments that are recorded at fair value generally are classified within Level 1 or Level 3 within the fair value hierarchy using quoted market prices or quotes from market makers or broker-dealers.

As at October 31, 2021, cash was classified at Level 1 in the fair value hierarchy.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

13. FINANCIAL RISK MANAGEMENT (continued)

The Company is exposed in varying degrees to a variety of financial instrument related risks. Significant risks that are relevant to the Company, as well as methods to manage the various types of risk to which it is exposed, are discussed below:

Market risk

Market risk is the risk that losses may arise from changes in market factors. Market risk comprised three types of risk: foreign currency risk, interest rate risk and other price risk.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar and financings and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to the foreign currency risk is minimal.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest earned on cash is insignificant and the Company does not rely on interest income to fund its operations. As a result, the Company's exposure to interest rate risk is minimal.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company does not hold equity investments in other entities and therefore is not exposed to a significant risk.

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 and account receivable and other receivables are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with either major financial institutions or reputable institutions with a sufficiently long operating history to be considered reliable for credit worthiness purposes. The Company mitigates credit risk by monitoring its exposure for credit losses with customers. 100% of the trade receivable balance at October 31, 2021 relates to one customer located in Canada. The Company has determined that no allowance for doubtful accounts is required as all amounts outstanding are considered collectible. Management does not believe that there is significant credit risk arising from the current customer base. The maximum exposure to loss arising from accounts receivable is equal to their total carrying amounts

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity by raising capital through the issuance of equity. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

13. FINANCIAL RISK MANAGEMENT (continued)

The table below summarizes the maturity profile of the Company's financial liabilities based on the remaining period to the contractual maturity date as at October 31, 2021.

| October 31, 2021 | On demand | Less than 1 year | 1-3 years | Total |
|--------------------------------------|-----------|------------------|-----------|----------|
| Accounts payable and payroll payable | \$94,184 | - | - | \$94,184 |

14. REVENUE

During the period from incorporation on April 10, 2021 to October 31, 2021, the Company made a single sale in the amount of \$68,495 to a company for raw pistachio products. This was a sale unrelated to the Company's plant-based patties.

15. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% to the effective tax rate is as follows:

| | Period from incorporation on April 10, 2021 to October 31, 2021 |
|--|--|
| Net loss before taxes | \$ (173,193) |
| Expected income tax (recovery) expense | (47,000) |
| Temporary differences and other | 6,000 |
| Change in tax benefits not recognized | 41,000 |
| Total income tax expense | \$ - |

Unrecognized deferred tax asset

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amounts of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

| | October 31, 2021 |
|-----------------------------|-------------------------|
| Deferred Non-capital losses | \$ 41,000 |

The Company's Canadian non-capital income tax losses expiring in the year 2041 are \$150,000.

The Company has not recorded deferred income 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.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

16. SUBSEQUENT EVENTS

- i) On November 17, 2021, the Company completed a second tranche of the private placement, issuing 150,000 units at a price of \$0.10 per unit for gross proceeds of \$15,000. Each unit consists of one common share and one half of one common share purchase warrant. Each warrant entitles the warrant holder to acquire one additional common share of the Company at an exercise price of \$0.20 for a period of 24 months commencing on the date of issuance. A value of \$7,500 has been allocated to the common share purchase warrants using the residual method.
- ii) The Company entered into a lease agreement whereas the Company has committed to a lease commencing November 5th, 2021 and ending November 30th, 2022 with monthly lease payments of \$3,600.
- iii) On February 14, 2022, the Company granted 2,350,000 Stock Options to certain directors, officers, employees, and consultants of the Company. Each Stock Option has an exercise price of \$0.10 and is exercisable for a period of 5 years.

APPENDIX B
PANGEA NATURAL FOODS INC. – MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE PERIOD FROM INCORPORATION ON APRIL 10, 2021 TO OCTOBER 31, 2021

[See attached]

Pangea Natural Foods Inc.
(also referred to as “Pangea” or the “Company”)

Management’s Discussion and Analysis

The following management’s discussion and analysis (“MD&A”) should be read in conjunction with the audited Financial Statements for the period from incorporation on April 10, 2021 to October 31, 2021 prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

All dollar figures included therein and in the following discussion analysis are quoted in Canadian dollars unless otherwise noted.

Date

This MD&A is dated February 15, 2022 and is in respect of the period from incorporation on April 10, 2021 to October 31, 2021. The discussion in this MD&A focuses on this period. Estimates and forward-looking information are based on assumptions of future events and actual results may vary from these estimates. This MD&A is prepared in conformity with National Instrument 51-102F1 and has been approved by the Board of Directors of the Company.

Disclaimer for Forward-Looking Statements

This MD&A contains forward-looking statements relating to future events. In some cases, forward-looking statements can be identified by such words as “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe” or similar expressions. These statements represent management’s best projections, but undue reliance should not be placed upon them as they are derived from numerous assumptions. These assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the MD&A which may cause actual performance and financial results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted.

Description of the Business

Pangea Natural Foods Inc. (“Pangea” or the “Company”) was incorporated on April 10, 2021 under the laws of the British Columbia *Business Corporations Act*. The registered records office of Pangea is located at 8305 – 130 Street, Surrey, B.C., V3X 2X8. The Company was formed to research and develop as well as produce and sell plant-based patties that are both nutritious and non-GMO.

Pangea Foods sells a plant-based patty that has been manufactured in-house at a facility in the lower mainland which utilizes brand new, customized production machinery, which has been approved by both the Canadian Food Inspection Agency and the Federal Drug Administration. The products are then packaged and distributed via our multiple sales channels. To provide a convenient experience for Pangea Food customers, we are offering our products through E-commerce platforms, traditional retail stores, such as Save-On-Foods, and wholesale networks.

Corporate Highlights

Operational Highlights

The following are the Company's notable operational achievements for the period from incorporation on April 10, 2021 to the date of this MD&A:

- In May 2021, the Company began research and development for its plant-based patties and ran multiple production test runs with different combinations of ingredients to determine the best combination for taste, presentation and texture.
- In July 2021, the Company completed its research and development program for the formulation for the patties.
- In October 2021 the Company launched its e-commerce platform on the Company's website "www.pangeafood.com" and began to expand its marketing presence.
- On October 29th, 2021, the Company had its first sale on its e-commerce platform via Shopify.
- In November 2021, the Company began distributing its products to retail stores and launched its plant-based patties in selected Save-on-Foods locations. As at the date of this MD&A, the Company does not have a formal agreement in place with Save-On-Foods, but receives purchase orders from Save-On-Foods for Pangea's plant-based patties. Pangea has received repeated orders from every Save-On-Foods location to which it has distributed thus far, and the Company's plant-based patties are currently stocked in approximately 38 Save-On-Foods locations. To date, the Company has sold approximately 165 master cases, representing approximately 8,000 plant-based patties, to Save-On-Foods locations. The Company has received approximately 33% of the payments related to this product as of the date of this prospectus.
- In December 2021, the Company had their first purchase from Vegano Foods and the product became available on Vegano's virtual marketplace "www.veganofoods.com"
- In January 2022, the Company received their first order with Vegano Foods Inc. for the Company's plant-based patties in the amount of approximately \$20,000. To date, the Company has sold approximately 758 master cases, representing approximately 36,000 plant-based patties, to Vegano. The Company has received approximately 30% of the payments related to this product as of the date of this prospectus. The Company also expanded its presence in Save-on-Foods retail stores during this month by increasing distribution to an additional 25 locations, bringing the current total number to 38 locations.
- In February 2022, the Company expanded its retail presence by distributing its products to and having its products made available for sale in retail locations of Fresh St. Market. The Company has sold approximately 6 master cases, representing approximately 300 plant-based patties, to Fresh St. Market. The Company has not yet received any payments related to this product as of the date of this MD&A.

Selected Financial Information

The following tables set out selected financial information for our Company, which has been prepared in accordance with IFRS:

| For the period from incorporation on April 10, 2021 to October 31, 2021 | | |
|--|----|-----------|
| Revenue | \$ | 68,495 |
| Operating expenses | \$ | 165,870 |
| Net loss and comprehensive loss for the period | \$ | (173,193) |
| Basic and diluted loss per share for the period | \$ | (0.044) |
| Weighted average number of shares outstanding | | 3,972,256 |

| As at October 31, 2021 | | |
|-------------------------------|----|-----------|
| Total assets | \$ | 1,341,949 |
| Non-current liabilities | \$ | - |
| Shareholders' equity | \$ | 1,225,127 |

Refer to section "*Discussion of Operations*" for discussions of the details of revenue, operating expenses, and the composition of net loss during the period.

Total assets as at October 31, 2021 was \$1,341,949, which comprised of cash, accounts receivable and other receivables, prepaid expenses, inventory, equipment and intangible assets.

As at October 31, 2021, cash comprises the majority of the total asset balance, being approximately 60% of the Company's total assets, refer to section "*Liquidity and Capital Resources*". As at October 31, 2021, prepaid expenses of \$383,966 comprises approximately 29% of the Company's total assets. Approximately 98% of total prepaid expenses relate to prepayments for advertising and marketing services. The prepaid advertising and marketing services relate to digital marketing campaigns expected to be executed within the next 12 months. The campaigns will include, but are not limited to: news distributions, video creations, search engine optimization, social media advertising and campaigns and product photoshoots.

Discussion of Operations

Pangea's loss for the period from incorporation on April 10, 2021 to October 31, 2021 was \$173,193. During the period, Pangea was focused on introducing the Company to the market as well as focused on the research and development of the Company's plant-based patties which launched subsequent to period end. Refer to section "*Corporate Highlights*".

Revenue

The Company recorded revenue of \$68,495 during the period, which related to a sale of raw pistachio products.

The Company completed its first sale of plant-based patties in November 2021, thus no revenue related to the plant-based patties was recorded during the period from incorporation on April 10, 2021 to October 31, 2021.

Cost of sales

The Company recorded cost of sales of \$54,032 during the period related to the purchase of raw pistachio products.

Gross profit

As a result of revenue exceeding the cost of sales, the Company recognized a gross profit of \$14,463 for the period ended October 31, 2021.

Expenses

The major expenses incurred in the period, resulting in the loss, primarily related to professional fees, rental costs, inventory-write off and salaries and wages.

Professional fees for the period were \$55,077 and related to consulting fees for marketing which included general business development and a \$15,000 listing fee paid to a company to assist with getting Pangea's plant-based patties listed as a product with Save-On-Foods. Legal fees included costs for the set-up of the Company, and accounting fees relate to bookkeeping services as well as preparation of the financial reports and the audit for the period.

Rental costs for the period were \$17,500 and related to the rental of a facility for the Company's production.

\$21,786 in inventory was written-off during the period for unusable packaging inventory.

Salaries and wages for the period were \$80,803 and related to wages for the CEO of the Company, refer to section "*Transactions with Related Parties*", as well as wages for two other employees which were a part-time administrative staff and part-time digital marketing specialist.

Disclosure of Outstanding Share Data

Authorized share capital of the Company consists of an unlimited number of Class "A" common shares without par value.

As of February 15, 2022, the Company had 27,335,001 common shares issued and outstanding. In addition, there are 8,667,500 warrants outstanding and 2,350,000 stock options outstanding.

Transactions during the period from incorporation on April 10, 2021 to October 31, 2021:

During September 2021, the Company completed a Founders Round of financing and issued 10,000,000 common shares at a price of \$0.02 per common share for gross proceeds of \$200,000.

During September 2021, the Company completed a private placement, issuing 10,400,000 units at a price of \$0.05 per unit for gross proceeds of \$520,000. Each unit consists of one common share and one half of one common share purchase warrant. Each warrant entitles the warrant holder to acquire one additional common share of the Company at an exercise price of \$0.10 for a period of 24 months commencing on the date of issuance. A value of \$312,000 has been allocated to the common share purchase warrants using the residual method.

During October 2021, the Company completed a private placement, issuing 6,785,000 units at a price of \$0.10 per unit for gross proceeds of \$678,500. Each unit consists of one common share and one half of one common share purchase warrant. Each warrant entitles the warrant holder to acquire one additional common share of the Company at an exercise price of \$0.20 for a period of 24 months commencing on the date of issuance. \$180 in share issuance costs were incurred in connection with this private placement. A value of \$339,250 has been allocated to the common share purchase warrants using the residual method. Subsequent to October 31, 2021, the Company completed a second tranche of the private placement, issuing 150,000 units for gross proceeds of \$15,000. A value of \$7,500 has been allocated to the common share purchase warrants using the residual method. See below under “*Subsequent Events*”.

Liquidity and Capital Resources

During the period ended October 31, 2021, the Company began a capital raise plan to fund development and build its capital base, see section “*Disclosure of Outstanding Share Data*” for a discussion of share capital transactions during the period.

As at October 31, 2021, the Company had a working capital of \$1,164,995. As at October 31, 2021, the Company had cash on hand of \$807,574 to meet accounts payable and accrued liabilities of \$116,882.

Working capital is mainly comprised of cash of \$807,574, see below for a discussion of cash flows in the period, and prepaid expenses of \$383,966, as discussed in “*Selected Financial Information*”, offset by accounts payable and accrued liabilities of \$116,822.

Cash Flows

Net cash used in operating activities

Net cash used in operating activities for the period ended October 31, 2021 was \$529,765. The Company generated a net loss and had negative cash flows from operating activities due to the Company being in the start up phase of operations and due to the limited amount of sales in the period. The Company expects to have sufficient working capital to meet any operating cash outflows or working capital requirements for the immediate future.

Net cash used in investing activities

Net cash used in investing activities for the period ended October 31, 2021 was \$60,981. The Company purchased production equipment as well as purchased the formula for the Company’s plant-based patties and incurred development costs in relation to the patties during the period ended October 31, 2021.

Net cash provided by financing activities

Net cash provided by financing activities for the period ended October 31, 2021 was \$1,398,320. This cash inflow was due to proceeds received from the issuance of common shares.

The Company does not have any commitments to make capital expenditures in future fiscal periods.

Off-Balance Sheet Arrangements

At October 31, 2021, Pangea does not believe that it had any guarantees or off-balance sheet arrangements that have, or were reasonably likely to have, a current or future effect on Pangea's financial condition, results of operations, liquidity or capital expenditures.

Transactions with Related Parties

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of Pangea, including officers and directors of Pangea.

Related parties consist of the following individuals:

- Pratap Sandhu, CEO and director
- Toni Madan, CFO¹
- Mohammad S. Fazil, Director¹
- Nashir Virani, Director¹

¹Appointed subsequent to period-end

| | Period from incorporation on April 10, 2021 to October 31, 2021 |
|---------------------------|--|
| Salaries and wages | |
| Pratap Sandhu | \$ 70,153 |

All transactions with related parties were intended to be carried out on the same basis as if such transactions were with arm's length parties.

Financial Risk Management Objectives and Policies

Pangea is exposed to financial risks arising from its operations and from its use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk. The following describes Pangea's objectives, policies, and processes for managing those risks and the methods used to measure them.

The overall objective of management is to set policies that seek to reduce risk to the extent possible without unduly impacting Pangea's competitiveness and flexibility. Further details regarding these policies are set out below.

Market risk

Market risk is the risk that losses may arise from changes in market factors. Market risk comprised three types of risk: foreign currency risk, interest rate risk and other price risk.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar and financings and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to the foreign currency risk is minimal.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest earned on cash is insignificant and the Company does not rely on interest income to fund its operations. As a result, the Company's exposure to interest rate risk is minimal.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company does not hold equity investments in other entities and therefore is not exposed to a significant risk.

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 and account receivable and other receivables are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with either major financial institutions or reputable institutions with a sufficiently long operating history to be considered reliable for credit worthiness purposes. The Company mitigates credit risk by monitoring its exposure for credit losses with customers. 100% of the trade receivable balance at October 31, 2021 relates to one customer located in Canada. The Company has determined that no allowance for doubtful accounts is required as all amounts outstanding are considered collectible. Management does not believe that there is significant credit risk arising from the current customer base. The maximum exposure to loss arising from accounts receivable is equal to their total carrying amounts

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity by raising capital through the issuance of equity. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

The table below summarizes the maturity profile of the Company's financial liabilities based on the remaining period to the contractual maturity date as at October 31, 2021.

| October 31, 2021 | On demand | Less than 1 year | 1-3 years | Total |
|-------------------------|-----------|------------------|-----------|----------|
| Accounts payable | \$28,413 | - | - | \$28,413 |

Fair values

The Company's financial instruments consist of cash, accounts receivable and other receivables, and accounts payable. Cash is carried at fair value, while accounts receivable and other receivables, and accounts payable and accrued liabilities are carried at amortized cost. The fair values of cash, accounts receivable and other receivables, and accounts payable and accrued liabilities approximate their carrying value due to their current nature.

The Company classifies its financial assets at FVTPL according to the fair value hierarchy as follows:

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's financial instruments that are recorded at fair value generally are classified within Level 1 or Level 3 within the fair value hierarchy using quoted market prices or quotes from market makers or broker-dealers.

As at October 31, 2021, cash was classified at Level 1 in the fair value hierarchy.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to support its business plan, as well as to ensure that the Company is able to meet its financial obligations as they become due. The Company considers its capital for this purpose to be equity, \$1,225,127.

The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in business environment. To maintain or adjust the capital structure, the Company may seek additional funding.

The Company believes it will be able to raise capital as required but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital. There have been no changes in the way in which the Company manages capital in the period.

Subsequent Events

- The Company entered into a lease agreement whereas the Company has committed to a lease commencing November 5th, 2021 and ending November 30th, 2022 with monthly lease payments of \$3,600.
- On November 17, 2021 The Company completed a second tranche of the private placement, issuing 150,000 units at a price of \$0.10 per unit for gross proceeds of \$15,000. Each unit consists of one common share and one half of one common share purchase warrant. Each warrant entitles the warrant holder to acquire one additional common share of the Company at an exercise price of \$0.20 for a period of 24 months commencing on the date of issuance. A value of \$7,500 has been allocated to the common share purchase warrants using the residual method.
- On February 14, 2022, the Company granted 2,350,000 Stock Options to certain directors, officers, employees, and consultants of the Company. Each Stock Option has an exercise price of \$0.10 and is exercisable for a period of 5 years.

Critical Accounting Estimates

This MD&A is based on the Financial Statements which have been prepared in accordance with IFRS. The preparation of the Financial Statements requires that certain estimates and judgments

are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances.

Information about critical estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the Financial Statements within the next financial year are discussed below:

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Inventory

In calculating final inventory values, management is required to determine an estimate of spoiled, obsolete or expired inventory and compares the inventory cost to estimated net realizable value. The Company must determine if the cost of any inventory exceeds its net realizable value, such as cases where prices have decreased or inventory has spoiled or has otherwise been damaged.

Estimated useful lives and depreciation of equipment

Depreciation of equipment is dependent upon estimates of useful lives which are determined through the exercise of judgment. Changes to the estimated useful life of equipment could result in differences in their carrying amounts.

Carrying value and recoverability of equipment

The Company has determined that equipment that are capitalized have future economic benefits and will be economically recoverable. 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 useful lives of the assets.

Intangible assets

The Company estimates the value of intangible assets acquired. This valuation is completed through determining an appropriate discount rate to apply to future cash flows from respective assets. Asset cash flows are also estimated based on prevailing and forecasted market conditions as well as the Company's ability to leverage its intangible assets.

Impairment of intangible assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less costs of disposal and its value in use. 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 groups 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.

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 costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other relevant fair value indicators. The Company bases its impairment calculation on the most recent management forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Adoption of New Standards and Interpretations, and Recent Accounting Pronouncements

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

Management's Responsibility for Financial Statements

Management of the Company, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operations of internal controls over financial reporting.

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Approval

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

APPENDIX C
PANGEA NATURAL FOODS INC. – AUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIVE MONTHS ENDED MARCH 31, 2022

[See attached]

Pangea Natural Foods Inc.

FINANCIAL STATEMENTS

For the five month period ended March 31, 2022
and the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Pangea Natural Foods Inc.

Report on the Audit of the Financial Statements**Opinion**

We have audited the financial statements of Pangea Natural Foods Inc. (the "Company"), which comprise the statements of financial position as at March 31, 2022 and October 31, 2021 and the statements of loss and comprehensive, statements of changes in equity and statements of cash flows for the periods then ended, 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 March 31, 2022 and October 31, 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

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.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1 to the financial statements which indicates the existence of a material uncertainty that may cast significant doubt about Pangea Natural Foods Inc.'s ability to continue as a going concern.

Information other than the 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 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 IFRS, 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.

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.
- 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.

HARBORSIDE CPA LLP

Vancouver, British Columbia
June 20, 2022

Harbourside CPA, LLP
Chartered Professional Accountants

Pangea Natural Foods Inc.
 Statements of Financial Position
 As at March 31, 2022 and October 31, 2021
 (Expressed in Canadian dollars)

| | Notes | March 31, 2022 | October 31, 2021 |
|---|-------|---------------------|---------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash | | \$ 533,626 | \$ 807,574 |
| Accounts receivable and other receivables | 5 | 70,500 | 83,625 |
| Prepaid expenses | | 463,864 | 383,966 |
| Inventory | 6 | 13,131 | 6,712 |
| | | 1,081,121 | 1,281,877 |
| Equipment | 7 | 21,447 | 23,072 |
| Intangible assets | 8 | 37,000 | 37,000 |
| Total assets | | \$ 1,139,568 | \$ 1,341,949 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 9,12 | \$ 180,586 | \$ 116,822 |
| Total liabilities | | \$ 180,586 | \$ 116,822 |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | 10 | 754,570 | 747,070 |
| Contributed surplus | 10 | 735,198 | 651,250 |
| Accumulated deficit | | (530,786) | (173,193) |
| Total shareholders' equity | | 958,982 | 1,225,127 |
| Total liabilities and shareholders' equity | | \$ 1,139,568 | \$ 1,341,949 |
| Nature of operations and going concern | 1 | | |

APPROVED BY THE BOARD OF DIRECTORS:

Pratap Sandhu Director

The accompanying notes are an integral part of these Financial Statements.

Pangea Natural Foods Inc.

Statements of Loss and Comprehensive Loss

For the five months ended March 31, 2022 and the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

| | Notes | Five months ended March 31, 2022 | Period from incorporation on April 10, 2021 to October 31, 2021 |
|---|-------|--|--|
| Revenue | 11 | \$ 130,899 | \$ 68,495 |
| Cost of sales | 6 | 122,981 | 54,032 |
| Gross profit | | 7,918 | 14,463 |
| Expenses | | | |
| Advertising and promotion | | 4,258 | 6,740 |
| Depreciation | 7 | 345 | 909 |
| Dues and subscriptions | | - | 3,705 |
| Office and administration | | 5,838 | 1,136 |
| Professional fees | | 176,748 | 55,077 |
| Rent | | 28,770 | 17,500 |
| Salaries and wages | 12 | 72,990 | 80,803 |
| Share-based payments | 10,12 | 76,448 | - |
| Total operating expenses | | 365,397 | 165,870 |
| Net loss before other items | | (357,479) | (151,407) |
| Other items | | | |
| Inventory write-off | 6 | (114) | (21,786) |
| Net loss and comprehensive loss | | \$ (357,593) | \$ (173,193) |
| Weighted average number of shares – Basic and diluted | | | |
| | | 27,318,114 | 3,972,526 |
| Loss per share – Basic and diluted | | \$ (0.013) | \$ (0.044) |

The accompanying notes are an integral part of these Financial Statements.

Pangea Natural Foods Inc.
Statement of Changes in Equity
(Expressed in Canadian dollars)

| | Notes | Number of common shares | Share capital | Contributed surplus | Accumulated deficit | Total Shareholders' Equity |
|--------------------------------------|-------|-------------------------------|-------------------|------------------------|------------------------|----------------------------------|
| Balance, April 10, 2021 | | - | \$ - | \$ - | \$ - | \$ - |
| Shares issued on incorporation | | 1 | - | - | - | - |
| Units issued from private placement | 10 | 27,185,000 | 747,250 | 651,250 | - | 1,398,500 |
| Share issuance costs | 10 | - | (180) | - | - | (180) |
| Net loss for the period | | - | - | - | (173,193) | (173,193) |
| Balance, October 31, 2021 | | 27,185,001 | \$ 747,070 | \$ 651,250 | \$ (173,193) | \$ 1,225,127 |
| Units issued from private placements | 10 | 150,000 | 7,500 | 7,500 | - | 15,000 |
| Share-based payments | 10,12 | - | - | 76,448 | - | 76,448 |
| Net loss for the period | | - | - | - | (357,593) | (357,593) |
| Balance, March 31, 2022 | | 27,335,001 | \$ 754,570 | \$ 735,198 | \$ (530,786) | \$ 958,982 |

The accompanying notes are an integral part of these Financial Statements.

Pangea Natural Foods Inc.

Statements of Cash Flows

For the five months ended March 31, 2022 and the period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

| | Notes | Five months ended March 31, 2022 | Period from incorporation on April 10, 2021 to October 31, 2021 |
|---|-------|--|--|
| Operating activities | | | |
| Net loss for the period | | \$ (357,593) | \$ (173,193) |
| Items not affecting cash: | | | |
| Depreciation | 7 | 1,625 | 909 |
| Share-based payments | 10,12 | 76,448 | - |
| Non-cash working capital items: | | | |
| Accounts receivable and other receivables | | 13,125 | (83,625) |
| Prepaid expenses | | (79,898) | (383,966) |
| Inventory | | (6,419) | (6,712) |
| Accounts payable and accrued liabilities | | 63,764 | 116,822 |
| Net cash used in operating activities | | \$ (288,948) | \$ (529,765) |
| Investing activities | | | |
| Purchase of intangible asset | 8 | - | (37,000) |
| Purchase of equipment | 7 | - | (23,981) |
| Net cash used in investing activities | | \$ - | \$ (60,981) |
| Financing activities | | | |
| Proceeds from the issuance of shares | 10 | 15,000 | 1,398,500 |
| Share issuance costs | 10 | - | (180) |
| Net cash provided by financing activities | | \$ 15,000 | \$ 1,398,320 |
| Change in cash | | (273,948) | 807,574 |
| Cash, beginning of the period | | 807,574 | - |
| Cash, end of the period | | \$ 533,626 | \$ 807,574 |
| Supplemental Cash Flow Information | | | |
| Income tax paid | | \$ - | \$ - |
| Interest paid (received) | | \$ - | \$ - |

The accompanying notes are an integral part of these Financial Statements.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the five months ended March 31, 2022 and period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Pangea Natural Foods Inc. (“Pangea” or the “Company”) was incorporated on April 10, 2021 under the laws of the British Columbia Business Corporations Act. The registered records office of Pangea is located at 10th Floor, 595 Howe Street, Vancouver B.C. V6C 2T5.

The Company was formed to produce and sell plant-based patties that are both nutritious and non-GMO.

The financial statements have been prepared on the basis on accounting principles applicable to a going concern which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company’s ability to continue as a going concern and to realize assets at their carrying values is dependent upon its ability to obtain financing and generate profits and positive cash flows from operations in order to cover its operating costs.

The Company incurred a loss of \$357,593 for the period ended March 31, 2022 (\$173,193 – October 31, 2021), and as of that date the Company’s accumulated deficit was \$530,786 (\$173,193 – October 31, 2021). The Company will periodically need to raise funds to continue its operations and although it has been successful in doing so in the past, there is no assurance that it will be able to continue to do so in the future. These factors comprise a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. These 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 financial statements. These adjustments could be material.

In March 2020, the World Health Organization declared the coronavirus (COVID-19) a global pandemic. This contagious virus 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.

2. BASIS OF PRESENTATION

a) Statement of compliance

These 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”).

The Financial Statements were approved and authorized for issuance on June 20, 2022 by the Board of Directors.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the five months ended March 31, 2022 and period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (continued)

b) Basis of measurement

These Financial Statements have been prepared on a historical cost basis, except for any financial assets and liabilities measured at fair value, as explained in the accounting policies set out below. In addition, these Financial Statements have been prepared using the accrual basis of accounting on a going concern basis except for cash flow information. The Financial Statements are presented in Canadian dollars, unless otherwise noted.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied and consistently presented in these financial statements, unless otherwise indicated.

a) Foreign currency transactions

Functional and presentation currency

The functional currency of the Company is determined based on the currency of the primary economic environment in which the Company operates. The functional currency of the Company is the Canadian dollar. The presentation currency of the Company is the Canadian dollar.

Transactions and balances

At the transaction date, each asset, liability, revenue, and expense denominated in a foreign currency is translated into the functional currency using the exchange rate in effect at that date. At the reporting period end date, monetary assets and liabilities are translated into the relevant functional currency using the exchange rate in effect at that date and the related translation differences are recognized in profit or loss.

b) Loss per share

Basic loss per share is calculated by dividing the Company's net loss for the period by the weighted average number of shares outstanding. Diluted earnings per share is calculated by dividing the Company's net loss by the sum of the weighted average number of shares issued and outstanding assuming all additional shares that would have been outstanding if potentially dilutive instruments were converted. Diluted loss per share excludes potentially dilutive instruments from the calculation, as their inclusion would be anti-dilutive. Therefore, diluted loss per share is equivalent to basic loss per share.

c) Revenue recognition

The Company primarily generates revenue from the sale of their plant-based patty product and other food products.

The Company follows IFRS 15, Revenue from Contracts with Customers ("IFRS 15"), to recognize its revenue. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, the Company's accounting policy for revenue recognition is as follows: i) identify the contract with the customer; ii) identify the performance obligation(s) in the contract; iii) determine the transaction price; iv) allocate the transaction price to the performance obligation(s); and (v) recognize revenue when (or as) performance obligation(s) are satisfied.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the five months ended March 31, 2022 and period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Revenue recognition (continued)

Revenue is recognized at the point in which the performance obligation under the terms of a contract with the customer have been satisfied and control has transferred. The Company's performance obligation is typically defined as the accepted purchase order with the customer which requires the Company to deliver the requested products at agreed upon prices at the time and location of the customer's choice. The Company satisfies its performance obligation and transfers control to the customer upon customer receipt of the product. Billings rendered in advance of performance under contracts are recorded as deferred revenue.

Revenue is measured at the fair value of the consideration received or receivable, net of estimated returns and discounts. The time between invoicing and when payment is due is not significant. None of the Company's customer contracts contain a significant financing component.

d) Inventories and cost of sales

Inventories are recorded at lower of cost or net realizable value. Cost is determined used the weighted average method. In addition to product cost, inventory costs include direct expenditures such as direct labor, shipping and freight supply and expenses and any third-party costs as well as indirect expenditures such as rent and depreciation of production equipment. Inventories are comprised primarily of raw materials purchase costs and direct labor. The Company reviews the quantities and conditions of the inventory on hand on a regular basis and records a provision for spoiled inventory when it is incurred. Any write-down recorded of inventory is included in other items in net loss and comprehensive loss.

e) Financial instruments

Recognition, classification and measurement

Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 contains three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL"). Financial assets are recognized in the statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership.

All financial liabilities are recognized initially on the transaction date at which the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial instruments 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.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the five months ended March 31, 2022 and period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Financial instruments (continued)

Recognition, classification and measurement (continued)

The Company has classified its accounts receivable and other receivables, and accounts payable as financial assets and financial liabilities measured at amortized cost. Such assets and liabilities are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses. The Company has classified its cash as a financial asset measured at fair value through profit and loss. Derivative financial instruments entered into by the Company that do not meet hedge accounting criteria are classified as FVTPL.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derecognition

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.

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 comprehensive loss.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivable and other receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the five months ended March 31, 2022 and period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Financial instruments (continued)

Impairment of financial assets (continued)

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in the statements of loss and comprehensive loss and reflected in an allowance account against accounts receivable and other receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of loss and comprehensive loss.

f) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss, except to the extent that it relates to items recognized in other comprehensive loss or directly in equity. In this case the income tax is also recognized in other comprehensive loss or directly in equity, respectively.

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 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 countries 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 tax

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences to be utilized. Deferred 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 and are expected to apply by the end of the reporting period. Deferred 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 taxes relate to the same taxable entity and the same taxation authority.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the five months ended March 31, 2022 and period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) 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 resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the obligation amount can be made. The amount recognized is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount receivable can be measured reliably.

g) Equipment

Equipment is recorded at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. This includes the purchase price, any other costs directly attributable to bringing the assets to a working condition for intended use and the costs of dismantling and removing the items and restoring the site on which they are located.

Where an item of equipment comprises significant parts with useful lives that are significantly different from that of the asset as a whole, the parts are accounted for as separate items of equipment and depreciated accordingly. An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from derecognizing an asset determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized through profit or loss.

Equipment is depreciated over its estimated useful life. Costs for normal repairs and maintenance that do not extend economic life or improve service potential are expensed as incurred. Costs of improvements that extend economic life or improve service potential are capitalized and depreciated over the estimated remaining useful life.

The Company commences recording depreciation when the assets are in a working condition ready for use using the straight-line method at the following rates:

| Class | Useful Life |
|----------------------|--------------------|
| Computer equipment | 3 years |
| Production equipment | 7 years |

h) Impairment of assets

The carrying amount of the Company's non-financial assets (which include equipment and inventory) is reviewed at each 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 whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the five months ended March 31, 2022 and period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Impairment of assets (continued)

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

i) Intangible assets

Intangible assets with finite lives are measured on initial recognition at cost, which comprises the purchase price plus any directly attributable costs of preparing the asset for intended use. Following initial recognition, such intangible assets are carried as cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether this status continues to be appropriate.

| Class | Useful Life |
|-------------------|--------------------|
| Formula | Indefinite |
| Development costs | Indefinite |

j) Share Capital and Warrants

The Company records proceeds from common share and unit issuances net of issue costs and any related tax effects. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units.

Proceeds from unit offerings, which consist of common shares and share purchase warrants, are bifurcated using the residual value approach whereby the common share component of the unit is measured at fair value based on quoted trading prices and the warrant component is measured by reference to the residual value, if any. Any value allocated to the warrant component is credited to contributed surplus.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the five months ended March 31, 2022 and period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Share-based payments

The Company grants stock options to purchase 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 grant date using the Black-Scholes option pricing model and is recognized over the vesting period. Share-based payments are initially recorded to reserves. Subsequently, the amount together with the consideration received for the shares on the exercise of share-based payments are credited to share capital.

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 fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

4. MANAGEMENT'S USE OF JUDGEMENTS AND ESTIMATES

The preparation of these Financial Statements in accordance with IFRS requires management to make estimates, judgements and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the Financial Statements and the reported amount of expenses during the period. Actual results could differ from these estimates.

These Financial Statements include estimates which, by their nature, are uncertain. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The global pandemic related to an outbreak of COVID-19 has cast additional uncertainty on the assumptions used by management in making its judgements and estimates. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. Given that the full extent of the impact that COVID-19, including government and/or regulatory responses to the outbreak, will have on the global economy and the Company's business is highly uncertain and difficult to predict at this time, there is a higher level of uncertainty with respect to management's judgements and estimates.

Judgements

Judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements are outlined below.

Determination of the functional currency

In concluding that CAD is the functional currency of the Company, management considered the currency that mainly influences the cost of providing goods and services in the primary economic environment in which each entity operates, or if there has been a change in events or conditions that determined the primary economic environment.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the five months ended March 31, 2022 and period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

4. MANAGEMENT'S USE OF JUDGEMENTS AND ESTIMATES (continued)

Judgements (continued)

Trade receivables

The Company's assessment of collectability of its trade receivables requires judgement. In assessing whether an allowance is necessary, the Company uses historical trends to determine the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Estimates

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods are outlined below.

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Inventory

In calculating final inventory values, management is required to determine an estimate of spoiled, obsolete or expired inventory and compares the inventory cost to estimated net realizable value. The Company must determine if the cost of any inventory exceeds its net realizable value, such as cases where prices have decreased or inventory has spoiled or has otherwise been damaged.

Share-based payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependant on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Estimated useful lives and depreciation of equipment

Depreciation of equipment is dependent upon estimates of useful lives which are determined through the exercise of judgment. Changes to the estimated useful life of equipment could result in differences in their carrying amounts.

Carrying value and recoverability of equipment

The Company has determined that equipment that are capitalized have future economic benefits and will be economically recoverable. 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 useful lives of the assets.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the five months ended March 31, 2022 and period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

4. MANAGEMENT'S USE OF JUDGEMENTS AND ESTIMATES (continued)

Estimates (continued)

Intangible assets

The Company estimates the value of intangible assets acquired. This valuation is completed through determining an appropriate discount rate to apply to future cash flows from respective assets. Asset cash flows are also estimated based on prevailing and forecasted market conditions as well as the Company's ability to leverage its intangible assets.

Impairment of intangible assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less costs of disposal and its value in use. 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 groups 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.

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 costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other relevant fair value indicators. The Company bases its impairment calculation on the most recent management forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

5. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

| | | March 31, 2022 | | October 31, 2021 |
|----------------------|----|-------------------|----|---------------------|
| Trade receivables | \$ | 46,826 | \$ | 68,495 |
| Sales tax receivable | | 23,674 | | 15,130 |
| | \$ | 70,500 | \$ | 83,625 |

6. INVENTORY

| | | March 31, 2022 | | October 31, 2021 |
|---------------------|----|-------------------|----|---------------------|
| Raw materials | \$ | 3,788 | \$ | - |
| Packaging materials | | 8,839 | | 6,712 |
| Finished goods | | 504 | | - |
| | \$ | 13,131 | \$ | 6,712 |

During the period ended March 31, 2022, the Company expensed \$122,981 (\$54,032 – October 31, 2021) of inventory in the cost of sales and recorded \$114 (\$21,786 – October 31, 2021) of inventory wastage.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the five months ended March 31, 2022 and period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

7. EQUIPMENT

| | | Computer Equipment | | Production Equipment | | Total |
|---|----|-------------------------------|----|---------------------------------|----|--------------|
| Cost | | | | | | |
| Balance, April 10, 2021 | \$ | - | \$ | - | \$ | - |
| Additions | | 2,481 | | 21,500 | | 23,981 |
| Balance, October 31, 2021 and March 31, 2022 | \$ | 2,481 | \$ | 21,500 | \$ | 23,981 |
| Accumulated Depreciation | | | | | | |
| Balance, April 10, 2021 | \$ | - | \$ | - | \$ | - |
| Additions | | 397 | | 512 | | 909 |
| Balance, October 31, 2021 | \$ | 397 | \$ | 512 | \$ | 909 |
| Depreciation | | 345 | | 1,280 | | 1,625 |
| Balance, March 31, 2022 | \$ | 742 | \$ | 1,792 | \$ | 2,534 |
| Carrying amounts | | | | | | |
| At March 31, 2022 | \$ | 1,739 | \$ | 19,708 | \$ | 21,447 |
| At October 31, 2021 | \$ | 2,084 | \$ | 20,988 | \$ | 23,072 |

During the period ended March 31, 2022, \$1,280 (\$Nil – October 31, 2021) of depreciation was allocated to inventory as overhead.

8. INTANGIBLE ASSETS

During the period ended October 31, 2021, the Company acquired the formula which forms the basis for their plant-based patties.

| | | Formula | | Development Costs | | Total |
|---|----|----------------|----|------------------------------|----|--------------|
| Cost | | | | | | |
| Balance, April 10, 2021 | \$ | - | \$ | - | \$ | - |
| Additions | | 25,000 | | 12,000 | | 37,000 |
| Balance, October 31, 2021 and March 31, 2022 | \$ | 25,000 | \$ | 12,000 | \$ | 37,000 |
| Carrying amounts | | | | | | |
| At March 31, 2022 and October 31, 2021 | \$ | 25,000 | \$ | 12,000 | \$ | 37,000 |

9. ACCOUNTS PAYABLE

| | | March 31, 2022 | | October 31, 2021 |
|---------------------|----|---------------------------|----|-----------------------------|
| Trade payables | \$ | 131,935 | \$ | 28,413 |
| Accrued liabilities | | 38,471 | | 22,638 |
| Payroll payable | | 10,180 | | 65,771 |
| | \$ | 180,586 | \$ | 116,822 |

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the five months ended March 31, 2022 and period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

10. SHAREHOLDERS' EQUITY

Authorized capital

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

Issued and outstanding capital

As at March 31, 2022, there were 27,335,001 common shares issued and outstanding.

Details of the common shares are as follows:

For the five months ended March 31, 2022

On November 17, 2021, the Company completed a second tranche of the private placement, issuing 150,000 units at a price of \$0.10 per unit for gross proceeds of \$15,000. Each unit consists of one common share and one half of one common share purchase warrant. Each warrant entitles the warrant holder to acquire one additional common share of the Company at an exercise price of \$0.20 for a period of 24 months commencing on the date of issuance. A value of \$7,500 has been allocated to the common share purchase warrants using the residual method.

During the period ended October 31, 2021

On September 17, 2021, the Company completed a Founders Round of financing and issued 10,000,000 common shares at a price of \$0.02 per common share for gross proceeds of \$200,000.

On September 28, 2021, the Company completed a private placement, issuing 10,400,000 units at a price of \$0.05 per unit for gross proceeds of \$520,000. Each unit consists of one common share and one half of one common share purchase warrant. Each warrant entitles the warrant holder to acquire one additional common share of the Company at an exercise price of \$0.10 for a period of 24 months commencing on the date of issuance. A value of \$312,000 has been allocated to the common share purchase warrants using the residual method.

On October 27, 2021, the Company completed a private placement, issuing 6,785,000 units at a price of \$0.10 per unit for gross proceeds of \$678,500. Each unit consists of one common share and one half of one common share purchase warrant. Each warrant entitles the warrant holder to acquire one additional common share of the Company at an exercise price of \$0.20 for a period of 24 months commencing on the date of issuance. \$180 in share issuance costs were incurred in connection with this private placement. A value of \$339,250 has been allocated to the common share purchase warrants using the residual method.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the five months ended March 31, 2022 and period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

10. SHAREHOLDERS' EQUITY (continued)

Warrants

Continuity of the Company's warrants is as follows:

| | Number of warrants | Weighted average exercise price |
|-------------------------------|--------------------|---------------------------------|
| Outstanding, April 10, 2021 | - | \$ - |
| Issued | 8,592,500 | 0.14 |
| Outstanding, October 31, 2021 | 8,592,500 | \$ 0.14 |
| Issued | 75,000 | 0.20 |
| Outstanding, March 31, 2022 | 8,667,500 | \$ 0.14 |

As at March 31, 2022, the following warrants were outstanding:

| Grant date | Warrants outstanding | Exercise price | Expiry date | Remaining contractual life (years) |
|-------------------|----------------------|----------------|-------------------|------------------------------------|
| October 27, 2021 | 5,200,000 | \$0.10 | October 27, 2023 | 1.57 |
| October 27, 2021 | 3,392,500 | \$0.20 | October 27, 2023 | 1.57 |
| November 17, 2021 | 75,000 | \$0.20 | November 17, 2023 | 1.63 |
| | 8,667,500 | \$0.14 | | 1.57 |

Options

On February 14, 2022, the Company finalized its Stock Option Plan (the "Plan") which provides that the Board of Directors (the "Board") of the Company may from time to time, in its discretion, grant and issue to directors, senior officers, employees, consultants, consultant company or management company employees or an eligible charitable organization, non-transferable options to purchase common shares of the Company.

All options granted pursuant to the Plan shall be subject to the terms and conditions of the Plan. The number of shares which will be available for purchase pursuant to an option will be equal to the number of shares as determined by the Board from time to time, provided that the number of common shares reversed for issuance will not exceed 10% of the Company's issued and outstanding common shares. If any option expires or otherwise terminates for any reason without having been exercised in full, the number of shares in respect of such expired or terminated option shall again be available for the purposes of granting options pursuant to the Plan. The grant date and the expiry date of an option shall be the dates fixed by the Board at the time the option is granted, with the expiry date not exceeding ten years from the grant date and shall be set out in the option certificate issued in respect of such option. The exercise price shall also be determined by the Board and set out in the option certificate issued in respect of the option and shall not be less than the Market Price prevailing on the date of grant of such option.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the five months ended March 31, 2022 and period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

10. SHAREHOLDERS' EQUITY (continued)

Options (continued)

During the five months ended March 31, 2022, share-based payments in the amount of \$76,448 was recognized on the issuance and vesting of stock options to directors, officers, employees and consultants.

Continuity of the Company's options is as follows:

| | Number of options | Weighted average exercise price |
|--|-------------------|---------------------------------|
| Outstanding, April 10, 2021 and October 31, 2021 | - | \$ - |
| Issued | 2,350,000 | 0.10 |
| Outstanding, March 31, 2022 | 2,350,000 | \$ 0.10 |

As at March 31, 2022, the following options were outstanding:

| Options outstanding | Options exercisable | Exercise price | Expiry date | Remaining contractual life (years) |
|---------------------|---------------------|----------------|-------------------|------------------------------------|
| 2,350,000 | 2,350,000 | \$0.10 | February 14, 2027 | 4.88 |

As at March 31, 2022, the weighted average remaining contractual life of all options outstanding was 4.88 years.

The Company uses the Black-Scholes option pricing model to estimate the fair value of the options granted with a weighted average fair value of \$0.03.

The following weighted average assumptions were used:

| | |
|-------------------------|---------|
| Dividend yield | Nil |
| Forfeiture rate | Nil |
| Annualized volatility | 100% |
| Risk-free interest rate | 1.78% |
| Expected life | 5 years |

11. REVENUE

The Company generates revenue primarily from the sale of its plant-based patties. The Company also generates revenue from the sale of other food products as well as the occasional sale of raw food products.

During the period from incorporation on April 10, 2021 to October 31, 2021, the Company made a single sale in the amount of \$68,495 to a company for raw pistachio products. This was a sale unrelated to the Company's plant-based patties.

During the five months ended March 31, 2022, the Company completed a sale of raw materials to a company owned by a Director of the Company in the amount of \$60,705. (Note 12).

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the five months ended March 31, 2022 and period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

11. REVENUE (continued)

Revenue is currently generated in one geographical market, being Canada, and is recognized upon delivery of purchase orders to customers.

12. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties and related party transactions impacting the financial statements not disclosed elsewhere in these financial statements are summarized below. Transactions with related parties are incurred in the normal course of business and are initially recorded at fair value.

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

Remuneration attributed to key management personnel are summarized as follows:

| | Five months ended March 31, 2022 | Period from incorporation on April 10, 2021 to October 31, 2021 |
|--|-------------------------------------|--|
| Salaries and wages, CEO | \$ 50,308 | \$ 74,013 |
| Share-based payments, CEO and director | 40,664 | - |
| | \$ 90,972 | \$ 74,013 |

As at March 31, 2022, \$20,508 (October 31, 2021 - \$66,075) in accounts payable and accrued liabilities was owed to the Chief Executive Officer of the Company.

Other transactions

During the five months ended March 31, 2022, the Company completed a sale of raw materials to a company owned by a Director of the Company in the amount of \$60,705.

13. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to support its business plan, as well as to ensure that the Company is able to meet its financial obligations as they become due. The Company considers its capital for this purpose to be equity, \$958,982.

The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in business environment. To maintain or adjust the capital structure, the Company may seek additional funding.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the five months ended March 31, 2022 and period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

13. CAPITAL MANAGEMENT (continued)

The Company believes it will be able to raise capital as required but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital. There have been no changes in the way in which the Company manages capital in the period. As at March 31, 2022, the Company expects its capital resources and projected future cash flows from operations to support its normal operating requirements on an ongoing basis. As at March 31, 2022, there was no externally imposed capital requirements to which the Company was subject and with which the Company did not comply.

14. FINANCIAL RISK MANAGEMENT

Fair values

The Company's financial instruments consist of cash, accounts receivable and other receivables, and accounts payable. Cash is carried at fair value, while accounts receivable and other receivables, and accounts payable are carried at amortized cost. The fair values of cash, accounts receivable and other receivables, and accounts payable approximate their carrying value due to their current nature as follows:

| Financial Instrument | Classification | | March 31, 2022 | | October 31, 2021 |
|--|-----------------------|----|---------------------------|----|-----------------------------|
| Cash | FVTPL | \$ | 533,626 | \$ | 807,574 |
| Accounts receivables and other receivables | Amortized cost | \$ | 46,826 | \$ | 68,495 |
| Accounts payable and accrued liabilities | Amortized cost | \$ | 142,115 | \$ | 94,184 |

The Company classifies its financial assets at FVTPL according to the fair value hierarchy as follows:

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's financial instruments that are recorded at fair value generally are classified within Level 1 or Level 3 within the fair value hierarchy using quoted market prices or quotes from market makers or broker-dealers.

As at March 31, 2022, cash was classified at Level 1 in the fair value hierarchy.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the five months ended March 31, 2022 and period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

14. FINANCIAL RISK MANAGEMENT (continued)

The Company is exposed in varying degrees to a variety of financial instrument related risks. Significant risks that are relevant to the Company, as well as methods to manage the various types of risk to which it is exposed, are discussed below:

Market risk

Market risk is the risk that losses may arise from changes in market factors. Market risk comprised three types of risk: foreign currency risk, interest rate risk and other price risk.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar and financings and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to the foreign currency risk is minimal.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest earned on cash is insignificant and the Company does not rely on interest income to fund its operations. As a result, the Company's exposure to interest rate risk is minimal.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company does not hold equity investments in other entities and therefore is not exposed to a significant risk.

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 and account receivable and other receivables are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with either major financial institutions or reputable institutions with a sufficiently long operating history to be considered reliable for credit worthiness purposes. The Company mitigates credit risk by monitoring its exposure for credit losses with customers. 57% of the trade receivable balance at March 31, 2022 (October 31, 2021 – 100%) relates to one customer located in Canada. The Company has determined that no allowance for doubtful accounts is required as all amounts outstanding are considered collectible. Management does not believe that there is significant credit risk arising from the current customer base. The maximum exposure to loss arising from accounts receivable is equal to their total carrying amounts

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity by raising capital through the issuance of equity. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the five months ended March 31, 2022 and period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

14. FINANCIAL RISK MANAGEMENT (continued)

The tables below summarize the maturity profile of the Company's financial liabilities based on the remaining period to the contractual maturity date as at March 31, 2022 and October 31, 2021.

| | On demand | Less than 1 year | 1-3 years | Total |
|--------------------------------------|-----------|------------------|-----------|-----------|
| March 31, 2022 | | | | |
| Accounts payable and payroll payable | \$142,115 | - | - | \$142,115 |
| October 31, 2021 | | | | |
| Accounts payable and payroll payable | \$94,184 | - | - | \$94,184 |

15. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% to the effective tax rate is as follows:

| | Five months ended March 31, 2022 | Period from incorporation on April 10, 2021 to October 31, 2021 |
|--|-------------------------------------|--|
| Net loss before taxes | \$ (357,593) | \$ (173,193) |
| Expected income tax (recovery) expense | (97,000) | (47,000) |
| Temporary differences and other | 21,000 | 6,000 |
| Change in tax benefits not recognized | 76,000 | 41,000 |
| Total income tax expense | \$ - | \$ - |

Unrecognized deferred tax asset

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amounts of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

| | March 31, 2022 | October 31, 2021 |
|--------------------|----------------|------------------|
| Equipment | \$ 1,000 | \$ - |
| Non-capital losses | \$ 116,000 | \$ 41,000 |

The Company has not recorded deferred income 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.

The Company's total Canadian non-capital income tax losses are \$430,000. \$150,000 expires in the year 2041, and \$280,000 expires in the year 2042.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

Pangea Natural Foods Inc.

Notes to the Financial Statements

For the five months ended March 31, 2022 and period from incorporation on April 10, 2021 to October 31, 2021

(Expressed in Canadian dollars)

16. COMMITMENT

On February 23, 2022, the Company entered into a short-term lease agreement for the lease of a Facility and specific equipment for the manufacturing and storing of the Company's products. The lease commenced on February 16, 2023 and ends on February 16, 2023 with monthly lease payments of \$3,500.

As at March 31, 2022, the Company is committed to minimum lease payments as follows:

| Maturity analysis | | |
|--------------------------|----|--------|
| Less than one year | \$ | 38,500 |
| One to five years | | - |
| Total commitments | \$ | 38,500 |

APPENDIX D
PANGEA NATURAL FOODS INC. – MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FIVE MONTHS ENDED MARCH 31, 2022

[See attached]

Pangea Natural Foods Inc.

(also referred to as “Pangea”, the “Corporation”, or the “Company”)

Management’s Discussion and Analysis

The following management’s discussion and analysis should be read in conjunction with the audited financial statements for the five months ended March 31, 2022, and the audited financial statements for the period from April 10, 2021 to October 31, 2021, prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

All dollar figures included therein and in the following discussion analysis are quoted in Canadian dollars unless otherwise noted.

Date

This management’s discussion and analysis (“MD&A”) is dated May 16, 2022 and is in respect of the five month period ended March 31, 2022. The discussion in this management’s discussion and analysis focuses on this period. Estimates and forward-looking information are based on assumptions of future events and actual results may vary from these estimates. This MD&A is prepared in conformity with National Instrument 51-102F1 and has been approved by the Board of Directors.

Disclaimer for Forward-Looking Statements

This MD&A contains forward-looking statements relating to future events. In some cases, forward-looking statements can be identified by such words as “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe” or similar expressions. These statements represent management’s best projections, but undue reliance should not be placed upon them as they are derived from numerous assumptions. These assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the MD&A which may cause actual performance and financial results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted.

Description of the Business

Pangea Natural Foods Inc. (“Pangea” or the “Company”) was incorporated on April 10, 2021 under the laws of the British Columbia Business Corporations Act. The registered records office of Pangea is located at 10th Floor, 595 Howe Street, Vancouver B.C. V6C 2T5. The Company was formed to research and develop as well as produce and sell plant-based patties and other plant-based foods that are nutritious and non-GMO.

Pangea Foods sells a plant-based patty that has been manufactured in-house at a facility in the lower mainland which utilizes brand new, customized production machinery, that has been approved by both the Canadian Food Inspection Agency and the Federal Drug Administration. The products are then packaged and distributed via our multiple sales channels. To provide a

convenient experience for Pangea Food customers, we are offering our products along E-commerce as well as retail networks.

Corporate Highlights

Operational Highlights

The following are the Company's notable operational achievements for the five months ended March 31, 2022 and to the date of this MD&A:

- In November 2021, the Company began distributing its products to retail stores and launched its plant-based patties in selected Save-on-Foods locations. As at the date of this MD&A, the Company does not have a formal agreement in place with Save-On-Foods, but receives purchase orders from Save-On-Foods for Pangea's plant-based patties. Pangea has received repeated orders from every Save-On-Foods location to which it has distributed thus far, and the Company's plant-based patties are currently stocked in approximately 41 Save-On-Foods locations. To date, the Company has sold approximately 237 master cases, representing approximately 11,400 plant-based patties, to Save-On-Foods locations. The Company has received approximately 35% of the payments related to this product as of the date of this MD&A.
- In December 2021, the Company had their first purchase from Vegano Foods and the product became available on Vegano's virtual marketplace "www.veganofoods.com"
- In January 2022, the Company received their first order with Vegano Foods Inc. for the Company's plant-based patties in the amount of approximately \$20,000. To date, the Company has sold approximately 758 master cases, representing approximately 36,400 plant-based patties, to Vegano. The Company has received 100% of the payments related to this product as of the date of this MD&A. The Company also expanded its presence in Save-on-Foods retail stores during this month by increasing distribution to an additional 25 locations, bringing the current total number to 41 locations.
- In February 2022, the Company expanded its retail presence by distributing its products to and having its products made available for sale in retail locations of Fresh St. Market. The Company has sold approximately 7 master cases, representing approximately 300 plant-based patties, to Fresh St. Market. The Company has not yet received any payments related to this product as of the date of this MD&A.
- In March 2022, the Company completed the research and development of their plant-based Chick'n bites and is currently in the process of finalizing the packaging for the product. The Company has also developed another product to the Company's product list called "Old Fashioned Ghee". This product is a 400g jar of clarified butter made using organic butter from New Zealand. The cows producing the milk used to make this product are grass fed and Old Fashioned Ghee is rich in Vitamin E, Vitamin A and antioxidants and is lactose free. The Facility has a special permit issued by the Canadian Dairy Commission required in order to purchase the butter from New Zealand. To date, the Company has sold approximately 120 individual jars of the Old Fashioned Ghee to the Real Canadian Superstore. The Company has not yet collected any payments related this product as of the date of this MD&A.
- Also in March 2022, the Company received its first set of purchase orders for plant-based patties from Loblaws on behalf of Real Canadian Superstore, including orders from 7

different retail locations. As at the date of this MD&A, the Company does not have a formal agreement in place with Loblaws, but receives purchase orders from Real Canadian Superstore for Pangea's plant-based patties. To date, the Company has sold approximately 140 master cases, representing approximately 6,700 plant-based patties, to Real Canadian Superstore locations. The Company has not yet collected any payments related this product as of the date of this MD&A.

- In April 2022, the Company added an additional two products to the Company's product list, being Whole Wheat Flour and Durum Flour. This product is sold in 20lb bags. The Company has sold approximately 100 individual bags of the flour, half being Whole Wheat Flour and half being Durum Flour to Real Canadian Superstore locations. The Company has not yet collected any payments related this product as of the date of this MD&A. In April 2022, the Company has also decided that they will also be adding rice to the Company's product list and is currently in the process of investigating suppliers for the raw materials.
- In April 2022, the Company completed a purchase order from Save-On-Foods to purchase 400 cases of Old Fashioned Ghee, representing approximately 4,800 individual jars. These cases of Old Fashioned Ghee are being distributed to all Save-On-Foods locations across Canada, making the product a nationally sold product. The Company has received 100% of the payments related to this product as of the date of this prospectus.
- Also in April 2022, the Company began negotiations with SMPL Oats Ltd. to act as a distributor for their oat milk products to retailers. As at the date of this prospectus, the Company does not yet have a formal agreement in place.
- In May 2022, the Company finalized the packaging design of the plant-based Chickn' bites and is waiting on the packaging to be delivered to begin selling the product.
- Also in May 2022, the Company began the process of adding another product to its product line, a 'munchie mix', a product which includes mixed nuts, such as almonds and cashews, white chocolate chunks and raisins. These mixes will be sold in individual packages of 45 grams.

Selected Financial Information

The following tables set out selected financial information for our Company, which has been prepared in accordance with IFRS:

| | | For the five months ended March 31, 2022 | | For the period from incorporation on April 10, 2021 to October 31, 2021 |
|---|----|---|----|--|
| Revenue | \$ | 130,899 | \$ | 68,495 |
| Operating expenses | \$ | 365,397 | \$ | 165,870 |
| Net loss and comprehensive loss for the period | \$ | (357,593) | \$ | (173,193) |
| Basic and diluted loss per share for the period | \$ | (0.013) | \$ | (0.044) |
| Weighted average number of shares outstanding | | 27,318,114 | | 3,972,256 |

| | | As at March 31, 2022 | | As at October 31, 2021 |
|-------------------------|----|---------------------------------|----|-----------------------------------|
| Total assets | \$ | 1,139,568 | \$ | 1,341,949 |
| Non-current liabilities | \$ | - | \$ | - |
| Shareholders' equity | \$ | 958,982 | \$ | 1,225,127 |

Refer to section *"Discussion of Operations"* for discussions of the details of revenue, operating expenses, and the composition of net loss during the period.

Total assets as at March 31, 2022 was \$1,139,568, which comprised of cash, accounts receivable and other receivables, prepaid expenses, inventory, equipment and intangible assets.

As at March 31, 2022, cash comprises a significant portion of the total asset balance, being approximately 47% of the Company's total assets, refer to section *"Liquidity and Capital Resources"*. As at March 31, 2022, prepaid expenses of \$463,864 comprises approximately 41% of the Company's total assets. Approximately 81% of total prepaid expenses relate to prepayments for advertising and marketing services. The prepaid advertising and marketing services relate to digital marketing campaigns expected to be executed within the next 12 months. The campaigns will include, but are not limited to: news distributions, video creations, search engine optimization, social media advertising and campaigns and product photoshoots. Approximately 16% of total prepaid expenses relate to prepayments for services and expenses related to the Company's ongoing prospectus filings.

Results of operations for the five months ended March 31, 2022

Pangea's loss for the five months ended March 31, 2022 was \$357,593. During the period, the Company was focused on launching its plant-based patties and ramping up related sales.

Revenue

The Company recorded revenue of \$130,899 during the period, of which, \$60,705 related to the sale of raw cashew products and the remaining \$70,194 related to sales of the plant-based patties.

Cost of sales

The Company recorded cost of sales of \$122,981 during the period, of which, \$59,640 related to the purchase of raw cashew products and the remaining \$63,341 related to the plant-based patties. The cost of sales related the plant-based patties is comprised of overhead allocations of rent for production, labour for production and amortization of production equipment as well as direct costs including the cost of raw ingredients and the cost of packaging material.

Gross profit

As a result of revenue exceeding the cost of sales, the Company recognized a gross profit of \$7,918 during the period ended March 31, 2022.

Expenses

The major expenses incurred in the period, resulting in the loss, primarily related to professional fees, rental costs, salaries and wages and share-based payments.

Professional fees for the period were \$176,748 and related to consulting fees for marketing which included general business development and digital marketing, legal fees related to the prospectus filing for the Company, and accounting fees related to bookkeeping services as well as preparation of the financial reports and the audit for the period.

Rental costs for the period were \$28,770 and related to the rental of a facility for the Company's production as well as an office space rental.

Salaries and wages for the period were \$72,990 and related to wages for the CEO of the Company, refer to section "*Transactions with Related Parties*", as well as wages for two other employees including a part-time administrative staff and part-time digital marketing specialist.

Share-based payments for the period were \$76,448 and related to the vesting of options issued in the period.

Disclosure of Outstanding Share Data

Authorized share capital of the Company consists of:

- Unlimited commons shares without par value

As of the date of this MD&A, the Company had 27,335,001 common shares issued and outstanding. In addition, there are 8,667,500 warrants outstanding and 2,350,000 options outstanding and exercisable.

Transactions during the five months ended March 31, 2022:

On November 17, 2021, the Company completed a second tranche of the private placement, issuing 150,000 units at a price of \$0.10 per unit for gross proceeds of \$15,000. Each unit consists of one common share and one half of one common share purchase warrant. Each warrant entitles the warrant holder to acquire one additional common share of the Company at an exercise price of \$0.20 for a period of 24 months commencing on the date of issuance. A value of \$7,500 has been allocated to the common share purchase warrants using the residual method.

Liquidity and Capital Resources

As at March 31, 2022, the Company had a working capital of \$900,535 (October 31, 2021 - \$1,165,055). As at March 31, 2022, the Company had cash on hand of \$533,626 (October 31, 2021 - \$807,574) to meet accounts payable and accrued liabilities of \$180,586 (October 31, 2021 - \$116,822).

Working capital is mainly comprised of cash of \$533,626, see below for a discussion of cash flows in the period, and prepaid expenses of \$463,864, as discussed in "*Selected Financial Information*", offset by accounts payable and accrued liabilities of \$180,586.

Cash Flows

Net cash used in operating activities

Net cash used in operating activities for the period ended March 31, 2022 was \$288,948. The Company generated a net loss and had negative cash flows from operating activities due to the

Company being in the start up phase of operations and due to the limited amount of sales in the period. The Company expects to have sufficient working capital to meet any operating cash outflows or working capital requirements for the immediate future.

Net cash used in investing activities

The company did not have any investing activities during the five months ended March 31, 2022.

Net cash provided by financing activities

Net cash provided by financing activities for the period ended March 31, 2022 was \$15,000. This cash inflow was due to proceeds received from the issuance of shares.

The Company does not have any commitments to make capital expenditures in future fiscal periods.

Off-Balance Sheet Arrangements

Refer to “Commitment” section below.

Commitment

On February 23, 2022, the Company entered into a short-term lease agreement for the lease of a Facility and specific equipment for the manufacturing and storing of the Company’s products. The lease commenced on February 16, 2023 and ends on February 16, 2023 with monthly lease payments of \$3,500.

As at March 31, 2022, the Company is committed to minimum lease payments as follows:

| Maturity analysis | | |
|--------------------------|----|--------|
| Less than one year | \$ | 38,500 |
| One to five years | | - |
| Total commitments | \$ | 38,500 |

Transactions with Related Parties

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of Pangea, including officers and directors of Pangea.

Related parties consist of the following individuals:

- Pratap Sandhu, CEO and director
- Toni Madan, CFO
- Mohammad S. Fazil, director
- Nashir Virani, director

| | Five months ended March 31, 2022 | |
|--|---|--------|
| Salaries and wages - Pratap Sandhu, CEO and director | \$ | 50,308 |
| Share-based payments - Pratap Sandhu, CEO and director | | 32,531 |
| Share-based payments - Mohammad S. Fazil, director | | 8,133 |
| | \$ | 90,972 |

All transactions with related parties were intended to be carried out on the same basis as if such transactions were with arm's length parties.

As at March 31, 2022, \$20,508 (October 31, 2021 - \$66,075) in accounts payable and accrued liabilities was owed to the Pratap Sandhu, Chief Executive Officer and director of the Company.

Other transactions

During the five months ended March 31, 2022, the Company completed a sale of raw materials to a Company owned by a Nashir Virani, a director of the Company, in the amount of \$60,705.

Financial Risk Management Objectives and Policies

Pangea is exposed to financial risks arising from its operations and from its use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk. The following describes Pangea's objectives, policies, and processes for managing those risks and the methods used to measure them.

The overall objective of management is to set policies that seek to reduce risk to the extent possible without unduly impacting Pangea's competitiveness and flexibility. Further details regarding these policies are set out below.

Market risk

Market risk is the risk that losses may arise from changes in market factors. Market risk comprised three types of risk: foreign currency risk, interest rate risk and other price risk.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar and financings and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to the foreign currency risk is minimal.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest earned on cash is insignificant and the Company does not rely on interest income to fund its operations. As a result, the Company's exposure to interest rate risk is minimal.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company does not hold equity investments in other entities and therefore is not exposed to a significant risk.

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 and account receivable and other receivables are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with either major financial institutions or reputable institutions with a sufficiently

long operating history to be considered reliable for credit worthiness purposes. The Company mitigates credit risk by monitoring its exposure for credit losses with customers. 57% of the trade receivable balance at March 31, 2022 (October 31, 2021 – 100%) relates to one customer located in Canada. The Company has determined that no allowance for doubtful accounts is required as all amounts outstanding are considered collectible. Management does not believe that there is significant credit risk arising from the current customer base. The maximum exposure to loss arising from accounts receivable is equal to their total carrying amounts

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity by raising capital through the issuance of equity. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

The table below summarizes the maturity profile of the Company's financial liabilities based on the remaining period to the contractual maturity date as at March 31, 2022.

| March 31, 2022 | On demand | Less than 1 year | 1-3 years | Total |
|-----------------------|-----------|------------------|-----------|-----------|
| Accounts payable | \$131,935 | - | - | \$131,935 |

| October 31, 2021 | On demand | Less than 1 year | 1-3 years | Total |
|-------------------------|-----------|------------------|-----------|----------|
| Accounts payable | \$28,413 | - | - | \$28,413 |

Fair values

The Company's financial instruments consist of cash, accounts receivable and other receivables, and accounts payable. Cash is carried at fair value, while accounts receivable and other receivables, and accounts payable and accrued liabilities are carried at amortized cost. The fair values of cash, accounts receivable and other receivables, and accounts payable and accrued liabilities approximate their carrying value due to their current nature.

The Company classifies its financial assets at FVTPL according to the fair value hierarchy as follows:

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's financial instruments that are recorded at fair value generally are classified within Level 1 or Level 3 within the fair value hierarchy using quoted market prices or quotes from market makers or broker-dealers.

As at March 31, 2022, cash was classified at Level 1 in the fair value hierarchy.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to support its business plan, as well as to ensure that the Company is able to meet its financial obligations as they become due. The Company considers its capital for this purpose to be equity, \$958,982.

The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in business environment. To maintain or adjust the capital structure, the Company may seek additional funding.

The Company believes it will be able to raise capital as required but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital. There have been no changes in the way in which the Company manages capital in the period. As at March 31, 2022, the Company expects its capital resources and projected future cash flows from operations to support its normal operating requirements on an ongoing basis. As at March 31, 2022, there was no externally imposed capital requirements to which the Company was subject and with which the Company did not comply.

Critical Accounting Estimates

This MD&A is based on the Financial Statements which have been prepared in accordance with IFRS. The preparation of the Financial Statements requires that certain estimates and judgments are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances.

Information about critical estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the Financial Statements within the next financial year are discussed below:

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Inventory

In calculating final inventory values, management is required to determine an estimate of spoiled, obsolete or expired inventory and compares the inventory cost to estimated net realizable value. The Company must determine if the cost of any inventory exceeds its net realizable value, such as cases where prices have decreased or inventory has spoiled or has otherwise been damaged.

Share-based payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependant on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Estimated useful lives and depreciation of equipment

Depreciation of equipment is dependent upon estimates of useful lives which are determined through the exercise of judgment. Changes to the estimated useful life of equipment could result in differences in their carrying amounts.

Carrying value and recoverability of equipment

The Company has determined that equipment that are capitalized have future economic benefits and will be economically recoverable. 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 useful lives of the assets.

Intangible assets

The Company estimates the value of intangible assets acquired. This valuation is completed through determining an appropriate discount rate to apply to future cash flows from respective assets. Asset cash flows are also estimated based on prevailing and forecasted market conditions as well as the Company's ability to leverage its intangible assets.

Impairment of intangible assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less costs of disposal and its value in use. 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 groups 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.

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 costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other relevant fair value indicators. The Company bases its impairment calculation on the most recent management forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Adoption of New Standards and Interpretations, and Recent Accounting Pronouncements

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

Management's Responsibility for Financial Statements

Management of the Company, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operations of internal controls over financial reporting.

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Approval

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

**APPENDIX E
AUDIT COMMITTEE CHARTER**

PANGEA NATURAL FOODS INC.

(the “Company”)

I. PURPOSE

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**”), annual evaluation and compliance with this charter. 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.

II. COMPOSITION

A majority of the members of the Audit Committee must not be executive officers, as defined in National Instrument 52-110 – *Audit Committees (“NI 52-110”)*, or employees or control persons of the Company or of an affiliate of the Company, as these terms are otherwise defined under applicable securities legislation, 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 and of NI 52-110.

The Audit Committee will consist of at least three members, all of whom must be directors of the Company. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, each member of the Audit Committee will also satisfy the financial literacy requirements of such exchange and of NI 52-110.

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

III. AUTHORITY

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

- A. 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;
- B. communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
- C. incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

IV. DUTIES AND RESPONSIBILITIES

- A. The duties and responsibilities of the Audit Committee include:
1. recommending to the Board the external auditor to be nominated by the Board;
 2. 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;
 3. 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);
 4. overseeing the work of the external auditor;
 5. 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 Company;
 6. 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;
 7. 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;
 8. 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;
 9. 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;
 10. 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;

11. 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;
12. reviewing the external auditor's report to the shareholders on the Company's annual financial statements;
13. 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;
14. 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;
15. 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;
16. reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;
17. 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;
18. 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;
19. resolving disputes between management and the external auditor regarding financial reporting;
20. establishing procedures for:
 - a. 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
 - b. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
21. 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;
22. pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;

23. overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;
24. establishing procedures for:
 - a. reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage;
 - b. 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;
 - c. 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;
 - d. reviewing fraud prevention policies and programs, and monitoring their implementation;
 - e. 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;
 - iv. other laws and regulations which expose directors to liability; and
- B. 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.
- C. 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.

V. TERM

The members of the Audit Committee shall be appointed by designation of the Board and shall continue to be a member thereof until the earlier of (i) the Board, at its discretion, decides to remove the member from the Committee, or (ii) the expiration of his or her term of office as a Director. Vacancies at any time occurring shall be filled by designation of the Board.

VI. MEETINGS

The Committee shall meet at least once per year or more frequently as circumstances dictate. A majority of the members appearing at a duly convened meeting shall constitute a quorum and the Committee shall maintain minutes or other records of its meetings and activities. The Chair shall be responsible for leadership of the 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. These documents will be shared with the Board as needed to discharge the Committee's delegated responsibilities and stored in a centralized electronic archive administered by the Corporate Secretary. In case of absence of the Chair, the participating Audit Committee members will designate an interim Chair. The Committee may invite members of Management or others to attend their meetings and they will be asked to step-out during sensitive conversations. As part of its responsibility to foster open communication, the Committee should meet at least annually with each of the CEO and Chief Financial Officer in separate executive sessions to discuss any matters that the Committee or the executive officers believe should be discussed privately with the Committee.

VII. REPORTS

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

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.

VII. MINUTES

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

VII. ANNUAL PERFORMANCE EVALUATION

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

CERTIFICATE OF PANGEA NATURAL FOODS INC.

Dated: June 20, 2022

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by Pangea Natural Foods Inc. as required by the securities legislation of British Columbia and Alberta.

"Pratap Sandhu"

Pratap Sandhu
Chief Executive Officer and Corporate
Secretary

"Toni Madan"

Toni Madan
Chief Financial Officer

ON BEHALF OF THE BOARD

Dated: June 20, 2022

"Mohammad S. Fazil"

Mohammad S. Fazil
Director

"Nashir Virani"

Nashir Virani
Director

CERTIFICATE OF PROMOTER

Dated: June 20, 2022

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by Pangea Natural Foods Inc. as required by the securities legislation of British Columbia and Alberta.

"Pratap Sandhu"

Pratap Sandhu
Chief Executive Officer and Corporate
Secretary