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 unaudited condensed interim financial statements for the three and nine months ended July 31, 2023, and the audited financial statement for the year ended October 31, 2022 and the notes thereto, 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 September 26, 2023 and is in respect of the three and nine months ended July 31, 2023. 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 10th Floor, 595 Howe Street, Vancouver, BC, 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 of British Columbia 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 along E-commerce as well as retail, such as Save-On-Foods, Loblaws Companies Limited, IGA Marketplace BC, Fresh Street Market and wholesale networks.

Corporate Highlights

Operational Highlights

The following are the Company's notable operational achievements for the nine months ended July 31, 2023 and to the date of this MD&A:

- In November 2022, the Company has begun the formulation of Energy Gel, a new vegan single-serving pre-workout supplement product, in partnership with Superbolt Tea and Blue Ocean Tea Company.
- In January 2023, the Company introduced the new product, Energy Gel. The product is formulated with vegan honey and organic ingredients, packaged every 7 ml in a unique packaging, designed for one-handed opening and unit dose pouring.
- On February 13, 2023, the Company completed a private placement, and issued 7,650,000 units at a price of $0.10 per unit for gross proceeds of $765,000. 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. In connection with the private placement, the Company issued 128,000 finder's warrants and paid a cash finder's fee of $12,800. The finder's warrants have the same terms as those in the private placement unit.
- On February 13, 2023, the Company's Board of Directors approved the adoption of a new rolling 15% omnibus share incentive plan (the "Omnibus Plan") to supersede the Company's existing rolling 10% incentive stock option plan. The Omnibus Plan provides for the award of additional share-based payments in addition to incentive stock options, including restricted share units, performance share units and deferred share units.
- On April 21, 2023, the Company entered into a share exchange agreement with Glory Organic Juice Company Inc., Glory Juice Co. Vancouver Ltd. (collectively, "Glory Juice") and the shareholders of Glory Juice. Pursuant to the agreement, the Company will acquire all the issued and outstanding shares of Glory Juice and upon completion of the acquisition, each of the Glory Juice entities will become wholly-owned subsidiaries of the Company.
- On June 20, 2023, the Company announced the launch of the new co-packing services for third-party food and beverage companies in Canada and the United States.
- On June 27, 2023, the Company introduced the new product line, 100% locally sourced cold-pressed blueberry juice with an 8-month shelf life.
- On July 4, 2023, the Company announced a one-year agreement with Vancouver Canucks hockey team captain and star defenseman, Quinn Hughes, as a brand ambassador.

Summary of Quarterly Results

The following table provides selected quarterly financial data for the completed quarters since the inception of the Company:

	July 31, 2023 $	April 30, 2023 $	January 31, 2023 $	October 31, 2022 $
Revenue	18,303	125,997	138,684	389,819
Net loss for the period	(245,778)	(598,470)	(362,277)	(431,207)
Basic and diluted loss per share	(0.01)	(0.02)	(0.01)	(0.01)

	July 31, 2022 $	April 30, 2022 $	January 31, 2022 $	October 31, 2021 $
Revenue	99,849	198,362	10,230	68,495
Net loss for the period	(338,077)	(194,910)	(170,616)	(161,071)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.02)

The Company incurred a net loss of $245,778 in the three months ended July 31, 2023, compared to a net loss of $598,470 in the previous quarter. The decrease in the net loss was mainly driven by a decrease in professional fees due to the private placement that occurred in the previous quarter and a decrease in share-based payments due to options being granted in the previous quarter.

The Company incurred a net loss of $598,470 in the three months ended April 30, 2023, compared to a net loss of $362,277 in the previous quarter. The increase in net loss was mainly driven by the $224,561 share-based payments recognized on options and restricted share units granted during the period and an increase of $153,710 in accounting and legal fees related to the private placement and proposed transaction. The increases were offset by a $158,192 decrease in advertising and promotion as the marketing campaign started in September 2022 has ended.

The Company incurred a net loss of $362,277 in the three months ended January 31, 2023, compared to a net loss of $431,207 in the previous quarter. The decrease in net loss was mainly driven by a decrease of $43,692 in listing fees and impairment of intangible assets of $36,000 recorded in the fourth quarter of fiscal 2022.

The Company incurred a net loss of $431,207 in the three months ended October 31, 2022, compared to a net loss of $338,077 in the previous quarter. Gross profit increased by $5,972 during the last quarter compared with the third quarter of fiscal 2022. This increase was offset by a $149,111 increase in expenditures. The increase in net loss was mainly driven by a $236,141 increase in advertising and promotion as a result of a 3-month marketing campaign that started in September 2022 and an impairment of intangible assets of $36,000 as the carry value of the patty formula was higher than its recoverable amount at October 31, 2022.

The Company incurred a net loss of $338,077 in the three months ended July 31, 2022 as compared to a net loss of $194,910 in the previous quarter. Gross profit decreased by $20,307 during the third quarter of fiscal 2022 compared with the second quarter. This decrease was offset by a $19,852 decrease in expenditures. The increase in net loss was mainly driven by listing fees recognized of $142,826 as a result of the Company’s shares being publicly listed during the quarter.

The Company incurred a net loss of $194,910 in the three months ended April 30, 2022 as compared to a net loss of $170,616 in the previous quarter. Net loss in the three months ended April 30, 2022 increased slightly due to share-based payment recognized on stock options issued during the period, slightly offset by a decrease in professional fees due to decreased consulting fees incurred.

The Company incurred a net loss of $170,616 in the three months ended January 31, 2022, which is comparable to a net loss of $161,071 in the previous quarter.

The Company incurred a net loss of $161,071 in the three months ended October 31, 2021 as compared to a net loss of $7,752 in the previous quarter. Net loss in the three months ended October 31, 2021 increased significantly due to the Company ramping up operations and incurring professional fees and salaries and wages for the first time.

Selected Quarterly Financial Information

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

	Three months ended July 31, 2023 $	**Nine months ended July 31, 2023 $**	**Three months ended July 31, 2022 $**	**Nine months ended July 31, 2022 $**
Revenue	18,303	282,984	99,849	308,441
Operating expenses	246,564	1,211,253	200,543	590,486
Net loss and comprehensive loss for the period	(245,778)	(1,206,525)	(338,077)	(703,603)
Basic and diluted loss per share for the period	(0.01)	(0.04)	(0.01)	(0.03)
Weighted average number of shares outstanding	36,504,131	33,202,400	27,350,762	27,330,972

		As at July 31, 2023		As at October 31, 2022
Total assets	$	570,305	$	620,339
Non-current liabilities	$	-	$	-
Shareholders’ equity	$	148,030	$	211,765

Total assets as at July 31, 2023, was $570,305, which was comprised of cash, accounts receivable and other receivables, prepaid expenses, inventory, equipment, and intangible assets.

As at July 31, 2023, inventory comprises approximately 17% of the Company’s total assets, refer to Note 5 in the financial statements.

Results of operations for the three months ended July 31, 2023

Pangea’s loss for the three months ended July 31, 2023, was $245,778 as compared to a loss of $338,077 in the comparative period of 2022. During the period, the Company was focused on ramping up sales of its plant-based patties, Munchie Mix and Energy Gel and completing the proposed transaction.

Revenue

The Company recorded revenue of $18,303 during the period as compared to $99,849 in the similar period from 2022. Revenue from sales of each product is broken down as follows:

	Three months ended July 31,			
Product		**2023**		2022
Plant-based Patties	$	3,635	$	8,156
Old Fashioned Ghee	$	9,259	$	25,931
Energy Gel	$	1	$	-
Munchie Mix	$	2,660	$	2
Raw food products	$	2,748	$	65,760

Cost of sales

The Company recorded cost of sales of $16,966 during the period as compared to $94,557 in 2022, related to the plant-based patties, Old Fashioned Ghee, Munchie Mix, Energy Gel and raw food products for resale. The cost of sales related to the plant-based patties comprises overhead allocations of rent for production and storage, 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. Cost of sales related to Energy Gel, Old Fashion Ghee, Munchie Mix relate to direct costs.

Gross profit

As a result of revenue exceeding the cost of sales, the Company recognized a gross profit of $1,337 during the three months period ended July 31, 2023 as compared to a gross profit of $5,292 during the comparative period in 2022.

Expenses

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

Advertising and promotion for the period were $33,264 as compared to $16,136 in the comparative period in 2022 and were related to product advertising and market making services.

Professional fees for the period were $98,670 as compared to $113,152 in the comparative period in 2022 and were mainly due to general business matter and consulting fees for CFO services and general accounting services.

Salaries and wages for the period were $39,853 as compared to $43,440 in the comparative period in 2022 and related to wages for the CEO of the Company, refer to section *“Transactions with Related Parties”*, and an employee.

Share-based payments for the period were $54,851 related to the vesting of restricted share units as compared to $Nil in the comparative period in 2022.

Results of operations for the nine months ended July 31, 2023

Pangea's loss for the nine months ended July 31, 2023, was $1,206,525 as compared to a loss of $703,603 in the comparative period of 2022. During the period, the Company was focused on ramping up sales of its plant-based patties, Munchie Mix and Energy Gel as well as completing the proposed transaction.

Revenue

The Company recorded revenue of $282,984 during the period as compared to $308,441 in the comparative period in 2022. Revenue from sales of each product is broken down as follows:

	Nine months ended April 30,			
Product		**2023**		2022
Plant-based Patties	$	13,928	$	98,683
Old Fashioned Ghee	$	68,441	$	70,091
Energy Gel	$	387	$	-
Munchie Mix	$	7,656	$	2
Raw food products	$	192,572	$	139,665

Cost of sales

The Company recorded cost of sales of $273,826 during the period as compared to $278,732 in 2022, related to the plant-based patties, Old Fashioned Ghee, Munchie Mix, Energy Gel and raw food products for resale. The cost of sales related to the plant-based patties comprises overhead allocations of rent for production and storage, 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. Cost of sales related to Energy Gel, Old Fashion Ghee, Munchie Mix relate to direct costs.

Gross profit

As a result of revenue exceeding the cost of sales, the Company recognized a gross profit of $9,158 during the nine months period ended July 31, 2023, as compared to a gross profit of $29,709 during the comparative period in 2022.

Expenses

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

Advertising and promotion for the period were $321,250 as compared to $20,394 in the comparative period in 2022, and related to marketing campaigns, product advertising and market making services.

Professional fees for the period were $424,440 as compared to $295,603 in the comparative period in 2022 and were mainly due to legal fees related the cost of the proposed transaction, general business matter, and private placement and consulting fees for CFO services and general accounting services.

Salaries and wages for the period were $105,694 as compared to $129,187 in the comparative period in 2022 and related to wages for the CEO of the Company, refer to section *"Transactions with Related Parties"* and an employee.

Share-based payments for the period were $279,412 related to the issuance of options and vesting of restricted share units as compared to $76,448 related to the vesting of options issued in the comparative period in 2022.

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 the date of this MD&A, the Company had 36,948,334 common shares issued and outstanding. In addition, there are 11,140,500 warrants outstanding, 2,497,750 options outstanding and exercisable, and 1,066,667 restricted share units outstanding.

Transactions during the nine months ended July 31, 2023:

On November 21, 2022, the Company issued 700,000 common shares pursuant to the exercise of warrants at a price of $0.10 per common share for gross proceeds of $70,000. In connection with the issuance, $42,000 was transferred from share-based payments reserve to share capital.

On February 13, 2023, the Company completed a private placement, issuing 7,650,000 units at a price of $0.10 per unit for gross proceeds of $765,000. 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. In connection with the private placement, the Company issued 128,000 finder's warrants, paid a cash finder's fee of $12,800 and legal fees of $14,822. The finder's warrants have the same terms as those in the private placement unit.

On February 17, 2023, the Company issued 30,000 common shares pursuant to the exercise of warrants at a price of $0.20 per common share for gross proceeds of $6,000. In connection with the issuance, $3,000 was transferred from share-based payments reserve to share capital.

Liquidity and Capital Resources

As at July 31, 2023, the Company had a working capital of $123,581 (October 31, 2022 – working capital of $181,062). As at July 31, 2023, the Company had cash on hand of $183,508 (October 31, 2022 - $75,951) to meet accounts payable and accrued liabilities of $422,275 (October 31, 2022 - $408,574).

Working capital is mainly comprised of cash of $183,508 and accounts receivable and other receivables of $241,256, see below for a discussion of cash flows in the period, as discussed in "Selected Quarterly Financial Information", offset by accounts payable and accrued liabilities of $422,275.

Cash Flows

Net cash used in operating activities
Net cash used in operating activities for the nine months ended July 31, 2023, was $755,821 as compared to $722,057 used in operating activities during the nine months ended July 31, 2022. The Company generated a net loss and had negative cash flows from operating activities due to the Company launching products to the market and ramping up of operations. 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 nine months ended July 31, 2023, was $Nil as compared to net cash used in investing activities of $7,200 related to the purchase of a vegan nugget formulation in the nine months ended July 31, 2022.

Net cash provided by financing activities
Net cash provided by financing activities for the nine months ended July 31, 2023, was $863,378 as compared to net cash provided by financing activities of $25,000 in the nine months ended July 31, 2022. This cash inflow was due to proceeds received from the private placement and the exercise of warrants.

The Company has no commitments to make capital expenditures in future fiscal periods.

Off-Balance Sheet Arrangements

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

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
- Rubens Tse, CFO
- Mohammad S. Fazil, director
- Nashir Virani, director
- Daryl Louie, CMO

	Three months ended July 31,		Nine months ended July 31,	
	2023	2022	**2023**	2022
Advertising and promotion				
Company that provides CMO services	**$ -**	$ -	**$ 10,000**	$ -
Professional fees				
Management entity that provides CFO services	**26,696**	40,017	**110,067**	81,928
Salaries and wages				
Pratap Sandhu, CEO and director	**34,061**	32,308	**96,728**	92,308

Share-based payments				
Pratap Sandhu, CEO and director	**-**	-	**-**	32,531
Company that provides CMO services	**-**	-	**12,411**	-
Management entity that provides CFO services	**-**	-	**-**	1,627
Mohammad Fazil, director	**-**	-	**-**	8,133
	$ 60,757	$ 72,325	**$ 229,206**	$ 216,527

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 July 31, 2023, included in accounts payable and accrued liabilities was $34,110 (October 31, 2022 – $20,049) owed to Pratap Sandhu, CEO of the Company, $64,552 (October 31, 2022 - $20,190) owed to a management entity for the provision of CFO services, $11,609 (October 31, 2022 – $7,844) owed to a company owned by Nashir Virani, a director of the Company, and $59,963 (October 31, 2022 - $50,702) owed to a company that the CEO of the Company has significant influence over.

As at July 31, 2023, $94,703 (October 31, 2022 – $94,703) included in accounts receivables and other receivables was owed by a company owned by Nashir Virani, a director of the Company.

Other transactions

During the three and nine months ended July 31, 2023, the Company incurred $2,748 and $11,502 respectively (July 31, 2022 - $Nil and $Nil) for purchases of inventory and completed sales of raw materials to a company owned by Nashir Virani, a director of the Company, in the amount of $Nil and $127,252 respectively (July 31, 2022 – $22,630 and $83,335).

During the three and nine months ended July 31, 2023, the Company incurred $7,175 and $51,701 respectively (July 31, 2022 - $12,179 and $80,370) for purchases of inventory, $Nil and $1,620 respectively (July 31, 2022 - $11,195 and $36,018) for labour included in inventory, $Nil and $Nil respectively in intangible assets (July 31, 2022 - $7,200 and $7,200) and $10,500 and $31,500 respectively (July 31, 2022 - $10,500 and $29,500) for rent of which $Nil and $875 respectively (July 31, 2022 - $2,500 and $7,000) is included in inventory, and $Nil and $Nil respectively (July 31, 2022 - $Nil and $1,950) in sales to a company that the CEO of the Company has significant influence over.

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 the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. 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 of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Company's functional and presentation 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 not considered to be material. The Company has not had a material change in or management of this risk during the nine months ended July 31, 2023.

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 not considered to be material. The Company has not had a material change in or management of this risk during the nine months ended July 31, 2023.

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, whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company does not hold equity investments in other entities and therefore is not exposed to other price risk. The Company's exposure to and management of this risk has not changed materially during the nine months ended July 31, 2023.

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 trade 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 creditworthiness purposes. The Company mitigates credit risk by monitoring its exposure for credit losses with customers. 72% of the trade receivable balance at July 31, 2023, relates to two customers (October 31, 2022 – 70% related to two customers). The Company has determined that no provision for expected credit losses 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 trade receivables and cash 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 that are settled by delivering cash or another financial asset. The Company manages liquidity risk through the management of its capital structure. The Company addresses its liquidity by raising capital through the issuance of equity to supplement revenues from operations. 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 July 31, 2023 and October 31, 2022.

July 31, 2023	On demand	Less than 1 year	1-3 years	Total
Accounts payable and accrued liabilities	$422,275	$ -	$ -	$422,275

October 31, 2022	On demand	Less than 1 year	1-3 years	Total
Accounts payable and accrued liabilities	$408,574	$ -	$ -	$408,574

Fair values

The Company's financial instruments consist of cash, trade receivables, and accounts payable and accrued liabilities. Cash is carried at fair value through profit or loss, while accounts receivable and other receivables, and accounts payable and accrued liabilities are carried at amortized cost. The fair values of accounts receivable and other receivables, and accounts payable and accrued liabilities approximate their carrying values due to their short terms to maturity.

The Company classifies its financial assets at fair value through profit or loss 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).

As at July 31, 2023 and October 31, 2022, cash was measured at fair value through profit or loss in accordance with Level 1 of the fair value hierarchy. The Company had no transfers between levels of the fair value hierarchy during the nine months ended July 31, 2023.

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 shareholders' equity.

The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in the 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 July 31, 2023, 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 July 31, 2023 there were no externally imposed restrictions on the capital, or management thereof, of the Company.

Proposed Transaction

On April 21, 2023, the Company entered into a share exchange agreement with Glory Organic Juice Company Inc., Glory Juice Co. Vancouver Ltd. (collectively, "Glory Juice") and the shareholders of Glory Juice ("Vendors"). Pursuant to the agreement, the Company will acquire all the issued and outstanding shares of Glory Juice and upon completion of the acquisition, each of the Glory Juice entities will become wholly-owned subsidiaries of the Company. In consideration for the purchased shares:

- The Company will issue an aggregate of 6,000,000 common shares of the Company to the Vendors. The shares will be subject to contractual resale restrictions, pursuant to which 10% of the shares will be released on the closing date of the acquisition and 15% of the shares will be released every 6 months thereafter.

- The Company will cause Glory Juice to repay outstanding loans owing to certain shareholders of Glory Juice in the aggregate amount of approximately $1,800,000, through the issuance of secured promissory notes by Glory Juice. The promissory notes will be repayable in equal quarterly instalments over a 56-month period, with first instalment payable on the closing date. The promissory notes will rank senior, secured by all the assets and property of Glory Juice, subject to certain specific permitted encumbrances, pursuant to a general security agreement and guaranteed by the Company.

The acquisition is subject to customary closing conditions as set out in the agreement, including obtaining the applicable third party, corporate and regulatory approvals.

Events Subsequent to July 31, 2023

i) In August and September 2023, the Company received $95,500 in share subscriptions.

ii) On September 5, 2023, the Company issued 433,333 common shares upon the exercise of restricted share units ("RSUs").

iii) On September 22, 2023, the Company granted 264,000 RSUs to a consultant of the Company. Each RSU entitles the holder to acquire one common share of the Company on vesting. The RSUs will vest over 6 months from the date of grant, with a sixth vesting every month.

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 a material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Valuation of 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 the estimated net realizable value. The Company must determine if the cost of any inventory exceeds its net realizable value, such as in cases where prices have decreased, or inventory has spoiled or has otherwise been damaged.

Fair value calculation of share-based payments
Estimating fair value for granted stock options requires determining the most appropriate valuation model, which is dependent 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.

Impairment of intangible assets
The Company has determined that the acquired intangible assets have indefinite useful lives. Therefore, at each reporting date, the Company is required to estimate the recoverable amount of the intangible assets. An asset's recoverable amount is the higher of an asset's (or CGU's) fair value less costs of disposal and its 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 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 calculations on the most recent management forecast calculations, which are prepared separately for each of the Company's CGUs to which the intangible 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.