Naturally Splendid Enterprises Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended

September 30, 2022

This Management's Discussion and Analysis ("MD&A") for Naturally Splendid Enterprises Ltd. ("Naturally Splendid" or the "Company") has been prepared as of November 29, 2022. It should be read in conjunction with the unaudited consolidated financial statement of the Company for the quarter ended September 30, 2022 (the "Financial Statements") and related notes thereto, which have been prepared in accordance with International Financial Reporting Standards, ("IFRS") as issued by the International Accounting Standards Board. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Statements in this MD&A that are not historical facts are "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. Readers are cautioned not to put undue reliance on forward-looking statements. Forward-looking statements is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook.

Forward-looking statements involves known and unknown risk, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes the expectations reflected in the forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking statements contained in this MD&A.

COMPANY OVERVIEW

Naturally Splendid develops, manufactures, and distributes consumable products with a primary focus on sustainable plant-based ingredients.

The Company owns Prosnack Natural Foods Inc., a food manufacturing facility which operated a HACCP (Hazard Analysis Critical Control Points) and Safe Quality Food Level 2 certified manufacturing facility in Pitt Meadows, BC. Prosnack manufactured a wide range of bars and bites in this 20,000 square foot manufacturing facility.

Naturally Splendid has made the strategic decision to focus on manufacturing and distributing an extensive line of plant-based, meat-alternative entrees through an exclusive agreement for Canada, with a division of Australia's largest plant-based manufacturer.

In this regards, the Company has secured the exclusive Canadian manufacturing and distribution rights to a line of plant-based entrees from Flexitarian Foods PTY. Ltd., a division of Australia's largest plant-based food manufacturers. Currently, the Company imports this line from Australia.

The initial term of the exclusive Canadian distribution rights with Flexitarian Foods Pty. Ltd. was for two (2) years with a two (2) year renewal. That agreement has been extended to include the exclusive Canadian manufacturing rights as well. The new exclusive Canadian manufacturing and distribution agreement is for ten (10) years with a ten (10) year renewal clause. Additionally, the Company has secured the exclusive Canadian rights to the Plantein™ trademark in Canada for the same ten (10) year term, which also includes a ten (10) year renewal clause.

It is anticipated the manufacturing of the plant-based products will be moved to a new location in Ontario. Relocating manufacturing to Ontario provides many benefits, including closer proximately to Canada's largest population and consumer base, direct access to many of Canada's largest food companies and distributor head offices, and significantly reduces transportation costs.

This plant-based line of entrees and appetizers will be marketed under the Plantein™ Plant-Based Foods banner. Additionally, the Company will strategically select private label clients who we will contract manufacture for under their own private label brands.

Naturally Splendid Enterprises Ltd. has several Company-owned brands featuring plant-based ingredients, including NATERA Hemp Foods, NATERA Sport, NATERA FX, CHII™ Naturally Pure Hemp Foods, Elevate Me™ protein bars, Woods Wild™ mushroom fortified bars, Pawsitive FX™ for the canine market, and Timer's Nutrition™ for the equestrian market. The Company is now looking to divest its interest in these brands and has begun the process of pursuing potential buyers.

Historically, distribution has primarily been in Canada. While this remains true, the Company have expanded its distribution network into the United States, Australia and South Korea. Although export opportunities remain a secondary focus, the Company has gained valuable export knowledge and contacts.

Naturally Splendid has reached an agreement with Biologic to terminate the agreement with Plasm Pharmaceutical and has negotiated a compensation package for work done to date.

PUBLIC MARKETS

The Company's common shares are listed on the TSX Venture Exchange under the symbol "NSP" and on the Frankfurt Stock Exchange under the symbol "50N". The Company is also quoted on the US OTCQB board under the symbol "NSPDF."

HISTORY

The Company's initial foray into plant-based nutritional products began over twelve years ago, focusing at that time on hemp. The Company had established a business strategy for developing mainstream and niche plant-based products designed for grocery and the sports & active lifestyle markets. The Company had expanded the range of plant-based products and technologies to include nutraceutical and pharmaceutical applications.

Previously, the Company was positioned for the potential opportunities in the evolving cannabis edibles market. At that time, the Company anticipated the cannabis edibles opportunity represented significant growth and revenue potential. Canadian regulations surrounding cannabinoid edibles did not evolve as initially anticipated, thus limiting the opportunities to commercialize such products. Therefore, the Company suspended business activities in the cannabis edibles market in April 2020.

The Company continues to market and distribute products focused on plant-based ingredients. The plant-based market has proven to be one of the fastest-growing consumer trends over the past few years and is growing at a rate outpacing many traditional food categories.

The strategic decision has been made to focus entirely on the fast-growing plant-based consumer markets as plant-based products are rapidly going mainstream, and Naturally Splendid has been positioning for this opportunity over the years.

OPERATIONS
Prosnack Natural Foods Inc.
Naturally Splendid Foods Ltd.
Plasm Pharmaceutical Inc. (Discontinued)

Prosnack Natural Foods Inc.
Food Manufacturing Facility, Pitt Meadows, BC

The Company owns 100% of Prosnack Natural Foods Inc. ("Prosnack").

Up until recently, Prosnack was a producer of energy bars and bites for Company branded products and contract manufacturing customers. However, a recent reorganization of the Company has permanently discontinued the production of energy bars and bites.

Prosnack has discontinued its contract manufacturing services for clients producing nutritional bars and bites distributed in retail outlets in Canada and thus is currently divesting its equipment and buildings that supported the bars and bites manufacturing.

The Company has entered into an exclusive Canadian manufacturing and distribution agreement with Flexitarian Foods Pty. Ltd., a division of Australia's largest plant-based manufacturer. This exclusive manufacturing and distribution agreement is for an initial term of ten (10) years with a ten (10) year renewal clause and will see the Company manufacture and distribute a wide range of meat replacement, plant-based appetizers and entrees.

The Company has also been granted the exclusive rights to use the Plantein™ trademark for the same term.

The Company's competitive advantage will be to strategically produce Australia's popular meat replacement entrees for Contract, Private Label markets, and the Plantein™ brand for Retail and Food Service customers. The Company believes in expanding the meatless plant-based category by providing these popular products to a broader base of companies.

The Company will continue to focus on expanding our plant-based entree offerings as consumer demands continue to increase for more plant-based products, in certain circumstances outpacing certain traditional food channels.

The Company also has proprietary novel ingredients such as HempOmega™ and our unique hemp protein isolate which have the potential to be incorporated in a range of plant-based foods or these technologies may be marketed and sold.

Naturally Splendid Foods Ltd.
Operating Company managing distribution and selected branded Company Products

On December 31, 2021, the Company amalgamated some of its subsidiaries into one company, Naturally Splendid Foods Ltd.. At the time, the amalgamation combined all our branded companies into one company offering various products.

With the recent emphasis put towards our exclusive manufacturing and distribution agreement for plant-based foods with Flexitarian Foods, Naturally Splendid Foods will now direct its sole efforts to marketing and distributing Plantein™ branded entrees primarily in Canada, with export as a secondary option.

The decision to amalgamate the companies was to reduce expenses and manage all the brands within one company separating it from Prosnack, who will become a manufacturer for Branded products, as well as Contract and Private label customers.

Plantein™ Plant-Based Foods
40 SKUs of plant-based, meat alternative products.

Naturally Splendid has signed an exclusive Canadian manufacturing and distribution agreement for an extensive line of plant-based meat alternative products with a Division of Australia's largest plant-based food manufacturer.

The Company has come to terms with Flexitarian Foods Pty. Ltd. of Australia for Canada's exclusive manufacturing and distribution rights for an initial term of ten (10) years with a ten (10) year extension. The Company has also been granted sales and distribution access to the United States market, the EU and Asia. Initially, the Company was branding the product under NATERA Plant-Based foods but was able to secure the trademark name of Plantien™ for use in Canada.

Plantein™ Plant-Based Foods will offer a range of meat-replacement, plant-based alternatives for multiple categories, including; beef, chicken, pork, fish, and shellfish. In each category, there are multiple products that provide a significant choice for consumers looking to include plant-based foods into their eating habits.

Plantein™ Plant-Based Foods first launched in foodservice, landing a national account with Denny's Restaurants Canada.

The launch of Plantein™ Plant-Based Foods in Canada began with the popular roster of products, including Plant-Based Burgers, Schnitzel, Kiev, Sweet Chili Tenders, Seasoned Tenders, Nuggets, Crispy Burger and Phishy Fillets.

The Company has launched two Plantein™ plant-based products nationally in Denny's Canada. The two products are Plantein™ Nuggets and Plantein™ Tenders.

Recently the Company has launched into retail with the same plant-based line of entrees under the Plantein™ banner.

CHII™ Hemp Foods
Originating in 1998, CHII is one of Canada's longest established hemp companies

The CHII™ line is mainly distributed through an e-commerce platform. These products are offered to the consumer as conventional or organic.

Hemp Hearts
Hemp Protein
Hemp Flour
Hemp Protein
Hemp Oil

The company is looking to divest itself from distributing and selling all hemp related products as it remains focused on Plantein™ Plant-Based meatless entrees. On-line sales from Amazon and the company website will continue until the company finds a suitable buyer.

Pawsitive FX™
Pawsitive FX™ was formulated to improve the health and wellness of canines. The products use 100% natural ingredients that are healthy and safe for your pet and sustainable for the environment. Three natural balms for the canine market for paw and snout health; Happy Snout; Happy Paws; Strong Paws. The line also offers hemp oil for canine nutrition.

The company is looking to divest itself from distributing and selling of all pet related products as it remains focused on Plantein™ Plant-Based meatless entrees. On-line sales from Amazon and the company website will continue until the company finds a suitable buyer.

Company Proprietary, Novel, Plant-Based Ingredients
The development of HempOmega™, micro-encapsulated hemp oil and a hemp protein isolate, is a future opportunity for the Company. These proprietary ingredients can be used in product development for Company Branded Products and offered as unique ingredients, creating innovative products and formulations in several marketing sectors such as retail, foodservice and pets.

HempOmega™
The Company commercialized its microencapsulated hemp oil, HempOmega™, by selling to Sipp Industries Inc., who used the ingredient in the formula of unique Hemp Omega™ fortified craft beers. Additionally, the Company incorporated HempOmega into hemp protein formulations for the sports market.

Hemp Protein Isolate
The enthusiasm for plant-based protein ingredients creates interest in our proprietary hemp protein isolate. The Company anticipated this consumer preference in the development of this product. Through our efforts and collaboration with other protein ingredient processors, the Company expects to capitalize on the trend towards more plant-based nutrition.

Naturally Splendid will continue to review opportunities selling proprietary products of its developed ingredients, such as HempOmega™ powder and HempOmega™ emulsion, and pursue opportunities for the Company's proprietary technology.

Plasm Pharmaceutical Inc.
Plasm Pharmaceutical Inc. Operations have been **permanently** discontinued.

The initial intent for Plasm Pharmaceuticals was to pursue the potential treatment of COVID-19 and other inflammatory ailments through a plant-based formulation.

Plasm Pharmaceutical Inc. History
On September 1, 2020, the Company entered into a Joint Venture Agreement ("JV Agreement") with Biologic Publishing Inc. ("Biologic") to form a joint venture to further develop and pursue phase 2 clinical studies, utilizing one of Biologic's patented technologies as a candidate for a potential COVID-19 treatment.

PLASM™ has been conceived and assembled to further develop and carry out clinical trials on the Cavaltinib™-Branded Drug(s) in the specific Field described in the License Agreement. The Field includes but is not limited to treatment and/or prophylaxis of respiratory indications, including COVID-19.

The Company will own 16% of the joint venture and a 10% royalty on gross sales of all products and applications arising from the clinical study. Biologic will own 82% of the joint venture, with the remaining 2% ownership assigned to key personnel within Biologic at their discretion.

Initially, the Company was to invest $500,000 into the joint venture to conduct a Health Canada approved phase 2 clinical trial gauging the effectiveness of Cavaltinib™ as a potential treatment for COVID-19.

The Company was to have earned 16% ownership of the joint venture upon payment of the $500,000. The $500,000 is under review as there may be an opportunity to increase this investment to conduct an even more comprehensive clinical trial to determine the effectiveness of Cavaltinib™ as a potential treatment for COVID-19.

Initially, the Company had agreed to make payment in five equal tranches as follows:
First tranche of $100,000 paid to PLASM on or before December 15, 2020 *(not met)*
Second tranche of $100,000 paid to PLASM on or before January 15, 2021*(not met)*
Third tranche of $100,000 paid to PLASM on or before February 15, 2021*(not met)*
Fourth tranche of $100,000 paid to PLASM on or before March 15, 2021*(not met)*
Fifth tranche of $100,000 paid to PLASM on or before April 30, 2021*(not met)*

The Company shall issue 350,000 common shares to Biologic and 500,000 stock options to individuals of Biologic and a consultant of the Company on the closing of the JV Agreement. Each option will be exercisable into one option at the current market price for 18 months from issuance.

On October 27, 2020, the Company granted 500,000 stock options to individuals of Biologic and a consultant of the Company. The options were granted at an exercise price of $0.10 for a period of five (5) years, vesting immediately and expiring on October 27, 2025, with an estimated fair market value of $19,575.

During the year ended December 31, 2020, the Company made a payment of $5,000 towards the JV Agreement with Biologic. During the year ended December 31, 2021, a $17,000 payment was made towards the JV Agreement.

As at September 30, 2022, Naturally Splendid reached an agreement with Biologic to terminate the agreement with Plasm Pharmaceutical and is negotiating a compensation package for work done to date pursuing a potential treatment for Covid with the target drug Cavaltinib.

Suspended and Discontinued Company Brands
Plant-based Products for Active Lifestyles
Plant-based Products for Active Pets

Our Company Brands for Active Lifestyles
Naturally Splendid has several Company plant-based brands for the active lifestyle market. The Company will seek buyers who have interest in purchasing these brands. All brands identified below have consumer ready products under the individual brands.

- NATERA is the Company's own brand
  NATERA Sport
  NATERA Hemp Foods
  Over twenty (20) consumer ready formulations that may have commercial appeal. Naturally Splendid made the decision to abandon the NATERA trademark.
  The Company will seek buyers interested in both the trademark names and formulations of below identified lines.

- Nutritional Bar Lines for the active lifestyle
  ElevateMe™
  Wood Wild Bar™
  The Company will seek buyers interested in both the trademark names and formulations of below identified lines.

- Pet Market for active pets and animals
  Timer's Nutrition™

NATERA Sport (Discontinued)
Plant-based bars, bites and supplements for the sports and active lifestyle markets

The Company had developed several plant-based bar formulations under several Company brands and markets a novel curcumin supplement, ProCurc™ 30.

The Company will seek buyers interested in both the trademark names and formulations of below identified lines.

<u>Plant-Based Bars & Bites</u>
The Company launched its NATERA Sport KEY-TO-LIFE™ keto-friendly bars, that has been sold in retail stores across Canada.

As well as the success of the NATERA Sport KEY-TO-LIFE™ bars, the Company has developed the novel 'NATERA Sport Bites' formulated by former NSE Advisor, Formulator and 'Practitioner for players on the PGA Tour' by Naturally Splendid Advisor Dr. Stuart Love.

<u>ProCurc™ 30</u>
In February 2020, at CHFA Expo West, Canada's largest west coast health and nutrition tradeshow, the Company launched ProCurc™ 30 under the NATERA™ Sport Brand.

ProCurc™ 30 was formulated based on the strength of the amazing attributes of curcumin. This natural plant-based ingredient has traditionally been utilized for its anti-fungal, anti-bacterial and anti-viral properties in many cultures for hundreds of years.

The Company has halted manufacturing and/or distribution of these products and is looking to divest itself from these products as it remains focused on the Plantein™ Plant-Based meatless entrees.

NATERA Hemp Foods (Discontinued)

NATERA Hemp Foods was created as part of its expanding line of products for the sports nutrition enthusiast.

The Company has halted manufacturing these products and is looking to divest itself from these products it remains focused on the Plantein™ Plant-Based meatless entrees.

Nutritional Bar Lines (Discontinued)

Elevate Me™
Founded in 2003, Elevate Me™ was dedicated to providing food that combines great taste with healthy ingredients.

Woods Wild Bars™
Four flavours of mushroom fortified bars are crafted to provide long-lasting energy while drastically reducing the number of carbohydrates and overall sugar content.

The Company has halted manufacturing and distributing these products and is looking to divest itself from these products it remains focused on the Plantein™ Plant-Based meatless entrees.

Company Brands for the Pet Markets (Discontinued)

Timer's Nutrition™
Timer's Nutrition is a line of hemp-based nutritional products for the equestrian market.

Currently, the Company has suspended the launch of this niche market to focus on the more mainstream plant-based nutritional markets for human nutrition.

SALES

Naturally Splendid sales can be separated into three categories; domestic, and international and e-commerce.

DOMESTIC SALES

Historically, the Company focused on retail sales of its Company Branded Products servicing major retailers across Canada by utilizing a combination of National Brokers and Distributors managed by an internal sales force.

Plantein™ Plant-Based Foods, will be the primary focus of the Company's expanding distribution network across Canada through distributors such as Canex Foods, Sysco Canada, Gordon Food Service, Greenbridge Foodservice, amongst others.

The Company will continue focusing on building national sales opportunities, leveraging the Prosnack relationship and building on the foundation of products that have been distributed in over 2,000 stores across Canada.

In addition to retail, the Company has expanded into foodservice, selling to restaurants and diversifying its sales distribution channels.

Foodservice represents an area of growth for the Company and is trending to become a significant contributor to both top and bottom-line sales while opening new doors for the Company.

Foodservice includes a national listing with recognizable iconic brands such as Denny's Restaurants (Canada) where two (2) branded Plantein™ products are available. Retail clients include many independent retailers, with larger chain stores being cultivated.

INTERNATIONAL SALES

United States

The Company had distribution in the United States primarily through the TJX family of companies, including TJ Max, Marshalls and HomeSense. These relationships will be leveraged to introduce for the Plantein™ Plant-Based Foods to the US Market.

South Korea

In 2016 the Company began exporting bulk hulled hemp seed to South Korea. In 10 months, the Company exported approximately $6,000,000 CDN to Korea. By the end of 2017, the price for bulk hulled hemp seed prices declined by as much as 65%. Therefore, the Company decided to suspend exports to Korea at that time.

However, in Q2 of 2020, the Company experienced a resurgence in orders for bulk hulled hempseed from this region. The Company has shipped three containers of bulk hemp seed to South Korea, has taken orders for the fourth container of bulk hemp seed, and pursued additional contracts with these clients and new opportunities. Since business resumption, the company has processed multiple hemp seed bulk shipments to South Korea.

The hemp market in Korea has proven out in the past and is going through the expected consumer education process resulting in consumers seeking finished, value-added nutritional products and the more basic hulled hemp seed.

These relationships will be leveraged to introduce for the Plantein™ Plant-Based Foods to the Korean Market.

Australia

Given that Flexitarian Foods is established and operates in Australia, there are no longer export opportunities for Australia.

However, in 2017 the Company developed its relationship with a major distributor with access to five key market segments: Retail, Food Service, Health Practitioners, Veterinarians and E-commerce. On November 9, 2017, the Company completed its first shipment to Australia. The Company was preparing to market its NATERA and Elevate Me™ products (conventional and organic bars, hemp seeds & hemp protein) as an initial launch, allowing for market research, customer acceptance, and the development of logistical elements to prepare for further key market segment penetration and product introductions. However, these initiatives were suspended due to Covid, and have since been abandoned entirely.

E-COMMERCE SALES

In April 2020, the Company expanded its e-commerce strategy in direct response to the rapidly changing purchasing habits of a wide segment of consumers. Due to the pandemic, online shopping has increased significantly, and this trend is expected to continue.

On November 13, 2020, Mr. Kris Tarr was added as an Advisory Board member. Mr. Tarr has over three decades of online marketing and e-commerce experience, having worked for globally recognized organizations such as Coca-Cola, Disney and Nickelodeon. As a consultant, he has guided over a hundred small and medium-size businesses in developing and implementing online e-commerce strategies. Mr. Tarr will be assisting in the area of e-commerce and online marketing.

In March 2021, the Company created the position of VP of E-Commerce and appointed Mr. Tarr to this position. Mr. Tarr has worked for globally recognized organizations such as Coca-Cola, Disney, and Nickelodeon and he has pioneered e-commerce and social media strategies for a wide variety of clients ranging from global corporations to regional enterprises.

The Company launched a 'centralized e-commerce website' designed to process online transactions. The Company will maintain an e-commerce site but look to expand the brand awareness of Plantein™ through various Social Media Channels

The products available on-line include; Plantein™ Plant Based Foods; Chii™ Naturally Pure Hemp Foods; and Pawsitive FX™ will continue to be sold online while a suitable buyers for these brands are being pursued.

<u>COVID-19 Pandemic Overview</u>

On March 24, 2020, the COVID-19 pandemic took over the global world and markets, forcing the Company to halt production for safety concerns while developing and initiating new safety protocols. On May 19, 2020, the Company resumed production with limited employees respecting the latest safety procedures, including social distancing, to continue fulfilling sales orders.

Like many businesses, the pandemic has significantly impacted the Company's revenue. In this regard, the Company discontinued bars and bites manufacturing and is directing resources towards the new Plantein™ Plant-Based Foods.

The far-reaching economic impact of the pandemic has made it necessary to adjust operationally and strategically. The 'meat alternative' plant-based product category was outpacing traditional food categories before the pandemic and the category is benefiting now from a new understanding of fragile food supply chains. Plant-based entrees may be less effected than animal protein supply chains according to some reports.

MANAGEMENT AND BOARD OF DIRECTORS

Co-Founder, President, Chief Executive Officer and Director, Craig Goodwin

As of August 27, 2019, Co-Founder and current President, Mr. J. Craig Goodwin, resumed his role as CEO of Naturally Splendid in addition to maintaining his role as President and a member of the board of directors. Craig has focused on both domestic and international business opportunities including joint ventures and developing strategic partnerships. His role includes development of domestic and international sales and distribution channels, as well as creating and implementing sales strategies, while overseeing day to day sales and marketing activities. Australia, Asia and the EU are among the international sales and distribution opportunities that are in development.

Craig has continued to act as the key contact for corporate communications which includes press releases, individual investor engagement, as well as potential institutional investors. Additionally, Craig has continued to raise capital through non-brokered Private Placements.

Co-Founder, CFO and Director, Bryan Carson

As of November 15, 2022, Co-Founder and current Executive Director of Operations, Mr. Bryan Carson became the CFO of Naturally Splendid. Bryan has taken on a significant role in operations, optimizing production capacity, including ongoing analysis of budgets, costing and margins. Bryan's increased attention in this area provided immediate returns in increased capacity and margins. He also oversees facility expansions and certifications such as SQF2 (Safe Quality Food Level 2). Additionally, Bryan has taken a significant role in new product development, proactively creating market-ready products in a variety of categories.

Director, Larry Gilmour
Effective November 1, 2020, Larry was appointed Director of the Company. Larry's professional career began in sales and marketing with internationally recognized brands such as; Libby's (Libby, McNeil and Libby); Playtex Corp.; and Black and Decker. Larry has also owned and operated chain grocery outlets including owner / operator of a SuperValu grocery store and an IGA grocery store, both of which were located in Vancouver, BC.. More recently Larry has been advising small to medium business owners in infrastructure, financing, sales and marketing where he has a successful track record taking businesses with existing consumer bases and growing that business.

SELECTED ANNUAL INFORMATION

The following table includes information obtained from the audited consolidated financial statements of the Company and from its accounting predecessor. The audited consolidated financial statements for these fiscal years were prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

Statements of Loss Data	Year Ended December 31, 2021 $	Year Ended December 31, 2020 $	Year Ended December 31, 2019 $
Total Revenue	763,796	1,576,408	3,037,512
Cost of Sales	(681,615)	(1,460,279)	(2,114,712)
Expenses	(3,351,547)	(4,808,656)	(6,935,495)
Other Income (Loss)	127,435	32,885	(1,017,375)
Deferred Income Tax	-	-	-
Discontinued Operations	-	-	-
Net Loss	(3,141,931)	(4,659,642)	(7,030,070)
Basic and Diluted Loss Per Share	(0.22)	(0.41)	(0.88)
Statements of Financial Position Data	**As at December 31, 2021 $**	**As at December 31, 2020 $**	**As at December 31, 2019 $**
Total Assets	4,274,380	4,053,463	5,600,947
Total Current Liabilities	4,746,309	3,943,365	3,570,308
Total Non-Current Liabilities	830,125	1,057,612	1,312,545
Total Liabilities	5,576,434	5,000,977	4,882,853
Total Equity	(1,302,054)	(947,514)	718,094

SUMMARY OF QUARTERLY RESULTS

Certain comparative information has been restated to reflect the current presentation in the financial statements. All periods listed below were prepared in accordance with IFRS and are expressed in Canadian dollars.

	Three months ended			
	September 30, 2022 $	June 30, 2022 $	March 31, 2022 $	December 31, 2021 $
Total revenue	92,205	63,861	93,453	144,143
Gross profit	25,256	(17,862)	38,990	1,715
Loss from operations	(503,653)	(966,546)	(747,892)	(655,365)
Comprehensive income (loss)	(503,653)	(966,546)	(747,892)	(655,365)
Basic and diluted income (loss) per share	(0.02)	(0.04)	(0.03)	(0.04)

	Three months ended			
	September 30, 2021 $	**June 30, 2021 $**	**March 31, 2021 $**	**December 31, 2020 $**
Total revenue	149,614	216,661	253,378	227,577
Gross profit	5,239	43,436	31,791	(26,801)
Income (loss) from operations	(735,578)	(1,007,352)	(743,636)	(1,319,483)
Comprehensive income (loss)	(735,578)	(1,007,352)	(743,636)	(1,319,483)
Basic and diluted income (loss) per share	(0.05)	(0.02)	(0.05)	(0.11)

DISCUSSION OF OPERATIONS

Overview

On March 24, 2020, the COVID-19 pandemic took over the global world and markets forcing the Company to halt production for safety concerns. On May 19, 2020, the Company resumed production with limited employees to fulfill sales orders. The pandemic has significantly impacted the Company's revenue for 2020 and 2021. As of December 31, 2021, the Company is no longer certified for Safe Quality Foods (SQF) which has impacted the Company's private label bars and bites revenue.

During the nine months ended September 30, 2022, the Company's sales decreased by approximately $370,000 from the comparative period. The Company had decreased sales in its private-label bars and bites business by approximately $115,000. Branded hemp products decreased by approximately $177,800 and its Natera Sport products decreased by approximately $100,500. Sales in new Plant-based products decreased by approximately $600. This is in line with the Company shifting its focus on the new plant-based entrees for contract manufacturing, private label and branded products and will continue to sell to the international Korean markets.

During the nine months ended September 30, 2022, selling and distribution expenses decreased by approximately $33,000 largely due to a decrease in production (facility costs, quality assurance, lab testing and reduced production). Administrative expenses decreased by approximately $124,000 mainly from a decrease in management and consulting fees, bank charges and interest, and amortization and depreciation.

Q3 Results

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Revenue	$ 92,205	$ 149,614	$ 249,519	$ 619,653

Costs of Sales and Gross Profit

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Cost of Sales	$ 66,949	$ 144,375	$ 203,135	$ 539,187
Gross Profit	25,256	5,239	46,384	80,466
Margins	27.39%	3.50%	18.59%	12.99%

The Cost of Sales during the nine months ended September 30, 2022, was $203,135 compared to $539,187 in 2021. The Company's sales were from its new line of plant-based entrees which maintain a higher gross margin. The Company continues to focus on its higher-margin products and new commercial opportunities with its plant-based entrees.

Selling and Distribution Expenses

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Inventory write-down and bad debts	$ 24,740	$ 28,629	$ 176,179	$ 169,445
Facility	61,140	54,561	200,944	314,429
Freight and delivery	3,039	15,338	43,171	28,133
Product promotion	55,772	62,463	136,406	77652
Selling and distribution expenses	**$ 144,691**	**$ 160,991**	**$ 556,700**	**$ 589,659**

Selling and distribution expenses during the nine months ended September 30, 2022, decreased compared to the comparative period predominantly by facility costs due to decreased production. This resulted in a decrease in production wages and salary costs during the period in 2022 compared to 2021.

During the nine months ended September 30, 2022, the company had received $Nil (2021 - $144,291) in government assistance from the Canadian Emergency Wage Subsidy (CEWS). Product promotion is related to e-commerce fees charges for plant-based products sold on Amazon, Shopify and other platforms. Also, during the nine months ended September 30, 2022, the Company had a write-down of inventory of $176,179 (2021 - $96,283) and bad debts of $Nil (2021 - $73,162).

Administrative Expenses

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Accounting and audit	$ 22,738	$ 19,500	$ 70,259	$ 58,500
Amortization and depreciation	113,893	141,575	374,334	424,725
Bank charges and interest	15,563	48,213	71,601	159,030
Corporate promotion	15,767	11,063	82,547	68,898
Directors' fees	10,000	10,000	30,000	30,000
Interest on lease liabilities	26,379	32,868	82,784	102,767
Legal	38,351	9,547	63,848	49,695
Management and consulting	111,812	222,784	404,812	542,894
Office, rent and salaries	155,983	75,449	612,946	497,601
Transfer agent and filing fees	28,370	3,897	55,755	40,868
Travel	1,871	1,907	8,077	5,510
	$ 540,727	**$ 576,803**	**$ 1,856,963**	**$ 1,980,488**

Administrative expenses decreased in 2022 compared to 2021 by $123,525. The decrease was primarily due to a decrease in management and consulting fees and bank charges and interest.

Amortization and depreciation have decreased compared to the prior year due to few additions in property, plant and equipment in 2022, this amount also includes the depreciation on the right of use assets for the operating premise leases which remained consistent with the prior year; ***Bank charges and interest***

decreased due to interest and penalty charges being reduced as a result of meeting payment obligations; ***Management and consulting***, which represent outside business consultants and certain officers of the Company, decreased for new consultants hired for the plant-based distribution in the latter part of 2021; ***Corporate promotions, Directors' fees, Interest on lease liabilities, Legal, Transfer agent and filing fees and Travel*** remained consistent year over year. ***Office rent and salaries*** reflect the cost of the production, warehouse, office and outside freezer storage premises, corporate salaries, the increase was due to some employee severances and an increase in freezer storage, otherwise, the office, rent and salaries remained consistent.

During the years ended December 31, 2020, and 2021, the Canadian Federal Government rolled out the Canadian Emergency Wage Subsidy (CEWS) to assist businesses that were heavily impacted by COVID-19. The Company was eligible to receive the federal government wage subsidy. During the nine months ended September 30, 2021, the Company received $343,182 recorded as a reduction to salaries in facilities expenses and office, rent and salaries. During the nine months ended September 30, 2022, the government assistance ceased, and no subsidy was received.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2022, the Company had cash deficiency of $144,627 (December 31, 2021 - $1,388,296) and a working capital deficit of $3,165,261 (December 31, 2021 –$2,457,954).

Capital Lease Obligations

The Company has various lease contracts outstanding for food packaging equipment and production equipment. The monthly lease payments and terms are summarized below. Following the final lease payments, the Company will own the equipment free and clear of all encumbrances. The aggregate interest expense recognized for these lease contracts is $2,608 (2021 - $6,380). These assets are included within the manufacturing facility and equipment under property and equipment on the consolidated statements of financial position.

During the period ended September 30, 2022, the Company settled its lease liability of $299,217 with the lessor of the food packaging equipment to retain equipment equal to the partial lease payments made and to return equipment to the lessor equal to the balance of unpaid lease payments, resulting in a gain on settlement of debt of $170,142.

As at September 30, 2022, the Company has the following three lease contracts for food packaging and production equipment:

(a) Food production equipment acquired from NHSP – monthly lease payments of $3,141 (including GST) until September 2020, of which $22,845 remains unpaid;
(b) Food packaging equipment – monthly lease payments of $851 (including GST) until March 22, 2024; and
(c) Food packaging equipment – monthly lease payments of $643 (including GST) until August 2024.

The Company recognized right-of-use assets for its operating premise leases. The aggregate interest expense recognized for these lease contracts is $82,784 (2021 – $96,387). These assets are included within the manufacturing facility under property and equipment on the consolidated statements of financial position.

Cash Flows for the Three and Nine months Ended

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Cash used in operating activities	$ (208,149)	$ 13,246	$ (2,322,884)	$ (784,436)
Cash used in operating activities	(208,149)	13,246	(2,322,884)	(784,436)
Cash used in investing activities	(23,811)	-	(127,040)	7,500
Cash provided by (used in) investing	(23,811)	-	(127,040)	7,500
Cash provided by financing activities	(32,899)	51,147	917,001	671,620
Cash provided (used in) by financing	(32,899)	51,147	917,001	671,620
Increase (decrease) in cash from continuing operations during the year	(264,859)	64,393	(1,532,923)	(105,316)
Net change in cash	(264,859)	64,393	(1,532,923)	(105,316)
Cash, beginning of period	120,232	32,625	1,388,296	202,334
Cash, end of period	$ (144,627)	$ 97,018	$ (144,627)	$ 97,018

SHARE CAPITAL

During the nine months ended September 30, 2022, the Company completed the following transactions:

- On January 7, 2022, the Company closed a non-brokered private placement (the "Offering") to issue 2,446,458 units (each a "Unit") at a price of $0.45 per Unit for total gross proceeds of $1,100,456. Each Unit comprised of one common share and one common share purchase warrant ("Warrant"), with each Warrant entitling the holder to purchase one additional common share at $0.75 per share for a period of two years from the date of the issue. The fair value of the Warrants was determined to be $Nil using the residual value method, with $1,120,456 being the fair value of the shares. $122,455 proceeds from this issuance were received during the year ended December 31, 2021.

- 44,444 units valued at $20,000 with the same terms as the Offering were issued for services.

- Share issuance costs consisting of cash costs of $33,065 were incurred, and 141,633 finders' warrants with a fair value of $39,888 were issued in connection to the financings.

During the year ended December 31, 2021, the Company completed the following transactions:

- 918,600 warrants at $0.825 were exercised for total gross proceeds of $757,845.

- On December 23, 2021, the Company closed a non-brokered private placement (the "Offering") to issue 4,778,923 units (each a "Unit") at a price of $0.45 per Unit for total gross proceeds of $2,150,515. Each Unit comprised of one common share and one common share purchase warrant ("Warrant"), with each Warrant entitling the holder to purchase one additional common share at $0.75 per share for a period of two years from the date of the issue. The fair value of the Warrants was determined to be $358,419 using the residual value method, with $1,792,096 being the fair value of the shares. $319,964 relating the Offering was received subsequent to year end.

- 243,071 shares valued at $145,843 were issued to settle debt of $255,225, resulting in a gain on settlement of debt of $109,382.

• Share issuance costs consisting of $69,303 were incurred, and 39,667 finders' warrants with a fair value of $8,734 were issued in connection to the financings.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 22,041,631 common shares outstanding plus 642,667 share purchase options and 9,255,369 warrants.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not engaged in off-balance sheet arrangements.

SUBSEQUENT EVENTS

All subsequent events have been reflected in the Management Commentary.

TRANSACTIONS BETWEEN RELATED PARTIES

Related Parties

Key Management Compensation

		September 30, 2022		September 30, 2021
Management fees	$	305,063	$	391,563
Consulting fees		147,000		43,883
Shares for services		-		86,633
Directors' fees		30,000		23,843
	$	**482,063**	**$**	**545,922**

i) Management fees of $108,000 (2021 – $135,000) were accrued for 1105953 B.C. Ltd., a company controlled by the Company's Chief Executive Officer.
ii) Management fees of $108,000 (2021 – $135,000) were for Kal-Mad Enterprises Ltd., a company controlled by the Company's Vice President of Operations.
iii) Management fee of $89,063 (2021 - $89,063) were accrued for the Company's Director of Sales.
iv) Consulting fees of $108,000 (2021 – $48,750) were accrued, for the Chairman of the Board of Directors and Chief Financial Officer for monthly consulting services.
v) Consulting fees of $Nil (2021 - $Nil) were accrued for Alastair Gregor, the Company's Executive Chef.
vi) Consulting fees of $39,000 (2021 - $49,000) were accrued for Kris Tarr, the Company's VP of Ecommerce.
vii) Fees accrued to directors of the Company amount to $30,000 (2021 - $30,000).

Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the periods ended September 30, 2022 and December 31, 2021.

Related Party Liabilities

The following amounts are included in accounts payable and accrued liabilities as at September 30, 2021 and December 31, 2021:

Amounts due to:	September 30, 2022	December 31, 2021

1105953 BC Ltd.	$	185,158	$	240,508
Kal-Mad Enterprises Ltd.		83,650		128,935
Agrinomics I.T. Consulting Ltd.		95,163		100,163
George Ragogna		77,424		54,563
Craig Goodwin, CEO & Director		-		10,783
Directors		7,875		7,167
Director of Sales		-		259
VP of Ecommerce		45,500		55,634
Executive Chef		25,410		25,095
Sead Hamzagic		-		1,963
Total related party payables	**$**	**520,180**	**$**	**625,070**

As at September 30, 2022, $20,500 (December 31, 2021 – $55,000) is due to the CEO, of the Company for a non-interest-bearing, short-term loan.

As at September 30, 2022, $15,700 (December 31, 2021 – $23,000) is due to the CFO, and chairman of the Company for a non-interest-bearing, short-term loan.

$55,000 and $23,000 loans to the CEO and the CFO, respectively, were repaid during the period ended September 30, 2022.

CHANGES IN ACCOUNTING POLICIES

Accounting Pronouncements Adopted

No accounting pronouncements have been adopted by the Company.

ACCOUNTING ESTIMATES AND JUDGMENTS

Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and include, but are not limited to, the following:

Recoverability of receivables

Provisions are made against accounts that, in the estimation of management, may be uncollectible. The recoverability assessment of trade and other receivables is based on a range of factors, including the age of the receivable and the creditworthiness of the customer.
The provision is assessed monthly with a detailed formal review of balances and security being conducted annually. Determining the recoverability of an account involves estimation and judgment as to the likely financial condition of the customer and their ability to subsequently make payments. To the extent that future events impact the financial condition of the customers these provisions could vary significantly.

Valuation of inventory

Management makes estimates of future customer demand for products when establishing appropriate provisions for inventory obsolescence. In making these estimates, management considers the shelf-life of inventory and profitability of recent sales.

Useful lives of property, equipment and intangibles

Depreciation and amortization of the Company's equipment and intangible assets incorporate estimates of useful lives and residual values. These estimates may change as market conditions change and the future economic benefits from the use of the asset changes, thereby impacting the useful life and residual value of the equipment or intangible asset. Any revisions to useful life are accounted for prospectively.

Share-based payments

The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions.
As the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the expected volatility of the Company's share prices and expected forfeiture rates, changes in subjective input assumptions can materially affect the fair value estimate.

Leases

The Company estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as store profitability. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment of the lease term is reviewed if a significant event or a significant change in circumstance occurs, which affects this assessment and that is within the control of the lessee. The Company estimates the incremental borrowing rate used to measure our lease liability for each lease contract. This includes estimation in determining the asset-specific security impact.

Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its tax assets and liabilities and applies tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Determination of cash-generating units ("CGU")

CGUs are defined as the lowest grouping of integrated assets that generate identifiable cash inflows that are largely independent of the cash flows of other assets or groups of assets. The classification of assets into CGUs requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, external users and the way in which management monitors the Company's operations.

Impairment of property and equipment, technology license and other intangibles and goodwill

Judgment is required in determining whether property and equipment, technology license and other intangibles have indicators of impairment. Determining the amount of impairment of property and equipment, technology license and other intangibles and goodwill requires an estimation of the recoverable amount, which is defined as the higher of fair value less the cost of disposal or value in use.
Many factors used in assessing recoverable amounts are outside of the control of management and it is reasonably likely that assumptions and estimates will change from period to period. These changes may

result in future impairments.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Leases
The Company applies judgment in determining whether the contract contains an identified asset, whether the Company has the right to control the asset, the lease term and an appropriate discount rate. The lease term is based on considering facts and circumstances, both qualitative and quantitative that can create economic incentive to exercise renewal options.

Government assistance
The Company applies judgment in determining whether they are eligible for government assistance including when they have met the terms that the assistance would not be repayable.

Interest rates

The Company estimates a market interest rate in determining the fair value of its long-term liabilities and right-of-use assets. The determination of the market interest rate is subjective and could materially affect the fair value estimate.

Contingent liabilities

Judgement is required in determining whether a contingent liability should be accrued in the consolidated financial statements. The determination of whether there is a probable future outflow of resources requires significant judgement. Many factors in assessing the likelihood of a future outflow of resources are outside of the control of management.

Application of IFRS 16

The Company applies judgment in determining whether the contract contains an identified asset, whether the Company has the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create economic incentive to exercise renewal options.

Determination of functional currency

The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiaries has been determined to be the Canadian dollar.

FINANCIAL INSTRUMENTS

Categories of Financial Instruments

Financial Assets	Fair Value Hierarchy	September 30, 2022	December 31, 2021
Fair value through profit or loss, at fair value			
Cash (deficiency)	Level 1	$ (144,627)	$ 1,388,296
Restricted cash	Level 1	34,500	34,500
Loans and receivables, at amortized cost			
Trade and other receivables		11,591	7,978
Advances and deposits		157,549	149,386
		$ 59,013	**$ 1,580,160**

Financial Liabilities	Fair Value Hierarchy	September 30, 2022	December 31, 2021
Other liabilities, at amortized cost			
Trade and other payables		$ 2,503,044	$ 3,044,816
Loans from related parties		36,200	78,000
Short-term loans		123,059	183,333
Shareholder loan		-	32,000
Lease liabilities		903,926	1,331,578
		$ 3,566,229	**$ 4,669,726**

Fair Value

The fair value recorded on initial recognition of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions.

The carrying value of cash, accounts payable and accrued liabilities, loan from related party and short-term loans approximate their fair value due the short-term maturity of these instruments.

Management of Financial Risks

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of these risks. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern.

Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. The risks associated with these consolidated financial instruments and the policies on how to mitigate these risks are set out below.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to credit risk consist of cash, trade and other receivables, and restricted cash.

The Company deposits cash with major Canadian commercial banks. In order to reduce its credit risk in relation to trade receivables, the Company has adopted credit policies that include the analysis of the financial position of its customers and the regular review of their respective credit limits.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company is reliant upon equity issuances and loans as its main sources of cash. The Company manages liquidity risk by maintaining an adequate level of cash to meet its ongoing obligations. The Company continuously reviews its actual expenditures, forecasts cash flows and matches the maturity dates of its cash to capital and operating needs. The Company's trade and other payables are due within 90 days of September 30, 2022, loan from related party and short-term loans are due on demand. The Company's lease liabilities have payments due in accordance with the lease agreements.

The Company has been successful in raising financing in the past; however, there is no assurance that it will be able to do so in the future. As at September 30, 2022, the Company had a working capital deficit of $3,165,261 (December 31, 2021 – $2,457,954).

Currency risk

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. A significant change in the exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's future results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. As at September 30, 2022 and December 31, 2021, the Company is exposed to currency risk through the following financial instruments denominated in a currency other than the Canadian dollar:

	September 30, 2022			**December 31, 2021**		
	US$	AUD$	CDN$	US$	AUD$	CDN$
Cash	205	-	280	666	-	846
Trade receivables	330	-	452	330	-	420
Accounts payable and accrued liabilities	159,253	-	218,010	184,998	188,491	408,680

Based on the above, assuming all other variables remain constant, a 5% strengthening or weakening of the Canadian dollar against the US dollar would have decreased/increased the Company's loss and comprehensive loss by $7,989. A 5% strengthening or weakening of the Canadian dollar against the AUD dollar would have decreased/increased the Company's loss and comprehensive loss by $2,041.

Other risk

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or other risk. The Company does not hold or issue financial instruments for trading purposes, nor does it utilize derivative instruments in the management of foreign currency, commodity price or interest rate market risks.

FURTHER INFORMATION

Risk Factors

An investment in the Company is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below, in addition to the other information contained in this document, before making any decision to invest in the Company. The directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the directors may also have an adverse effect on the Company's business.

Limited Operating History

Although the Company earns revenues, the Company has not been profitable to date and there is no assurance that it will do so in the future. The Company's business operations are at an early stage and its success will be largely dependent upon its ability to market its products, increase sales and, if warranted, develop new products. There is no assurance that the Company will be successful in its ability to increase sales and develop new products.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful in developing its business. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development.

Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Management of Growth

The Company may be subject to growth-related risks including pressure on its internal systems and controls. The Company's ability to manage its 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 could have a material adverse impact on its business, operations and prospects.

While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Company's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees.

There can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company's operations or that the Company will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

Success of Products is Dependent on Public Taste

The Company's revenues are substantially dependent on the success of its products, which depends upon, among other matters, pronounced and rapidly changing public tastes, factors which are difficult to predict and over which the Company has little, if any, control. A significant shift in consumer demand away from the Company's products or its failure to expand its current market position will harm its business.
Consumer trends change based on a number of possible factors, including nutritional values, a change in consumer preferences or general economic conditions. Additionally, there is a growing movement among some consumers to buy local food products in an attempt to reduce the carbon footprint associated with transporting food products from longer distances, and this could result in a decrease in the demand for food products and ingredients that the Company imports from western Canadian region. These changes could lead to, among other things, reduced demand and price decreases, which could have a material adverse effect on the Company's business.

Raw Materials

The Company and/or its manufacturers must acquire sufficient raw materials so that the products can be produced to meet the demand of its customers. A shortage could result in loss of sales and damage to the Company. The Company may be required to source other raw goods producers in the event that consumer demand increase.

Also, if the Company and/or its manufacturers become unable to acquire raw goods, and are unable to find one or more replacement suppliers a substantially equivalent cost, in substantially equivalent volumes and quality, and on a timely basis, the Company will likely be unable to meet customer demand.

Limited Number of Products

The Company was heavily reliant on the production and distribution of hemp and related products. The change to branded products and private label may not achieve sufficient market acceptance, it will be difficult for us to achieve consistent profitability.

Even if branded and private label products are distributed by the Company they will need to conform to international safety and quality standards, sales could be adversely affected if consumers in target markets lose confidence in the safety, efficacy, and quality.

Consumer Perception of Hemp

Prior to expanding formulation capability to include a wide array of plant-based ingredients the Company was highly dependent upon consumer perception of hemp and hemp based products. Hemp is a term reserved for low tetrahydrocannabinol ("THC") strains of the cannabis plant. Some in the public may associate hemp with high TCH cannabis plants, which are regulated substances. Additional negative perception has occurred due to the fact that some countries prohibit the growing of the hemp plant even though consumption of hemp-based food products is allowed.

However, hemp regulations continue to see positive advancement in many countries as the awareness of the benefits become more widely known. Although not completely mainstream as yet, the perception of hemp in general continues to improve.

Brand Awareness

Historically, the Company's products were primarily sold in Canada. In 2016, the Company commenced selling its shelled hemp seed in South Korea and in 2017 began initial sales in Australia and Japan.
As the Company is in the early stages of marketing and distributing, brand awareness has been limited. However, the Company has seen recent successes with the Natera™ KEY-TO-LIFE keto friendly bars have been sold in over 1,000 retail outlets, as well as making inroads with the Natera™ Sport Bites which have

been featured in mainstream magazines.

The Company's efforts to enter the United States market are in the formulation stage, there is no assurance that it will be able to achieve brand awareness across South Korea, or to successfully enter the United States or other markets with its brands and products. In addition, the Company must develop successful marketing, promotional and sales programs in order to sell its products. If the Company is not able to develop successful marketing, promotional and sales programs, then such failure will have a material adverse effect on the business, financial condition and operating results.

Development of New Products
The Company's success will depend, in part, on its ability to develop, introduce and market new and innovative products. In the event that there is a shift in consumer demand, the Company must meet such demand through new and innovative products or else its business will fail. The Company's ability to develop, market and produce new products is subject to it having substantial capital. There is no assurance that the Company will be able to develop new and innovative products or have the capital necessary to develop such products.

Dependence on Management Team
The Company will depend on certain key senior managers to oversee the core marketing, business development, operational and fund-raising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Company's future performance.

Reliance on Third-Party Manufacturers

The Company relies on outside sources to manufacture some of its products. The failure of such third-party manufacturers to deliver either components or finished goods on a timely basis could have a material adverse effect on the business. The Company does not intend to develop its own manufacturing capacity in the short term. As these are third parties over which the Company will have little or no control, the failure of such third parties to provide components or finished goods on a timely basis could have a material adverse effect on the business, financial condition and operating results.

Reliance on Distributors and Key Customers

The Company will rely on third-party distributors for the sale and distribution of our products. We plan to sell our products through an extensive regional sales and distribution network throughout Canada.

To the extent that our distributors are distracted from selling our products or do not expend sufficient efforts in managing and selling our products, our sales will be adversely affected. Our ability to maintain our distribution network and attract additional distributors will depend on a number of factors, many of which are outside of our control.

Some of these factors include: (i) the level of demand for our brand and products in a particular distribution area; (ii) our ability to price our products at levels competitive with those offered by competing products and (iii) our ability to deliver products in the quantity and at the time ordered by distributors.

While the Company will seek to diversify its customer base, the loss of any one of its large customers will result in a material adverse effect on the Company's business and may adversely affect revenues going forward.

Development of Generic In-House Brands

Large retail stores often develop in-house generic brands when name brand products have been successful. The Company currently distributes a significant portion of its products to large retail stores. As a result of generic brand competition, these stores could cause the Company to lose a significant portion of its sales in a very short period of time.

Product Liability Insurance

The Company carries limited product liability insurance coverage. Even though the Company is not aware of any product liability claims at this time, the Company's business exposes it to potential product liability, recalls and other liability risks that are inherent in the sale of food products. The Company can provide no assurance that such potential claims will not be asserted against it.
A successful liability claim or series of claims brought against the Company could have a material adverse effect on its business, financial condition and results of operations.

Although the Company reviews its insurance coverage with its agent and internally, and it believes it has adequate product liability insurance, the Company cannot provide any assurances that it will be able to obtain or maintain adequate product liability insurance on acceptable terms, if at all, or that such insurance will provide adequate coverage against potential liabilities.

Claims or losses in excess of any product liability cover that may be obtained by the Company could have a material adverse effect on its business, financial conditional and results of operations.

Product Recall

The sale of products for human consumption involves inherent risks. The Company could decide to, or be required to, recall products due to suspected or confirmed contamination or product tampering. A product recall could adversely affect product sales financial condition and results of operation as well as the Company's general reputation in the industry.

Trademark Protection

The Company currently has obtained trademarks on ""Naturally Splendid", "Taking Responsibility for Your Health", "Your Health is Serious", "It's For Everybody" as well as the "NS" and "NATERA" design. The loss of any of these trademarks could require the Company to rebrand its products resulting in a material adverse impact on its business.

Patent Infringement

While the Company believes that its products and operations do not violate the intellectual property rights of third parties, other parties could bring legal actions against the Company claiming damages and seeking to enjoin the manufacture, sale and distribution of the Company's products for allegedly conflicting with patents held by them. Any such litigation could result in substantial cost to the Company and diversion of effort by its management and technical personnel. If any such actions are successful, in addition to any potential liability for damages, the Company could be required to obtain a license in order to continue to market the affected products.

There can be no assurance that the Company would prevail in such action or that any license required under any such patent would be available on acceptable terms, if at all. Failure to obtain needed patents, licenses or proprietary information held by others may have material adverse effect on the Company's business.
In addition, if the Company were to become involved in such litigation, it could consume a substantial portion of the Company's time and resources.

Government Regulation

The processing, manufacturing, packaging, labeling, advertising and distribution of the Company's products is subject to regulation by one or more federal agencies, and various agencies of the provinces and localities in which our products are sold. These government regulatory agencies may attempt to regulate any of our products that fall within their jurisdiction. Such regulatory agencies may not accept the evidence of safety for any new ingredients that the Company may want to market, may determine that a particular product or product ingredient presents an unacceptable health risk and may determine that a particular statement of nutritional support that we want to use is an unacceptable claim. Such a determination would prevent the Company from marketing particular products or using certain statements of nutritional support on its products.

The Company also may be unable to disseminate third-party literature that supports its products if the third-party literature fails to satisfy certain requirements.

In addition, a government regulatory agency could require the Company to remove a particular product from the market. Any future recall or removal would result in additional costs to the Company, including lost revenues from any products that we are required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects.

Competition

The Company faces competition in the markets in which it operates. Some of the Company's competitors may also be better positioned to develop superior product features and technological innovations and able to better adapt to market trends than the Company. The Company's ability to compete depends on, among other things, high product quality, short lead-time, timely delivery, competitive pricing, range of product offerings and superior customer service and support. Increased competition may require the Company to reduce prices or increase costs and may have a material adverse effect on its financial condition and results of operations. Any decrease in the quality of the Company's products or level of service to customers or any occurrence of a price war among the Company's competitors and the Company may adversely affect the business and results of operations.

Product Liability Claims

The Company may be required to pay for losses or injuries purportedly or actually caused by its products. Historically, there have been no product liability claims; however, there is no assurance that this trend will continue in the future. In the event that the Company's products are found to cause any injury or damage, the Company will be subject to substantial liability. This liability may exceed the funds available by the Company and result in the failure of its business.

Global Economic Conditions

Current global economic conditions could have a negative effect on the Company's business and results of operations. Market disruptions have included extreme volatility in securities prices, as well as diminished liquidity and credit availability. An economic crisis may adversely affect the Company in a variety of ways. Access to lines of credit or the capital markets may be severely restricted, which may preclude the Company from raising funds required for operations and to fund continued expansion.
It may be more difficult for the Company to complete strategic transaction with third parties. Financial and credit market turmoil could also negatively impact suppliers, customers and banks with whom the Company does business.

Such developments could decrease the Company's ability to source, produce and distribute its products or obtain financing and could expose it to risk that one of its suppliers, customers or banks will be unable to meet their obligations under agreements with them. If economic conditions worsen, it is possible these factors could significantly impact the Company's financial conditions.

In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak. There can be no assurance that the Company will not be further impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets which may reduce share prices and financial liquidity, thereby severely limit the financing capital available.

Smaller Companies

Market perception of junior companies may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds through the issue of further common shares or otherwise. The share price of publicly traded smaller companies can be highly volatile.

The value of the common shares may go down as well as up and, in particular, the share price may be subject to sudden and large falls in value given the restricted marketability of the common shares.

Forward Looking Statements

Certain statements contained in this management discussion and analysis constitute "forward-looking statements." These statements, identified by words such as "plan," "anticipate," "believe," "estimate," "should," "expect" and similar expressions include our expectations and objectives regarding our future financial position, operating results and business strategy. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; lack of brand awareness; dependence on consumer taste; reliance on third party suppliers and third party distributors; limited operating history of the Company; market fluctuations; potential product liability claims and retention of key personnel, as well as those factors discussed in the section titled "*Risk Factors*" above.

Forward looking statements are based on a number of material factors and assumptions, including consumer buying patterns will increase in specialty and grocery stores, economic conditions in Canada will continue to show modest improvement in the near to medium future, the average cost of whole hemp seed will fluctuate in line with historical trends, no material change to competitive environment in the distribution of hemp-based food additives and supplements, the Company will be able to access sufficient qualified staff, there will be no material changes with the Company's larger customers and there will be no material changes to the tax and other regulatory requirements governing the Company.

While the Company considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section titled "*Risk Factors*" above.

The Company intends to discuss in its quarterly and annual reports any events or circumstances that occurred during the period to which such documents relate that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in this Filing Statement.

New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on our business or the extent to which any factor, or combination of such factors, may cause actual results to differ materially from those contained in any forwarding looking statement.

The Company advises you to carefully review the reports and documents we file from time to time with the applicable securities commissions. Additional Information relating to the Company can be found on SEDAR at www.sedar.com.