SIMPLY BETTER BRANDS CORP.

Management's Discussion and Analysis

December 31, 2022

(Expressed in United States dollars unless otherwise specified)

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INTRODUCTION

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Simply Better Brands Corp. (formerly PureK Holdings Corp.) ("SBBC", "we", "our" or the "Company"), our operations, financial performance, and current and future business environment. This MD&A is intended to supplement and complement the consolidated financial statements and notes thereto prepared in accordance with International Financial Reporting Standards ("IFRS") for the year ended December 31, 2022. This MD&A should be read in conjunction with the audited consolidated financial statements of the Company and the notes relating thereto, for the year ended December 31, 2022, which are prepared in accordance with International Financial Reporting Standards ("IFRS").

This MD&A is prepared as of May 8, 2023. All dollar amounts in this MD&A are expressed in thousands of United States dollars ("$", "US$" or "US dollar"), unless otherwise specified. Canadian dollars are referred to as "CA$".

Additional information relating to the Company is available on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

Certain information provided in this MD&A constitutes forward-looking statements or information (collectively, "forward-looking statements"). Forward-looking statements are typically identified by words such as "may", "will", "should", "could", "anticipate", "expect", "project", "estimate", "forecast", "plan", "intend", "target", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Although these forward-looking statements are based on assumptions the Company considers to be reasonable based on the information available on the date such statements are made, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors which may cause actual results, levels of activity, and achievements to differ materially from those expressed or implied by such statements. The forward-looking statements contained in this MD&A are based on certain assumptions and analysis by management of the Company ("Management") in light of its experience and perception of historical trends, current conditions and expected future development and other factors that it believes are appropriate. The material factors and assumptions used to develop the forward-looking statements herein include, but are not limited to, the following: (i) the impact of the COVID-19 pandemic (ii) the regulatory climate in which the Company operates; (iii) the continued sales success of the Company's products; (iv) the continued success of sales and marketing activities; (v) there will be no significant delays in the development and commercialization of the Company's products; (vi) there will be no significant reduction in the availability of qualified and cost-effective human resources; (vii) new products will continue to be added to the Company's portfolio; (viii) demand for hemp-based wellness products will continue to grow in the foreseeable future; (ix) there will be no significant barriers to the acceptance of the Company's products in the market; (x) the Company will be able to maintain compliance with applicable contractual and regulatory obligations and requirements; (x) there will be adequate liquidity available to the Company to carry out its operations; and (xi) products do not develop that would render the Company's current and future product offerings undesirable and the Company is otherwise able to minimize the impact of competition and keep pace with changing consumer preferences; and (xii) the Company will be able to successfully manage and integrate acquisitions, if any.

The Company's forward-looking statements are subject to risks and uncertainties pertaining to, among other things, the adverse impact of the COVID-19 pandemic to our operations, our supply chain, our distribution chain, and to the broader market for our products, revenue fluctuations, nature of government regulations (both domestic and foreign), economic conditions, loss of key customers, retention and availability of executive talent, competing products, the effectiveness of e-commerce marketing strategies, loss of proprietary information, product acceptance, internet and system infrastructure functionality, information technology security, cash available to fund operations, availability of capital and, international and political considerations, the successful integration of acquired businesses, if any, as well as the risks and uncertainties discussed under the heading "Risks and

Uncertainties" in this MD&A. The impact of any one risk, uncertainty, or factor on a particular forward-looking statement is not determinable with certainty as these are interdependent, and the Company's future course of action depends on Management's assessment of all information available at the relevant time. Except to the extent required by law, the Company assumes no obligation to publicly update or revise any forward-looking statements made in this MD&A, whether as a result of new information, future events, or otherwise. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on the Company's behalf, are expressly qualified in their entirety by these cautionary statements.

COMPANY OVERVIEW

SBBC was incorporated by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on March 19, 2018 and changed its name from AF1 Capital Corp. to PureK Holdings Corp. on December 8, 2020 and from PureK Holdings Corp. to Simply Better Brands Corp. on May 3, 2021.

The Company is listed on the TSX Venture Exchange (the "Exchange" or "TSXV").

In connection with the name changes, on May 3, 2021, the Company's common shares commenced trading on the TSX under the symbol "SBBC". Prior to May 3, 2021, the Company's common shares traded on the TSX under the symbol "PKAN".

The Company is an international omni-channel platform with diversified assets in the emerging plant-based and holistic wellness consumer product categories. The Company focuses on innovation for the informed Millennial and Generation Z generations in the rapidly growing plant-based, natural, and clean ingredient space. The Company also focuses on expansion into high-growth consumer product categories including CBD products, plant-based food and beverage, and the global pet care and skin care industries. The head office and the registered address of the Company are 206-595 Howe Street Vancouver, British Columbia V6C 2T5.

The Company operates in one reportable segment being the sale of consumer health and wellness products with sales principally generated from the United States. Hemp extracts are produced from Industrial Hemp, which is defined as the plant Cannabis sativa L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3% THC. The Company offers offers a diverse range of Hemp derived products including CBD under the brands of Purekana, Seventh Sense and Vibez. These CBD and Hemp derived products through two subsidiaries -Purekana LLC and BRN Brands Group Inc. The Company works closely with manufacturers who have the licenses required to manufacture CBD consumer products and e-commerce partners for the sale and distribution of its products.

The Company offers better for you protein bars under the subsidiary Tru Brands Inc. Through TRU Brands Inc. the Company offers nutritious bars sold online in both the US and Canada and through major U.S. and Canadian retailers, including Costco, Whole Foods, Loblaws and Shoppers Drugmart.

The Company also offers high quality skin care products to consumers through its No BS brand. No BS was founded to provide consumers a clean and environmentally friendly alternative to the excesses of the beauty industry. No B.S. Skincare's products are made with potent, plant-based and scientifically proven ingredients and – unlike other skincare solutions – with absolutely no harmful chemicals like parabens, sulfates, or phthalates, and no synthetic fragrances. All of their products are responsibly made in America and are never tested on animals.
Revenues from sale of SBBC's products were principally generated in the United States.

The Company has followed a tight operating model that efficiently generates sales while maintaining tight control over its expenses. The Company's operating model has focused on developing key strategic relationships with its product vendors to produce its products rather than a classic vertically integrated model that other competitors have followed. We have strategic partners in fulfillment, marketing, and customer service that have provided the Company with an ability to scale its business without significant need for capital investment. The Company has been able to quickly develop its revenues since its inception as result of its agile partnership model and below benchmark fixed costs.

As the Company acquires other brands into its portfolio, it will focus on integrating the operations of the acquired companies with its main business with a goal to reduce operating costs and market its product offerings across its brand portfolio either through e-commerce or through its retail channels.

- **Acquisition of Hervé Edibles Limited ("Hervé")**

  On March 18, 2022, the Company completed an acquisition of Hervé. Pursuant to the share price agreement, the Company acquired all of the issued and outstanding common shares of Hervé for an aggregate purchase consideration of CA$8,000,000, payable in the form of issuance of 1,705,755 common shares ("Hervé Consideration Shares") of the Company, to the shareholders Hervé, at a price per Hervé Consideration Share of CA$4.69, calculated on the basis of the volume weighted average closing price of the Company's shares on the TSXV determined based on the 15 trading days immediately preceding the closing date.

  In addition, CA$1,000,000 of additional Hervé Consideration Shares may be issued upon the Company achieving specific sales revenue targets of Hervé products (the "Hervé Milestone Shares").

  The Hervé Consideration Shares are subject to a contractual lock-up for a period of 6 months from the date of issuance, with 1/12 of the consideration being released from the transfer restrictions every month for 12 months thereafter.

  The Company paid a finder's fee of CA$300,000, payable in the form of issuance of SBBC shares in relation to the acquisition to an arm's length third party. The shares issued pursuant to the finder's fee will be subject to a statutory 4-month hold period

  During the year ended December 31, 2022, the Company entered into a settlement with the former owner of Hervé to settle the Hervé Milestone Shares by issuing 213,219 common shares of the Company with a fair value of $71,215.

- **Acquisition of The BRN Group Inc. ("BRN")**

  On April 1, 2022, the Company completed an acquisition of BRN.

  Pursuant to the terms of the acquisition, the Company acquired all of the issued and outstanding common shares of BRN in exchange for an aggregate of 2,729,763 common shares of the Company at a price of $3.66 (CA$4.69) per common share of the Company ("BRN Consideration Shares") for a total purchase price of $10 million.

  $1.5 million of the BRN Consideration Shares have been placed in escrow, subject to release upon the satisfaction of certain conditions. The BRN Consideration Shares issued at the closing date are subject to a contractual lock-up for a period of 6 months from the date of issuance, with 1/12 of the consideration being released from the transfer restrictions every month for 12 months thereafter.

PROPOSED TRANSACTION

On April 21, 2022, The Company entered into a binding letter of intent (the "Jones LOI") with Jones Soda Co. ("Jones"). Pursuant to the Jones LOI, SBBC and Jones will complete an arm's length business combination by the acquisition by SBBC of all the issued and outstanding common shares of Jones (the "Jones Shares") at a deemed value of $0.75 per Jones Share (the "Jones Transaction"), payable in full by the common shares of SBBC based on a price a deemed price of $3.65 ("Jones Share Consideration"). In addition, SBBC will assume all outstanding debt of Jones and exchange any dilutive securities of Jones for materially similar securities of SBBC based on an implied ratio of 0.20548 of SBBC's share for each one Jones Share held, with the aggregate value being of the Jones Transaction being approximately $98,902,257 on a fully-diluted basis. On June 7, 2022, The Company announced that, due to current market conditions, SBBC and Jones have terminated the previously announced letter of intent.

On April 25, 2022 the Company entered into a non-binding letter of intent ("LOI") to acquire CFH Limited ("CFH"), a seed-to-shelf CBD manufacturer. CFH is a vertically integrated with hemp fields, research & development, extraction and manufacturing with both a branded and white-label portfolio. Under the terms of the non-binding LOI, the Company will acquire all of the issued and outstanding common shares of CFH for $14,320,000 payable in SBBC common shares ("SBBC Shares") valued at a price per share equal to the 10-trading day VWAP of SBBC Shares immediately prior to the closing date. The SBBC Shares issued will be subject to contractual lock-up and resale restrictions ranging from 4 to 24-months following closing. Closing of the transaction will be subject to, among other conditions, the completion and delivery to SBBC of annual audited financial statements of CFH, completion of satisfactory mutual due diligence investigations and certain other financial conditions of CFH to be met on or before the closing date. The transaction is an arm's length acquisition and no finder's fee or commission will be payable, nor will any long-term debt be assumed, by SBBC.

FACTORS AFFECTING THE COMPANY'S PERFORMANCE

The Company's performance and future success depends on a number of factors. These factors are also subject to a number of inherent risks and challenges, some of which are discussed below and referred to under the heading "Risk and Uncertainties".

The COVID-19 Pandemic

Since December 31, 2019, the outbreak of the novel strain of coronavirus, identified as COVID-19, has resulted in governments worldwide enacting measures to combat the spread of the virus, including in the United States. These measures, which include the implementation of travel restriction, self-isolation measures, and physical distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The deterioration of economic conditions to date has resulted in a surge in unemployment and may lead to a deterioration in consumer balance sheets, all of which may impact consumer spending behavior and could adversely affect the Company's financial performance.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the response measures as well as the evolution of a new variant of COVID-19 that is more contagious, has more severe effects or is resistant to treatments or vaccinations. It is impossible to forecast the duration and full scope of the economic impact of COVID-19 and its variant strains and other consequential changes it will have on the Company's business, operations and prospects, both in the short term and in the long term. See also "Risks and Uncertainties - Impacts of COVID-19 to the Company's Business" below.

Branding

The Company believes that its brand image and awareness is built around consumer trust with a focus on quality. Maintaining and enhancing its brand image and increasing brand awareness in its current markets and in new markets where the Company had limited brand recognition is critical to its continued success.

Maintaining and enhancing the Company's brand image and increasing brand awareness may require the Company to make investments in areas such as marketing, product development, brand development, employee training and public relations, and may require the Company to incur other costs associated with continuing to expand e-commerce sales. These investments may be substantial, and the Company's efforts may not ultimately be successful. Failure to maintain and enhance the Company's brand in any of its key markets may materially and adversely affect the Company's business, results of operations or financial condition.

Product Innovation and Planning

The Company believes that product innovation is integral to its success and it continues to focus on innovation as a key pillar of growth. The Company's business is subject to changing consumer trends and preferences. The success of new product offerings depends upon a number of factors, including the Company's ability to: (i) accurately anticipate customer needs; (ii) develop new products that meet these needs; (iii) successfully commercialize new products in a timely manner; (iv) price products competitively; (v) deliver products in sufficient volumes and in a timely manner; and (vi) differentiate product offerings from those of competitors.

Management and Growth of E-Commerce Sales

Management and growth of the Company's e-commerce sales are essential to growth. The usability of and client experience provided by the Company's e-commerce platform is critical to the success and growth of its e-commerce sales. Any extended software disruption of the Company's e-commerce platform or the failure on the part of the Company to provide an attractive, effective, reliable, user friendly e-commerce platform that offers a wide assortment of merchandise with rapid delivery options and that continually meets the changing expectations of online customers could place the Company at a competitive disadvantage, result in the loss of revenue or harm the Company's reputation with customers and could have a material adverse effect on business and results of operations. The Company also depends on third-party service providers for its e-commerce platform and any service disruption on their part could affect customer ability to access the Company's website resulting in loss of revenue or harm to reputation.

The success of the Company's e-commerce sales is also dependent on the Company's ability to successfully manage the costs, difficulties and competitive pressures associated with shipping, including inventory management and distribution, banking and credit card processing, and compliance with governing statutes, laws, regulations and regulatory policies in the jurisdictions to which products are shipped, including laws governing the operating and marketing of e-commerce websites, as well as the collection, storage and use of information on consumers interacting with these websites. If the Company is unable to expand or update its e-commerce site commensurately with competitors, manage shipping and successfully respond to the risks inherent to e-commerce, the Company's financial position and results of operations may be negatively impacted.

Furthermore, if the Company is unable to successfully capitalize on digital marketing channels to drive client acquisition and retention, including search engine optimization, email marketing, improved product descriptions, data driven category naming, and the leveraging of social media, the Company's financial position and results of operations may be negatively impacted. Periodic changes to search engine algorithms, which retrieve data from search indices and deliver ranked search results, produce changes in search engine results pages (SERPs). Any changes to these algorithms and therefore search engine results pages could reduce visibility of, and traffic on, the Company's e-commerce website and negatively impact the Company's financial position and results of operations.

Competition

The market for its consumer wellness products is highly competitive. The competition consists of publicly and privately-owned companies, which tend to be highly fragmented in terms of geographic market coverage, vertical integration and products offered. With the Company's strong brand status and innovative products, Management believes the Company is well-positioned to capitalize on favorable long-term trends in the consumer wellness products segment.

Growth Strategies

The Company has a successful history of growing revenue, and it believes it has a strong growth strategy aimed at meeting or exceeding industry growth rates. The Company's future depends, in part, on Management's ability to implement its growth strategy including (i) product innovations; (ii) management and growth of e-commerce sales; and (iii) growth in retail, wholesale and distributor partnerships and (iv) acquisitions of other brands related to its growth strategy. The ability of the Company to implement this growth strategy depends on, among other things, its ability to develop new products that appeal to consumers, maintain and expand brand loyalty and brand recognition, maintain and improve competitive position in the market, and identify and successfully enter, and market products in new geographic areas and segments as well the ability to successfully navigate legislative and regulatory uncertainties. See "Risks and Uncertainties".

Regulation

The Company is subject to the local, state, and federal laws in the jurisdictions in which it operates. Outside of the United States, the Company's products may be subject to tariffs, treaties, and various trade agreements as well as laws affecting the importation of consumer goods and the retail sale of hemp-derived products. The Agricultural Improvement Act of 2018 (the "2018 Farm Bill") became law on December 20, 2018. The 2018 Farm Bill removed hemp from the list of controlled substances under the Controlled Substances Act. The 2018 Farm Bill also redefined hemp to include its "derivatives, extracts, and cannabinoids", and accordingly removed popular hemp products, such as CBD from the purview of the U.S. Drug Enforcement Agency ("DEA"). Although the DEA no longer regulates hemp, the U.S. Food and Drug Administration ("FDA") retains its authority to regulate ingestible and topical products, including those that contain hemp and hemp extracts such as CBD. The FDA governs the regulations applicable to the Company as a vendor and marketer of hemp-derived products. These include regulations for nutrition and allergen labeling and label claim regulations; rules for submission of received serious adverse event reports; and safety requirements, including, as applicable, new dietary ingredient ("NDI") and generally recognized as safe ("GRAS") regulations. The FDA has stated its concerns over drug claims being made about products that contain CBD, as well as the agency's position that under the Food, Drug and Cosmetic Act ("FD&C Act") CBD cannot be marketed in a food or a dietary supplement because a product containing CBD was approved as a drug and substantial clinical trials studying CBD as a new drug were made public prior to the marketing of any food or dietary supplements containing CBD, and therefore dietary supplements or food are precluded from containing this ingredient (the "Prior Drug Exclusion "). The Company believes there are significant arguments against this position in that all conditions of the applicable statute must be met before the Prior Drug Exclusion applies. Importantly, there have been recent regulatory and legislative developments, described in more detail under the heading "Regulatory Framework" in the Company's filing statement dated November 20, 2020, which may provide a pathway for allowing hemp-derived compounds, such as CBD, in foods and dietary supplements. A copy of the filing statement may be viewed under the Company's SEDAR profile at www.sedar.com.

CORPORATE DEVELOPMENTS

Financing

On March 18, 2022, the Company entered into a loan agreement with an amount of $660,000 with BRN. The loan bears 5% interest per annum and matures on September 19, 2022. The Company subsequently acquired 100% of BRN on April 1st and assumed the loan.

Private Placements

The Company completed a private placement raise in August of 2022 and raised CA$3,990,844 ($3,069,880) in common shares and convertible debentures. The funds raised were used for debt reduction and working capital.

Line of Credit Facilities

The Company entered into a number of lines of credit arrangements with three of its subsidiaries to support the financing of purchase orders from key customers. These lines of credit have been critical to finance the large retail purchase orders the Company's subsidiaries have successfully generated during the year ended December 31, 2022. During the year ended December 31, 2022, the Company raised $7,490,000 in funds from these lines of credit to finance purchase orders from its large retail customers. Over the same period, the Company repaid $5,237,393 of these credit facilities to the lender. The nature of these loans is to turnover between 3-5 months from time the money is advanced to repayment.

Promissory Notes

The Company entered into a loan agreement with the amount of $1,000,000. The loan bears 15% interest per annum and will be repaid over 42-months starting November 15th, 2022.

The Company entered into an agreement with the third party to settle the payment of the assigned portion of the PK Promissory Notes ($1,166.168). The Company made an initial payment of $300,000 to the assigned portion of the PK Promissory Notes. The agreement calls for monthly payments of $50,000 beginning on December 15, 2022 and continuing until the $1,166,168 note is paid in full. The note bears an interest rate of 6%.

Advisory agreement with Opensky Opportunities Fund Ltd. (the "Opensky")

On March 2, 2022, the Company entered into a one-year advisory agreement (the "Opensky Agreement") with Opensky for business development services and branding and business development analysis and data consulting services (the "Advisory Services"). The Agreement contemplates payment to the Opensky of an aggregate amount of $600,000 payable in four equal installments, to be paid quarterly commencing on May 26, 2022. Subject to the Exchange approval, the Advisory Services will be paid by the common shares of the Company. The number of common shares will be determined based on the higher of i) the 15-day VWAP of the common shares on the payment date and ii) the discounted market price as defined by the Exchange Policy 1.1. The Opensky Agreement may be renewed and/or extended for such period or periods and under such terms and conditions as may be mutually agreed to by the Company and Opensky.

Sponsor agreement with Julianna Peña ("Julianna")

On March 1, 2022, the Company through No BS entered into a brand ambassador agreement (the "Sponsorship Agreement") with Julianna, the mixed martial artist who won the UFC Women's Bantamweight Championship this past December and was named MMA Junkie's Female Fighter of the Year.

Pursuant to the Sponsorship Agreement, Julianna agreed to act as a brand ambassador for No BS, providing certain online posts, endorsements and social media content. In consideration for the services provided under the Sponsorship Agreement, No BS agreed to pay Julianna an engagement fee of $100,000 (the "Engagement Fee"), a royalty fee equal to 10% of the gross revenues generated from sales achieved by No BS from certain sales, and a one-time bonus of $25,000 in the event the campaign generates a minimum of $500,000 in gross revenues. Each of these amounts is payable in common shares of the Company or cash, at the discretion of No BS and subject to approval of the Exchange. The Engagement Fee is payable in four equal installments, to be paid quarterly commencing on May 1, 2022. The other fees will be payable upon achievement of the associated sales targets. The number of common shares will be determined based on the higher of i) the 10-day VWAP of the common shares on the payment date and ii) the discounted market price as defined by the Exchange Policy 1.1.

Entry into Weight loss category with Keto Gummy product launch

On May 19th, the Company announced its entry into the weight loss category with a PureKana Keto Gummy. According to Allied Market Research, the weight loss category currently exceeds $192B with a 2021-2027 estimated CAGR of 7.1%. The grape-flavored gummy contains beta-hydroxybutrate (BHB) salts and is available in both a 20 and 30 ct. offering. Per the National Institute of Health (NIH), "Supplementing with BHB salts may induce a state of temporary ketosis without any undesirable side effects, thereby promoting the benefits of ketosis and minimizing the adherence requirements to a ketogenic diet".

Launch of No BS products in 3,200 CVS stores nationwide

On June 8th, the Company announced that they were executing a comprehensive omnichannel strategy on their No B.S. Skincare ("No B.S.") brand by launching their Award-Winning skincare line in 3,200 CVS stores nationwide beginning July 24th, 2022.

Non-brokered private placement Common Shares

On July 21, the Company announced its intention to complete a non-brokered private placement of common shares (the "Common Share Offering") of up to 11,016,949 Common Shares and a price of CA$0.295 per Common Share, for aggregate gross proceeds of up to CA$3,250,000. The Company further announced on July 25th, that it had completed the first tranche of this private placement and the Company issued a total of 4,718,203 common shares for aggregate proceeds of $1,391,869.69 in this first tranche.

On August 17th, the Company further announced the closing of the second tranche of the common stock private placement and issued a total of 3,454,236 common shares for aggregate proceeds of CA$1,018,999.62 in this second tranche.

On August 29th, the Company further closed the third tranche of the common stock private placement and issued a total of 2,474,490 common shares for aggregate proceeds of CA$729,974.61 in this third tranche.

In total CA$3,140,844 was raised in all three tranches of the non-brokered common stock private placement.

Non-brokered private placement Convertible Debenture

On July 21st, the Company announced its intention to complete a non-brokered private placement of convertible debentures of up to CA$9.1 million. The convertible debentures have an exercise price of CA$0.39 per share. On July 26th, the Company announced that it was restructuring its convertible debenture non brokered private placement and was reducing the amount to be raised from CA$9.1 million to CA$ 2.0 million to reduce potential share dilution and eliminate the general security agreement associated with the original convertible debenture offering. The new offering is unsecured and has an interest rate of 10% from the original 8%.

On August 10th, the Company announced that it had closed the convertible debenture non brokered private placement offering with CA$850,000 being placed. The total number of Common Shares to be issued under the Offering is 2,719,487. If all warrants are exercised, a total of 1,089,744 Common Shares would also be issued.

Restricted Share Units (RSU's) Granted

On August 12th the Company announced that it had granted an aggregate of 900,000 restricted share units ("RSUs") to certain directors, officers, and consultants of the Company under the Company's equity incentive plan. Each RSU entitles the recipient to receive one common share of the Company, or a cash payment equal to the equivalent for one common share of the Company, on vesting of such RSU over a two-year period. Vesting of the RSUs is subject to acceleration in certain events in accordance with policies of the TSX Venture Exchange.

SUMMARY OF QUARTERLY RESULTS

expressed in millions except for earnings (loss) per share	**December 31, 2022 $**	**September 30, 2022 $**	**June 30, 2022 $**	**March 31, 2022 $**
Revenue	23.00	13.40	16.90	12.10
Gross margin ($)	16.10	8.80	11.70	8.00
Gross margin (in %)	70%	66%	69%	66%
Net income (loss)	(5.40)	(1.40)	(2.80)	(3.30)
- Basic	(0.13)	(0.03)	(0.10)	(0.10)
- Diluted	(0.13)	(0.03)	(0.10)	(0.10)

expressed in millions except for earnings (loss) per share	**December 31, 2021 $**	**September 30, 2021 $**	**June 30, 2021 $**	**March 31, 2021 $**
Revenue	6.50	3.50	3.10	2.50
Gross margin ($)	4.40	2.00	1.80	1.50
Gross margin (in %)	68%	57%	58%	60%
Net income (loss)	(4.20)	(6.40)	(1.50)	(0.70)
- Basic	(0.13)	(0.27)	(0.06)	(0.02)
- Diluted	(0.13)	(0.27)	(0.06)	(0.02)

The net loss for the fourth quarter of 2022 increased by $4.0 million over the loss in the third quarter of 2022 is primarily related to the increase in amortization expenses ($2.8 million) and impairment charges ($2.1 million) in the fourth quarter compared to the third quarter of 2022.

The net loss for the third quarter of 2022 decreased by $1.4 million over the loss in the second quarter of 2022 is primarily related to the decrease in marketing expenses, share-based payments and other expenses. In the second quarter of 2022, the Company recognized an impairment of prepaid expenses of $0.4 million and the loss on remeasurement of loan payable. No such other expenses were recognized in the third quarter of 2022.

The net loss for the second quarter decreased by $0.5 million over the loss in the first quarter of 2022 with higher revenues and higher gross profits generated in the second quarter of 2022 compared to the first quarter of 2022. Loss per share was $0.10 in the second quarter of 2022.

The net loss for the first quarter of 2022 decreased over the loss in the fourth quarter of 2021 as the primarily as the result of lower impairment charges in the first quarter compared to the fourth quarter of 2021. Loss per share was $0.10 in the first quarter of 2022.

The net loss in the fourth quarter of 2021 decreased over the loss in the third quarter. Loss per share was $0.13 in the fourth quarter of 2021. The fourth quarter loss included impairment charges of $2.5 million.

The net loss in the third quarter of 2021 increased significantly driven by the $4.5 million in stock-based compensation recognized. This increase in stock-based compensation is driven by the first grant awarded after the plan was approved at the Shareholders meeting in July 2021. Loss per share was $0.27 in the third quarter of 2021.

The net loss incurred for the second quarter of 2021 was mainly due to the increase in salaries and wages. Loss per share was $0.06 in the second quarter of 2021.

The net loss incurred for the first quarter of 2021 was mainly due to the decrease in revenue and the increase in salaries and wages. Loss per share was $0.02 in the first quarter of 2021.

SELECTED FINANCIAL INFORMATION

	For the year ended		
expressed in millions except for earnings (loss) per share	**December 31, 2022 $**	**December 31, 2021 $**	**December 31, 2020 $**
Revenue	65.40	15.60	13.85
Gross margin ($)	44.60	9.70	9.00
Gross margin (in %)	68%	62%	65%
Net income (loss)	(12.30)	(12.80)	(2.00)
- Basic	(0.36)	(0.57)	(0.10)
- Diluted	(0.36)	(0.57)	(0.10)

	As at		
expressed in millions except for dividend per share	**December 31, 2022 $**	**December 31, 2021 $**	**December 31, 2020 $**
Total assets	36.60	21.80	12.10
Total non-current financial liabilities	1.00	4.30	21.30

Revenue significantly expanded in 2022 in two key areas, (1) online sales of the Purekana brand and (2) significant increases in Tru Brands sales. Revenue increased $49.8 million over revenue in 2021. Revenues for 2020 were $13.9 million and increased in 2021 to $15.6 million primarily due to the acquisition of Tru Brands Inc. and No BS Life LLC. Gross margins have been maintained across the three years of reporting 2020-2022 in the 62-68% range. Brands such as Tru have much lower margins as they sell the majority of their products to retailers (30-40%) whereas online brands such as Purekana, BRN, and No BS achieve margins in the 70-80% range.

Operating expenses increased in 2022 over 2021 with the major expansion of the sales realized in 2022. Operating expenses increased in 2021 over 2020 driven by higher marketing expenditures as Purekana launched a new customer marketing campaign in the fourth quarter of 2021. Additionally, SBBC approved a stock compensation plan at its annual shareholder meeting and the first grant was approved by the Board in 2021. There was stock based compensation of $5.6 million within 2021 operating expenses (29%) that was not in the 2020 financials.

The net income (loss) decreased in 2022 over 2021 primarily due to lower other expenses in 2022. The net income (loss) increased in 2021 over 2020 by $10.8 million. 44% of the increased net loss increase in 2021 was related to noncash stock compensation expense of $5.6 million and 20% of the increased net loss were related to non-cash impairment charges of $2.5 million.

Total assets have increased from $21.8 million in 2021 to $36.6 million in 2022. This growth in assets was driven by acquisitions that the company made in 2022 and 2021 with the acquisition of No BS Life LLC in February 2021, Nirvana LLC in April 2021, Tru Brands Inc in August 2021, Herve Edibles Limited in March 2022 and BRN Group Inc. in April 2022.

Total non-current liabilities have decreased in 2022 compared to 2021 by $3.3 million with the reduction in promissory notes and convertible debentures. Total non-current liabilities have decreased in 2021 compared to 2020 by $17 million. Total non-current liabilities decreased in 2021 with the conversion of preferred shares into common shares during the year as well as the reclassification of the $10.1 million Mainstreet Loan from a long-term liability to a current liability.

RESULTS OF OPERATIONS

	For the three months ended				Change	
	December 31, 2022		December 31, 2021			
*expressed in millions **	$	% (in terms of revenue)	$	% (in terms of revenue)	$	%
Revenue	23.00	100%	6.50	100%	16.50	254%
Cost of goods sold	(6.90)	(30%)	(2.20)	(34%)	(4.70)	214%
Gross profit	**16.10**	**70%**	**4.30**	**66%**	**11.80**	**274%**

	For the years ended				Change	
	December 31, 2022		December 31, 2021			
*expressed in millions **	$	% (in terms of revenue)	$	% (in terms of revenue)	$	%
Revenue	65.40	100%	15.60	100%	49.80	319%
Cost of goods sold	(20.85)	(32%)	(5.90)	(38%)	(15.00)	254%
Gross profit	**44.60**	**68%**	**9.70**	**62%**	**34.80**	**359%**

Fourth Quarter December 31, 2022 – Revenue

The Company's revenue is generated by one segment – consumer products and within that segment by three main subsidiaries, PureKana, Tru and No BS and other subsidiaries which do not generate material revenue currently. Revenue for the fourth quarter of 2022 was $23.0 million, an increase of $16.5 million or 254% growth compared to $6.5 million in the fourth quarter of 2021. PureKana's fourth quarter revenue for the three months ended December 31, 2022, was $17.7 million compared to $6.1 million for the comparable period in 2021 (increase of $11.6 million or 290%). PureKana's revenue increase was driven by growth of new customers as well from subscription revenues. No BS's fourth quarter revenue for the three months ended December 31, 2022, was $0.3 million compared to $0.2 million for the comparable period in 2021 (increase of $0.1 million or 150%). Tru's fourth quarter revenue for the three months ended December 31, 2022, was $3.4 million compared to $0.2 million for the comparable period in 2021. Tru's strong sales performance in the fourth quarter was driven primarily by orders from Costco in the US and from major retailers in Canada. Revenue from SBBC's other subsidiaries was $1.6 million in the fourth quarter compared to nil in the prior period as these businesses were acquired during 2022.

Year ended December 31, 2022 – Revenue

The Company's revenue is generated by one segment – consumer products and within that segment by three main subsidiaries, PureKana, Tru and No BS and other subsidiaries which do not generate material revenue currently. Revenue for the year ended December 31, 2022, was $65.4 million, an increase of $49.8 million or 319% increase compared to $15.6 million in the previous year. PureKana's revenue for year ended December 31, 2022, were $50.3 million compared to $13.8 million for the comparable period in 2021 (increase of $36.5 million or 264%). PureKana's revenue increase was driven by growth of new customers as well from subscription revenues. No BS's revenue for the year ended December 31, 2022, was $2.1 million compared to $1.3 million for the comparable period in 2021 (increase of $0.8 million or 62%). Tru's revenue for year ended December 31, 2022, were $10.6 million compared to $0.5 million for the comparable period in 2021. Tru's strong sales performance in the year was driven primarily by orders from Costco in the US and from major retailers in Canada. Revenue from SBBC's other subsidiaries were $2.4 million for year ended December 31, 2022 to nil in the prior period as these businesses were acquired in 2022.

Fourth Quarter December 31, 2022 – Cost of goods sold

Cost of goods sold includes the product cost from co-manufacturers, merchant processing fees, and fulfillment and delivery costs. Product costs may vary directly based on hemp's crop price and the CBD derivatives from the crops. Product costs for No BS and Tru products can also be impacted by price of raw materials. Merchant processing fees may be affected by the CBD industry's risk and customer data security and fraud. Fulfillment costs are mainly driven by the delivery costs with the main courier companies. SBBC's cost of sales increased in the third quarter relative to the second quarter of 2022 by 3 percentage points due to a higher mix of lower margin retails sales (20% of sales compared to 11% of sales in the second quarter of 2022) in the third quarter which has lower gross margins than online sales. The Company continues to manage its finished goods costs with co-manufacturers with the higher order volumes it has been able to place.

Cost of goods sold was $6.9 million in the fourth quarter of 2022 (30% of revenues) compared to $2.2 million (34% of revenues) in the comparable period.

Year ended December 31, 2022 – Cost of goods sold

Cost of goods sold includes the product cost from co-manufacturers, merchant processing fees, and fulfillment and delivery costs. Product costs may vary directly based on hemp's crop price and the CBD derivatives from the crops. Product costs for No BS and Tru products can also be impacted by price of raw materials. Merchant processing fees may be affected by the CBD industry's risk and customer data security and fraud. Fulfillment costs are mainly driven by the delivery costs with the main courier companies.

Cost of goods sold for the year ended December 31, 2022 was $20.9 million (32% of revenues) compared to $5.9 million (38% of revenues) in the comparable period.

Fourth Quarter December 31, 2022 – Gross profit

Gross profit for the fourth quarter of 2022 was $16.1 million (70%) compared to $4.3 million (66%) in the fourth quarter of 2021. The gross profit margin was up four percentage points in the fourth quarter of 2022 over the gross profit in the comparable period driven by lower product costs and higher average order values at PureKana LLC and No BS.

Year ended December 31, 2022 – Gross profit

Gross profit for the year ended December 31, 2022, was $44.6 million (68%) compared to $9.7 million (62%) in the comparable period. The gross profit margin was up six percentage points for the year ended December 31, 2022 over the gross profit in the comparable period driven by lower product costs and higher average order values at PureKana LLC and No BS.

Fourth Quarter December 31, 2022 – Operating expenses

Followings are the breakdown of the major operating expenses in the presented period:

	For the three months ended					
	December 31, 2022		December 31, 2021		Change	
*expressed in millions **	$		$		$	%
Expenses						
Amortization	3.30	17%	0.20	3%	3.10	1,550%
Consulting fees	0.10	1%	-	-	0.10	100%
Customer service support	0.90	5%	0.10	1%	0.80	800%
General and administrative expenses	0.10	1%	0.40	6%	(0.30)	(75%)
Impairment of accounts receivable	-	-	0.10	1%	(0.10)	(100%)
Marketing expenses	13.00	64%	3.80	57%	9.20	242%
Professional fees	0.20	1%	0.10	1%	0.10	100%
Regulatory and filing fees	-	-	0.10	1%	(0.10)	(100%)
Salaries and wages	1.40	7%	0.90	13%	0.50	56%
Share-based payments	0.80	4%	1.20	17%	(0.40)	(33%)
Miscellaneous	0.10	-	-	-	0.10	100%
Total expenses	**19.90**	**100%**	**6.90**	**100%**	**13.00**	**188%**

Operating costs for the fourth quarter of 2022 were $19.9 million, an increase of $13.0 million (or 188%), compared to $6.9 million in the fourth quarter of 2021.

The majority of the operating costs increase incurred in the three months ended December 31, 2022 were marketing expenses ($13.0 million for Q4 or 64% of operating expenses) and they increased $9.2 million over the previous year directly related to the increase in PureKana sales which increased to $50.3 million for the year ended December 31, 2022 from $13.8 million in the prior year. PureKana accounted for most of the marketing expenses in the quarter ended December 31, 2022 (85%). Non-cash items of 4.1 million (Share-based payments of $0.8 million and amortization of $3.3 million) represented 21% of the operating expenses and increased $2.7 million from the prior year. Customer services support represented 5% of operating expenses for the three months ended December 31, 2022 and increased $0.8 million over the prior year ($0.1 million). These expenses were also directly related to the increase in sales at PureKana. Salaries and Wages represent 7% of total expenses and increased $0.5 million from the prior year ($0.9 million). Salaries and wages increased mainly due to the additional hiring of salespeople and also related to the staff that were added with the acquisitions of BRN and Herve in 2022.

Year ended December 31, 2022 – Operating expenses.

Followings are the breakdown of the major operating expenses in the presented period:

	For the years ended				Change	
	December 31, 2022		December 31, 2021			
*expressed in millions **	$		$		$	%
Expenses						
Amortization	4.70	9%	0.60	3%	4.10	683%
Consulting fees	0.10	-	-	-	0.10	100%
Customer service support	2.40	4%	0.20	1%	2.20	1,100%
Depreciation	0.10	-	0.10	1%	-	-
General and administrative expenses	1.60	3%	1.10	6%	0.50	45%
Impairment of accounts receivable	0.10	-	0.10	1%	-	-
Marketing expenses	34.30	64%	7.30	37%	27.00	370%
Professional fees	2.00	4%	1.00	5%	1.00	100%
Regulatory and filing fees	0.20	-	0.40	2%	(0.20)	(50%)
Salaries and wages	4.40	8%	3.20	16%	1.20	38%
Share-based payments	4.30	8%	5.60	29%	(1.30)	(23%)
Travel and entertainment	0.10	-	-	-	0.10	100%
Miscellaneous	-	-	(0.10)	(1%)	0.10	(100%)
Total expenses	**54.30**	**100%**	**19.50**	**100%**	**34.80**	**178%**

Operating costs for the year ended December 31, 2022, were $54.3 million, an increase of $34.8 million (or 178%), compared to $19.5 million in 2021.

The majority of the operating costs increase incurred in the year ended December 31, 2022 were marketing expenses and they increased $27 million over the previous year directly related to the increase in PureKana sales which increased to $50.3 million for the year ended December 31, 2022 from $13.8 million in the prior year. PureKana accounted for most of the marketing expenses in the year ended December 31, 2022 (89%). Non-cash items of 9.0 million (Share-based payments of $4.3 million and amortization of $4.7 million) represented 17% of the operating expenses and increased $2.8 million from the prior year. Customer services support represented 4% of operating expenses for the year ended December 31, 2022 and increased $2.2 million over the prior year ($0.2 million). These expenses were also directly related to the increase in sales at PureKana. Salaries and Wages represent 8% of total expenses and increased $1.2 million from the prior year ($3.2 million). Salaries and wages increased mainly due to the additional hiring of salespeople and also related to the staff that were added with the acquisitions of BRN and Herve in 2022.

Fourth Quarter December 31, 2022 – Other income (expenses)

	For the three months ended				Change	
	December 31, 2022		December 31, 2021			
*expressed in millions **	$		$		$	%
Expenses						
Fair value adjustment of derivative liability	-	-	0.40	(24%)	(0.40)	(100%)
Finance costs	(0.50)	19%	(0.50)	29%	-	-
Gain on remeasurement of provision of earn-out payments	-	-	0.90	(53%)	(0.90)	(100%)
Grant and other assistance	(0.10)	4%	0.20	(12%)	(0.30)	(150%)
Impairment of intangible assets	(1.60)	59%	(2.50)	147%	0.90	(36%)
Impairment of inventories	(0.20)	7%	-	-	(0.20)	100%
Impairment of plant and equipment	(0.20)	7%	-	-	(0.20)	100%
Write-off of advance payments	(0.10)	4%	-	-	(0.10)	100%
Others	-	-	(0.10)	6%	0.10	(100%)
Miscellaneous	-	-	(0.10)	7%	0.10	(100%)
Total other income (expenses)	**(2.70)**	**100%**	**(1.70)**	**100%**	**(1.00)**	**59%**

Other expenses for the fourth quarter 2022 were $2.7 million compared to other expenses of $1.7 million in the fourth quarter of 2021 or an increase of $1.0 million. The main components in the fourth quarter of 2022 for other income and expenses were finance costs in the amount of $0.5 million and impairment of intangible assets $1.6 million.

Year ended December 31, 2022 – Other income (expenses)

	For the years ended				Change	
	December 31, 2022		December 31, 2021			
*expressed in millions **	$		$		$	%
Expenses						
Acquisition-related costs	(0.50)	14%	(0.40)	13%	(0.10)	25%
Fair value adjustment of derivative liability	0.10	(3%)	1.20	(39%)	(1.10)	(92%)
Finance costs	(1.40)	39%	(2.30)	74%	0.90	(39%)
Foreign exchange loss	(0.10)	3%	-	-	(0.10)	100%
Gain on remeasurement of provision of earn-out payments	-	-	0.90	(29%)	(0.90)	(100%)
Gain on settlement of the milestone shares	0.40	(11%)	-	-	0.40	100%
Grant and other assistance	0.30	(8%)	0.20	(6%)	0.10	50%
Impairment of intangible assets	(1.60)	44%	(2.50)	81%	0.90	(36%)
Impairment of inventories	(0.20)	6%	-	-	(0.20)	100%
Impairment of plant and equipment	(0.20)	6%	-	-	(0.20)	100%
Write-off of advance payments	(0.50)	14%	-	-	(0.50)	100%
Others	-	-	(0.10)	3%	0.10	(100%)
Miscellaneous	0.10	(4%)	(0.10)	3%	0.20	(200%)
Total other income (expenses)	**(3.60)**	**100%**	**(3.10)**	**100%**	**(0.50)**	**16%**

(Expressed in United States Dollars unless otherwise specified)

Other expenses for the year ended December 31, 2022, were $3.6 million compared to other expenses of $3.1 million in the comparable period in 2021 or an increase of $0.5 million. The main components for the year ended December 31, 2022 for other expenses were acquisition-related costs in the amount of $0.50 million, finance costs in the amount of $1.4 million and impairment of intangible assets $1.60, which were partially offset by gain on settlement of the milestone shares of $0.40 million and grant and other assistance of $0.30 million. Finance costs reduced by $0.90 million for the year ended December 31, 2022, compared to the prior period of 2021 primarily due to the conversion of preferred shares in the third quarter of 2021 into common shares and were no longer driving accretion of interest in the first quarter of 2022 as well as debt reductions made during the year ended December 31, 2022.

Earnings before Interest, Taxes, Depreciation, and Amortization ("EBITDA") and Adjusted EBITDA (Non-GAAP Measures)

EBITDA and Adjusted EBITDA are non-GAAP measures used by management that are not defined by IFRS. EBITDA and Adjusted EBITDA do not have a standardized meaning prescribed by IFRS and therefore may not be Comparable to similar measures presented by other issuers. Management believes that EBITDA and Adjusted EBITDA provide meaningful and useful financial information as these measures demonstrate the operating performance of business excluding non-cash charges.

The most directly comparable measure to EBITDA and Adjusted EBITDA calculated in accordance with IFRS is net loss. The following table presents the EBITDA and Adjusted EBITDA for the three months and years ended December 31, 2022, and 2021, and a reconciliation of same to net income (loss):

	For the years ended		Change in	
	December 31, 2022	December 31, 2021		
	$	$	$	%
Net loss	**(12.30)**	**(12.80)**	**0.50**	(4%)
Amortization	4.70	0.60	4.10	87%
Depreciation	0.10	0.10	-	-
Finance costs	1.40	2.30	(0.90)	(64%)
Income tax recovery	(1.00)	-	(1.00)	100%
EBITDA	**(7.10)**	**(9.80)**	**2.70**	**119%**
Acquisition-related costs	0.20	-	0.20	100%
Acquisition costs paid by common shares	0.20	0.40	(0.20)	(100%)
Fair value adjustment of derivative liability	(0.10)	(1.20)	1.10	(1,100%)
Impairment of intangible assets	1.60	2.50	(0.90)	(56%)
Impairment of inventories	0.20	-	0.20	100%
Impairment of plant and equipment	0.20	-	0.20	100%
Impairment of receivable	0.10	0.10	-	-
Gain on debt forgiveness	-	(0.20)	0.20	100%
Gain on remeasurement of the provision of earn-out payments	-	(0.90)	0.90	100%
Gain on settlement of the milestone shares	(0.40)	-	(0.40)	100%
Share-based payments	4.30	5.60	(1.30)	(30%)
Consulting fees to be paid by shares	0.30	-	0.30	100%
Shares issued for services	0.40	0.20	0.20	50%
Warrants issued for services	0.10	-	0.10	100%
Write-off of advance payments	0.50	-	0.50	100%
Non-recurring expenses	0.70	-	0.70	100%
Adjusted EBITDA	**1.20**	**(3.30)**	**4.50**	**(117%)**

(Expressed in United States Dollars unless otherwise specified)

The Company has an adjusted EBITDA of $1.2 million for the year ended December 31, 2022, an increase of $4.5 million over the adjusted EBITDA loss for the comparable period in 2021.

	For the three months ended		Change in	
	December 31, 2022	December 31, 2021		
	$	$	$	%
Net loss	**(5.40)**	**(4.20)**	**(1.20)**	22%
Amortization	3.30	0.20	3.10	94%
Finance costs	0.50	0.50	-	-
Income tax recovery	(1.00)	-	(1.00)	100%
EBITDA	**(2.60)**	**(3.50)**	**0.90**	**216%**
Fair value adjustment of derivative liability	-	(0.40)	0.40	100%
Impairment of intangible assets	1.60	2.50	(0.90)	(56%)
Impairment of inventories	0.20	-	0.20	100%
Impairment of plant and equipment	0.20	-	0.20	100%
Impairment of receivable	-	0.10	(0.10)	100%
Gain on debt forgiveness	-	(0.20)	0.20	100%
Gain on remeasurement of the provision of earn-out payments	-	(0.90)	0.90	100%
Share-based payments	0.80	1.20	(0.40)	(50%)
Consulting fees to be paid by shares	0.30	-	0.30	100%
Shares issued for services	(0.10)	0.10	(0.20)	200%
Warrants issued for services	0.10	-	0.10	100%
Write-off of advance payments	0.10	-	0.10	100%
Adjusted EBITDA	**0.60**	**(1.10)**	**1.70**	**1,210%**

The Company generated positive adjusted EBITDA of $0.6 million for the three months ended December 31, 2022, an increase of $1.7 million over the adjusted EBITDA loss for the comparable period in 2021.

LIQUIDITY AND CAPITAL RESOURCES

*expressed in millions ** As at	December 31, 2022 $	December 31, 2021 $
ASSETS		
Current assets		
Cash and cash equivalents	2.30	2.20
Accounts receivable	4.60	0.40
Other receivable	0.10	-
Prepaid expenses	4.50	2.10
Inventory	3.60	2.00
Total current assets	**15.10**	**6.70**
Non-current assets	**21.50**	**15.00**
TOTAL ASSETS	**36.60**	**21.70**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	6.10	2.10
Deferred revenue	-	0.10
Current portion of derivative liability	0.20	-
Current portion of loan payable	14.60	11.60
Current portion of promissory note	1.80	4.80
Current portion of convertible notes	1.70	-
Total current liabilities	**24.40**	**18.60**
Non-current liabilities	**1.00**	**5.30**
TOTAL LIABILITIES	**25.40**	**23.90**
WORKING CAPITAL (DEFICIENCY)	**(9.30)**	**(11.90)**

The Company's working capital requirements fluctuate from period to period depending on, among other factors, key consumer holidays (third, second and first quarter each year), new product introductions and vendor lead times. The Company's principal working capital needs include accounts receivable, inventory, prepaid expenses, short-term loans and accounts payable.

The Company's primary liquidity and capital requirements are for inventory and general corporate working capital purposes. The Company currently has a cash balance of $2.3 million as of December 31, 2022, which will provide capital to support the planned growth of the business and for general corporate working capital purposes. The Company's working capital deficiency decreased from $11.9 million as of December 31, 2021, to a working capital deficiency of $9.3 million as of December 31, 2022 ($2.6 million decrease). Working capital deficiency included the Mainstreet loan ($10.3 million) which is classified as current whereas the term is for 5 years maturing in December 2025. The Mainstreet loan has a five-year term with principal repayments due to start in December 2023 with the first $1.5 million principal repayment. This loan has several covenants including annual and quarterly reporting and debt service coverage. The Company was not compliant with the debt service covenant as of December 31, 2022 although it made progress in improving the Adjusted EBITDA performance of Purekana LLC during the year. For example, adjusted EBITDA reported for Purekana LLC for the year ended December 31, 2022 was $1.4 million compared to an adjusted EBITDA loss of $1.4 million for the year ended December 31, 2021 or a $2.8 million improvement. No notice of default has been received by the Company as of the date of this MD&A and has been paying the interest on a regular basis. It has been classified as current as a result on the noncompliance with the debt service covenant.

The Company continues to focus on improving its working capital position through a number of initiatives including equity and convertible debt private placements, issuance of promissory notes and establishment of lines of credit for its subsidiaries.

Private Placements

The Company completed a private placement raise in August of 2022 and raised CA$3,990,844 ($3,069,880) in common shares and convertible debentures. The funds raised were used for debt reduction and working capital.

Subsequent to the year ended December 31, 2022, The Company raised an additional CAD 7 million in equity to be used for further debt reduction, working capital and for growth initiatives in 2023.

Convertible Debentures

During the year ended December 31, 2022, the Company reduced the balance of convertible debentures outstanding by $1,034,751 (see note 13 in the annual financial statements for the year ended December 31, 2022).

Subsequent to the year ended December 31, 2022, The Company paid down $1.7 million in convertible debentures including accrued interest that were due in February 2023.

Line of Credit Facilities

Additionally, the Company has secured several lines of credit facilities for three of its subsidiaries to support the financing of purchase orders from key customers. These lines of credit have been critical to finance the large retail purchase orders the Company's subsidiaries have successfully generated during the year ended December 31, 2022. For more information of the line of credit facilities please refer to note 10 in the financial statements for the year ended December 31, 2022. During the year ended December 31, 2022, the Company raised over $8 million in funds from these lines of credit to finance purchase orders from its large retail customers. Over the same period, the Company repaid over $5.9 million of these credit facilities to the lender. TRU was able to increase its primary line of credit with this lender to USD 6 million in December 2022. The nature of these loans is to turnover between 3-5 months from the time the money is advanced to repayment.

Promissory Notes

During the year ended December 31, 2022, the Company reduced the balance of promissory notes outstanding by approximately $3.5 million (see note 12 in the financial statements for the year ended December 31, 2022). All promissory notes paid off during the year had a maturity less than 12 months.

The Company was able to secure a $1 million promissory note with a duration of 42 months during the year for debt reduction and working capital. The loan bears 15% interest per annum and will be repaid over 42-months starting November 15th, 2022.

The Company entered into an agreement with the third party to settle the payment of the assigned portion of the PK Promissory Notes ($1,166,168). The Company made payments totaling $350,000 to the assigned portion of the PK Promissory Notes during the year. The agreement calls for monthly payments of $50,000 beginning on December 15, 2022, and continuing until the $1,166,168 amount is paid in full. The note bears an interest rate of 6%.

The Company's ability to fund operating expenses will depend on its future operating performance which will be affected by general economic, financial, regulatory, and other factors including factors beyond the Company's control (See "Risk and Uncertainties").

Management continually assesses liquidity in terms of the ability to generate sufficient cash flow to fund the business. Net cash flow is affected by the following items: (i) operating activities, including the level of accounts receivable, other receivable, accounts payable, accrued liabilities and unearned revenue and deposits; (ii) investing activities (iii) financing activities.

Cash flow

	For the three months ended		
	December 31, 2022	December 31, 2021	Change
expressed in millions	$	$	$
Cash flow used in operating activities	(1.70)	(1.60)	(0.10)
Cash flow provided by (used in) investing activities	(0.30)	-	(0.30)
Cash flow provided by (used in) financing activities	2.50	(0.30)	2.80
Increase (decrease) in cash	**0.50**	**(1.90)**	**2.40**

	For the years ended		
	December 31, 2022	December 31, 2021	Change
expressed in millions	$	$	$
Cash flow used in operating activities	(4.80)	(5.00)	0.20
Cash flow provided by (used in) investing activities	3.30	(0.70)	4.00
Cash flow provided by (used in) financing activities	1.50	(0.40)	1.90
Increase (decrease) in cash	**-**	**(6.10)**	**6.10**

Fourth Quarter 2022 Cash flow from (used in) operating activities.
Following is the breakdown of the cash flow from operating activities:

	For the three months ended		
	December 31, 2022	December 31, 2021	Change
expressed in millions	$	$	$
Net loss	(5.40)	(4.20)	(1.20)
Adjustments for items not affecting cash:	6.00	3.00	3.00
Net changes in non-cash working capital items:	(2.30)	(0.40)	(1.90)
Increase (decrease) in cash	**(1.70)**	**(1.60)**	**(0.10)**

	For the years ended		
	December 31, 2022	December 31, 2021	Change
expressed in millions	$	$	$
Net loss	(12.30)	(12.80)	0.50
Adjustments for items not affecting cash:	12.70	9.40	3.30
Net changes in non-cash working capital items:	(5.20)	(1.60)	(3.60)
Increase (decrease) in cash	**(4.80)**	**(5.00)**	**0.20**

Cash used in operating activities was $1.7 million in the fourth quarter of 2022, compared to $1.6 million in the fourth quarter of 2021 or an increase of $0.1 million. This increase of $0.1 million was the result of (1) an increase in cash generated in operating activities after adjusting for items not affecting cash of $0.6 million generated during the fourth quarter of 2022 compared to $1.2 million used in the prior period ($1.7 million improvement) and (2) cash used by non-cash working capital of $2.2 million in the fourth quarter of 2022 compared to the non-cash working capital of $0.4 million used in the fourth quarter of 2021 ($1.8 million decrease).

Cash used in operating activities was $4.8 million in the year ended December 31, 2022, compared to $5.0 million in the comparable period in 2021 or an increase of cash generated in operations of $0.2 million. This increase in cashflow used in operations of $0.2 million was the result of (1) a decrease in cash used in operating activities after adjusting for items not affecting cash of $0.4 million during the year ended December 31, 2022 compared to $3.4 million used in the prior period ($3.8 million improvement) and (2) an increase in cash used by non-cash working capital of $5.2 million in the year ended December 31, 2022 compared to $1.6 million used in the comparable period of 2021 ($3.6 million decrease).

Fourth Quarter 2022 Cash flow from (used in) investing activities.
Cash from investing activities was $0.3 million in the fourth quarter of 2022, compared to $nil million in the fourth quarter of 2021 or an increase of $0.3 million.

Fourth Quarter 2022 Cash flow from (used in) financing activities.
Cash flow from financing activities of $2.5 million in the fourth quarter of 2022 was related to debt financings ($2.9 million line of credit repayments and $5.4 million in line of credit advances and a new promissory note) compared to cash used in financing activities of $0.3 million in the fourth quarter of 2021.

Year ended December 31, 2022, Cash flow from (used in) Investing activities.

Cash flow from investing activities was $3.3 million which was $4.0 million higher than the prior year due to significantly higher amounts of cash and investments were acquired through the acquisitions of Herve and BRN compared to the prior year's acquisitions.

Year ended December 31, 2022, Cash flow from (used in) financing activities.
Cash used in financing activities of a net $1.5 million for the year ended December 31, 2022 was related to the repayment of various debts with a total amount of $11.8 million which was offset by $13.3 million raised through various equity and debt financings compared to cash used in financing activities of $0.4 million in the fourth quarter of 2021 which was related to a repayment of a loan payable and debt issuance costs incurred.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had 71,634,253 common shares issued and outstanding (December 31, 2021 – 26,066,432) (December 31, 2021 – 5,160,468).

In addition, as at the date of this MD&A, the Company had 16,397,600 warrants, 1,388,000 stock options and 2,159,432 RSUs issued and outstanding.

During the year ended December 31, 2022

- The Company issued 1,705,755 common shares with fair value of $6,342,974 (CA$8,000,000) to acquire all of the issued and outstanding common shares of Hervé. In connection with the acquisition, the Company issued 63,961 common shares, which are subject to a statutory 4-month hold period, with fair value of $237,862 (CA$300,000) as finders' fee.

- The Company completed an acquisition of BRN and acquired of all of the issued and outstanding common shares of BRN in exchange for an aggregate of 2,701,669 common shares of the Company with fair value of $10,000,000 of which 405,250 common shares with fair value of $1,500,000 were placed in escrow. The BRN Consideration Shares issued at the closing date are subject to a contractual lock-up for a period of 6 months from the date of issuance, with 1/12 of the consideration being released from the transfer restrictions every month for 12 months thereafter.

- The Company issued 283,527 common shares for conversion of the convertible notes.

- The Company issued 140,351 common shares to satisfy the promissory note with a principal amount of $480,000, including outstanding interest of $26,702.

- The Company issued 309,000 common shares with fair value of $1,402,247 for the restricted share unit.

- The Company issued 108,177 common shares with fair value of $375,000 for advisory services.

- The Company completed a non-brokered private placement at a price of CA$0.295 of 10,646,928 common shares for gross proceeds of $2,430,485 (CA$3,140,844).

- Pursuant to the share price agreement of Hervé, the Company issued 213,219 common shares as the Hervé Milestone Shares with fair value of $71,215.

- The Company issued 221,266 with fair value of $50,000 pursuant to the Sponsorship Agreement with Julianna Penna.

- On February 23, 2022, the Company granted 15,000 options with an exercise price of CA$4.70 to the consultant of the Company. The options are exercisable for a period of five years. One-third vest will vest every anniversary thereafter.

- On August 4, 2022, the Company granted 227,000 options with an exercise price of CA$0.39 to its employees. The options are exercisable for a period of five years. One-third vest will vest every anniversary thereafter.

- On February 23, 2022, the Company issued the following RSUs:

  - 24,370 RSUs to its employees and consultants. One-third will vest every six months thereafter.

  - 500,000 RSUs to its officers. One-third vest on the first anniversary and one-sixth will vest every six months thereafter.

  - 285,000 RSUs to its directors. One-half vest on the first anniversary and one-sixth will vest every six months thereafter.

  - 50,000 RSUs to its director. All RSUs granted vest on the first anniversary.

- The Company issued 900,000 RSUs with fair value of $288,900 to its consultant, directors and officers. One-fourth vest on date of grant and one-fourth will vest every six months thereafter.

- The Company entered into an agreement to cancel a total of 932,030 options previously granted to the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

- 8,310 RSUs were forfeited.

Subsequent to December 31, 2022

- The Company completed a private placement of 28,000,000 units ("Units") at a price of CA$0.25 for gross proceeds of CA$7,000,000. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of CA$0.45 for a period of two years following the closing of the private placement. In connection with the private placement, the Company paid a finders' fee of $449,400 and issued 1,797,600 non-transferable finders warrants. Each finder's warrant may be exercised to acquire one Unit at a price of CA$0.25 per Unit until February 14, 2025.

- Issued 148,925 common shares to settle $26,000 payables which included in the accounts payable and accrued liabilities as of December 31, 2022.

- The Company issued 776,043 common shares for the restricted share unit.

- The Company issued 97,988 common shares pursuant to the Earnout Agreement (See Subsequent Events).

- On January 23, 2023, the Company granted 425,000 options with an exercise price of CA$0.27 to the Company's CFO. The options are exercisable for a period of five years. One-fourth vest will vest every six months thereafter.

- On January 23, 2023, the Company granted 350,000 options with an exercise price of CA$0.27 to its employees and consultants of the Company. The options are exercisable for a period of five years. One-third vest will vest every anniversary thereafter.

- On January 23, 2023, the Company issued 925,000 RSUs with fair value of $1,960,416 to the Company's CEO and directors. One-fourth vest on date of grant and one-fourth will vest every six months thereafter.

- On March 20, 2023 , the Company issued 150,000 RSUs to the Company's director. One-fourth will vest every six months thereafter.

- 1,380 RSUs forfeited.

- 1,000 options cancelled and 2,000 options forfeited.

SUBSEQUENT EVENTS

- The Company repaid the convertible notes with a principal value of $1,620,000 plus outstanding interest of $105,650.

- The Company completed a private placement of 28,000,000 units ("Units") at a price of CA$0.25 for gross proceeds of CA$7,000,000. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of CA$0.45 for a period of two years following the closing of the private placement. In connection with the private placement, the Company paid a finders' fee of $449,400 and issued 1,797,600 non-transferable finders warrants. Each finder's warrant may be exercised to acquire one Unit at a price of CA$0.25 per Unit until February 14, 2025.

- On January 25, 2023, the Company entered into a Branding Earnout Agreement (the "Earnout Agreement") with a group of individual rightsholders each of whom are at arm's length to the Company, to advance "Vibez", a new brand of Keto products in the direct-to-consumer market in the United States (the "Brand"). Pursuant to the Earnout Agreement, the Company has partnered with industry experts to advance the Brand.

- Under the terms of the Earnout Agreement, the Company will make an initial payment of $250,000 in common shares of the Company, at a price per share CA$0.32. The Company may also make bi-monthly earnout payments in the amount of CA$187,000, if the Brand achieves certain sales targets set out in the Earnout Agreement (the "Earnout Payments"). Sales in the Earnout Agreement related to the milestone payments over 24 months total $14.98 million (approximately CA$20 million). The Earnout Payments are payable in cash or common shares, at a price per common share equal to the higher of (i) the five-day VWAP of the common shares on the TSXV, or (ii) CA$0.32. SBBC may issue up to a maximum of $2,250,000 in cash or common shares, at the Company's discretion, over a 2-year period pursuant to the Earnout Payments. The Company issued 97,988 common shares pursuant to the Earnout Agreement.

OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2022 and the date of this MD&A, the Company did not have any off-balance sheet financing arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES

Key management personnel include those persons having the authority and responsibility of planning, directing, and executing the activities of the Company. The Company has determined that its key management personnel consist of the Company's officers and directors.

During the year ended December 31, 2022, the key management compensation was:

- Salaries and benefits – $519,616 (December 31, 2021 – $820,783)
- Share-based payments – $3,517,609 (December 31, 2021 – $2,863,482)

In addition to the compensation above, the Company granted the following options and RSUs to the Company's officers and directors:

During the year ended December 31, 2022

The Company issued the following RSUs to its directors and officers:

- 500,000 RSUs with fair value of $1,917,000 to its officers. One-third vest on the first anniversary and one-sixth will vest every six months thereafter.

- 285,000 RSUs with fair value of $1,092,690 to its directors. One-half vest on the first anniversary and one-sixth will vest every six months thereafter.

- 50,000 RSUs with fair value of $191,700 to its director. All RSUs granted vest on the first anniversary.

- 900,000 RSUs with fair value of $288,900 to its officers and directors. One-sixth will vest every six months after the grant date.

The fair value of the RSUs will amortize over the vesting period.

During the year ended December 31, 2021

- The Board approved a performance bonus of $128,625 to be paid to the Company's Chief Financial Officer. The amount was paid during the year ended December 31, 2021.

- On July 27, 2021, the Company granted 932,030 options with an exercise price of $5.70 to its officers. The options are exercisable for a period of five years with fair value of $1,353,411 which will amortize over the vesting period (Note 22).

(Expressed in United States Dollars unless otherwise specified)

- On July 27, 2021, the Company issued 345,000 RSUs with fair value of $1,565,610 to its directors (Note 22). The fair value of the RSUs will amortize over the vesting period.

CRITICAL ACCOUNTING ESTIMATES

The preparation of our consolidated financial statements requires management to use judgment and make estimates and assumptions that affect the reported amounts assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results could materially differ from these estimates. Refer to note 2 of our annual audited consolidated financial statements for the year ended December 31, 2022 for a more detailed discussion of the critical accounting estimates and judgments.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no new or amended IFRS pronouncements effective January 1, 2022 that impacted these consolidated financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Fair value
The fair values of financial assets and liabilities, together with their carrying amounts, are presented by class in the following table:

	December 31, 2022 $	FVTPL $	Amortized costs $	FVTOCI $
FINANCIAL ASSETS				
ASSETS				
Cash and cash equivalents	2,343,178	-	2,343,178	-
Accounts receivable	4,616,267	-	4,616,267	-
Other receivable	134,500	-	134,500	-
Restricted cash	325,000	-	325,000	-
Deposits	3,783	-	3,783	-
FINANCIAL LIABILITIES				
LIABILITIES				
Accounts payable and accrued liabilities	(6,122,385)	-	(6,122,385)	-
Current portion of derivative liability	(175,122)	(175,122)	-	-
Current portion of loan payable	(14,634,180)	-	(14,634,180)	-
Current portion of promissory note	(1,793,119)	-	(1,793,119)	-
Current portion of convertible notes	(1,711,223)	-	(1,711,223)	-
Promissory note	(627,197)	-	(627,197)	-
Convertible notes	(389,080)	-	(389,080)	-

(Expressed in United States Dollars unless otherwise specified)

	December 31, 2021	FVTPL	Amortized costs	FVTOCI
	$	$	$	$
FINANCIAL ASSETS				
ASSETS				
Cash and cash equivalents	2,234,993	-	2,234,993	-
Accounts receivable	399,665	-	399,665	-
Other receivable	1,150	-	1,150	-
Restricted cash	325,000	-	325,000	-
Deposits	12,299	-	12,299	-
FINANCIAL LIABILITIES				
LIABILITIES				
Accounts payable and accrued liabilities	(2,083,359)	-	(2,083,359)	-
Current portion of lease obligation	(33,756)	-	(33,756)	-
Current portion of loan payable	(11,558,676)	-	(11,558,676)	-
Current portion of promissory note	(4,752,059)	-	(4,752,059)	-
Promissory note	(1,182,484)	-	(1,182,484)	-
Convertible notes	(3,135,054)	-	(3,135,054)	-

There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority.
Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
Level 2 – Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.
Level 3 – Unobservable (supported by little or no market activity) prices.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies.

The levels of the fair value inputs used in determining estimated fair value of the Company's financial assets and liabilities at fair value through profit or loss as of December 31, 2022 are shown below:

		Estimated fair value		
	December 31, 2022	Level 1 $	Level 2 $	Level 3 $
Current portion of derivative liability	(175,122)	-	-	(175,122)

The financial instrument recorded at fair value on the statement of financial position is derivative liability which is measured using Level 3 of the fair value hierarchy. Level 3 inputs for other derivative liability include the use of the Black-Scholes option pricing model. Estimates are made regarding (i) the discount rate used, (ii) the expected life of the instruments, (iii) the volatility of the Company's common shares price which are driven by historical information and the expected dividend yield.

As of December 31, 2022 and 2021, there were no financial assets or liabilities measured and recognized in the statement of financial position at fair value that would be categorized as Level 1 and Level 2 in the fair value hierarchy above.

Financial risk management

The Company's activities expose us to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of being affected by these risks. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and aging analysis for credit risk. When material, these risks are also reviewed and monitored by the Board of Directors.

Market risk

- Foreign currency risk
  The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in US$. The Company has not entered into any foreign currency contracts to mitigate this risk. The risk is measured using sensitivity analysis and cash flow forecasting.

  As of December 31, 2022, the majority of the Company's monetary assets and liabilities are denominated in US$; as a result, management believes the currency risk is minimal.

  The Company's derivative liability may expose us to the currency risk as the Company's share is trading in CA$. Based on the sensitivity analysis, assuming that all other variables remain constant, a 10% appreciation or depreciation of the US$ against CA$ would provide insignificant impacts on the fair value of the derivative liability.

- Price risk
  The Company's derivative liability may be exposed to the price risk as the share price of the Company is one of the inputs of valuation. Based on the sensitivity analysis, assuming that all other variables remain constant, a 10% increase (decrease) in the share price of the Company as of December 31, 2022 would provide insignificant impacts on the fair value of the derivative liability.

- Interest rate risk
  The Company's interest rate risk principally arises from fluctuations in the US$ LIBOR rate as it relates to the Company's loan payable. A 1% change in the US$ LIBOR rate would result in approximately a $100,000 impact on the Company's profit or loss for year ended December 31, 2022. The Company has not entered into any interest rate swaps to mitigate this risk.

  The Company's derivative liability may expose to the interest as the risk-free interest rate is one of the inputs of valuation. Based on the sensitivity analysis, assuming that all other variables remain constant, a 1% increase (decrease) in the risk-free interest rate would provide insignificant impacts on the fair value of the derivative liability.

Credit risk
Credit risk is the risk of loss associated with a customer's or counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and accounts receivable. Cash is held with reputable United States and Canada financial institutions, from which management believes the risk of loss is remote. The Company's maximum credit risk exposure is equivalent to the carrying value of these instruments. The Company has, and intends, to adhere strictly to the state statutes and regulations in its operations.

The Company's extension of credit to customers involves judgment and is based on an evaluation of each customer's financial condition and payment history. The Company's credit controls and processes cannot eliminate credit risk.

The Company accounts for credit risk by primarily allocating specific provisions to trade accounts. During the year ended December 31, 2022, the Company transacted with a few new customers for which financial positions deteriorated during the year. The Company has recorded specific provisions related to these customers.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. As of December 31, 2022, the Company had cash of $2,343,178 to meet short-term business requirements. As of December 31, 2022, the Company had current liabilities of $24,473,043.

DISCLOSURE CONTROLS AND PROCEDURES

Management of the Corporation has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Corporation, as of the date of and for the periods presented.

Pursuant to National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed Venture Issuer Basic Certificates with respect to the financial information contained in the audited consolidated financial statements for the year ended December 31, 2022, and this accompanying MD&A (together, the "Filings"). In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at www.sedar.com.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the Venture Issuer Basic Certificates. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis disclosure controls and procedures and internal control over financial reporting, as such terms are defined in NI 52-109, may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

REVIEWED BY MANAGEMENT

This MD&A and the audited consolidated financial statements for the year ended December 31, 2022 (the "Filings") had been reviewed by the Company Executive Officer ("CEO") and Chief Financial Officer ("CFO") and certified the followings:

No misrepresentations: Based on CEO's and CFO's knowledge, having exercised reasonable diligence, the Filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the Filings.

Fair presentation: Based on CEO's and CFO's knowledge, having exercised reasonable diligence, the financial report together with the other financial information included in Filings fairly presented in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the Filings.

RISKS AND UNCERTAINTIES

To the date of this MD&A, there have been no significant changes to the risk factors set out in the Company's annual management discussion and analysis for the year ended December 31, 2022.

ADDITIONAL INFORMATION

Additional information relating to the Company's operations and activities can be found under the Company's profile on SEDAR at www.sedar.com.