ARGO LIVING SOILS CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED AUGUST 31, 2021

The following Management Discussion and Analysis ("**MD&A**") of Argo Living Soils Corp. (the "**Company**" or "**Argo**") has been prepared by management, in accordance with the requirements of National Instrument 51-102 as of September 29, 2021, and should be read in conjunction with the financial statements for the three and nine months ended August 31, 2021 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("**IFRS**"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the future price of fertilizers and soil amendments, the timing and amount of estimated future production the expansion of the Company's product line,, costs of production, capital expenditures, the success of production activities and the requirements of future capital. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained in this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about general business and economic conditions; the supply and demand for, deliveries of, and the level and volatility of prices of the Company's products; the availability of financing for the Company's production and marketing programs; the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; and the ability to attract and retain skilled staff.

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in prices of the company's products, access to skilled personnel, uninsured risks, regulatory changes, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Additional risk factors are described in more detail hereinafter. **Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.** The Company intends to discuss in its quarterly and annual reports referred to as the Company's management's discussion and analysis documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in this management discussion and analysis.

Description of Business

The Company is an agribusiness company specializing in producing and developing organic products including soil amendments, living soils, bio-fertilizers, vermicompost, and compost tea kits formulated specifically for high value crops. The Company intends to eventually expand its product line to include natural pesticides and fungicides. The Company has developed proprietary organic products that increase yields, prevent or inhibit fungus disease and pathogens, and reduce pests that impede the growing of cultivars.

Overall Performance

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally leading to an economic downturn. The impact on the Company is not currently determinable, but management continues to monitor the situation.

On February 11, 2021 the Company signed an engagement letter with PI Financial Corp. ("**PI**") to act as exclusive agent to sell, by way of an initial public offering (the "**IPO**") on a best efforts basis, a minimum of six and up to a maximum of seven million units of the Company at a price of $0.10 per unit for gross proceeds of a minimum of $600,000 and up to a maximum of $700,000, subject to receipt of all applicable regulatory approvals. Each unit (a "**Unit**") comprised one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire an additional share at a price of $0.35 until August 3, 2023. The initial public offering was later upsized to a minimum of seven and up to a maximum of eight million Units of the Company at a price of $0.10 per Unit for gross proceeds of a minimum of $700,000 and up to a maximum of $800,000 subject to receipt of all applicable regulatory approvals.

On July 30, 2021 the Company closed the IPO and issued 8,000,000 Units at a price of $0.10 for gross proceeds of $800,000. In addition, PI was paid a cash commission of $64,000, equal to 8.0% of the gross proceeds from the IPO, and 640,000 compensation options (the "**Compensation Options**") equal to 8.0% of the number of Units sold under the IPO. The Compensation Options were issued to PI on closing of IPO, and each Compensation Option entitles PI to purchase one common share at $0.10. The Compensation Options may be exercised at any time until August 3, 2023. PI was also paid a corporate finance fee of $25,000 plus GST.

On August 3, 2021, the Company's common shares commenced trading on the Canadian Securities Exchange (the "**CSE**") under the symbol "ARGO".

At August 31, 2021, the Company had cash of $442,971 and working capital of $393,503. To date, the Company's sole source of financing has been derived from the issuance of common shares and units, and a short term loan of $25,000.

For the nine months ended August 31, 2021, the Company incurred a net loss of $366,253 (2020 – $22,591).

For the three months ended August 31, 2021, the Company incurred a net loss of $209,356 (2020 – $18,600).

The Company had no revenues over these periods and the expenses were incurred primarily in the set-up of its site for production and financing of the Company.

The Company has leased land on Galiano Island, BC where it is building a facility to create its organic soil amendments, living soils, bio-fertilizers, natural pesticides and fungicides, vermicompost, and compost tea kits. Annual lease payments are $12,000.

During the nine months ended August 31, 2021 the Company had the following share issuances:

On July 30, 2021 the Company closed the IPO and issued 8,000,000 Units at a price of $0.10 for gross proceeds of $800,000.

During the year ended November 30, 2020 the Company had the following share issuances:

On June 18, 2020, the Company issued 500,000 shares at a price of $0.005 per share for proceeds of $2,500.

On July 24, 2020, the Company issued 4,550,000 shares at a price of $0.02 per share for proceeds of $91,000.

On August 31, 2020, the Company issued 3,270,000 shares at a price of $0.05 per share for proceeds of $163,500.

On October 19, 2020, the Company issued 250,000 shares at a price of $0.05 per share for proceeds of $12,500.

Commitments

On November 1, 2020 the Company signed a one year lease of a property on Galiano Island in British Columbia. The terms of the lease provide for payments of $6,000 on November 1, 2020 (paid) and $6,000 on May 1, 2021 (paid). The original lease has a one year extension at the option of the Company that requires payments of $6,000 on each of November 1, 2021 and May 1, 2022. On April 25, 2021, a one year extension was signed bringing the total length of the lease to three years. In the third year, the extension contract requires payments of $6,000 on each of November 1, 2022 and May 1, 2023.

Selected Annual Information

The Company is providing the following selected information with respect to the Company's audited financial statements for the fiscal years ended November 30, 2020 and 2019. The audited financial statements for these fiscal periods were prepared in accordance with IFRS and are expressed in Canadian dollars.

	Year ended November 30, 2020	**Year ended November 30, 2019**
Total Revenue	$ –	$ –
Operating Expenses	(88,888)	(1,899)
Net Loss	(88,888)	(1,899)
Basic and Diluted Loss Per Share	$ (0.01)	$ (0.00)

	As at November 30, 2020	**As at November 30, 2019**
Balance Sheet Data		
Total assets	$ 233,569	$ 8,646
Total liabilities	37,614	5,000
Total equity (deficit)................................	$ 195,955	$ 3,646

Results of Operations

During the nine months ended August 31, 2021, the Company incurred a net loss of $366,253 (2020 – $22,591).

During the three months ended August 31, 2021, the Company incurred a net loss of $209,356 (2020 – $18,600).

The expenses for the three and nine months ended August 31, 2021 and August 31, 2020 include the following items:

	Three months ended August 31,		Nine months ended August 31,	
	2021	2020	2021	2020
Audit and accounting	$ 10,000	$ Nil	$ 21,800	$ Nil
Consulting	9,000	3,153	27,000	3,153
Management	16,500	Nil	49,500	Nil
Office and miscellaneous	43,558	4,336	66,088	4,434
Professional fees	95,157	1,136	139,524	1,616
Research and development	Nil	9,975	Nil	13,388

The increase in expenses was due to increased activity in preparing the Company's site for production and for expenses related to the completion of the Company's IPO.

Summary of Quarterly Results

The following sets out a summary of the Company's quarterly results for the eight most recently completed quarters. All periods listed below were prepared in accordance with IFRS and are expressed in Canadian dollars.

	Three months ended August 31, 2021	Three months ended May 31, 2021	Three months ended February 28, 2021	Three months ended November 30, 2020
Total assets	541,649	108,553	161,751	233,569
Working capital	393,503	(66,804)	59,135	166,910
Shareholders' equity	468,535	(7,707)	97,347	195,955
Net gain (loss)	(209,356)	(79,374)	(77,523)	(66,297)
Gain (loss) per share	(0.02)	(0.01)	(0.01)	(0.02)

	Three months ended August 31, 2020	Three months ended May 31, 2020	Three months ended February 29, 2020	Three months ended November 30, 2019
Total assets	253,442	8,067	8,599	8,646
Working capital	251,442	3,067	3,599	3,646
Shareholders' equity	251,442	3,067	3,599	3,646
Net gain (loss)	(18,599)	(3,945)	(47)	(77)
Gain (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)

Liquidity and Capital Resources

To date, the Company has not yet realized profitable operations and has relied on equity financings and trade credit to fund its losses. The Company currently has sufficient funds to satisfy its product development and marketing expenditure plans for the current fiscal year. If required, the Company may raise capital through the equity market.

These financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial entities, or other business and financial transactions which would assure continuation of the Company's operations. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

	August 31, 2021	November 30, 2020
Working capital	$ 393,503	$ 166,910
Deficit	$ 458,995	$ 92,742

Net cash used in operating activities during the nine months ended August 31, 2021, was $356,146 (2020, $12,203). The increase in cash used in operating activities for the period was due, primarily, to a loss of $366,253 (2020, $22,591), which was offset primarily by non-cash items such as amortization of $11,618 (2020, $nil) and stock based compensation of $4,260 (2020, $nil). Also offsetting the use of cash was an increase in accounts payable and accrued liabilities of $4,396 (2020, $nil).

Net cash from financing activities during the nine months ended August 31, 2021 was $655,025 (2020, $257,000). In 2021 a gross amount of $800,000 was raised on the IPO, $165,427 was paid for share issuance costs and a net of $4,548 was paid for the lease of the property. $25,000 was contributed by a short term loan.

Net cash used in investing activities during the nine months ended August 31, 2021 was $53,765 (2020, $nil).

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may be unable to continue operating. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company currently has sufficient funds to cover anticipated administrative expenses and continue to conduct product development and marketing activities throughout the current fiscal year.

Related Party Transactions

During the nine months ended August 31, 2021, the Company incurred $22,500 for management fees to Gerry Diakow, a director and officer of the Company (2020, $nil).

During the nine months ended August 31, 2021, the Company incurred $27,000 for management fees to Chadley Diakow, a director and officer of the Company (2020, $nil).

At August 31, 2021, $6,568 was owed to Gerry Diakow, a director and officer of the Company. (November 30, 2020, $6,344). These amounts are unsecured, non-interest bearing and due on demand.

At August 31, 2021, $5,155 was owed to Chadley Diakow, a director of the Company for expenses paid on behalf of the Company. (November 30, 2020, $4,727). These amounts are unsecured, non-interest bearing and due on demand.

During the year ended November 30, 2020, the Company issued 500,000 common shares to Chadley Diakow a director of the Company, at a price of $0.005 for proceeds of $2,500.

On January 21, 2021 the Company granted 150,000 fully vested stock options to Hector Diakow, a director of the Company which entitle the holder to purchase one common share for each option held at a price of $0.10 per share up to January 21, 2025.

Changes in Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements of the Company are presented in Canadian dollars unless otherwise indicated, which is the functional currency of the Company.

Significant Accounting Policies

a) Use of Estimates

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Significant areas requiring the use of management estimates relate to share-based payments and future income tax valuation allowance.

Significant assumptions about the future and other sources of estimated uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to the following:

1) the carrying value and the recoverability of equipment, which are included in the statements of financial position,

2) the inputs used in the accounting for the deferred tax liability,

3) the inputs used in the accounting for stock-based payment expense included in profit or loss.

Actual results could differ from these estimates.

b) Income Taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

c) Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "**cash-generating unit**" or "**CGU**"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

d) Leases

On December 1, 2019, the Company adopted IFRS 16 which replaced IAS 17 "Leases" and related interpretations, using the modified retrospective method which does not require restatement of prior period financial information. Accordingly, comparative information in the Company's financial statements is not restated. The new standard introduces a single lessee accounting model and requires a lessee to recognize an ROU asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions represent leases. The Company did not have contracts that were previously identified as leases under IAS 17 and IFRIC 4. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into, or changed, on or after December 1, 2019. The Company used the following additional practical expedients:

• Applied the exemption not to recognize right-of-use assets and lease liabilities for short-term leases with terms less than 12 months and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line or other systematic basis over the lease term;

• Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and

• Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Company has furthermore applied judgment to determine the applicable discount rate. The discount rate is based on the Company's incremental borrowing rate and reflects the current market assessments of the time value of money and the associated risks for which the estimates of future cash flows have not been adjusted for.

e) Share-based payment

The Company applies the fair value method to share-based payments and all awards that are direct awards of stock, that call for settlement in cash or other assets, or are stock appreciation rights that call for settlement by the issuance of equity instruments. Share-based payment expense is recognized over the applicable vesting period with a corresponding increase in equity reserves. When the options are exercised, the exercise price proceeds together with the amount initially recorded in equity reserves are credited to share capital.

f) Share Issue Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

g) Financial Instruments

Financial assets:

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss (“**FVTPL**”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company’s cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that provide objective evidence of impairment, which are recognized in earnings. The Company’s investments are classified as available-for-sale and its receivables are classified as loans and receivables.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities:

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value plus directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized costs using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period or, where appropriate, a shorter period. The Company’s financial liabilities consist of accounts payable, accrued liabilities and due to related parties, which are classified as other liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including embedded derivatives, are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortized cost would have been had the impairment not be recognized.

Financial Instruments

Fair Values

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and due to related parties. The fair values of these financial instruments approximate their carrying values because of their current nature.

The following table summarizes the carrying values of the Company's financial instruments:

	August 31, 2021	November 30, 2020
Fair value through profit or loss (i)	$ 452,290	$ 199,228
Other financial liabilities (ii)	61,787	32,447

(i) Cash, amounts receivable and amounts due from related parties
(ii) Accounts payable and accrued liabilities, amounts due to related parties and lease liability

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term production and administrative expenditures by raising additional funds through share issuances when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Company, has exposure to foreign exchange risk as the success fee liability (note 10) is denominated in Euros.

Interest Rate Risk

The Company is not exposed to significant interest rate risk.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of fertilizer inputs and the stock market to determine the appropriate course of action to be taken by the Company

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at August 31, 2021.

Additional Disclosure for Venture Issuers without Significant Revenue

For a description of the general and administrative expenses, please refer to the statement of comprehensive loss contained in the financial statements for the nine months ended August 31, 2021.

Outstanding Share Data

The following table summarizes the outstanding share capital as of the date of the MD&A:

	Number of shares issued or issuable
Common shares	18,070,001
Stock options	150,000
Warrants	8,640,000

Business Risks

Organic fertilizer development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

- Operational risks include, marketing, production and product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks, but the Company is not fully insured against all risks, nor are all such risks insurable.

- Financial risks include commodity prices and interest rates both which are beyond the Company's control.

- Regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to acquire and maintain its CSE listing.

- The Company currently has adequate cash for planned production, marketing and general and administrative expenses in the next fiscal year but may require financing in the future to continue in business. There can be no assurance that such financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares from treasury, control of the Company may change and investors may suffer additional dilution. To the extent financing is not available, lease payments, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company.

Internal Controls over Financial Reporting

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Lack of optimal segregation of duties has been observed due to the relatively small size of the Company, but management believes that these weaknesses have been adequately mitigated through management and director oversight.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.