# FEEL FOODS LTD.

**(formerly NHS Industries Ltd.)**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

## FOR THE YEAR ENDED
## DECEMBER 31, 2021

Accompanying the
Consolidated Financial Statements December 31, 2021

**FEEL FOODS LTD.**
**700-838 W HASTINGS STREET**
**VANCOUVER, BC V6C 0A6**

*This Management's Discussion & Analysis ("**MD&A**"), prepared as of May 2, 2022, is intended to be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021, and related notes thereto, which have been reported in Canadian dollars, and prepared in accordance with International Financial Reporting Standards ("**IFRS**").*

This MD&A is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Feel Foods Ltd. (formerly NHS Industries Ltd.) ("**Feel**", the "**Company**", "**we**", or "**our**") for the year ended December 31, 2021 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021 (the "**Financial Statements**").

For additional information please visit the Company's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com.

## ***FORWARD LOOKING STATEMENTS***

*This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued development of our real estate holdings, among others, including those identified in the Risk Factors section. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. The Company does not undertake any obligation to update such forward-looking information, whether because of new information, future events or otherwise, except as expressly required by applicable securities law.*

*Readers are cautioned that these forward looking statements are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected including, but not limited to completion of site preparation, ability to secure financing on commercially acceptable terms, availability of contractors, suppliers and materials to complete the planned commissary kitchen construction, and planned improvements at the Langley site and the completion of these on schedule and on budget, planned occupancy by tenant-growers, commencement of operations, the risks inherent in an agricultural business, the variability of the weather and conditions needed to raise successful crops, the ability to mitigate the risk of loss through appropriate insurance policies, and the current uncertainty regarding local, provincial and federal legislation respecting legalized marijuana.*

*These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements.*

## ***Feel OPERATIONS***

Feel was incorporated under the *Business Corporations Act* (British Columbia) under incorporation number BC0627073 on May 4, 2001 and changed its name to "NHS Industries Ltd." on September 17, 2010 and then to Feel Foods Ltd. on July 28, 2021. NHS amalgamated with 0998955 B.C. Ltd. on August 13, 2014 to become "NHS Industries Ltd.," then a wholly owned subsidiary of New Age Farm Inc. and now its former parent ("**New Age Farm**"). The Company's head office is located at 700-838 West Hastings Street, Vancouver, BC, V6C 0A6. Feel and New Age Farm have completed a plan of arrangement as approved by the sole shareholder of NHS and by the New Age Farm shareholders at New Age Farm's 2016 shareholder meeting (the "**Arrangement**") and Feel has been separated and spun out from New Age since then.

The Company completed its listing requirement and commenced trading of its common shares on the CSE on April 5, 2018 under the symbol "NHS" and subsequently as "FEEL" on July 28, 2021. On October 20, the Company received DTC full-service eligibility and commenced trading in the US under the new symbol "FLLLF". On October 21, the Company commenced trading on the Frankfurt Stock Exchange under the symbol "IZF".

### *Trends*

Other than as disclosed in this MD&A, the Company is not aware of any trends, uncertainties, demands, commitments, or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

### *General Development and Feel's Business*

Feel is an agri-food holdings company focused on innovative products and technologies in the food services industry including and is currently investing in the research and development of keto-friendly plant-based candy products.

Feel also used to own an agricultural property in Langley, BC (the "**Langley Site**") where Feel intended to grow its agricultural land bank and to operate farming campuses in Canada that provide turnkey farming operations for its tenant-growers engaged in the production, processing and sale of luxury crops and value-added food products. Feel's turnkey operations were designed to provide tenant-growers with the entire infrastructure they require to operate a successful agribusiness for the crops of their choice. Additional processing facilities were available for the tenant-growers and outside growers to use to process crops into finished products. This was for consistency in methodology; making the most efficient and expedient use of the greenhouse facilities; that the greenhouse environment is optimally controlled for all tenant-growers crops' needs; to provide optimal chance of success to the tenant-grower and for Feel so that all members reap maximum benefits from the crop.

*The Langley Site*

The Langley Site was a five and a half acre agricultural property located in Langley, BC with a 48,000 square foot greenhouse facility on site, capable of growing 2.4 million 4" potted plants per year; in place peat soil available for sale; and a residential property that is currently leased. The site was fully Agricultural Land Reserve-approved for an agribusiness

During the year ended December 31, 2020, the Company tried converting the Langley property into non-farm use and other potential projects or opportunities.

The Company has acquired all of the issued and outstanding shares of Plenty-Full Food Services Ltd. ("Plenty-Full") in February 2020, a privately held meal preparation start-up company based in Richmond, BC. The acquisition will accelerate the Company's strategic plans to expand into the food services industry and to build a potential food facility from its Langley farm property. The Company will provide public announcements on when Plenty-full will commence to provide it's ready to eat food products to the general public.

On March 11, 2021, the Company consolidated all of its issued and outstanding common shares (the "**FEEL Shares**") on the basis of one (1) post-consolidated FEEL Share for every four (4) pre-consolidated FEEL Shares (the "**Consolidation**"). The Consolidation resulted in the number of issued and outstanding FEEL Shares being reduced from 96,163,602 FEEL Shares to 24,040,897 FEEL Shares. The Company has outstanding warrants to purchase 8,000,000 FEEL Shares reserved for issuance, equal to 2,000,000 FEEL Shares on a post Consolidation basis and also has outstanding incentive stock options to purchase 3,850,000 FEEL Shares reserved for issuance, equal to 962,500 FEEL Shares on a post Consolidation basis.

The Consolidation was also reflected on consolidated financial statements as at December 31, 2020.

On March 31, 2021, the Company acquired 100% ownership of a food production company, Be Good Plant based Foods Ltd., from arms-length parties in exchange of 22,050,000 common shares of the Company at total fair value of $7,166,250. One million common shares were also issued as finder's fee with respect to this acquisition at total fair value of $325,000. Be Good Plant Based Foods currently is launching its plant based chicken, pork and beef products as well as is investing in the research and development of keto-friendly plant based candy products. The company is launching its e-commerce platform with eight initial plant-based meat SKU's including: chicken tenders, chicken nuggets, pork cutlets, beef burgers and more.

Following the acquisition of Be Good, the Company has become an agri-food holdings company focused on innovative products and technologies in the food services industry including its wholly owned BE Good plant based foods line up of plant-based chicken, pork and beef products as well as is currently investing in the research and development of keto-friendly plant-based candy products.

More information about Be Good can be found at www.begoodfoods.net and at www.instargram.com/begoodfoodco.

On April 20, 2021, the Company announced a non-brokered private placement (the "**Private Placement**") of 7,000,000 units (the "**Units**") at a price of $0.22 per Unit, for gross proceeds of $1,540,000. Each Unit is comprised of one common share and one-half of one share purchase warrant. Each whole warrant will entitle the holder to acquire one additional common share in the capital of the Company at a price of $0.30 per share, for a period of two years from the date the Units are issued.

If during the exercise period of the warrants, but after the resale restrictions on the shares have expired, the Company's shares trade at or above a weighted average trading price of $0.60 per share for 10 consecutive trading days, the Company may accelerate the expiry time of the warrants by giving written notice to warrant holders that the warrants will expire 30 days from the date of providing such notice.

On May 13, 2021, the Company amended the terms of its previously announced non-brokered private placement to ten million units at a price of 20 cents per unit for gross proceeds of $2.0 million. Each unit is composed of one common share and one share purchase warrant. Each Warrant will entitle the holder to purchase one additional common share of the Company at an escalating exercise price over two years as follows: For a period of 12 months from the date of closing, the Unit Warrants will be exercisable at $0.30 per share.

Thereafter, for a period of 12 months, the Unit Warrants will be exercisable at $0.45 per share. If the closing price of the Company's common shares is at or above $0.60 per share for 5 consecutive days, the Company may provide notice (the "Acceleration Notice") to the holders of the Warrants by way of press release that the expiry date of the Warrants has been accelerated and that Warrants not exercised within 30 days of the date of the Acceleration Notice will expire.

On June 28, 2021, the Company closed a non-brokered private placement for gross proceeds of $3,252,375 through the issuance of 16,261,875 units at a price of $0.20 per Unit (a "Unit"). Each Unit is comprised of one common share and one transferable common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one additional common share of the Company for a period of two years, subject to accelerated expiry, at a price of $0.30 per share in the first year and $0.45 per share in the second year. Under the private placement, the Company paid aggregate cash finder's fees of $151,543 and issued an aggregate of 757,715 finder's warrants with a fair value of $618,229, each exercisable for one common share for two years at a price of $0.30 per share in the first year and $0.45 per share in the second year and subject to accelerated expiry.

If the closing price of the Company's common shares is at or above $0.60 per share for 5 consecutive days, the Company may provide notice (the "Acceleration Notice") to the holders of the Warrants by way of press release that the expiry date of the Warrants has been accelerated and that Warrants not exercised within 30 days of the date of the Acceleration Notice will expire.

On August 19, 2021, the Company announced that it had entered into an asset purchase agreement (the "Agreement") with Canpac Investments Corp. ("Canapac") for the sale of the Langley Site, a five and a half acre agricultural property located in Langley, BC. Canpac is an investment company focused on health sciences, technology, and infrastructure. Pursuant to the Agreement, Canpac purchased the property in consideration of $1,500,000 payable in the form of the issuance of 15,000,000 common shares at a deemed price of $0.10 per share.

Furthermore, along with the acquisition, Canpac agreed to assume $912,517 in the Company's debt and long-term liabilities. The Company has assembled debt assignment agreements, signed by the creditors, assigning the liabilities to Canpac. Feel elected to distribute the shares in the form of a dividend to its stakeholders on a pro rata basis to shareholders of record on September 15, 2021.

*Twelve Months of Operations to December 31, 2021*

The significant increase in advertising and promotion expenses incurred of $680,709 (2020 - $1,714) were due to the Company work in expanding its investor base in Canada and the US by paying large investor awareness fees.

The significant increase in consulting fees expenses of $1,970,570 (2020 - $87,500) were attributable to acquisition of Be Good and Black Sheep and continued progress of the Company. $490,000 of the consulting expenses were incurred for the fair value of the 2,600,000 RSU's issued during the year.

The significant increase in professional fees of $108,112 (2020 - $15,732) incurred due to legal fees paid on two acquisitions and one disposal during the year.

The company incurred significant share based payments of $972,763 (2020 - $64,604) due to the granting of 7,700,000 stock options during the year.

The Company incurred transfer agent & filing fees of $70,887 (2020 - $9,993) due to the issuance of shares pursuant to the Be Good acquisition, the issuance of shares pursuant to the private placement, AGM costs and the distribution of Canpac shares.

The Company incurred office, utility, property taxes, and miscellaneous expenses of $88,448 (2020 - $17,836) an increase again due to the increased activity as the Company continues to acquire subsidiaries and sustain increased activity.

The company has a new head office in downtown Vancouver and incurred rent expense of $62,379 (2020 – $Nil).

The decrease in interest on long term debt of $36,602 (2020 - $57,434) was due to assumption of mortgage on Langley property by Canpac.

The decrease on amortization expenses of $32,542 (2020 - $45,705) was due to assumption of Langley property by Canpac.

The Company recognized consideration paid in excess of net assets acquired of $8,933,245 (2020 - $Nil) attributable mainly to acquisition of BE Good Plant Based Foods Ltd. of $7,491,250 and acquisition of Black Sheep Vegan Cheeze Company Corp. of $1,617,449 upon consolidation.

The Company entered into an asset purchase agreement whereby Canpac Investment Corp. will purchase the Langley site in consideration of $1,500,000 payable in the form of the issuance of 15,000,000 common shares at $0.10 per share and the assumption of certain debts and liabilities of the Company. This resulted in a gain on sale of assets of $32,362.

The company had an interest income of $18,667 (2020 – $32,009) on loan receivable that was assumed by Canpac during August 2021.

## *SELECTED ANNUAL INFORMATION*

The following financial data, which has been prepared in accordance with IFRS, is derived from the Company's financial statements. These sums are being reported in Canadian dollars and did not change as a result of the adoption of policies concerning Financial Instruments.

| | Year ended | | |
|---|---|---|---|
| | December 31, 2021 | December 31, 2020 | December 31, 2019 |
| Total Revenue | $ 82,150 | $ 104,896 | $ 98,528 |
| Interest income | 18,668 | 32,009 | 1,385 |
| Expenses | 4,111,175 | 391,812 | 877,056 |
| Net income (loss) | (12,451,411) | (395,288) | (778,528) |
| Total assets | 847,928 | 1,904,908 | 1,780,168 |
| Total long-term liabilities | 206,701 | 562,595 | 555,428 |
| Net income (loss) per share (basic and diluted) | (0.20) | (0.02) | (0.09) |

## *SELECTED QUARTERLY INFORMATION*

The following table summarizes the results of operations for the eight recent quarters.

| | Three months ended | | | |
|---|---|---|---|---|
| | December 31, 2021 | September 30, 2021 | June 30, 2021 | March 31, 2021 |
| Total Revenue | $ 17,579 | $ - | $ 32,285 | $ 32,286 |
| Interest income | - | 2,667 | 8,000 | 8,000 |
| Expenses | (4,655,309) | 1,177,423 | 296,697 | 7,292,364 |
| Net income (loss) | (2,904,126) | (2,022,796) | (264,411) | (7,260,078) |
| Net income (loss) per share and diluted loss per share | (0.02) | (0.032) | (0.006) | (0.30) |

| | Three months ended | | | |
|---|---|---|---|---|
| | December 31, 2020 | September 30, 2020 | June 30, 2020 | March 31, 2020 |
| Total Revenue | $ 31,957 | $ 32,286 | $ 32,216 | $ 8,437 |
| Interest income | 8,000 | 8,000 | 8,000 | 8,009 |
| Expenses | (83,349) | (59,362) | (59,996) | (188,835) |
| Net loss | (537,704) | (27,076) | (27,780) | 197,272 |
| Net loss per share and diluted loss per share | (0.02) | (0.0012) | (0.008) | 0.012 |

## *LIQUIDITY*

The Company is a startup agricultural based company and has a small regular source of income and may have incidental interest income it may earn on funds invested in short-term deposits. As a result, its ability to conduct operations is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that the Company will be able to do so.

The Company's continued existence is dependent upon its ability to raise additional capital, the continuing support of its creditors, and ultimately, the attainment of profitable operations and positive cash flows. The Company is in good standing as of the date of this MD&A.

In January 2020, the Company settled total payables of $545,000 by issuing 2,725,000 (pre-consolidated 10,900,000) common shares of the Company at a deemed price of $0.20 (pre-consolidated $0.05) per share which has significantly improved its liquidity position.

In February 2020, the Company invested in a limited partnership by issuing 1,250,000 (pre-consolidated 5,000,000) common shares of the Company at a deemed price of $0.20 (pre-consolidated $0.05) per share. This LP is purposed to invest in different assets backed projects or cash flow businesses. The Company does not intend to have immediate liquidity from this investment but is looking to benefit from the investment in form of distribution of profits in the mid-term between 1 to 3 years.

On August 19, 2021, the Company announced that it had entered into an asset purchase agreement (the "Agreement") with Canpac Investments Corp. ("Canapac") for the sale of the Langley Site, a five and a half acre agricultural property located in Langley, BC. Canpac is an investment company focused on health sciences, technology and infrastructure. Pursuant to the Agreement, Canpac purchased the property in consideration of $1,500,000 payable in the form of the issuance of 15,000,000 common shares at a deemed price of $0.10 per share. Furthermore, along with the acquisition, Canpac agreed to assume $912,517 in the Company's debt and long-term liabilities. The Company has assembled debt assignment agreements, signed by the creditors, assigning the liabilities to Canpac. Feel elected to distribute the shares in the form of a dividend to its stakeholders on a pro rata basis to shareholders of record on September 15, 2021.

As part of its financial planning, management intends to pursue further equity financing to meet its working capital requirements and is reasonably confident that it will be able to continue to fund the Company in this manner. The Company intends to work with a financial advisor to assist with raising funds to meet short term and long-term goals as well as to develop an ongoing long term plan to keep the company in operation until revenues are sufficient to support the operations. However, should the Company be unsuccessful in raising capital through equity financing, it may need to consider borrowing funds from one or more directors or shareholders. At this time, the Company has no plans to borrow money and there have been no promises or arrangements made to fund the Company in this manner.

As of the date of this discussion, the Company currently has three subsidiaries, Plenty-full Food Services Corporation, Be Good Plant Based Food Inc, and Black Sheep Vegan Cheese Company Corp.

## ***CAPITAL RESOURCES***

There are no known trends or expected fluctuations in the Company's capital resources, including expected changes in the mix and relative cost of such resources.

In January 2020, the Company settled total payables of $545,000 by issuing 2,725,000 (pre-consolidated 10,900,000) common shares of the Company at a deemed price of $0.20 (pre-consolidated $0.05) which has significantly improved its liquidity position. In addition, the Company also issued 1,250,000 (pre-consolidated 5,000,000) common shares of the Company at

a deemed price of $0.20 (pre-consolidated $0.05) per share as an investment into a limited partnership, as a founding limited partner, which is related to the Company's officers and directors.

In February 2020, the Company issued 11,406,000 (pre-consolidated 45,624,000) common shares at a fair value of $400,232 and acquired 100% of Plenty-full Food Services Corporation and commenced in the central kitchen business.

The Company completed the consolidation of its common shares in March 2021 with outstanding common shares of 24,040,900.

In March 2021, the Company completed its acquisition of 100% of Be Good Plant Based Foods Ltd. ("Be Good"), by issuing 22,050,000 common shares to the holders of 100% of Be Good shares, on a pro rata basis, in exchange for their 22,050,000 Be Good common shares. The Company also issued 1,000,000 common shares as finder's fee with respect to the Be Good acquisition.

On June 28, 2021, the Company closed a private placement financing for gross proceeds of $3,252,375 through the issuance of 16,261,875 units at a price of $0.20 per Unit (a "Unit"). Each Unit is comprised of one common share and one transferable common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one additional common share of the Company for a period of two years, subject to accelerated expiry, at a price of $0.30 per share in the first year and $0.45 per share in the second year. Under the private placement, the Company paid aggregate cash finder's fees of $151,543 and issued an aggregate of 757,715 finder's warrants with a fair value of $618,229, with the same terms as the warrants issued as part of the private placement.

On October 1, 2021, the Company issued 3,200,000 stock options exercisable at $0.24 per common share expiring on October 1, 2022 to consultants.

On October 1, 2021, the Company granted 1,150,000 RSUs to consultants of the Company.

On October 12, the Company completed an arm's length acquisition of Black Sheep Vegan Cheeze Company Corp. ("Black Sheep"), pursuant to the terms of a share exchange agreement dated September 8, 2021 among the Company, Black Sheep and the shareholders of Black Sheep. Pursuant to the terms of the Agreement, the Company acquired all of the issued and outstanding common shares of Black Sheep (collectively, the "Black Sheep Shares") in consideration for (together, the "Purchase Price") the issuance 3,400,000 common shares (each, a "Share") of Feel Foods at a deemed price of $0.22875 per Share and a cash payment of $750,000. Each Share issued in connection with the Purchase Price is subject to a contractual lock-up whereby the shareholder shall not offer, issue, pledge, sell such Share except in accordance with the following release schedule: 10% on the date of closing (the "Closing Date"); 30% on the date that is 6 months after the Closing Date; 30% on the date that is 12 months after the Closing Date; and 30% on the date that is 18 months after the Closing Date.

In addition, Feel Foods has agreed to pay the shareholders of Black Sheep up to an aggregate of $500,000 upon the achievement, by Black Sheep, of an aggregate of $500,000 or greater in net sales during the 12 month period starting on the date that is 7 months from the Closing Date and ending on the date that is 18 months from the Closing Date (the "Performance Milestone Deadline"), payable by way of (together, the "Performance Milestones"):

(i) issuance of $125,000 worth of Shares and $125,000 in cash upon the achievement by Black Sheep of $250,000 or greater in net sales on or before the Performance Milestone Deadline; and
(ii) issuance of $125,000 worth of Shares and $125,000 in cash upon the achievement by Black Sheep of an aggregate of $500,000 or greater in net sales on or before the Performance Milestone Deadline.

All Shares issuable to the shareholders of Black Sheep in connection with the Performance Milestones will be issued pro rata at a deemed price equal to the lowest price per Share permitted by the policies of the Canadian Securities Exchange ("CSE"). Concurrent to and as a condition to Closing, each of James and Jenna Johnson, the co-founders of Black Sheep (together, the "Founder Consulting Agreements"), and Ashala Carlsen entered into consulting agreements with Feel Foods pursuant to which they agreed to provide certain consulting services to the Company. Mr. Johnson is also eligible to receive a one-time bonus of $25,000 for each new product approved for the sale by the Company or Black Sheep or both (each, a "Product") in accordance with the approval procedure outlined in his Founder Consulting Agreements and which Product receives aggregate net sales of $25,000 or greater, payable in Shares a deemed price equal to the lowest price per Share permitted by the policies of the CSE.

On October 27, 2021, the Company issued 500,000 stock options exercisable at $0.23 per common share expiring on October 27, 2022 to a consultant.

On November 1, 2021, the Company granted 600,000 RSUs to consultants of the Company.

On November 9, 2021, the Company granted 2,000,000 RSUs to a consultant of the Company.

On November 18, 2021, the Company announced its intention to create a new e-commerce platform with advanced logistics operations in time for the festive season. Web developers 'Able & Howe' are designing the new e-commerce site with full e-commerce capabilities, ensuring operations are efficient, effective and uninterrupted.

On November 23, 2021, the Company announced that it had completed its newest formulations for its "Feel Sweets" gummy candy line which will offer keto-friendly, plant-based candies across North America as the vegan confection market grows rapidly.

During year ended December 31, 2021, the Company issued 2,600,000 common shares pursuant to the vesting of RSUs.

During year ended December 31, 2021, the Company issued 2,200,000 common shares pursuant to the exercise of stock options.

## ***OFF BALANCE SHEET ARRANGEMENTS***

As at December 31, 2021, the Company had no off-balance sheet arrangements.

## ***PROPOSED TRANSACTIONS***

The Company plans to become an agri-food holdings company focused on innovative products and technologies in the food services industry including its wholly owned Be Good plant based foods

line up of plant-based chicken, pork and beef products, its wholly owned Black Sheep Vegan Cheeze Company plant based dairy products as well as currently investing in the research and development of keto-friendly plant-based candy products. The Company will also continue to develop its Plenty-full business in synergy with Be Good.

## ***TRANSACTIONS WITH RELATED PARTIES***

### *Twelve Months of Operations to December 31, 2021*

During the year ended December 31, 2021, total consulting fees of $125,000 (2020 - $81,000) and directors fees of $43,000 (2020 - $64,000) have been accrued and recognized.

On February 27, 2020, the Company granted a total of 3,000,000 stock options to the CEO, CFO and CSO and recognized share-based compensation of $59,634 to these parties.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

| December 31, 2021 | Consulting Fees $ | Director Fees $ | Share-based Compensation $ | Total $ |
|---|---|---|---|---|
| David Greenway, CEO & Director | - | - | - | - |
| Anthony Chan, Director & Former CFO | 3,500 | 14,000 | - | 17,500 |
| Natasha Sever, CFO & Director | 65,000 | - | - | 65,000 |
| Krystal Pineo, Director | 30,000 | - | - | 30,000 |
| Kelly Pladson, Corporate Secretary | 20,000 | - | - | 20,000 |
| Robert Nygren, Former CEO & Director | 3,500 | 14,000 | - | 17,500 |
| Ming Chiang, Former CSO & Director | 3,000 | 12,000 | - | 15,000 |
| Carman Parente, Former Director | - | 3,000 | - | 3,000 |
| | 125,000 | 43,000 | - | 168,000 |

| December 31, 2020 | Consulting Fees $ | Director Fees $ | Share-based Compensation $ | Total $ |
|---|---|---|---|---|
| Robert Nygren, Former CEO & Director | 15,500 | 20,000 | 19,878 | 55,378 |
| Anthony Chan, Director & Former CFO | 27,000 | 24,000 | 19,878 | 70,878 |
| Ming Chiang, Former CSO & Director | 12,000 | 20,000 | 19,878 | 51,878 |
| Carman Parente, Former Director | 30,000 | 24,000 | - | 54,000 |
| | 84,500 | 88,000 | 59,634 | 232,134 |

During the year ended December 31, 2021, a loan receivable of $400,000 from a company controlled by a former CFO was divested along with accrued interest of 18,668. Also divested per agreement was a loan payable of $168,687 to a former director along with accrued interest of $11,477. As at December 31, 2021, interest revenue of $18,668 (2020 - $32,009) has been accrued and received by the Company on this note receivable.

During the year ended December 31, 2020, the Company settled toal debts owing to the former President and a Director of the Company in the amount of $221,000 by issuing 1,105,000 (pre-consolidated 4,420,000) common shares of the Company at a deemed price of $0.20 (pre-

consolidated price of $0.05) per share and recognized gain on debt settlements of $154,700. The Company also settled total debts owing to the former CFO and a former Director of the Company in the amount of $116,000 by issuing 580,000 (pre-consolidated 2,320,000) common shares of the Company at a deemed price of $0.20 (pre-consolidated price of $0.05) per share and recognized gain on debt settlements of $81,200. In addition, a total amount of debts of $208,000 owing to two former directors of the Company has been assigned to several arms-length parties and these debts have been settled by the Company by issuing 1,040,000 (pre-consolidated 4,160,000) common shares of the Company at deemed price of $0.20 (pre-consolidated price of $0.05) per share and recogized gain on debt settlements of $124,800.

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Notes

1. Carman Parente ceased to be a director of the Company on February 15, 2021.
2. Anthony Chan was appointed CFO and became a director on November 30, 2016. Mr Chan ceased to be CFO in July 2021.
3. C. Lorraine Pike ceased to be a director in January 2020.
4. Robert Nygren became a director in January 2020 and ceased to be a director in August 2021.
5. Ming Chiang became a director in February 2020 and ceased to be a director in June 2021.
6. Natasha Sever became a director in May 2021, and was appointed CFO in July 2021
7. Krystal Pineo became a director in June 2021.
8. David Greenway was appointed CEO and became a director in August 2021.

## ***OUTSTANDING SHARE DATA***

*Authorized share capital:*

Unlimited common shares without par value

*Issued and Outstanding:*

As of the date of this MD&A the Company has 84,353,772 common shares outstanding.

*Stock Options:*

As of the date of this MD&A the Company has 2,512,500 stock options issued and outstanding.

*Warrants:*

As of the date of this MD&A the Company has 19,019,590 warrants issued and outstanding in connection with the closing of the recent private placements.

## ***CONTINGENCIES***

Except for the commitments mentioned in Liquidity subsection (a), there is no other contingency outstanding as of date of this discussion.

## *SUBSEQUENT EVENTS*

Subsequent to December 31, 2021:

- On March 18, 2022 the Company granted 4,900,000 RSU's at $0.035 per common share for a fair value of $400,000.
- On March 23, 2022, the Company issued 4,900,000 common shares for a fair value of $400,000 on the March 18, 2022 RSU's grant of 4,900,000.
- On March 7, 2022, the Company issued 150,000 common shares on the 1,150,000 RSU grant for a fair value of $33,000.
- On March 22, 2022, the Company issued 375,000 common shares for a fair value of $82,500 on the 1,150,000 RSU grant.
- On March 28, 2022, the Company granted 5,100,000 RSU's at $0.030 per common share for a fair value of $153,000.
- On March 29, 2022, the issued 2,100,000 common shares for a fair value of $63,000 on the 5,100,000 RSU's granted on March 28, 2022.
- On March 30,2022, the Company issued 3,000,000 common shares for a fair value of $90,000 on the 5,100,000 RSU granted.
- On March 28, 2022, the Company granted 50,000 RSU's at $0.030 per common share for a fair value of $1,500 and also issued 50,000 common shares for a fair value of $1,500on the March 28, 2022 grant.

## ***INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)***

These Financial Statements are prepared in accordance and compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

The Financial Statements are presented in Canadian dollars, which is the Company's functional and reporting currency. The Financial Statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss, which are stated at their fair value.

## *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES*

Please see the Company's audited consolidated financial statements for the year ended December 31, 2021 and for the year ended December 31, 2020 for a summary of significant accounting policies and estimates.

## *RISKS AND UNCERTAINTIES*

### Plant Growing, Warehousing and Processing Industry

The warehousing and food processing industry involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the development of such facilities may result in substantial rewards, marketing will also play a significant role in developing the Company and its level of success. Major expenses may be required to establish the facilities to be accepted in the marketplace. It is impossible to ensure that the current facilities and market strategy planned by the Company will result in profitable commercial sales. Whether the Company will be commercially viable depends on a number of factors, some of which are the particular attributes of the industry the facilities is geared toward and the existing infrastructure, as well as competitors' strategies and market factors. Some of these factors are cyclical and government regulated, including regulations relating to agriculture and food processing procedures and protocols.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. Agriculture and food processing operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the public health sectors inherited in the agriculture and food processing industry. Although adequate precautions to minimize risk will be taken, operations are subject to hazards that are unforeseeable or beyond the company's control and their consequent liability.

Some of these risks include the following:

The Company is largely dependent on the success of constructing and marketing its warehousing and processing facilities and cannot be certain that its facilities will be successfully commercialized. The successful addition of food warehousing / processing facilities will provide additional There is no guarantee that it will ever have marketable facilities. There are risks in design, development and manufacture of agriculture and food warehousing / processing facilities which may have adverse effect on public's health.

If a significant portion of these development efforts are not successfully completed, required regulatory approvals are not obtained, or any approved facilities are not commercially successful, the company's business, financial condition, and results of operations may be materially harmed.

The Company's facilities may never achieve market acceptance even if the company obtains regulatory approvals.

The Company's activities are directed towards the warehousing and processing of food. There is no certainty that any expenditure to be made by the Company as described herein will result in market acceptance of the Company's facilities offerings. There is aggressive competition within the agriculture and food warehousing / processing marketplace. The Company will compete with other interests, many of which have greater financial resources than it will have for marketing towards target customers. Significant capital investment is required to achieve commercialization from the current start-up and development stage of the Company.

**Uncertainty Regarding Penetration of the Target Market**

The commercial success of the business of Feel, as compared with its competitors, depends on the acceptance by their potential clients or customers in the respective industries or sectors. Market acceptance will largely depend on the reputation, marketing strategy, and services and performance of Feel. The success of Feel will depend on the ability to commercialize its products and services and to expand their network clients or market share. Feel will need to expand its marketing and sales operations and establish business relations with other professional services providers and clients in a timely manner.

In order to meet their business objectives, Feel will have to ensure that its services are professional, reliable and cost-effective, and bring the expected return. There can be no assurance that the business and services of Feel will be accepted and recommended.

**Competition**

The agriculture and food warehousing / processing industries are competitive. Others in the field may have significantly more financial, technical, distribution and marketing resources. Technological progress and product development may cause the Company's services and facilities offerings to become obsolete or may reduce their market acceptance.

**Licenses, Patents and Proprietary Rights**

The Company's success could depend on its ability to protect its intellectual property, including trade secrets, and continue its operations without infringing the proprietary rights of third parties and without having its own rights infringed.

**Growth Management**

In executing the business plan of Feel for the future, there will be significant pressure on management, operations, and technical resources. Feel anticipates that its operating and personnel costs will increase in the future. In order to manage their growth, Feel will have to increase the number of its technical and operational employees and efficiently manage its employees, while at the same time efficiently maintaining a large number of relationships with third parties.

**Reliance on Key Personnel and Advisors**

Feel will rely heavily on its officers. The loss of their services may have a material adverse effect on the business of Feel. There can be no assurance that one or all of the employees of, and contractors engaged by, Feel will continue in the employ of, or in a consulting capacity to, Feel or that they will not set up competing businesses or accept positions with competitors. There is no

guarantee that certain employees of, and contractors to, Feel who have access to confidential information will not disclose the confidential information.

**Reliance on Joint Ventures, License Assignors and Other Parties**

The nature of the operations of Feel require them to enter into various agreements with partners, joint venture partners, other businesses partners, equipment suppliers in the business world, government agencies, licensors, licensees, and other parties for the successful operation of their businesses and the successful marketing of their services.

There is no guarantee that those with whom Feel need to deal will not adopt other services providers or that they will not develop alternative business strategies, acting either alone or in conjunction with other parties, including the competitors of Feel in preference to those of Feel.

**Government Regulation**

Although the activities of Feel are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development, marketing or commercialization.

In addition to various trade organizations that the Company will be subject to, the consumer agriculture and food warehousing / processing industry is subject to various federal, and provincial laws and regulations on, standards, claims, safety, efficacy and other matters from regulatory bodies such as Canadian Food Inspection Agency (CFIA), BC FoodSafe Program and the department of Health Protection in Fraser Health. Regulatory approvals by government agencies on the Company's facilities may be withheld or not granted at all and if granted may be subject to recalls which would materially affect the Company.

Although the Company's activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development, production, manufacture, product claims, marketing or commercialization. Amendments to current laws and regulations governing operations and activities of the consumer health industry or more stringent implementation thereof could have a substantial adverse impact on the Company.

**Uninsured Risks**

Feel may carry insurance to protect against certain risks in such amounts as they consider adequate. Risks not insured against include key person insurance, as Feel will heavily rely on its officers.

**Conflicts of Interest**

Certain directors of Feel also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving Feel will be made in accordance with their duties and obligations to deal fairly and in good faith with Feel and such

other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

**Negative Operating Cash Flows**

As Feel is at the early stage startup stage, it may continue to have negative operating cash flows. Without the injection of further capital and the development of revenue streams from their businesses, Feel may continue to have negative operating cash flows until it can be sufficiently developed to commercialize.

**Operating History and Expected Losses**

Feel expects to make investments in order to develop their services, increase marketing efforts, and improve their operations. As a result, startup operating losses are expected and such losses may be greater than anticipated, which could have a significant effect on the long-term viability of Feel.

**Risks Related as a Going Concern**

The ability of Feel to each continue as a going concern is uncertain and dependent upon their ability to achieve profitable operations, obtain additional capital, and receive continued support from their shareholders. Management of Feel will have to raise capital through private placements or debt financing and proposes to continue to do so through future private placements and offerings. The outcome of these matters cannot be predicted at this time.

**Potential Liability**

Feel is subject to the risk of potential liability claims with respect to their businesses. Should such claims be successful, plaintiffs could be awarded significant amounts of damages, which could exceed the limits of any liability insurance policies that may be held by Feel. There is no guarantee that Feel will be able to obtain, maintain in effect or increase any such insurance coverage on acceptable terms or at reasonable costs, or that such insurance will provide Feel with adequate protection against potential liability.

**Coronavirus Global Pandemic Risk**

In March 2020, the World Health Organization declared a global pandemic related to the virus known as COVID-19. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including the Company's. This outbreak could decrease spending, adversely affect demand for the Company's product and harm the Company's business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

With employees, partners and customers across multiple geographies, the Company's management continues to closely monitor developments surrounding the COVID-19 pandemic. The Company's focus is on the safety and well-being of its employees, customers, and partners, and is taking precautions to minimize the spread of COVID-19 in alignment with local government

policies and national and international agency recommendations. In consideration of this, interim arrangements have been made to ensure the maintenance of the Company's core operations despite the temporary reassignment of certain sales and contracting personnel.

## ***FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES***

During the period ended December 31, 2021, there has been no significant change in the Company's internal control over financial reporting since last reporting period.

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's unaudited condensed interim consolidated financial statements for the year ended December 31, 2021.

The Chief Executive Officer and Chief Financial Officer of the Company have filed the Venture Issuer Basic Certificate with the Interim Filings on SEDAR at www.sedar.com.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("**NI 52-109**"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI 52-109. 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 DC&P and ICFR as 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.

## ***OFFICERS AND DIRECTORS***

| | |
|---|---|
| David Greenway | CEO & Director |
| Bryce A. Clark | CFO & Director |
| Krystal Pineo | Director |