AVANT

October 13, 2021

Management Discussion & Analysis

For the Three and Nine Months Ended August 31, 2021

Third Quarter – August 31, 2021

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Avant Brands Inc. (formerly GTEC Holdings Ltd.) (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the period ended August 31, 2021. The MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the unaudited condensed interim consolidated financial statements for the period ended August 31, 2021 and 2020, together with the notes thereto and the audited annual consolidated financial statements of the Company for the years ended November 30, 2020 and 2019 together with the notes thereto. The results for the period ended August 31, 2021 are not necessarily indicative of the results that may be expected for any further period.

All financial information contained in this MD&A is current as of October 13, 2021 unless otherwise stated.

All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in thousands of Canadian dollars ("$"), except for share and per share calculations, references to $ millions, per gram ("g") or kilogram ("kg") of dried flower, unless otherwise stated.

Cautionary Statement Regarding Forward-Looking Information

This MD&A contains certain forward-looking information within the meaning of Canadian securities laws (collectively referred to herein as "forward looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. To the extent any forward-looking statements in this MD&A constitute "financial outlooks" within the meaning of applicable Canadian securities laws, the reader is cautioned that these statements may not be appropriate for any other purpose and the reader should not place undue reliance on such financial outlooks. Forward-looking statements are often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions.

Such forward-looking statements are based on numerous assumptions, including among others, the Company's expectations about the continued impact of the COVID-19 pandemic on the Company's operations and those of the Company's suppliers and distribution channels; the potential impact of the COVID-19 pandemic on the use of the Company's products; the Company's expectations with respect to its ability to sustain its growth trajectory; the Company's expectations with respect to its ability to maintain adequate capital resources and liquidity, including but not limited to, availability of sufficient cash flow, to execute the Company's business plan (either within the expected timeframe or at all); the Company's expectations regarding potential effects of judicial or other proceedings on the Company's business, financial condition, results of operations and cash flows; the anticipated effects of actions of third parties such as competitors, activist investors, federal, provincial, territorial or local regulatory authorities, self-regulatory organizations, plaintiffs in litigation or persons threatening litigation; the Company's expectations regarding the anticipated general economic, market, industry or business conditions; the Company's expectations regarding its ability to comply with applicable environmental, economic, health and safety, energy and other policies and regulations and, in particular, health concerns with respect to the use of cannabis; and the anticipated changes in regulatory requirements in relation to the Company's business and products.

Forward-looking statements are not guarantees of future performance, but are instead based on the reasonable assumptions and estimates of management of the Company at the time they are made and involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements contained in this MD&A. Such factors include, but are not limited to: COVID-19; liquidity and additional financing; reliance on licenses; regulatory risks; changes in laws, regulations and guidelines; limited operating history, history of losses, and no assurance of profitability; unfavourable publicity of consumer perception; competition; uninsured or uninsurable risk; key personnel; conflicts of interest; litigation; agricultural operations; transportation disruptions; fluctuating prices of raw materials; environmental and employee health and safety regulations; and political and economic instability. Additional factors that may cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements contained in this MD&A include the factors discussed in the section entitled "Risk Factors" herein and the section entitled "Risk Factors" in the Company's annual information form dated March 16, 2021.

Forward-looking statements contained herein are made as of the date of this MD&A and, other than as required by law, the Company disclaims any obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive and all forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements.

The forward-looking statements contained herein are based on information available as of October 13, 2021.

COMPANY OVERVIEW

Avant is an innovative leading producer of high-quality, handcrafted cannabis products. Avant has multiple licensed and operational production facilities across Canada, which produce Avant's premium consumer brands sold across medical and recreational channels in Canada.

Avant's recreational brand portfolio includes BLK MKT™, Tenzo™, Cognōscente™, Treehugger and Pristine™ Seeds, which are produced from unique cultivars, and sold in British Columbia, Ontario, Saskatchewan, Manitoba, Yukon and New Brunswick. Avant's medical cannabis brand, GreenTec™, is distributed nationwide, directly to qualified patients through its online portal and licensed partners.

Avant is a publicly traded corporation, listed on the Toronto Stock Exchange (TSX: AVNT), and trades on the OTCQX Best Market (OTCQX: AVTBF) and Frankfurt Stock Exchange (FRA: 1BUP). The Company is headquartered in Kelowna, British Columbia and has operations in British Columbia, Alberta and Ontario.

Key Corporate Highlights of the Third Quarter of 2021

- 3PL Ventures Inc, a purpose-built 60,000 sq. ft. facility received its Standard Cultivation, Standard Processing and Medical Sales Licences, in accordance with Health Canada's Cannabis Act and Regulations.
- Filed preliminary base shelf prospectus for up to an aggregate offering of $50 million. Once final and effective, it will provide the Company with the flexibility to take advantage of financing opportunities, should favourable market conditions arise, during the 25-month period that it remains active.
- Completed a full corporate rebrand to Avant Brands Inc.
- Graduated from the TSX Venture to the Toronto Stock Exchange.
- Graduated from the OTCQB Market to OTCQX Best Market.

Key Sales and Market Highlights of the Third Quarter of 2021

- Successfully initiated global cannabis exports, with first shipment of over 200 KG of dried cannabis to Focus Medical Herbs Ltd., a wholly owned subsidiary of IM Cannabis Corp. (NASDAQ: IMCC)
- Continued to build an international client portfolio by signing three additional export agreements with customers in Israel and Australia.
- Achieved a steady increase in B2C medical clients, while expanding the product offerings of cultivars.

Key Financial Highlights of the Third Quarter of 2021

- The Company's cash balance and working capital balance as at August 31, 2021 was $16.3 million and $26.7 million. The Company has no debt on its balance sheet as at August 31, 2021.
- Gross revenue of $3.1 million in Q3 2021 compared to $2.9 million in Q2 2021, representing an increase of 7% from the sale of 525 KG of cannabis. For the comparative Q3 2020, gross revenue was $2.4 million.
- Gross margin before fair value adjustments was $1 million, or 40% of net revenue in Q3 2021 compared to $961,000, or 39% of net revenue in Q2 2021. For the comparative Q3 2020, gross margin before fair value adjustments was $1.44 million, or 70% of net revenue.
- Recreational cannabis sales accounted for 71% of total sales during Q3 2021, compared to 92% in Q2 2021. For the comparative Q3 2020, recreational cannabis sales accounted for 96% of total sales.
- Positive cash flow from operations (before changes in non-cash working capital items) of $831,000 during Q3 2021, compared to negative cash flow from operations in Q2 2021 of 512,000, indicating significant growth within the operations. For the comparative Q3 2020, positive cash flow from operations was $738,000.
- Overall weighted average selling price of flower decreased by 20% to $5.78 per gram (with recreational cannabis average being $6.97, including excise tax) in Q3 2021 compared to $7.21 per gram (with recreational cannabis average being $7.37, including excise tax) in Q2 2021. For the comparative Q3 2020, the overall weighted average selling price of flower was $8.84 per gram (with recreational cannabis average being $9.29, including excise tax). The decrease in the weighted average selling price for the Q3 2021 is due to the Company's first international shipment of dried cannabis, which has a lower selling price over the recreational market.
- Operating expenses from continuing operations increased by 26% in Q3 2021 compared to Q2 2021 (excluding non-cash items such as depreciation, amortization, and share-based payments). For the comparative Q3 2020, operating expenses from continuing operations (excluding non-cash items such as depreciation, amortization, and share-based payments) increased 71%. The increase in operating expenses for Q3 2021 was due to various one-time non-reoccurring expenses such as the fees related to the TSX graduation, financings that occurred earlier in the year and the associated legal fees.
- Net loss from operations was $2.97 million in Q3 2021 compared to net loss from operations of $124,000 in Q2 2021, due to an unrealized loss of $2.3 million on changes in fair value of biological assets, which is considered a non-cash expense. The increase in the unrealized loss was due to the Company decreasing the fair value less cost to sell of flower, in order to be more consistent with the current weighted average selling prices that the Company is receiving for the product mix and various sales channels. In the comparative Q3 2020, the Company reported net income from operations of $19,000.
- Net loss and comprehensive loss for Q3 2021 was $2.69 million compared to a net loss and comprehensive loss of $1.68 million in Q2 2021. The increase in net loss for Q3 2021 was due to the unrealized loss of $2.3 million on changes in fair value of biological assets which is considered a non-cash expense, as well as, additional one-time non-reoccurring fees related to the TSX graduation,

financings and associated legal fees. For Q2 2021, the net loss includes a $1 million loss on extinguishment related to the repayment of debt. For the comparative Q3 2020, a net loss and comprehensive loss of $280,000 was reported.

- Adjusted EBITDA loss for Q3 2021 was $267,000 compared to adjusted EBITDA loss of $28,000 in Q2 2021. For the comparative Q3 2020, adjusted EBITDA of $560,000 was reported. (Note: Adjusted EBITDA is a non-GAAP performance measure. Refer to "Cautionary Statement Regarding Certain Non-GAAP Performance Measures" for further details).

Key Subsequent Events of the Third Quarter of 2021

- Enhanced the Company's portfolio of rare and unique cultivars, with the addition of over 80 genetics, most of which are not currently available within Canada's legal supply. The products are expected to launch under recreational brands BLK MKT, Cognoscente and Tenzo, during fiscal Q1 2022
- Executed manufacturing agreements with multiple extraction companies, leveraging the Company's cultivation expertise and brand equity, to execute its strategy within in the concentrate segment
- Entered into concentrates category with the debut of Tenzo Vapes
- Divested of its last non-core asset, Zenalytic Laboratories Ltd. for a combination of cash and stock, with an aggregate value of $300,000.

CORPORATE OUTLOOK

The Company achieved gross revenues of $3.1 million and net revenues of $2.7 million in Q3 2021, surpassing the sales established in Q2 2021. The primary driver of the strong Q3 sales results was a major export shipment to Israel, which accounted for 27% of gross sales. While the Company's medical sales also increased significantly in Q3 2021, this business is still emerging and accounts for less than 5% of total gross sales. Recreational sales remain Avant's primary focus and largest source of revenue; however, there is significant quarter-over-quarter volatility in these sales due to a variety of factors. Most notably, changes in Canadian provincial board listings, retail listings, pack formats and cultivars make this a highly complex channel. However, the Company is confident that its high-quality flower, innovative marketing and entrepreneurial culture will enable it to adapt to, and capitalize on, the industry dynamics and trends. Accordingly, the Company continues to enjoy strong demand for its recreational cannabis products and intermittently experiences temporary challenges filling orders for certain unique cultivars (e.g. MACFlurry) and innovative products (e.g. 1 gram BLK MKTTM pre-rolls) due to this demand.

The Company was successful in activating numerous growth catalysts in Q3 2021. Most notably, the licensing of Avant's 3PL facility in Vernon, British Columbia more than doubled the Company's capacity. Assuming a continuation of the Company's current capacity utilization (approximately 71% in the first nine months of fiscal 2021), this will translate into a significant increase in total output. The Company also anticipates that the recent expansion of its genetics library (from approximately 30 cultivars to approximately 80 cultivars) will facilitate increases in both sales, via the launch of leading-edge strains and output, by introducing strains that excel in terms of yield, cannabinoids, terpenes and 'bag appeal'.

The Company is pursuing a three-channel strategy (recreational, medical, export) to maximize sales and customer diversification going forward. For recreational, the Company is highly focused on brand development and product innovation. In some cases, the Company's product innovation process is driven by customer demand (e.g. requests from provincial buyers); however, in other instances it is driven by market research and consumer insights. The Company has also leveraged its cultivation expertise and brand equity by signing co-pack agreements with selected extraction companies. This facilitated the launch of the Company's first concentrate product (Tenzo™ vape cartridges) in September 2021. Concurrent with these efforts, the Company continues to seek ways to expand into new provincial markets, with a view to increase market penetration above the current level of 54% (being the approximate share of the total Canadian market represented by the Company's current recreational cannabis markets: Ontario, British Columbia, Saskatchewan, Manitoba, Yukon and New Brunswick).

The Company's initial shipment to Israel demonstrated its ability to acquire the necessary accreditation (ICANNGAP via IQC) and export processes (e.g. import & export permits; international logistics, etc.). More importantly, it illustrated that the competitive advantage generated by the Company's premium flower has potential to drive success in both domestic and overseas markets. Accordingly, after signing an agreement with Focus Medical Herbs Ltd., the Company executed three additional contracts with international clients based in Israel and Australia. In aggregate these export customers are generating robust demand for the Company's high-quality flower. Moreover, the Company is currently in discussions with additional potential export clients.

The Company launched its GreenTec Medical Cannabis E-Commerce site in February 2021. In doing so, the Company sought to differentiate itself from existing medical cannabis businesses through several strategies, including premium products, competitive pricing, low overhead costs and eschewing reliance on cannabis clinics as a source of clients. To-date, this strategy has worked very well, as reflected by steady growth in client count and revenues. The Company is now seeking to accelerate this growth by expanding its product offerings (currently 11 cultivars and 5 package format-size variants). Moreover, it is currently in the process of amending its Alberta Craft Cannabis Health Canada Processing Licence to facilitate the sale of concentrate products through both its medical and recreational channels.

Given that the Company is experiencing robust demand for its cannabis products, any increases in inventory tend to be temporary in nature. For example, in early 2021 the Company set aside over 200 KG of cannabis flower to fill its first shipment to Israel in August 2021. The Company has also experienced short-term build-up of small flower as it ramped up pre-roll production at its Alberta Craft Cannabis facility in Edmonton, Alberta. While the Canadian cannabis industry is highly competitive and suffers from a serious supply glut, Avant remains optimistic in its ability to fully utilize its cannabis output, while generating positive gross margins.

Overall, the Company is confident that the business developments outlined above will continue to drive positive cash flow from operations going forward. In this regard, the Company achieved positive cash flow from operations of $831,000 in Q3 2021. Furthermore, the activation of the 3PL facility provides the Company with an opportunity to increase cash flows through operating leverage (i.e. increasing sales at a rate that exceeds any increases in corporate overhead).

Cultivation Facilities

	AVANT CONSOLIDATED	ALBERTA CRAFT CANNABIS	GREY BRUCE FARMS INC.	TUMBLEWEED FARMS CORP.	GREENTECBIOPHARMCORP	3PL VENTURES INC.
Location	**Canada**	Edmonton Alberta	Tiverton Ontario	Chase B.C.	Kelowna B.C.	Vernon B.C.
Total Size (Sq ft)	**119,000**	14,000	15,000	10,000	20,000	60,000
Production Capacity (KG) [1]	**9,840**	1,200	1,640	1,000	2,150	6,000
Status		Complete	Complete	Complete	On hold	Complete
Licence(s)		Cultivation, Processing, Sales (Medical)	Cultivation, Processing	Cultivation Processing, Sales (Medical)	-	Cultivation Processing, Sales (Medical)

Note (1) Total Capacity of all operating facilities is projected to increase from 3,840 KG to 9,840 KG in 2021 – coincident with the licensing of 3PL Ventures Inc. This estimate is consistent with output of 200 to 236 grams per square foot of canopy space on an annualized basis (or approximately two pounds per light each harvest). The Company's share of the total output is 6,840 KG, due to its 49% ownership position in 3PL Ventures Inc.

Alberta Craft Cannabis Inc. ("ACC")

Alberta Craft Cannabis Inc. received its updated license from Health Canada under the Cannabis Act, permitting business-to-business ("B2B") cannabis sales on November 28, 2018. ACC received its Standard Processing License and Medical Sales License from Health Canada on July 26, 2019. This provides ACC with the ability to sell into provincial recreational supply chains and facilitates direct sales to medical cannabis clients. *(Note: Federally licenced producers must obtain approval from the applicable provincial government entities to access provincial recreational cannabis supply chains).*

ACC has a fully built and operational 14,000 square foot cannabis production facility capable of producing 1.2 million grams of dried cannabis flower annually. ACC is located in Edmonton, Alberta.

Grey Bruce Farms Incorporated ("GBF")

Grey Bruce Farms Incorporated received its Standard Cultivation License pursuant to the *Cannabis Act and Regulations* by Health Canada on July 5, 2019. GBF has a fully built and operational 15,000 square foot cannabis production facility capable of producing 1.64 million grams of dried cannabis annually. GBF is located in Tiverton (Kincardine), Ontario and the property sits on 6 acres of land with significant future expansion capabilities.

On October 23, 2020, GBF received Health Canada approval on the *'Application to Amend a Licence to Add Sale of Classes of Cannabis'*, in order to facilitate direct sales of dried cannabis to provincial liquor boards.

Tumbleweed Farms Corp. ("TWF")

Tumbleweed Farms Corp. received its Standard Cultivation, Standard Processing and Medical Sales Licences from Health Canada on August 16, 2019. TWF has a fully built and operational 10,000 square foot cannabis production facility which is currently producing approximately 1 million grams of dried cannabis flower annually. TWF is located in Chase, British Columbia and the property sits on 23 acres of land with significant future expansion capabilities.

On October 21, 2020, TWF received Health Canada approval on the *'Application to Amend a Licence to Add Sale of Classes of Cannabis'* to Health Canada, in order to facilitate direct sales of dried cannabis to provincial liquor boards.

3PL Ventures Inc. ("3PL")

The Company is in a joint venture with 3PL Ventures Inc., a privately-owned corporation incorporated in British Columbia. The Company owns 49% of 3PL, which is in development to become a licensed cultivation facility, under the Cannabis Act & Regulations. The first phase of this facility retrofit encompasses approximately 60,000 square feet. 3PL is projected to produce up to 6 million grams of cannabis annually.

On August 20, 2021, 3PL was issued Standard Cultivation, Standard Processing and Medical Sales Licenses, in accordance with Health Canada's Cannabis Act and Regulations.

GreenTec Bio-Pharmaceuticals Inc. ("GBP")

The GBP facility was originally intended to be 80,000 square feet with the first phase of development to be 20,000 square feet ("GBP Phase One"). The facility is located in Kelowna, British Columbia and was intended to serve as Avant's flagship cultivation facility.

Previously, the Company had anticipated completing the facility during the fourth quarter of 2019; however, after completing an extensive financial review, the Company suspended construction, in order to conserve capital for other priorities. The estimated cost to complete construction is approximately $4 million. As at the date of this MD&A, the Company has no specific timeline for re-starting the construction process; however, the Company has the resources required to bring this facility on stream if required to accommodate future sales growth.

Lab and Extraction Facilities

Zenalytic Laboratories Ltd. ("Zen Labs")

Zenalytic Laboratories Ltd. is a full-service chemical and microbiological diagnostics laboratory for soil, water, and cannabis. On July 13, 2018, Zen Labs received its Dealers License from Health Canada under the Narcotic Control Regulations. Under the Cannabis Act & Regulations Zen held both Analytical Testing and Processing Licences. However, Zen Labs elected to cancel its Processing Licence in October 2020.

Subsequent to the period ended August 31, 2021, on September 20, 2021, the Company sold Zen Labs, in order to focus on the Company's core competencies. The gross proceeds from the sale in aggregate was $300,000, of which $50,000 was received in cash and $250,000 of common shares of Lexston Life Sciences Corp. (CSE: LEXT).

Retail and Distribution

The Company has divested non-operational assets to strengthen its balance sheet, while focusing the organization's resources on the cultivation of premium indoor flower and its derivatives, with the mandate to establish long-term brand equity and consumer loyalty by marketing its premium quality cannabis products.

Following a strategic review, management concluded that the Company cannot generate adequate risk-adjusted returns in its retail cannabis operations. Moreover, the Company does not believe that it can achieve sustainable competitive advantage in the retail cannabis space, competing against larger competitors with a stronger presence in this sector. Accordingly, management has divested all of its retail assets.

1203648 B.C. Ltd.

In May 2019, the Company completed its acquisition of 1203648 B.C. Ltd. for an aggregate purchase price of $2,113,000, whereby the Company issued 3,438,333 common shares and paid $47,706 in cash consideration. Of the total common share issued, 1,719,167 were held in escrow and were to be released upon future events. As such, 1,719,167 common shares held in escrow were canceled during the year ended November 30, 2020.

On February 11, 2021, the Company sold the assets of 1203648 B.C. Ltd. for gross proceeds of $500,000.

GreenTec Retail SK Inc. ("GTEC Sask") - 75% Ownership

On November 29, 2019, the Company sold 100% of its interest in GreenTec Retail SK Inc. for total proceeds of $365,000, of which $66,700 was received in cash and $298,300 was settled through the issuance of a promissory note receivable due on March 1, 2020. Upon maturity of the note receivable, $290,000 was received in full satisfaction of the promissory note and a corresponding adjustment was made to the final purchase price to account for working capital adjustments after the close of the sale.

MARKET UPDATE

The Company is providing the following updates, by Provincial and Territorial markets:

British Columbia

The B.C. Liquor Distribution Branch ('BCLDB') was the Company's first major recreational customer, and it currently carries 13 Avant SKU's under the BLK MKT™ and Tenzo™ brands.

Alberta

In Alberta, the Company was unsuccessful in the process to become an approved supplier. The Company is exploring alternative means of supplying the Alberta market, including but not limited to, wholesale B2B and co-packing. Further, as announced on February 2, 2021, the Company is now supplying the Alberta market via its on-line medical cannabis portal (www.greentecmedical.ca).

Saskatchewan

The Company is currently shipping products into the Saskatchewan market via two wholesale distributors, in a manner that complies with the regulatory regime established by the Saskatchewan Liquor and Gaming Authority ('SLGA').

Manitoba

In August 2020, the Company received its first purchase orders from the Province of Manitoba. It subsequently commenced shipping products direct to Manitoba cannabis retail stores under the regulatory framework established by the Liquor, Gaming and Cannabis Authority of Manitoba ('LGCA').

Ontario

In August 2020, the Company commenced shipping products into the Ontario market via the Ontario Cannabis Store ('OCS'). The Company currently has 21 Avant SKU's listed at the OCS - under the BLK MKT™, Tenzo™, TreeHugger™, Cognoscente™ and Pristine™ brands. The OCS is currently the Company's largest recreational cannabis customer, by a significant margin.

Quebec

In September 2020, the Company applied to the Autorité des Marches Publics (the 'AMP') to facilitate cannabis products listings via the Société Québécoise du Cannabis (the 'SQDC'). On March 17, 2021, the AMP granted the Company's Grey Bruce Farms subsidiary approval to conduct business with Quebec government entities. The Company is now working to secure SQDC listings in order to facilitate supplying the Quebec recreational cannabis market.

New Brunswick

The Company made its first sale to Cannabis NB in August 2021 – establishing a foothold for future growth.

Yukon

In September 2020, the Company signed a Cannabis Purchase and Sale Agreement with the Yukon Liquor Corporation ('YLC') and subsequently commenced shipping into the Yukon territory.

Other Provinces & Territories

The Company is actively pursuing other markets in order to maximize sales and gross margin, while building brand equity on a national scale.

FINANCIAL INFORMATION

Quarterly Highlights

	Q3 2021	Q2 2021	% Change	Q3 2020	% Change
Revenue	$ 3,101	$ 2,904	7%	$ 2,400	29%
Excise tax	(371)	(446)	17%	(329)	-13%
Net Revenue	2,730	2,458	11%	2,071	32%
Gross margin before fair value adjustments (1)	1,095	961	14%	1,444	-24%
Gross margin % before fair value adjustments (1)	40%	39%	1%	70%	-30%
Gross margin	(1,206)	1,329	-191%	1,180	-202%
Operating expenses	1,765	1,453	21%	1,161	52%
Other income (expenses)	325	(1,420)	123%	(299)	209%
Net loss before income tax	(2,646)	(1,544)	-71%	(280)	95%
Adjusted EBITDA (2)	(267)	(28)	-854%	560	-148%
Kilograms of cannabis flower sold	525	394	33%	279	88%
Kilograms of cannabis produced	732	856	-14%	544	35%
Average recreational gross pricing per gram (3)	6.97	7.37	-5%	9.29	-25%
Weighted average gross pricing per gram (3)	$ 5.78	$ 7.21	-20%	$ 8.84	-35%

(1) Gross margin before fair value adjustments. Management determined that the exclusion of the fair value adjustment is an alternative representation of performance. The fair value adjustment is a non-cash gain (loss) and is based on fair market value less cost to sell.
(2) Adjusted EBITDA is a non-GAAP performance measure. Refer to ‘Cautionary Statement Regarding Certain Non-GAAP Performance Measures” for further details.
(3) Average recreational gross pricing per gram is calculated by determining the total recreational sales divided by the total number of recreational grams sold. The weighted average gross pricing per gram is calculated by determining the total flower sales divided by the total number of flower grams sold.

Operating Results

Three and Nine Months Ended August 31

	Three months ended		Nine months ended	
	2021	2020	**2021**	2020
Revenue	**$ 3,101**	$ 2,400	**$ 8,234**	$ 6,262
Excise taxes	**(371)**	(329)	**(1,076)**	(613)
Net revenue	**2,730**	2,071	**7,158**	5,649
Cost of sales	**1,635**	627	**4,291**	2,366
Gross margin before fair value changes	**1,095**	1,444	**2,867**	3,283
Unrealized (loss) gain on changes in fair value of biological assets	**(2,301)**	(264)	**(1,006)**	268
Gross margin	**(1,206)**	1,180	**1,861**	3,551
Operating expenses				
Administration and general	**87**	78	**212**	450
Business fees and licenses	**443**	136	**774**	373
Consulting fees	**77**	-	**258**	-
Depreciation and amortization	**187**	185	**567**	600
Depreciation, right-of-use asset	**40**	22	**147**	264
Management fees	**86**	47	**191**	165
Marketing and advertising	**26**	71	**149**	201
Professional fees	**302**	45	**786**	510
Salaries and wages	**466**	487	**1,291**	1,460
Share based payments	**25**	70	**150**	456
Travel	**26**	20	**62**	67
	1,765	1,161	**4,587**	4,546
Net (loss) income from operations	**(2,971)**	19	**(2,726)**	(955)
Other income (expense)				
Canadian emergency wage subsidy	**581**	-	**1,480**	-
Financing costs	**(16)**	(5)	**(71)**	(160)
Equity loss on investment in associate	**(240)**	(75)	**(516)**	(239)
Gain on sale of assets and investments	**-**	-	**500**	-
Non-refundable deposit	**-**	-	**25**	-
Loss on extinguishment of loan	**-**	-	**(1,024)**	-
Investment gain (loss)	**-**	(8)	**-**	253
Interest and accretion	**-**	(211)	**(1,103)**	(954)
Net loss from continuing operations	**(2,646)**	(280)	**(3,435)**	(2,095)
Net loss from discontinued operations	**(42)**	-	**(112)**	(143)
Net loss and comprehensive loss	**$ (2,688)**	$ (280)	**$ (3,547)**	$ (2,238)
Loss per common share				
Basic and fully diluted	**$ (0.01)**	$ 0.00	**$ (0.02)**	$ (0.02)

Revenue and Gross Margin

The Company recognized net revenue of $3.1 million in Q3 2021 compared to $2.4 million in Q3 2020 from the sale of 525 KG compared to 279 KG of cannabis. Gross margin before fair value adjustments was $1.1 million, or 40% of net revenue in Q3 2021 compared to $1.4 million, or 70% of net revenue in Q3 2020. The increase in revenue is due to the Company exporting its first international shipment, as well as continuing to fulfil demand in domestic markets. Additionally, 71% of total sales during Q3 2021 were from recreational cannabis sales into the provincial supply chain and through GreenTec Medical Cannabis E-Commerce Website, compared to 92% of total sales in Q3 2020. The remaining sales were to international and domestic wholesale customers or other licensed producers. Further, the Company's overall weighted average selling price decreased by 35% to $5.78 per gram (with recreational cannabis average being $6.97 per gram, including excise tax) in Q3 2021 compared to $8.84 per gram (with recreational cannabis average being $9.29 per gram, including excise tax) in Q3 2020. The decrease in the weighted average selling price is due to the international bulk shipment, and due to the Company implementing a repricing strategy in order to remain competitive within the industry.

Cost of Sales

Cost of sales increased to $1.64 million in Q3 2021 compared to $627,000 in Q3 2020. This increase is due to the Company selling more KG into the recreational market in Q3 2021 compared to Q3 2020. The Company also had a larger variety of SKUs in Q3 2021 (eg. Pre-Rolls), which results in increased labour and material costs as new packaging materials and vendors needed to be sourced. Cannabis operations cost of sales were comprised of the purchase of materials, testing, packaging, freight, wages and salaries including benefits, and an allocation of other operating expenses including facility overhead and depreciation costs. Additionally, unrealized loss on changes in fair value of biological assets increased to $2.3 million in Q3 2021 compared to $264,000 in Q3 2020. This increase is due to the Company decreasing the average fair value less cost to sell of flower from $5 per gram to a range of $3.44 per gram to $4.43 per gram, to be more consistent with current selling prices.

Operating Expenses

For Q3 2021, operating expenses from continuing operations increased by 52% over Q3 2020. The significant variances in operating expenses during Q3 2021 compared to Q3 2020 are as follows:

- Administration and general increased by $9,000 as there were various additional costs at each of the facilities related to strategic initiatives during the period.
- Business fees and licences increased by $307,000 due to increases in Cannabis annual regulatory fees and one-time TSX graduation fees.
- Consulting fees increased by $77,000 as there were various one-time fees incurred.
- Depreciation, right-of-use asset increased by $18,000 due to changes in capitalizing right-of-use assets as part of cost of goods sold and inventory.
- Management fees increased by $39,000 due to changes in classification of employees from salaries and wages to management fees.
- Corporate marketing and advertising expenses decreased by $45,000 as the Company executed various one-time marketing initiatives in the prior quarter.
- Professional fees increased by $257,000 due additional fees relating to the TSX graduation, financings and ongoing general legal.
- Salaries and wages decreased by $21,000 due to various changes in personnel, as well as a change in classification to management fees.
- Share based payments decreased by $45,000 due to a decrease in stock-based compensation grants and payments.

Other Income and Expense

Other income and expenses during Q3 2021 relate to the Company's investments, as well as one-time non-recurring transactions, as follows:

- Equity loss on investment in associate, relates to the Company's 49% ownership over 3PL. The Company records its investment in 3PL on the equity basis (see note 10 of the unaudited condensed interim consolidated financial statements).
- Financing costs relate to the Company adopting IFRS 16, which resulted in the recognition of lease liabilities and corresponding interest expense (financing costs).
- The Company qualified to receive the Canada Emergency Wage Subsidy ("CEWS") and applied to receive $597,162, with $15,932 relating to Zen Labs being recorded in income (loss) from discontinued operations.

Discontinued Operations

- On February 11, 2021, the Company sold the assets of 1203648 for gross proceeds of $500,000. The primary asset was a 4,000 square foot leased retail space, for which a right-of-use asset of $514,938 and a lease liability of $576,684 were recorded on the condensed interim consolidated statements of financial position. During the period ended August 31, 2021, a lease modification gain of $61,748 was included within the condensed interim consolidated statements of comprehensive income (loss) under net income from discontinued operations.

- During the nine months ended August 31, 2021, the Company decided to divest the of Zenalytic Laboratories. Accordingly, the assets have been classified as assets held for sale and have been included within the condensed interim consolidated statements of comprehensive income (loss) under net income from discontinued operations. Subsequent to the period ended, on September 20, 2021, the Company sold Zenalytic for gross proceeds of $300,000.

Summary of Quarterly Results

	Q3 21	Q2 21	Q1 21	Q4 20	Q3 20	Q2 20	Q1 20	Q4 19
Revenue	$ 3,101	$ 2,904	$ 2,229	$ 2,542	$ 2,400	$ 1,507	$ 2,354	$ 1,149
Excise tax	(371)	(446)	(259)	(284)	(329)	(261)	(23)	(21)
Net Revenue	2,730	2,458	1,970	2,258	2,071	1,246	2,331	1,128
Cost of sales	1,635	1,497	1,159	1,572	627	373	1,366	838
Gross margin before fair value adjustments	1,095	961	811	686	1,444	873	965	290
Unrealized (loss) gain on changes in fair value of biological assets	(2,301)	368	927	1,915	(264)	654	(122)	(989)
Gross margin	(1,206)	1,329	1,738	2,601	1,180	1,527	843	(699)
Operating expenses	1,765	1,453	1,370	1,324	1,161	1,724	1,658	1,872
Net (loss) income from operations	(2,971)	(124)	368	1,277	19	(197)	(815)	(2,571)
Other income (expense)	325	(1,420)	(115)	(7,727)	(299)	(581)	(222)	361
Net (loss) income before income tax	(2,646)	(1,544)	253	(6,450)	(280)	(778)	(1,037)	(2,210)
Deferred income tax	-	-	-	(1,199)	-	-	-	74
Net (loss) income from continuing operations	(2,646)	(1,544)	253	(7,649)	(280)	(778)	(1,037)	(2,136)

Revenues increased over the last two quarters as the Company successfully executed its three-channel strategy (recreational, medical, export) including its first international shipment in August 2021. Over the past two quarters, the Company also eliminated its dependence on B2B bulk sales, essentially exiting a highly commoditized, low margin business segment. During Q3 2021, the Company decreased its accounting assumptions with respect to net realizable value, in order to be more consistent with the current weighted average selling price. This change increased the unrealized loss on changes in fair value of biological assets over the prior quarters. Additionally, during Q4 2020, the Company recorded an impairment on the goodwill and intangible assets, which is out of the normal course of operations, in comparison to the other quarters.

LIQUIDITY AND CAPITAL RESOURCES

The following table provides a summary of the Company's cash flows for three and nine months ended August 31.

	Three months ended		Nine months ended	
	2021	**2020**	**2021**	**2020**
Cash from/used in operating activities				
- Before changes in non-cash working capital items	**831**	**738**	**1,001**	**748**
- After changes in non-cash working capital items	**(879)**	**587**	**(4,094)**	**(223)**
Cash flows from/used for investing activities	**(408)**	**(372)**	**(1,244)**	**(358)**
Cash flows from/used in financing activities	**(48)**	**(114)**	**21,059**	**(897)**
Net cash (outflows) inflows	**(1,335)**	**101**	**15,721**	**(1,478)**
Cash and cash equivalents	**16,346**	**491**	**16,346**	**491**

Financing

Management intends to finance operating costs over the next twelve months with current cash on hand and cash flow from operations. During the period ended August 31, 2021, the Company announced the closing of a bought deal public offering (the "Offering") of units for gross proceeds of $23,000,000, issuing 28,750,000 units at a price of $0.80 per unit. The Company used part of the proceeds to repay all existing debt obligations on its balance sheet.

The table below describes the differences between the Company's anticipated use of the net proceeds from the Bought Deal Offering as described in the final prospectus dated March 23, 2021 (the "**Final Prospectus**") and the Company's actual use of the net proceeds:

	Original Allocation of Use of Proceeds	**Approximate Actual Expenditures (to August 31, 2021)**	**Remaining Proceeds(2)**
Indebtedness	7,500,000	6,333,142	1,166,858
Increased Operational Capacity	1,000,000	Nil	1,000,000
Product Development	2,800,000	300,000	2,500,000
Capital Expenditures	4,000,000	500,000	3,500,000
International Expansion	500,000	Nil	500,000
Working Capital	4,249,454	1,500,000	2,749,454
	20,049,454(1)	**8,633,142**	**11,416,312**

Notes:

1. Includes the full $2,820,000 received by the Company on exercise of the over-allotment option, which was allocated to working capital as described in the Final Prospectus.
2. The Company does not anticipate any changes to the intended use of proceeds.

Liquidity and Capital Recourses

The Company manages its capital structure based on the funds available to the Company for operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as shareholders' equity. The Company has historically relied on the equity markets and debt financing to fund its activities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Summary of Debt Transactions

During the year ended November 30, 2020, the Company fully repaid its $5,000,000 senior secured convertible debenture holder, MMCAP Canadian Fund LP, which at the time of repayment on June 8, 2020, had a principal and interest balance of $3,838,736.

On June 8, 2020, the Company closed a non-brokered senior secured debt financing of $3,950,000 with NFS Leasing Canada Ltd. Proceeds from the financing were used to repay MMCAP Canadian Fund LP, the existing senior secured convertible debenture (see notes 13 and 14 of the condensed interim consolidated financial statements). The financing will bear an annual interest rate of 18%. In connection with the financing, 2,135,135 common shares were issued at $0.185 per share, which will be subject to a three-year release schedule, with 355,856 shares being released each six-month period. No other broker fees or broker warrants were issued in connection with the financing.

On October 16, 2020, the Company made an early principal repayment of $301,698 to NFS Leasing Canada Ltd., reducing the principal balance to $3,648,302.

On October 30, 2020, the Company closed a non-brokered senior secured debt financing with NFS Leasing Canada Ltd. in the amount of $2,300,000. The financing will bear an annual interest rate of 16%. In connection with the financing, the Company will issue common shares valued at $230,000, which will be subject to a three-year release schedule, with 403,508 shares being released each six-month period. In addition, the Company will issue 6,900,000 common share purchase warrants. The warrants will have an expiration date of three years from the date of issuance. The exercise price of the warrants will be as follows: (i) 2,300,000 warrants at an exercise price of $0.10; (ii) 2,300,000 warrants at an exercise price of $0.15; and (iii) 2,300,000 warrants at an exercise price of $0.25. No other broker fees or brokers warrants were issued in connection with the Financing

On October 30, 2020, the Company amended its unsecured Convertible Promissory Note with Invictus MD Strategies Corp., which was to mature on October 17, 2020. The amended principal terms of the note are as follows: (i) principal repayment of $510,000 due on October 30, 2020; (ii) annual interest rate to increase from 8% to 10% on the remaining principal balance of $1,990,000; (iii) amended maturity date to February 28, 2022, with certain months being interest-only payments and others being principal plus interest, such that the note will have been fully repaid upon the maturity date; (iv) amend price of conversion from $1.50 to (a) $0.35 per share on the first $250,000 of the outstanding principal balance and (b) $0.55 per share on the remaining principal balance outstanding at the time of conversion; (v) the Promissory Note will remain unsecured.

During the period ended August 31, 2021, Invictus converted $1,990,000 of the outstanding principal balance at a conversion price of $0.35 for the first $250,000 and $0.55 for the remaining balance. The Company issued 3,650,646 common shares.

On April 9, 2021, the Company made an early principal repayment of $5,948,302 to NFS Leasing Canada Ltd., reducing the principal balance on the Promissory Notes to $Nil. In connection with the repayment of the full outstanding principal balance, the Company paid $378,839, as part of the terms of the agreement, upon an early repayment.

As at the date of this MD&A, the Company had a cash balance of approximately $15.4 million.

FINANCIAL POSITION

The following table provides a summary of the Company's financial position as at August 31, 2021 and August 31, 2020.

		August 31, 2021		August 31, 2020
Total assets	**$**	**57,798**	$	45,888
Total liabilities		**2,933**		10,762
Share capital		**99,255**		68,312
Deficit	**$**	**(44,390)**	$	(33,186)

ADJUSTED EBITDA (NON-IFRS PERFORMANCE MEASUREMENT)

This is a non-IFRS measure and the Company calculated adjusted EBITDA from continuing operations as net income (loss) before interest expense, income taxes, depreciation and amortization, unrealized gain (loss) on changes in fair value of biological assets, equity loss on investment in associate, share based payments, finance costs and certain one-time income or expenses.

Management determined that the exclusion of the fair value adjustment is an alternative representation of performance. The fair value adjustment is a non-cash gain (loss) and is based on fair market value less cost to sell. The most directly comparable measure to adjusted EBITDA (excluding fair value adjustment to biological assets and inventory) calculated in accordance with IFRS is net income (loss) from continuing operations.

The following table provides a summary of the Company's adjusted EBITDA for the period ended August 31, 2021 compared to the prior Q2 2021 and the prior year Q3 2020.

		Q3 2021		**Q2 2021**		**Q3 2020**
Net income (loss) from continuing operations	**$**	**(2,646)**	$	**(1,544)**	$	(280)
Depreciation and amortization		**309**		**165**		185
Depreciation, right of use asset		**69**		**37**		22
Equity loss on investment in associate		**240**		**146**		75
Financing costs		**16**		**18**		5
Loss (gain) on sale of assets or investments		**-**		**-**		8
Canadian emergency wage subsidy		**(581)**		**(383)**		-
Interest and accretion		**-**		**1,664**		211
Share based payments		**25**		**49**		70
Non-refundable deposit		**-**		**(25)**		-
Impairment of inventory (1)		**-**		**213**		-
Unrealized (gain) loss on changes in fair value of biological assets		**2,301**		**(368)**		264
Adjusted EBITDA	**$**	**(267)**	$	**(28)**	$	560

(1) Refer to note 7 of the condensed interim consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT – SEGMENTED

The following table provides a summary of the Company's segmented property, plant, and equipment as at August 31, 2021:

	ACC	Grey Bruce	Tumbleweed	GBP	Corporate	TOTAL
Land	-	195	160	19	974	**1,348**
Buildings	-	3,994	391	-	-	**7,885**
Growing & processing equipment	1,014	1,100	485	1,139	49	**3,786**
Other	420	1	13		47	**481**
Construction in process	-	-	-	3,025	-	**3,025**
	1,434	**5,290**	**4,544**	**4,183**	**1,070**	**16,525**

SHAREHOLDERS' EQUITY

As of the date of this MD&A, the Company has 199,591,886 common shares issued and outstanding; 36,816,500 share purchase warrants and 4,182,500 share options vested and exercisable into common shares.

Escrow shares

As at August 31, 2021 there were 4,038,745 common shares held in escrow. The following is a summary of escrow shares to be released:

Escrow release date	Escrow shares to be released (000's)	Balance (000's)
October 31, 2021	404	3,635
December 8, 2021	356	3,279
April 30, 2022	404	2,875
June 8, 2022	356	2,519
October 30, 2022	404	2,115
December 8, 2022	356	1,759
April 30, 2023	404	1,355

Of the common shares held in escrow summarized in the table above, as at August 31, 2021 there were:

i. 1,357,142 common shares held in escrow pursuant to an agreement with a consulting firm to facilitate the acquisition and cultivation of cannabis genetics, which will be released contingent upon the occurrence of future events.

ii. 1,067,567 common shares held in escrow pursuant to the debt financing described in note 14 of the condensed interim consolidated financial statements, which are subject to a three-year release schedule, with 355,856 shares being released each six-month period.

iii. 1,614,036 common shares held in escrow pursuant to the debt financing described in note 14 of the condensed interim consolidated financial statements, which are subject to a three-year release schedule, with 403,508 shares being released each six-month period.

Share purchase warrants

As at August 31, 2021, the following share purchase warrants were outstanding:

Number of share purchase warrants (000's)	Exercise price per share		Expiry date
6,772	$	0.30	March 8, 2024
1,294	$	0.80	March 30, 2024
28,750	$	1.04	March 30, 2024
36,816			

Stock options

At August 31, 2021, the following stock options were outstanding:

Number of shares (000`s)	Vested (000`s)	Exercise price per share C$	Expiry date
645	645	$0.30 - $1.07	Jan-Dec 2021
850	850	$0.14 - $0.70	Jan-Dec 2022
300	250	$0.30 - $0.78	Jan-Dec 2023
2,387	1,937	$0.30 - $0.78	Jan-Dec 2024
4,182	**3,682**		

RELATED PARTY TRANSACTIONS

Key management compensation

All transactions with related parties have occurred in the normal course of operations. Key management is comprised of directors and executive officers.

Key management compensation for three and nine months period ended August 31 consisted of the following:

		Three months ended			Nine months ended		
		2021	2020		**2021**		2020
Salaries and wages	**$**	**156**	179	**$**	**500**	$	502
Director fees		**127**	-		**157**		30
Share-based payments (1)		**24**	-		**74**		-
	$	**307**	179	**$**	**731**	$	532

(1) Share-based payments are the fair value of options granted and vested to key management of the Company under the Company's stock option plan.

Related party balances

As at August 31, 2021, accounts payable included $Nil (November 30, 2020: $46,831) which was due to the Company's Vice President and Director, Mr. Michael Blady ("Mr. Blady") in connection with management services and advances made to the Company.

As at August 31, 2021, accounts payable included $44,384 (November 30, 2020: $60,000) which was due to directors of the Company in connection with directors' fees.

As at August 31, 2021, $Nil (November 30, 2020: $213,646) was due to the Company's Vice President and Director, Mr. Blady, for advances made to the Company during the year. The amount is unsecured, non-interest bearing and due on demand.

As at August 31, 2021, $Nil (November 30, 2020: $387,942) was due to the Company's Chief Executive Officer, Mr. Norton Singhavon ("Mr. Singhavon") for advances made to the Company during the year. The amount was unsecured, non-interest bearing and due on demand.

Related party transactions

During the period ended November 30, 2017, GreenTec Holdings Ltd. entered into share purchase agreements to purchase 100% interest in Grey Bruce Farms Incorporated ("Grey Bruce"), 1118157 B.C. Ltd. ("1118 BC"), Zenalytic Laboratories Ltd. ("Zenalytic") and GreenTec Bio-Pharmaceuticals Inc. ("Bio-Pharma"). Each one of these entities was under common control with Mr. Singhavon and/or Mr. Blady. Certain milestones within these agreements remain outstanding and are disclosed under note 21 of the unaudited condensed interim consolidated financial statements for the period ended August 31, 2021.

COMMITMENTS

The Company has the following outstanding commitments based on achieving certain milestones.

Grey Bruce Farms

During the year ended November 30, 2020, the Company entered into an amending agreement dated March 13, 2020, amending certain terms and conditions of the definitive share purchase agreement, dated September 15, 2017, which have been replaced by the following achievement of certain milestones.

Trigger event		
Upon Grey Bruce's first harvest having passed quality assurance and quality control tests as set out by Health Canada **(Completed)**		105
Upon Grey Bruce's second harvest having passed quality assurance and quality control tests as set out by Health Canada **(Completed)**		105
Upon Grey Bruce's third harvest having passed quality assurance and quality control tests as set out by Health Canada **(Completed)**		105
Upon Grey Bruce's fourth harvest having passed quality assurance and quality control tests as set out by Health Canada **(Completed)**		105
Upon Grey Bruce's fifth harvest having passed quality assurance and quality control tests as set out by Health Canada, but no earlier than June 30, 2020 **(Completed)**		105
Upon Grey Bruce obtaining either a sales license (medical) or a processing license (standard), but no earlier than December 31, 2020 **(Completed)**		438
Upon Grey Bruce having sold 1,500 kg of dry cannabis		1,000
	$	**1,963**

In addition to the above, the amending agreement raised the floor price of the common shares in the capital of the Company to be issued to the vendors of Grey Bruce Farms (excluding Mr. Singhavon).

The number of common shares issuable upon the occurrence of future events are to be based on the greater of (A) the then ten-day volume-weighted average trading price of the Company's common share and (B) the last commercial financing undertaken by the Company, currently $0.80 per common share of the Company. Mr. Singhavon has also agreed to raise the floor price of the Common Shares to be issued in connection with the Cannabis Sales Milestone to a deemed price per share equal to the greater of (A) the 10-day volume-weighted average trading price of the Common Shares, and (B) $1.00. In consideration for entering into the Amending agreement the Company has agreed to pay the vendors a one-time cash payment of $25,010 of which Mr. Singhavon will receive $10.

During the year ended November 30, 2020, Grey Bruce completed five harvests that have passed quality assurance and quality control tests as set out by Health Canada, thereby triggering the contingent consideration which became payable. The Company has issued 954,545 common shares valued at $136,500 in satisfaction with the above mentioned five harvests.

Additionally, during the period ended August 31, 2021, the company issued 795,454 common shares at a deemed price of $0.55 per common share in connection with the achievement of certain milestones.

Further, the Company intends to issue the Company's Chief Executive Officer and Director, Mr. Singhavon such number of common shares equivalent to a value of $1,000,000, upon the sale of 1,500 kg of dry cannabis, in lieu of the original entitlement of $1,787,500. This reduces the amount owing as Mr. Singhavon was owed approximately 65% of the remaining contingent consideration.

In connection with the achievement of certain milestones under the original agreement, the Company paid $250,000 to the vendors of Grey Bruce on May 6, 2019, and also issued 2,222,222 common shares valued $1,000,000 on July 8, 2019.

GreenTec Bio-Pharmaceuticals Inc.

As at August 31, 2021, the Company has committed to issue common shares valued at $2,500,000 contingent on future events as follows:

Trigger event		
Completion of GBP construction of a Health Canada approved cannabis production facility in compliance with the CA&R		500
GBP obtaining a license to sell cannabis under the CA&R		500
GBP having sold an aggregate of 3,000 kg of dried cannabis		750
GBP completing construction of an expansion to its production facility to increase production by at least 8,500 kg per annum and receiving an amendment to its production and sales licenses		750
	$	**2,500**

During the year ended November 30, 2020, on March 13, 2020, the Company entered into an amending agreement with the vendors of GBP amending certain terms and conditions of the definitive share purchase agreement, dated November 15, 2017.

The vendors of GBP agreed to reduce their entitlement to a portion of the purchase price such that the remaining payment obligations of the Company in connection with the acquisition of GBP are reduced by $5,750,000. In addition to reducing the milestone payments, the vendors of GBP agreed to restructure the remaining milestones, as shown in the above table and raise the floor price of the Common Shares to be issued in connection with the new milestones to a deemed price per share equal to the greater of (A) the 10-day volume-weighted average trading price of the Company's common shares, and (B) $1.00. Of the $5,750,000 reduction to the Company's payment obligations, $5,615,000 of the remaining milestone payments was waived by Mr. Singhavon.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make certain estimates and apply judgment affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period.

The areas involving higher degrees of judgement, or areas where assumptions and estimates are significant to the financial statements are:

Biological assets and inventory
In calculating the value of the biological assets and inventory, management is required to make a number of estimates, including estimating the stage of growth of the cannabis up to the point of harvest, harvesting costs, selling costs, sales price, wastage and expected yields for the cannabis plant. In calculating final inventory values, management is required to determine an estimate of spoiled or expired inventory and compares the inventory cost to estimated net realizable value.

Estimated useful lives and impairment considerations
Depreciation and amortization of property, plant and equipment and intangible assets are dependent upon estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Business combinations
Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values. In determining the allocation of the purchase price in a business combination, including any acquisition related contingent consideration, estimates including market based and appraisal values are used. The contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Investments in associates
Management exercises judgment in determining whether the Company has acquired significant influence over an entity. An assessment of significant influence is performed at the inception of a relationship between any entity and the Company. When performing this assessment, the Company considers all facts and circumstances, and it must reassess whether it still has significant influence over an investee if facts and circumstances indicate there are changes to one or more of the conditions of significant influence.

Share-based compensation and warrants
In calculating the share-based compensation expense, key estimates such as the rate of forfeiture of options granted, the expected life of the option, the volatility of the Company's stock price and the risk-free interest rate are used. In calculating the fair value of the warrants, the Company includes key estimates such as the volatility of the Company's stock price, the value of the common share, and the risk-free interest rate.

Deferred tax assets and liabilities
The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assess whether it is probably that some or all of the deferred income tax assets and liabilities will be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Discount rate used for convertible debentures
The carrying value of the convertible debentures is subject to management's estimates in determining an appropriate discount rate based on similar instruments with no conversion features.

Going concern
Management applies judgment in its evaluation of the Company's ability to continue as a going concern.

ADOPTION OF NEW ACCOUNTING POLICIES

A number of new standards and amendment to standards and interpretations, are not yet effective for the nine months ended August 31, 2021 and have not been applied in preparing the condensed interim consolidated financial statements. The new standards are either not applicable or are not expected to have a significant impact on the Company's condensed interim consolidated financial statements.

FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity and equity price risk).

The Company's management team carries out risk management with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

The Company's financial instruments consist of cash, receivable and accounts payable. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values.

Market Risk
Market risk is the risk that the fair value of future cash flows will fluctuate due to changes in market prices. Market prices are comprised of three types of risk: foreign currency risk, interest rate risk, and commodity price risk.

Foreign Currency Risk
The Company operates primarily in Canadian dollars and as such is not affected by the fluctuations of the Canadian dollar with other currencies.

Interest Rate Risk
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's current policy is to invest excess cash in certificates of deposit or interest-bearing accounts of major Canadian chartered banks. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its financial institutions.

Cash is subject to floating interest rates. Sensitivity to a plus or minus 1% change in interest rates would not have a material impact on the reported consolidated net income (loss) and comprehensive consolidated net income (loss) for the period.

Commodity Price Risk
The Company is exposed to price risk with respect to commodity prices of cannabis. As a result, commodity price risk may affect the Company's ability to operate profitably, completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Credit Risk
Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash. At present, the Company holds its cash in Canadian rated financial institutions and will only consider investment of excess cash in highly rated government and corporate debt securities or guaranteed certificates from Canadian chartered banks. The Company has established guidelines, including diversification, credit ratings and maturities, to ensure safety and liquidity of its cash.

As at August 31, 2021, the Company's exposure is the carrying value of the financial instruments. The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Currency Risk
The Company operates primarily in Canadian dollars and as such is not affected by the fluctuations of the Canadian dollar with other currencies.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, the Board of Directors considers securing additional funds through issuances of equity and debt or partnering transactions. The Board of Directors approves any material transactions outside the ordinary course of business. Management regularly reviews the Company's operating and capital budgets and maintains short-term cash flow forecasts.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

Maturity Risk

1. The Company's cash and cash equivalents balance at August 31, 2021 was in the amount of $16,346,427. At August 31, 2021, the Company had accounts receivable of $3,096,257, accounts payable and accrued liabilities of $1,041,861, current lease liabilities of $307,450 and long term lease liabilities of $387,316. All accounts payable and accrued liabilities are current.
2. As at August 31, 2021, the Company did not have derivative financial liabilities with contractual maturities.
3. Management of liquidity risk: Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses and commitments for a period of 90 days. To achieve this objective, the Company prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary.

The following table summarizes the maturities of the Company's financial liabilities as at August 31, 2021 based on the undiscounted contractual cash flows:

	Carrying value	Principal amount	Less than 1 year	1 - 5 years
Accounts payable	$ 1,040	$ 1,040	$ 1,040	$ -
Lease liabilities	694	827	402	427
	$ 1,734	**$ 1,867**	**$ 1,442**	**$ 427**

CAUTIONARY STATEMENT REGARDING CERTAIN NON-GAAP PERFORMANCE MEASURES

This MD&A contains certain financial performance measures that are not recognized or defined under IFRS (termed "Non-GAAP Measures"). As a result, this data may not be comparable to data presented by other licensed producers and cannabis companies. For an explanation of these measures to related comparable financial information presented in the unaudited condensed interim consolidated financial statements prepared in accordance with IFRS, refer to the discussion below. The Company believes that these Non-GAAP Measures are useful indicators of operating performance and are specifically used by management to assess the financial and operational performance of the Company. These Non-GAAP Measures include, but are not limited, to the following:

- Adjusted EBITDA is a measure of the Company's financial performance. It is intended to provide a proxy for the Company's operating cash flow and is widely used by industry analysts to compare the Company to its competitors and derive expectations of future financial performance of the Company. Adjusted EBITDA increases comparability between comparative companies by eliminating variability resulting from differences in capital structures, management decisions related to resource allocation, and the impact of fair value adjustments on biological assets and inventory, which may be volatile on a period to period basis. Adjusted EBITDA is not a recognized, defined, or standardized measure under IFRS. The Company calculates Adjusted EBITDA as net income (loss) before income taxes from continuing operations, excluding interest expense, income taxes, depreciation and amortization, unrealized gain (loss) on changes in fair value of biological assets, equity loss on investment in associate, share based payments, finance costs and certain one-time income or expenses.

RISK FACTORS

This section discusses factors relating to the business of the Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

COVID-19
The Company's business is dependent on a number of key supply chains which could be adversely disrupted by a number of factors including, among others, major health issues or pandemic. In particular, major health issues and pandemics, such as the global impact of COVID-19. Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the impact of the COVID-19 outbreak on the Company's business, which may be adversely affected or cause disruption. These risk factors are out of the Company's control.

Liquidity and Additional Financing
The Company has limited financial resources and revenues. There can be no assurance that additional funding will be available to it for further development of its assets or to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, 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. Failure to obtain such additional financing could cause the Company to reduce or terminate its operations.

Reliance on Licenses
The Company's ability to grow, store cannabis in Canada is dependent on maintaining its license with Health Canada. All licenses are, or will be, subject to ongoing compliance and reporting requirements. Failure to comply with the requirements of the licenses, to maintain its licenses, and to renew the licenses after their expiry dates would have a material adverse impact on the business, financial condition and operating results of the Company.

Although the Company believes that it will meet the requirements of the CA&R for future extensions or renewals of any required licenses, there can be no assurance that Health Canada will extend or renew the licenses or, if extended or renewed, that it will be extended or renewed on the same or similar terms. Should Health Canada not extend or renew existing licenses should it renew existing license on different terms, or should it refuse applications for new licenses, the business, financial condition and operating results of the Company would be materially adversely affected.

Regulatory Risks
The activities of the Company are subject to regulation by governmental authorities, particularly Health Canada. Achievement of the Company’s business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the future sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Company’s business, results of operations and financial condition.

Change in Laws, Regulations and Guidelines
The Company’s business is subject to particular laws, regulations, and guidelines. The production and distribution of cannabis is a highly regulated field, and although the Company intends to comply with all laws and regulations, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of the Company may cause adverse effects to its operations.

Limited Operating History, History of Losses, and No Assurance of Profitability
The Company was incorporated and began operations in June 2017 and as of the date of this MD&A had not generated material revenue from the sale of its products or services. The Company is subject to all of the business risks and uncertainties associated with any early-staged enterprise, including under-capitalization, cash shortages, limitation with respect to personnel, financial and other resources, and lack of revenues.

The Company has incurred operating losses in recent periods. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company’s revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable. There is no assurance that the Company will be successful in achieving a return on shareholders’ investments and the likelihood of success must be considered in light of the early stage of operations.

Unfavourable Publicity or Consumer Perception
The success of the cannabis industry may be significantly influenced by the public’s perception of cannabis’s medicinal and recreational applications. Cannabis is a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to cannabis will be favourable. The cannabis industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for cannabis is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of cannabis may have a material adverse effect on our operational results, consumer base and financial results.

Competition
Health Canada has issued numerous licences under the Cannabis Act & Regulations. Accordingly, a large number of licensed cannabis companies are currently operating in the Canadian recreational and medical cannabis markets. This has resulted in a highly competitive marketplace, with a significant number of companies dealing with major solvency issues. Moreover, legal cannabis companies face ongoing competition from illicit cannabis operations (commonly referred to as the ‘black market’ and/or ‘grey market’). In summary, the Company faces intense competition from various sources, and recognizes that many of its competitors are larger and better financed.

Uninsured or Uninsurable Risk
The Company may become subject to liability for risks against which it cannot insure or against which the Company may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company’s usual business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company’s financial position and operations.

Key Personnel
The Company’s success will depend on its directors’ and officers’ ability to develop and execute on the Company’s business strategies and manage its ongoing operations, and on the Company’s ability to attract and retain key quality assurance, scientific, sales, public relations and marketing staff or consultants. The loss of any key personnel or the inability to find and retain new key persons could have a material adverse effect on the Company’s business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that the Company will be able to attract or retain key personnel in the future, which may adversely impact the Company’s operations.

Conflicts of Interest
Certain of the Company’s directors and officers are also directors and operators in other companies. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers’ conflict with or diverge from the Company

interests. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract.
In addition, the directors and the officers are required to act honestly and in good faith with a view to the Company's best interests. However, in conflict of interest situations, the Company's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Company.

Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Company.

Litigation
The Company may become party to litigation, mediation and/or arbitration from time to time in the ordinary course of business, which could adversely affect its business. Monitoring and defending against legal actions, whether or not meritorious, can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant and we could, in the future, be subject to judgments or enter into settlements of claims for significant monetary damages.

While the Company has insurance that may cover the costs and awards of certain types of litigation, the amount of insurance may not be sufficient to cover any costs or awards. Substantial litigation costs or an adverse result in any litigation may adversely impact the Company's business, operating results or financial condition.

Agricultural Operations
Since the Company's business will revolve mainly around the growth of agricultural products, the risks inherent with agricultural businesses will apply. Such risks may include disease and insect pests, among others. Although the Company expects to grow its product in climate controlled, monitored, indoor locations, there is no guarantee that changes in outside weather and climate will not adversely affect production.

Transportation Disruptions
The Company will depend on fast, cost-effective and efficient transportation services to distribute its product. Any prolonged disruption of these services could have an adverse effect on the financial condition and results of operations of the Company. Rising costs associated with transportation services used by the Company to ship its products may also adversely impact the business of the Company and its ability to operate profitably.

Fluctuating Prices of Raw Materials
The Company revenues, if any, are expected to be in large part derived from the production, sale and distribution of agricultural products or products related to the growth of such agricultural products. The price of production, sale and distribution of these products will fluctuate widely and is affected by numerous factors beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new production and distribution developments and improved production and distribution methods. The effect of these factors on the price of product produced by the Company and, therefore, the economic viability of any of the Company's business, cannot accurately be predicted.

Environmental and Employee Health and Safety Regulations
The Company's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water and air, the handling and disposal of hazardous and nonhazardous materials and wastes, and employee health and safety. The Company will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to obtain required environmental approvals or otherwise comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Political and Economic Instability
The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in medicine and agriculture development or investment policies or shifts in political attitude in certain countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, distribution, price controls, export controls, income taxes, expropriation of property, maintenance of assets, environmental legislation, land use, land claims of local people and water use. The effect of these factors cannot be accurately predicted.

FINANCIAL RISKS

Compliance with TSX Requirements

On October 16, 2017, the TSX provided clarity regarding the application of Section 306 (Minimum Listing Requirements), Section 325 (Management) and Part VII (Halting of Trading, Suspension and Delisting of Securities) of the TSX Company Manual (collectively, the "Requirements") to TSX-listed issuers with business activities in the cannabis sector. In TSX Staff Notice 2017-0009, the TSX notes that issuers with ongoing business activities that violate U.S. federal law regarding cannabis are not in compliance with the Requirements. The TSX reminded issuers that, among other things, should the TSX find that a listed issuer is engaging in activities contrary to the Requirements, the TSX has the discretion to initiate a delisting review. Failure to comply with the Requirements could have a material adverse effect on the Company's business, financial condition and results of operations. Following the completion of the Arrangement, on July 12, 2021, the common shares of Avant Brands Inc. ceased trading on the TSXV and commenced trading on the TSX under the symbol "AVNT". The Company is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including, but not limited to, the Canadian Securities Administrators, the TSX, and the British Columbia Securities Commission. These rules and regulations continue to evolve in scope and complexity, creating many new requirements.

No assurance that Listing Standards of TSX will continue to be met

Avant Brands Inc. must meet continuing listing standards to maintain the listing of the common shares on the TSX. If the Company fails to comply with listing standards and the TSX delists the common shares, Avant and its shareholders could face significant material adverse consequences, including but not limited to:

(i) a limited availability of market quotations for the common shares;
(ii) reduced liquidity for the common shares;
(iii) a determination that the common shares are "penny stock," which would require brokers trading in the common shares to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for the common shares;
(iv) a limited amount of news about the Company and analyst coverage; and
(v) a decreased ability for the Company to issue additional equity securities or obtain additional equity or debt financing in the future.

Volatile Market Price of Common Share

The market price of the common shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control. This volatility may affect the ability of holders of common shares to sell their securities for a profit, or at all. Market price fluctuations in the common shares may be due to the Company's operating results failing to meet expectations of securities analysts (including short-sellers) or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors.

Financial markets have historically at times experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the common shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted, and the trading price of the common shares may be materially adversely affected.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

In accordance with National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the establishment and maintenance of Disclosure Controls and Procedures ("DCP") and Internal Control Over Financial Reporting ("ICFR") 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 accompanying financial statements.

NI 52-109 requires the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") to certify that they are responsible for establishing and maintaining ICFR for the Company and that those internal controls have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. The CEO and CFO are also responsible for disclosing any changes to the Company's internal controls during the most recent period that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Proposed Transactions
There are currently no significant proposed transactions except as otherwise disclosed in this MD&A. Confidentiality agreements and non-binding agreements may be entered into from time to time, with independent entities to allow for discussions of the potential acquisition and/or development of potential business relationships.

Approval
The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors. The Board of Directors of the Company has approved the financial statements and the disclosure contained in this MD&A.

Other Requirements
Additional disclosure of the Company's material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com.