EARTHRENEW INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in Canadian dollars)

EARTHRENEW INC.
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May 2, 2022

GENERAL

This Management's Discussion and Analysis ("**MD&A**") provides a discussion and analysis of the financial condition and results of the operations of EarthRenew Inc. ("**EarthRenew**", "**we**", "**our**", or the "**Company**") and the Company's subsidiaries, to enable readers to assess material changes in the financial condition and results of operations during the year ended December 31, 2021.

The MD&A was prepared as of May 2, 2022 and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021. All amounts included in the MD&A are expressed in Canadian dollars, unless otherwise specified.

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as published by the International Accounting Standards Board. Please refer to Note 2 of the annual audited consolidated financial statements as at and for the years ended December 31, 2020, for disclosure of the Company's significant accounting policies.

In 2021, the Company has reclassified certain general and administrative expenses to financing to better reflect the nature of these expenses. There is no impact to net loss and comparative periods have been restated to reflect this change.

Additional information about the Company, including the Company's Annual Information Form is available on SEDAR at www.sedar.com, and on the EarthRenew website at www.EarthRenew.ca.

The audit committee of the Company has reviewed this MD&A and the consolidated financial statements for the year ended December 31, 2021, and the Company's Board of Directors approved these documents prior to their release.

This MD&A contains forward-looking statements that should be read in conjunction with the Company's disclosure under "Forward Looking Information", outlined at the end of this MD&A.

COMPANY OVERVIEW

EarthRenew Inc. (the "Company" or "EarthRenew") is a publicly listed company incorporated in the province of Ontario, Canada and its shares are listed on the Canadian Securities Exchange ("CSE"). The Company trades under the symbol "ERTH.CN" on the CSE. The Company's head office is located at 610, 600 6th Ave, SW, Calgary, Alberta, Canada, T2P 0S5.

EarthRenew's mission is to support a farm system that puts healthy soils and grower profitability back on the table. Using circular economic principles of upcycling waste products into high value agronomic inputs, we are building an innovative platform of soil health products that will establish EarthRenew as a key player in the regenerative agriculture space. We strive to be a driving part of this movement by offering growers natural fertilizer alternatives that feed the soil to strengthen the earth's ability to restore itself while growing healthy plants. Our regenerative product line is branded under the label "Replenish Nutrients" and is targeted at conventional and organic growers who are seeking solutions to address soil health needs.

EarthRenew is engaged in the following business activities:

- Fertilizer: Production of compost-based fertilizers for sale to agricultural farmers; and
- Electricity: Low-cost sustainable power generation

SUSTAINABLE AGRICULTURE SOLUTIONS

EarthRenew has the capability to create healthier ecosystems with impacts to agriculture from fertilizer production to grower practices in the field. The positive impact of regenerative practices can be seen in improved soil health, increased biodiversity, better water quality and a need for less water. We develop innovative products and solutions that not only addresses plant yield but also contributes to soil health. The Company's soil health solutions offer a sustainable product alternative to synthetic fertilizers with a low salt index that doesn't strip the soil or inhibit growth.

We have been using a sustainable approach to business since before ESG investing was a thing. Combining this experience with our expertise in formulations, we are transforming the regenerative fertilizer segment. Regenerative agriculture practices are focused on reversing climate change by rebuilding soil organic matter and restoring degraded soil biodiversity to improve carbon drawdown and water cycles. We use organic by-products in our regenerative fertilizer products and are constantly exploring waste streams that can improve agronomic value. Regenerative fertilizers rebuild soil health and improve biodiversity without greenhouse gas (GHG) emissions or impacting water bodies. Our regenerative fertilizers feed the soil microbes to improve plant nutrient uptake and then leverage the soil's own biology to activate and release nutrients at the right time during the growing season, thereby naturally supporting the 4R Nutrient stewardship protocols.

These sustainable practices require large-scale adoption by the global farming community for real impact to be realized. We are committed to offering farmers a better choice of what goes into the soil with the knowledge that if we take care of the soil, it will take care of us. We will continue to develop distribution partnerships that make a difference across the agriculture value chain, including collaborating on education and working with farmers to adopt regenerative practices.

COMPANY PROFILE

Regenerative Fertilizer Producer

EarthRenew formulates and manufactures regenerative fertilizers that prioritize soil health alongside yield. Our regenerative fertilizers ensure plants achieve optimal health by creating healthy, high-quality biologically active soil.

Our blending and granulating facility is scaling up production to 20,000 Mt of granulated product annually.

1
Blending and Granulating site

2021 annual production of 34,000 Mt

Sustainable healthier ecosystems

Electricity Production

Electricity generation is a secondary revenue source from the power production facility in Strathmore.

The Strathmore Plant can generate up to 4 MW per hour by using low-cost natural gas to run the Rolls Royce turbine.

4MWh Capacity

Secondary revenue

2021 HIGHLIGHTS

OTCQB Venture Market

On February 3, 2021, the Company commenced trading on the OTCQB Venture Market under the symbol "VVIVF" and received DTC eligibility by the Depository Trust Company "DTC" allowing the electronic settlement and transfer of its common shares in the United States. The Company's common shares continue to trade on the Canadian Securities Exchange under the symbol "ERTH".

Enel-X Agreement for Operating Reserves

On March 23, 2021, the Company entered into an agreement with the North American division of Enel-X, a well-established player in the electricity industry, to participate in an operating reserves program in Alberta. Under this program, EarthRenew is compensated for its ability to provide short-term power supply to the Alberta power grid to support grid stability. While EarthRenew will continue to be able to provide power to the Alberta grid when electricity prices are significantly elevated, participating in the operating reserves program will allow EarthRenew to generate additional revenue during times when it will not otherwise be generating power. EarthRenew will be compensated to be "on-call" for generation in the event that the market experiences a shortfall of supply and the Alberta Electric System Operator (AESO) requires reserves to balance supply and demand.

New EPEA Approval for Power Production

On April 14, 2021, the Company received an updated Environmental Protection and Enhancement Act "EPEA" approval from Alberta Environment and Parks to operate a power production facility at the Strathmore Plant. This new EPEA approval enables the Company to operate as a power production facility for a period of 10 years, expiring April 14, 2031.

Acquisition of Replenish Nutrients Ltd.

On May 12, 2021, the Company closed the acquisition of Replenish Nutrients Ltd. ("Replenish"), a privately held regenerative fertilizer and nutrient company located in Okotoks, Alberta. The Company paid $1,412,000 in cash and a total of 21,264,093 common shares of EarthRenew at a deemed price of $0.248 per common share. As additional consideration, the Company agreed to pay the following:

- Ongoing earn-out payments totaling an aggregate of up to $7,000,000 based on qualifying gross annual revenue of Replenish multiplied by an earn-out factor for each of its 12-month fiscal periods ending June 30, 2025 payable by a combination of cash payments and the issuance of common shares of EarthRenew, provided the security holders of Replenish continue to be bound by consulting or employment agreements entered into with the Company; and
- Supplemental earn-out payments of an aggregate amount of up to $2,000,000 based on certain sales parameters, which shall be payable by a combination of cash payments and the issuance of EarthRenew Shares and evidenced by promissory notes that have been issued to the security holders of Replenish.

In addition, the security holders of Replenish shall be entitled to nominate three individuals for election to EarthRenew's board of directors at its annual general meeting held each year for so long as the security holders of Replenish collectively hold at least 10% of the issued and outstanding EarthRenew Shares.

This acquisition was accounted for using the acquisition method, with the operating results included in the Company's financial and operating results commencing on the closing date of the acquisition. The net assets acquired in the Replenish acquisition are recorded at their estimated fair values at the date of acquisition. The estimate of the purchase price allocation is based off the best available information and certain assumptions that management of STEP believe are reasonable under the circumstances. Amendments may be made to these amounts as values subject to estimate are finalized, including the determination of goodwill acquired.

The value of goodwill acquired is primarily attributable to the cost synergies associated with the reduction of general and administrative expenses, revenue growth and future market development. This goodwill is not deductible for income tax purposes. Management completed an assessment in identifying and measuring all the assets acquired and liabilities assumed prior to the recognition of goodwill. This assessment included a thorough review of all internal and external sources of information available on circumstances that existed at the acquisition date. The Company engaged independent valuation experts to assist in determining the fair value of assets acquired and liabilities assumed and related deferred income tax impacts.

Total transaction costs of $147,447 for legal and advisory services related to the acquisition of Replenish were expensed.

The acquisition is expected to provide EarthRenew with top line revenue, an existing customer list and distribution channels to sell fertilizer and soil solutions in Western Canada and the United States (North Dakota and Montana). Replenish's senior management team's experience, technical expertise, and existing relationships are expected to enhance EarthRenew's operational capacity.

The Company anticipates that Replenish will continue to operate as a marketing and distribution company as a wholly owned subsidiary of EarthRenew. The combined company is projected to become a leader in the regenerative and organic fertilizer space. The Company expects that the combined entity will have the capacity to manufacture, market, and distribute a broad range of high-value crop inputs.

Potential Increase in Regenerative Agriculture Fertilizer Manufacturing Capacity

On April 23, 2021, EarthRenew signed a non-binding letter of intent ("LOI") to lease approximately 10 acres of land from K+S Potash Canada General Partnership ("KSPC") near its existing Bethune, Saskatchewan potash mine and processing plant (the "Leased Land"), on which the Company wishes to construct a new fertilizer manufacturing facility (the "Facility"). If constructed, the Company projects that the Facility will have the capacity to produce up to 100,000 tonnes of granulated regenerative and organic fertilizer product.

Pursuant to the terms of the LOI, EarthRenew anticipates entering into a potash supply agreement, whereby KSPC shall supply potash by-products for raw material input into the Company's regenerative fertilizer blends from its Bethune mine for a minimum period of 15 years. EarthRenew also anticipates signing a minimum 15-year lease agreement for the Leased Lands for the Facility on 15 acres of land owned by KSPC. Other key terms of the LOI include: terms of the lease and shared services for the Facility, granulation services, marketing and distribution and the potential option to collaborate on future product innovation and research and development within the Facility.

Distribution Agreement with Major Canadian Retailer

On May 20, 2021 EarthRenew's wholly-owned subsidiary, Replenish, signed a distribution agreement with Parrish & Heimbecker Ltd. (P&H), one of the country's largest grain and fertilizer businesses. The agreement allows P&H to distribute Replenish's regenerative agriculture products across its 30 facilities throughout Alberta, Saskatchewan, and Manitoba for a period of six years, ensuring a reliable channel for movement of both blended and granulated supplies.

It is anticipated this relationship with P&H will expand distribution of Replenish's regenerative line of crop inputs by up to 6000 tonnes, contributing a minimum value of $1,950,000 in the first year alone, with a gross margin of approximately 30%.

Replenish will provide P&H with its regenerative soil health line including Sustain, Super KS and Replenish. These products are all built by leveraging Replenish's unique soil microbe delivery technology that focuses on feeding soil microbes to enhance soil conditions to maximize plant nutrient uptake. Replenish's soil health solutions offer a sustainable product alternative to synthetic fertilizers with a low salt index that doesn't strip the soil or inhibit growth.

Field Trials with Lethbridge College

In the third quarter of 2021, EarthRenew initiated field trials to evaluate the general effects of its products on the soil microbiome of potato fields. This project is a collaboration between EarthRenew, Lethbridge College, and soil functionality analytics firm, BiomeMakers out of West Sacramento, California.

As floods and droughts become more common, farmers, scientists, and conservationists are focused on contributing to the work against climate change. One solution starts in the ground. Healthy soil gives us clean air and water, bountiful crops and forests, productive grazing lands, diverse wildlife, and beautiful landscapes. On the flip side, low-quality soil deprives vegetation and microorganisms of the oxygen they need to grow. By focusing our fertilizer on the soil's microbiome, we ensure better health for the soil, a more balanced ecosystem, and ultimately, better quality food. This field trial focuses on the specific effect of Replenish products on the microbial community structure and the impact on soil functionality. The Company ill also test the impact of the product on yield, grade, and quality of potatoes.

Conducted at the Irrigation Research Demo Farm, this field trial focused on specific effects of Replenish Nutrients' regenerative products, Rebuilder and a potato-specific HESO blend, on potato crops. Lethbridge College measured the product's results in-field, while BiomeMakers evaluated soil samples to determine the formula's impact on the soil microbial community structure.

Data highlights include:

- Production of healthier potatoes with Rebuilder – low in common defects
- Rebuilder achieved equivalent marketable yield at a lower program cost compared to a standard synthetic fertilizer program
- Improved microbial diversity and variety in the soil over standard synthetic fertilizer, including
- Increasing trend in phytohormone production (in particular gibberellin, auxin and cytokinin)

Organic Certifications in Canada

On June 21, 2021, EarthRenew announced that a number of formulations, branded under Replenish, have been approved as an input for the production of organic products by Pro-Cert Organic Systems and the Organic Material Research Institute. These third-party verified certifications are only awarded to companies with the highest standards of humane animal management and ecological integrity. Certifications ensure that EarthRenew is in compliance with both the requirements of the Canadian Organic Standards and the United States Department of Agriculture National Organic Program.

Long-Term Supply Agreement with Fertoz

On June 17, 2021, EarthReniew signed a long-term supply agreement with Fertoz to provide pulverized rock phosphate for its regenerative product line. EarthRenew subsidiary, Replenish Nutrients Ltd. ("Replenish"), produces natural fertilizer alternatives to conventional synthetic fertilizers using rock phosphate as a key ingredient. Fertoz pulverized rock phosphate 0-20-0 will be supplied to Replenish targeting 10,000 mt per year over a period of five years. 500-1,000 mt will be supplied monthly beginning in July of this year. This partnership will benefit Canadian producers by improving access to granulated rock phosphate and blends throughout Western Canada, provide fertilizer options and blends that are tailored to individual regions and soil types, and enable access to EarthRenew's other products and services.

MANAGEMENT STRATEGY AND OUTLOOK

EarthRenew is focused on the growth of regenerative and organic fertilizer products, adding capacity exclusively for the growth of Replenish branded products. We are building on the steps already taken to establish a solid foundation and will continue to improve our products.

The ability to granulate the product allows the Company to fulfill its mission which includes:

- **Improving on-farm return on investment** - Our growth plans are ambitious – we aim to grow production from 40,000 tonnes to 400,000 tonnes in the next five years and we are already making good on that promise. We are currently completing the upgrades at our Beiseker facility which will allow us to meet the demand for 20,000 tonnes per year of granulated product as of this spring. This facility in central Alberta will become our specialty products and custom formulation production hub and support research and development for new products and additives. The upgrade at the Beiseker site is foundational for the selection of technology for our larger facilities planned in western Canada and into the US.
- **Accessing new market channels** - With future growth in capacity, we are also focused on offtake agreements for producing product. To that end, we have secured a relationship with Parrish & Heimbecker (P&H), a Canadian agribusiness supply giant with more than 30 locations across the country. We plan to collaborate on education and marketing programs to energize the market and accelerate sales growth and we will replicate this program with other distributors.
- **Increasing margin on its products** – EarthRenew aims to get the most out of its assets through a focus on operational excellence, while operating in a safe, cost efficient, and environmentally sustainable way. We aim to grow production from 40,000 tonnes to 400,000 tonnes in the next five years. Our plan to co-locate our next production facility at the K+S Potash site provides us with a cost-efficient, secure source of potash fines for use in our innovative regenerative solutions. Working within the footprint of this existing facility, we are reducing project development costs and leveraging the regional strength of the province's potash distribution capabilities. Coupled with our relationships with Fertoz and GFL, we now have the supply of feedstock secured to support our next phase of growth.

Our goal is to become the geographic dominant player in the regenerative soil nutrient market in 5 years.

	2021	2022	2023	2024	2025
Number of Sites	1	2	3	4	4
Capacity Metric Tonnes	34,000	90,000	241,000	405,000	405,000
Geography	W. Can	W. Can	Canada	Canada, USA	Canada, USA
Product	Blended	Blended & Granulated	Blended & Granulated	Blended & Granulated	Blended & Granulated
Organic Tonnage %	5	10	15	20	20

The Company is adding capacity exclusively for the growth of Replenish branded products and has commissioned an expansion of its manufacturing facility in Beiseker, Alberta. Following substantial investment in equipment upgrades, the agronomic input company turned a pilot facility into a full-scale granulation facility, and the first granules are coming off the production line. The facility can now produce over 20,000 MT of high-quality regenerative fertilizer and an additional 46,000 MT of blended product. The expansion of the Beiseker facility will supplement the previous capacity for granulated fertilizer production as well as capacity for blended product enabling higher revenue growth for the coming year.

With the completion of this commercial granule production facility, we can provide customers with granulated versions of the products they have come to rely on. In this form, the products are more accessible to transport and store, and producers can use existing farm equipment (such as the seed drill) for application.

We are also funneling resources toward facilities where we can best serve our customers, including the development of the Bethune facility, and two additional sites currently under consideration (one in the US and one more in Canada).

We are evaluating these other locations and stepping through the regulatory hurdles to move those projects along their respective timelines. We are moving through the process required to fulfill our promise of building a 200,000 MT facility onsite at the K+S Potash mine, and growing further beyond that.

FINANCIAL AND OPERATING SUMMARY

Financial Summary

The following chart summarizes key financial metrics associated with our financial performance.

	Three months ended December 31		Year ended December 31	
Expressed in Canadian dollars, except per share amounts)	**2021**	2020	**2021**	2020
Revenues	**$ 7,673,011**	$ 154,138	**$ 12,299,580**	$ 506,859
Cost of goods sold	**(5,454,050)**	(69,619)	**(8,999,084)**	(360,029)
Gross margin [1]	**2,218,961**	84,519	**3,300,496**	146,830
Gross margin % [1]	**29%**	55%	**27%**	29%
Net earnings (loss) and comprehensive earnings (loss)	**(432,737)**	(912,599)	**(4,703,041)**	(3,877,476)
Net earnings (loss) per share – basic and diluted	**(0.00)**	(0.0)	**(0.06)**	(0.08)
Changes in non-cash working capital	**631,450**	(71,133)	**1,383,566**	(628,713)
Capital expenditures [2]	**897,261**	-	**1,965,848**	**-**
Cash flow from (used in) operating activities	**948,585**	(742,706)	**(435,099)**	(3,752,708)
Weighted average number of shares - Basic and diluted	**92,329,265**	51,008,112	**74,599,990**	44,183,317
Balance sheet (at December 31)				
Working capital			**$ (2,392,577)**	$ 871,536
Total assets			**26,791,992**	5,639,075
Total liabilities			**16,255,693**	954,611

1. Refer to "Non-IFRS measures" section of the MD&A
2. Capital expenditures excludes $399,628 in Q4/2021 and $1,883,758 year to date 2021 investment in the acquisition of Replenish Nutrients Ltd.

Operational Summary

	Three months ended December 31		Year ended December 31	
	2021	2020	**2021**	2020
Regenerative fertilizer				
Sales volume (Mt) [3]	**20,683**	-	**31,233**	-
Average selling price ($/Mt)	**334**	-	**327**	-
Electricity				
Electricity generation(MWh)	**247**	330	**2,198**	1005
Average Selling Price ($/MWh)	**554.28**	200.07	**416.92**	239.74

3. Sales volumes for the year ended December 31, 2021 includes fertilizer sales from May 1 to December 31, 2021..

REVENUES

EarthRenew is reporting $7.7 million in revenues for the fourth quarter of 2021, $7.5 million higher than the same period in 2020. Higher revenues are from the increased growth in fertilizer sales volumes due to increased production capacity at the Beiseker facility. The Company increased fertilizer production to 20,683 Mt in Q4/2021 from 4,505 Mt in Q2/2021.

Revenues for 2021 were $12.3 million, an increase of $11.8 million from 2020. Higher revenues were mainly due to the Replenish acquisition, as the Company continued to see the strategic growth from the Replenish acquisition and the growth in revenue from regenerative agriculture products. In 2021, fertilizer sales were $11.2 million, 91% of total Company revenues. The Company is also reporting 2021 revenue from power generation of $1.1 million surpassing 2020 power revenue of $0.5 million.

If this acquisition had been effective on January 1, 2021, an additional revenue of $2.9 million would have been added to the fertilizer operations revenue for the year ended December 31, 2021, bringing total annual consolidated revenue to $15.2M.

GROSS MARGIN

Gross margin was $2,218,961 in the fourth quarter of 2021 compared to $84,519 for the same period in 2020, and for the full year 2021 gross margin increased to $3,300,496 from $146,830 in 2020. This increase is due to increased fertilizer sales in the fourth quarter of 2021 from increased production.

Gross margin % for the fourth quarter of 2021 was 29% compared to 55% for the same period in 2020; and gross margin % for the full year of 2021 was 27% compared to 29% for 2020. This decrease in gross margin % is due to the increase in fertilizer revenue offset by increased cost of goods sold, due to higher fertilizer sales activity and an increase in raw material input costs.
Refer to "Non-IFRS measures".

NET EARNING (LOSS)

In the fourth quarter of 2021, the Company had net loss of $432,738, an increase of $479,861 from a net loss of $912,599 for the same period in 2020. Increased earnings were mainly due to the growth in fertilizer revenues as a result of additional production capacity at the production facility in Beiseker.

For the year ended December 31, 2021, EarthRenew's net loss was $4,703,041 or $0.06 per share, compared to net loss of $3,877,476 or $0.08 per share for 2020. The increased losses were primarily due to change in fair value of contingent consideration, deferred tax provision, depreciation and amortization offset by increased revenues and operating activities from the Replenish acquisition.

The COVID-19 pandemic had a limited impact on the Company's activities in 2021 and 2020.

General and administrative expenses

The following is a summary of the general and administrative expenses:

		Three months ended December 31			**Year ended December 31**
Expressed in Canadian dollars, except per share amounts)		**2021**	2020	**2021**	2020
Salaries and benefits	**$**	**700,634**	102,972	**$ 1,689,080**	$ 238,011
Professional fees		**102,746**	10,920	**479,962**	54,074
Consulting and management fees		**128,970**	387,886	**1,350,627**	1,888,658
Advertising and promotion		**66,597**	56,123	**342,392**	514,764
Shareholder communications and filing fees		**32,728**	33,003	**118,072**	132,542
Travel		**23,838**	55	**64,704**	5,395
Office expenses		**115,029**	49,748	**280,306**	201,826
	$	**1,170,542**	640,707	**$ 4,324,143**	$ 3,035,270

General and administrative expenses for 2021 were $4,324,143, an increase of 42% from 2020. The increase in general and administrative expenses is due to increased salaries and benefits and professional fees, offset by a decrease in consulting and management fees, advertising and promotion expenses, and shareholder communications and filing fees. The increase in salaries and benefits and professional fees is a result of increased corporate activities since the Replenish acquisition.

TOTAL ASSETS

Receivables increased due to higher sales, while inventories increased due to the higher volumes of inventory held to meet anticipated demand and tight supply. Property, plant and equipment increased primarily from the Replenish acquisition and capital expenditures related to the Beiseker production facility to support the Company's development program. Intangible assets and goodwill were acquired as part of the Replenish acquisition.

TOTAL LIABILITIES

Long-term debt increased due to the issuance of the credit facilities as part of our working capital management. Payables and accrued liabilities increase due to higher payable balances from rising inventory costs, and higher customer prepayments in anticipation of higher demand.

EarthRenew incurred financing expenses of $53,643 and $115,181 for the fourth quarter of 2021 and year ended December 31, 2021, respectively, which was an increase from $15,556 and $21,988 in the same periods of 2020 due to the Company's acquired credit facilities related to the Replenish acquisition. Additionally, interest on finance leases increased because of an expanded fleet of leased vehicles and equipment.

WORKING CAPITAL

For the year ended December 31, 2021, the Company had a working capital deficit of $(2,392,577) compared to $871,536 at December 31, 2020. Primarily driven by current portion of contingent consideration of $1,868,749.

Accounts receivables increased from $113,192 at December 31, 2020 to $3,029,633 at December 31, 2021 due to the increased fertilizer sales from higher sales volumes. Accounts payables and accrued liabilities also increased to $5,204,762 at December 31, 2021 from $561,288 at December 31, 2020 due to increased activity on cost of goods sold and inventory. Refer to "Non-IFRS measures".

CAPITAL INVESTMENT

	Year ended December 31	
	2021	2020
Capital expenditures	**$ 1,965,848**	$ -
Acquisition – Property, plant and equipment	**3,068,577**	-
Acquisition – Intangibles	**11,733,000**	-
	$ 16,767,425	$ -

Total capital investment in 2021 was $16.8 million compared to nil in 2020, mainly due to the Replenish acquisition and the expansion of the production facilities at Beiseker.

The Company is currently completing the upgrades at the Beiseker production facility which will increase capacity to 200,000 tonnes per year of fertilizer. This facility will become the specialty products and custom formulation production hub and support research and development for new products and additives. The upgrade at the Beiseker site will be a basis for our larger facilities planned in western Canada and the United States.

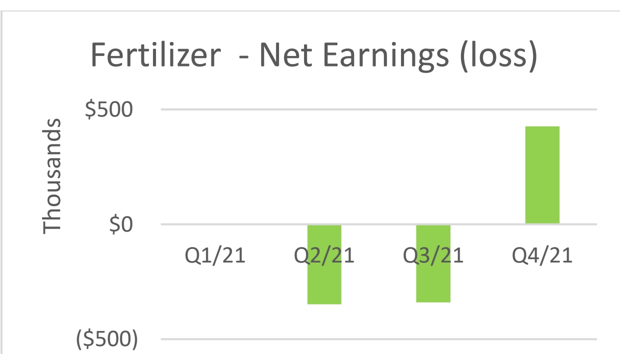
EarthRenew has decided to halt the restart of the Strathmore production facility to focus on development of the existing Beiseker, and Debolt and potential Bethune project.

BUSINESS PERFORMANCE

FERTILIZER OPERATIONS OVERVIEW

EarthRenew is focused on regenerative and organic fertilizer products. Management expects to price these fertilizer products in a range that follows published commodity indices for potash derived products based on regional basis pricing. Our fertilizer segment is impacted by seasonality, resulting from increased demand for products during the planting season. Fertilizer sales are generally higher in the spring and fall application seasons, while product inventories are normally accumulated leading up to each application season. Our cash collections generally occur after the application season is complete.

	Three months ended December 31		Year ended December 31	
	2021	2020	**2021**	2020
Fertilizer Sales volume (Mt) [3]	**20,683**	-	**31,233**	-
REVENUES – Fertilizer sales	**$ 7,505,214**	$ -	**$ 11,200,578**	$ -
Cost of goods sold	**(5,328,246)**	-	**(8,364,802)**	-
Gross Margin	**2,176,969**	-	**2,835,776**	-
Gross Margin %	**29%**	-	**25%**	-
EXPENSES				
General and administrative	**582,570**	-	**1,254,390**	-
Bad debt expense	**651,946**		**651,946**	
Research and development	**34,277**	-	**129,343**	-
Depreciation and amortization	**354,223**	-	**920,939**	-
Financing	**46,373**	-	**85,198**	-
Foreign exchange loss	**7,264**	-	**20,068**	-
	500,318	-	**226,108**	-
Other income and expenses	**(4,445)**	-	**34,616**	-
Earnings (Loss) before income taxes	**495,871**	-	**(191,492)**	-
Deferred income tax recovery	**(69,502)**	-	**(69,502)**	-
NET EARNINGS (LOSS) AND COMPREHENSIVE EARNINGS (LOSS) FOR THE PERIOD	**$ 426,369**	$ -	**$ (260,994)**	$ -



Net earnings increased in Q4/2021 due to the increase in sales volume of fertilizer products, with the Company recording net profit of $426,369 in the fourth quarter of 2021 compared to a net loss of $339,610 in the third quarter of 2021 .

The fertilizer segment started operations in May 2021 with the acquisition of Replenish. Since the closing of the acquisition, fertilizer revenue for the fourth quarter of 2021 was $7.5 million and $11.2 million for the full year of 2021.

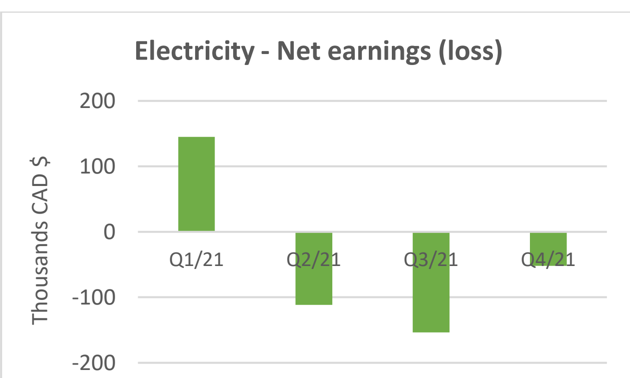
In the fourth quarter of 2021, fertilizer revenues increased due to increased production capacity and increased demand supported by higher crop prices for farmers and impacts to global supply constraints, creating record sales volumes for the Company. The increased capacity for fertilizers is due to the production facility in Beiseker coming online and allowing the Company to reach production capacity of 20,000 Mt in Q4-2021, commissioned in early 2022. Gross margin increased to 29% in Q4-2021 from 16% in Q3-2021 due to higher sales volumes partially offset by higher raw material costs to support increased operating activities and increased production volumes.

ELECTRICITY OPERATIONS OVERVIEW

EarthRenew restarted its electricity generation operations at the Strathmore Plant in 2019. This electricity, which is already synchronized with the electrical grid system, can be used for other applications at the Strathmore Plant or sold to the electrical grid to meet price spikes occasioned by supply shortages due to sudden surges in the demand for electricity. Located on a 25,000-head cattle feedlot, the Company's flagship Strathmore plant is capable of producing up to four megawatts (MW) per hour of low-cost electricity powered by a natural gas fired turbine. The exhausted heat from the turbine is used to convert manure into certified organic fertilizer.

EarthRenew intends to use a portion of the electricity generated by the Strathmore Plant to power the fertilizer production equipment and produce pelleted organic fertilizers.

	Three months ended December 31		**Year ended December 31**	
Expressed in Canadian dollars, except as otherwise noted)	**2021**	2020	**2021**	2020
Electricity generation (MWh)	**247**	330	**2,198**	1005
REVENUES – Electricity sales	**$ 167,797**	$ 154,138	**$ 1,099,002**	$ 506,859
Cost of goods sold	**(125,805)**	(69,619)	**(634,282)**	(360,029)
Gross Margin	**41,992**	84,519	**464,720**	146,830
Gross Margin %	**25%**	55%	**42%**	29%
EXPENSES				
General and administrative	**14,551**	91,527	**318,982**	539,415
Depreciation and amortization	**72,182**	182,918	**288,727**	301,594
Financing	**7,269**	7,194	**29,983**	14,293
Foreign exchange loss	**(80)**	(310)	**(1,412)**	105
	93,923	281,329	**636,280**	855,407
Other income	**-**	28,299	**-**	62,937
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$ (51,931)**	$ (168,511)	**$ (171,560)**	$ (645,640)



The Company continued to generate strong revenues from power generation in the fourth quarter of 2021. Due to its operation as a peaking plant (whereby electricity is only supplied by the plant to the electrical grid if certain minimum power price thresholds are met), the Company can take advantage of significant price peaking on the grid.

Electricity revenues in the fourth quarter of 2021 were $167,797, compared to $154,138 for the same period in 2020 and $1.1 million for 2021 compared to $0.5 million in 2020. This increase is primarily due to the Company selling excess power generated at peak prices. Net loss for Q4/2021 was $51,931 compared to $168,511 for the same period in 2020.

OUTSTANDING SHARE CAPITAL INFORMATION

On October 12, 2021, EarthRenew paid the first earn-out payments for the period ending June 30, 2021 with respect to the Replenish Acquisition in the aggregate amount of $999,070, of which $599,442 was settled by the issuance of 2,840,957 common shares of the Company, each with a deemed issuance price of $0.211.

On October 20, 2021, the Company successfully closed the over-subscription of its non-brokered private placement financing of 7,100,000 units at a price of $0.20 per unit, for gross proceeds of $1,420,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share, at an exercise price of $0.20 per common share, for a period of six months from the date of issuance. The common shares issues are subject to a statutory hold period of four months and one day.

As at May 2, 2022, the Company has 99,479,262 common shares outstanding;

1) 5,801,658 stock options outstanding with expiry dates ranging between July 8, 2024 and August 3, 2026. If all of the options are exercised, 5,801,658 shares would be issued for gross proceeds of $1,394,048.
2) 3,725,010 warrants outstanding with expiry dates ranging from July 24, 2022 to May 27, 2024. If all of the warrants are exercised, 3,938,745 shares would be issued for gross proceeds of $1,698,692.

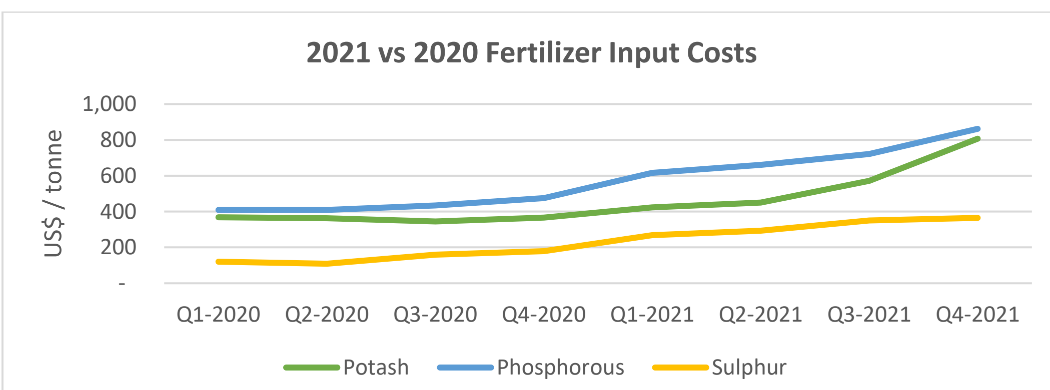
MARKET CONDITIONS

Fertilizer operations

Favorable weather conditions in the spring and fall were supportive of strong fertilizer and crop protection applications in most regions of North America. Despite COVID-19, the drought in Western Canada, the floods in British Columbia, and other trade disruptions, the overall agriculture sector saw growth in 2021. This continued growth in the agriculture industry shows that the sector is resilient in the face of significant disruptions.

Management expects to price Replenish fertilizer products in a range that follows published commodity indices for potash derived products based on regional basis pricing.

	Q4-2021	Q3-2021	Q2-2021	Q1-2021	Q4-2020	Q3-2020	Q2-2020	Q1-2020
Average selling price								
Regenerative fertilizer (CAD/Mt)	**334**	352	296	-	-	-	-	-
Benchmark prices (USD/Mt)								
Potash	**807**	571	450	424	366	345	363	369
Phosphorous	**862**	722	661	616	475	434	410	409
Sulphur	**365**	351	293	269	180	160	109	121
CAD/USD Exchange rate	**0.79**	0.79	0.81	0.79	0.77	0.75	0.72	0.74

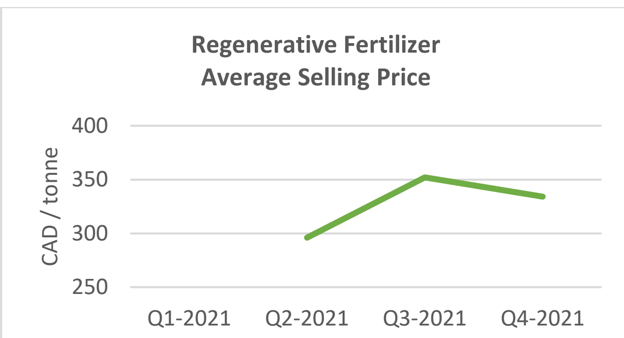


2021 saw rising input costs, including for fertilizer. Potash, a crucial crop nutrient, has seen increased prices in response to record global demand and tightness of supply due to competitor mine flooding, new project delays and uncertainty around sanctions imposed on Belarus by the US and Europe. Average potash prices increased to USD743/Mt in Q4/2021 vs USD458/Mt in Q4/2020.

It was a similar story for phosphorous - more demand, higher raw material costs and higher transportation costs, and there was a big jump in prices from USD 643/Mt in mid-2021 to USD 835/Mt towards the end of 2021.

The North American Sulphur market witnessed a mixed trend in the Q4/2021, after observing significant growth in the previous quarter. The domestic market sentiments were uplifted due to favourable government policies to lower the price of crude oil in the fourth quarter. As a ripple effect of the persistent demand from the downstream players, the Q4/2021 average for Sulphur was USD 365/Mt compared to USD 180/tonne for the same period in 2020.

While EarthRenew has not been immune to the tightening in the Potash market, being influenced even by the macroenvironment internationally in Ukraine, the Company has been able to meter costs to produce products at a price that remains attractive to customers. To manage supply, the Company secured offtake agreements with strategic partners to ensure that the increase in production gets into the hands of producers who are seeking alternatives to conventional fertilizers. EarthRenew is well-positioned on fertilizer product inventory to begin the North American planting season.



The Company's fertilizer prices are significantly affected by fertilizer benchmark prices, which have been volatile over the last years and are affected by demand-supply conditions, grower affordability, and weather.

As fertilizer prices maintain their unprecedented rise, farmers are reluctant to absorb the price increase and will be looking for more cost-effective solutions, such as Replenish Nutrients' regenerative fertilizer.

In the fourth quarter of 2021, the Company had potash supply constraints that had us sell more fertilizer products that do not contain potash in the blended, thus driving our average sale price down but retaining the margin on material processed.

Electricity operations

	Q4-2021	Q3-2021	Q2-2021	Q1-2021	Q4-2020	Q3-2020	Q2-2020	Q1-2020
Average selling price								
Electricity (CAD/MWh)	**554**	416	339	359	200	323	77	358
Benchmark prices								
Average Pool Price (CAD/MWh)	**107.23**	100.27	104.73	97.26	46.05	43.75	29.94	66.39

Electricity prices in the province are determined in an open and competitive market, and the price changes are based on supply and demand. The average cost of electricity per month in Alberta has been climbing higher in 2021. The electricity rate is notably higher at $107.23 MWh in Q4/2021 when compared to $46.05 for the same period in 2020.

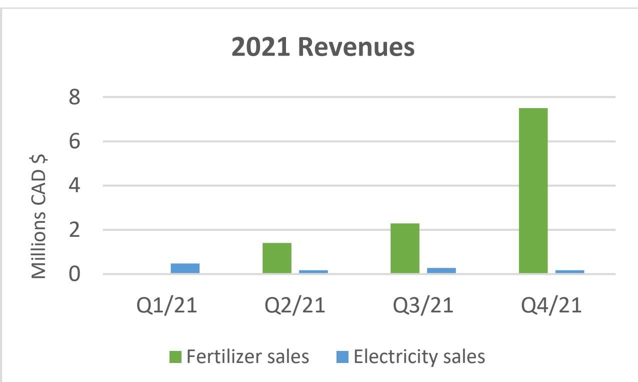
QUARTERLY OPERATING AND FINANCIAL INFORMATION

Select quarterly financial information for the most recent eight quarters is presented in the table below:

	Q4-2021	Q3-2021	Q2-2021	Q1-2021	Q4-2020	Q3-2020	Q2-2020	Q1-2020
Sales volumes								
Regenerative fertilizer (Mt)	**20,683**	6,044	4,505	-	-	-	-	-
Electricity (MWh)	**247**	453	482	1,016	330	159	121	394
Revenues	**7,673,011**	2,559,209	1,585,662	481,698	154,138	139,424	68,120	145,177
Fertilizer	**7,505,214**	2,283,957	1,411,407	-	-	-	-	-
Electricity	**167,797**	275,252	174,255	481,698	154,138	139,424	68,120	145,177
Gross margin [1]	**2,218,961**	411,186	420,071	250,278	84,519	24,587	1,326	36,398
Gross margin % [1]	**29%**	16%	26%	52%	55%	18%	2%	25%
Net earnings (loss)	**(432,738)**	(2,417,262)	(1,062,957)	(790,084)	(912,599	(949,415)	(1,335,591)	(679,871)
Net earnings (loss) per share	**(0.00)**	(0.03)	(0.02)	(0.01)	(0.01)	(0.02)	(0.03)	(0.02)
Working Capital [1]	**(2,392,577)**	(584,576)	(598,700)	422,299	841,536	768,699	(225,544)	605,244
Total assets	**26,791,992**	25,742,153	24,292,064	5,431,529	5,639,075	5,566,328	5,159,103	5,897,683
Total non-current liabilities	**8,528,097**	11,933,989	10,040,588	355,418	363,304	16,282	32,243	47,890

1) Refer to "Non-IFRS measures" section of the MD&A

Results of operations can vary significantly. The Company's level of activity and expenditures during a specific quarter are influenced by a number of factors, including the level of working capital, the availability of external financing, the nature of activity, and the number of personnel required to advance each individual project.



The Company started earning revenue in Q3-2019 from electricity sales and in Q2-2020 from fertilizer sales.

The Company reported total revenue of $7.6 million in Q4-2021. The majority of our revenue is from fertilizer sales, which increased to $7.5 million in Q4-2021, as a result of increased production capacity and sales volume.

Since the closing of the Replenish acquisition, the Company is focusing solely on the growth of this business line.

Gross margin increased by $1.8 million, from $0.4 million in Q3-2021 to $2.2 million in Q4-2021, and gross margin % increased by 13%, from 16% in Q3-2021 to 29% in Q4-2021. The increase is mainly due to higher fertilizer revenue, offset by an increase in cost of goods sold. The higher cost of goods sold was mainly attributed to higher shipping volumes and an increase in raw material costs.

Net earnings (loss) are driven primarily by fertilizer production volumes and electricity generation levels. After several quarters of fluctuating net losses in 2020 and 2021, EarthRenew recorded a reduced its loss on a quarterly basis to $432,737 in the fourth quarter of 2021. With the revenue leap coming almost exclusively from fertilizer sales, the Company is focused on the fertilizer business. Net loss improvement was due to record sales in the fourth quarter of 2021, resulting from increased production capacity due to the commissioning of the production facility. This was partially offset by an increase in cost of goods sold resulting from higher raw material costs, a credit risk allowance and increased operating activity.

Total assets increased in Q4-2021 primarily due to the Replenish acquisition. Receivables increased due to higher sales, while inventories increased due to the higher volumes of inventory held to meet anticipated demand and tight supply.

The adoption of IFRS 16 resulted in a long-term liability being recognized in Q1-2019, which increased significantly in 2020 as a result of the long-term renewal of the Company's Strathmore lease. There were no other significant changes in accounting policies during the eight recent quarters that gave rise to significant variances. The increase in non-current liabilities in Q4-2021 is due to revaluation of the contingent consideration, and the newly acquired long-term debt.

LIQUIDITY AND CAPITAL RESOURCES

Given the nature of the Company's operations, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon electricity production and re-start to the fertilizer production. Development may take years to complete and the amount of resulting income, if any, is difficult to determine. The Company currently has a negative operating cash flow and finances its operations through a combination of equity and debt financings. The Company's financial success will be dependent on the economic viability of its projects.

CASH FLOWS

At December 31, 2021, the Company's cash position was $1,274,977, an increase of $321,209 compared to December 31, 2020. Major movements are outlined in the following table:

	Year ended December 31, 2021	2020
Net cash provided by (used in)		
Operating activities	**$ (416,711)**	$ (3,752,708)
Financing activities	**4,587,526**	4,272,268
Investing activities	**(3,849,606)**	-
Decrease in cash during the year	**321,209**	519,560
CASH - BEGINNING OF YEAR	**953,768**	434,208
CASH – END OF YEAR	**$ 1,274,977**	$ 953,768

During 2021, the Company used cash in operating activities of $416,711, compared to cash used of $3,752,708 for 2021. The increase is primarily due to higher earnings in the fertilizer operations, partially offset by increased operating activities.

In 2021, financing activities generated $4,587,526 cash from the proceeds of the long-term debt, private placement proceeds, and exercise of warrants, offset by lease payments and repayment of the long-term debt.

Cash used in investing activities was $3,849,606 for 2021. This is related primarily to the Replenish acquisition and additions to property, plant and equipment to complete the commissioning of the Beiseker production facility.

We had a higher use of cash flows from operating activities in the fourth quarter of 2021 compared to the same period in 2020 due to increased volume of fertilizer inputs. The private placement of common shares in the fourth quarter of 2021 led to proceeds from financing activities. This increase was offset with an increase in use of cash flows for capital expenditures, including payment of the contingent consideration for the Replenish acquisition in the fourth quarter of 2021.

Equity financing facility with Alumina Partners (Ontario) Ltd.

On October 8, 2020, the Company entered into an equity financing facility (the "Alumina Facility") for up to $10,000,000 with Alumina Partners (Ontario) Ltd. ("Alumina"), an affiliate of New York-based private equity firm Alumina Partners LLC. The investment agreement provides the Company with an at-will financing facility over a period of 24 months during which the Company can draw down, at its sole discretion, equity private placement tranches of up to $500,000. Each tranche will be composed of units, with each unit consisting of one common share of the Company and one common share purchase warrant, at discounts between 15 and 25 percent of the closing price of the common shares on the day prior to the Company's drawdown notice to Alumina. The exercise price of the warrants will be at a 25 percent premium over market at the time of issuance and the warrants will have a term of 60 months. Each draw down from the Alumina Facility may be subject to approval of the Canadian Securities Exchange. All securities issued pursuant to a financing under the Alumina Facility will be subject to a statutory hold period that expires four months and one day from issuance. As at December 31, 2021, no drawdowns under the Alumina Facility had taken place. The Alumina Facility ensures that the Company has an option to secure the capital necessary to accelerate the recommissioning of the Strathmore Plant and to pursue expansion opportunities.

The net proceeds of the Alumina Facility are expected to be used for costs incurred for capital equipment purchases, engineering and construction costs for the redevelopment of the Strathmore facility, feasibility studies on future projects, field and research trials, market development activities, working capital for the ramp-up of operations at the Strathmore facility, and for general corporate purposes.

Canada Emergency Business Account loan

On May 1, 2021, EarthRenew acquired all of the outstanding loans from Replenish, which included a $100,00 interest-free loan from the Canada Emergency Business Account Program ("CEBA"). By repaying the loan before December 31, 2022, the Company will benefit from a $30,000 loan forgiveness, which has been recorded as a government grant in the Consolidated Statement of Loss and Comprehensive Loss. If the loan is not repaid by December 31, 2023, it will be converted into a three-year term loan at an annual interest rate of 5%, with the entire loan to be repaid. The Company intends to repay the balance of $70,000 in December 2023.

Credit facility with Agriculture Financial Services Corporation

Effective July 21, 2021, Replenish, a wholly owned subsidiary of EarthRenew, secured new senior secured asset-based credit facilities totalling $3.2 million (the "ABL Facility") from Agriculture Financial Services Corporation ("AFSC"). The ABL Facility will replace Replenish's existing senior debt, and will be used to fund inventory growth and capital expenditures related to Replenish's current production facilities.

The ABL Facility contemplates a five-year term, including interest-only payments until January 1st, 2022. Amounts drawn on the main facility bear interest at a rate of 3.52% per annum, while the inventory loan rate is 2.875% per annum. On closing, an aggregate of $2,558,968 was drawn on the ABL Facility, with $1,592,291 used to repay existing senior debt. The ABL Facility is subject to compliance with financial covenants starting in 2022. EarthRenew has provided an unlimited guarantee as security for the ABL Facility. The proceeds of the ABL Facility were primarily used to fully repay previously existing senior debt facilities held by the Bank of Montreal. As at December 31, 2021, transaction costs comprised of legal fees and title fees of $31,292 were expensed.

The Company expanded this facility after year end to $3.9M with the proceeds used to finance the Beiseker expansion.

The Company's estimate of the adequacy of its working capital is a forward-looking statement as it involves known and unknown risks, uncertainties and other factors. Actual results could differ, perhaps materially, with the result that the adequacy of working capital required for fiscal year 2021 expressed by such forward-looking statements is materially different than so stated. Also, the ability of the Company to successfully acquire and develop projects or to continue development of its current project is conditional on its ability to secure financing when required. The Company proposes to meet any additional financing requirements through equity financing when required. In light of the continually changing financial markets, there is no assurance that funding by equity subscriptions will be possible at the times required or desired by the Company. See "Forward-Looking Information".

Financial Covenants

The Company is not subject to any financial covenants for 2021. The Company is required to maintain the following financial covenants under the ABL facility for the year ended December 31, 2022 and onwards:

- a minimum debt service ratio of 1.25:1
- a minimum current ratio of 1.2: 1
- a maximum debt to equity ratio of 3:1

The Company's financial covenants are reviewed regularly and controls are in place to maintain compliance with the covenants.

Debt service ratio is the ratio of (i) annual debt payments to (ii) earnings before tax, interest, depreciation and amortization. Current ratio is the ratio of (i) current assets to (ii) current liabilities. Debt to equity ratio is the ratio of (i) total debt to (ii) total shareholders' equity.

COMMITMENTS AND CONTINGENCIES

MANAGEMENT CONTRACTS

The Company is party to certain management contracts. These contracts require that additional payments of up to approximately $1,082,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the consolidated financial statements. Minimum commitments remaining under these contracts were approximately $330,000, all due within one year.

CONTINGENT CONSIDERATION

The Company has agreed to pay the security holders of Replenish ongoing earn-out payments totalling an aggregate of up to $7,000,000 based on qualifying gross annual revenue of Replenish multiplied by an earn-out factor for each of its 12-month fiscal periods ending June 30, 2025 payable by a combination of cash payments and the issuance of common shares of EarthRenew, provided the security holders of Replenish continue to be bound by consulting or employment agreements entered into with the Company.

The Company has also agreed to pay the security holders of Replenish supplemental earn-out payments of an aggregate amount of up to $2,000,000 based on certain sales parameters, which shall be payable by a combination of cash payments and the issuance of common shares of EarthRenew and evidenced by promissory notes that have been issued to the security holders of Replenish.

The contingent consideration, payable by the Company, was initially recognized at fair value and subsequently remeasured at each reporting date, with the changes to fair value recognized in the consolidated statement of net loss and comprehensive loss. For the remeasurement of contingent consideration at each reporting date, management uses a time value of money calculation using certain key assumptions such as (i) qualifying gross annual revenue, (ii) discount rates and (iii) the assessment of certain sales parameters.

On October 12, 2021, the Company paid the first earn-out payments for the period ending June 30, 2021 with respect to the Replenish acquisition in the aggregate amount of $999,070, of which $599,442 was settled by the issuance of 2,840,957 common shares of the Company, each with a deemed issuance price of $0.211.

As at December 31, 2021, contingent consideration amounted to $5,053,394.

The following table summarizes the movement in the Company's contingent consideration:

		Amount
Balance at December 31, 2020	**$**	**-**
Contingent arrangements entered into during the year		5,326,000
Changes in expected payment recorded through profit or loss		726,464
Settlements		(999,070)
Balance, December 31, 2021	**$**	**5,053,394**

LEGAL CONTINGENCIES

The Company is, from time to time, involved in various claims and legal proceedings. The Company cannot reasonably predict the likelihood or outcome of these activities. The Company does not believe that adverse decisions in any ending or threatened proceedings related to any matter, or any amount which may be required to be paid by reasons thereof, will have a material effect on the financial condition or future results of operations.

A former consultant of the Company has initiated a legal action seeking approximately $51,400 for fees owed and damages, plus interest. The Company is currently defending the matter, and accordingly no provision for loss has been recognized.

TRANSACTIONS WITH RELATED PARTIES

In 2021, the Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company:

- Received $1,045,066 (2020 - $nil) in fertilizer sales revenue from a company controlled by an officer of the Company.
- An officer of the Company exercised 66,666 stock options, generating gross proceeds of $12,000 (2020 - $nil).

Accounts payable and accrued liabilities due to officers of the Company for services provided amounted to $657,640 (2020 - $126,405). The amounts outstanding are unsecured and non-interest bearing.

The Company also granted 2,800,000 stock options (2020 - 788,333) with an exercise price of $0.25 (2020 - $0.33) expiring August 3, 2026 (2020 - June 25, 2025) to directors and officers of the Company.

Key Management Personnel Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the compensation committee having regard to the performance of individuals and market trends. Compensation to key management personnel was comprised of:

	December 31, 2021	December 31, 2020
Management fees	**$ 734,792**	$ 368,668
Share-based payments	**605,080**	226,804
	$ 1,339,872	$ 595,472

Management Changes

On May 17, 2021, Mr. Neil Weins was appointed to the Company’s board of directors and will serve as the Company’s Chief Technical Officer and head of sales. Mr. Weins will also continue to serve as the President of Replenish Nutrients Ltd., the Company’s recently acquired wholly owned subsidiary.

On May 27, 2021 Shawn McMillan was appointed as Chief Financial Officer and Corporate Secretary, following the resignations of Ryan Ptolmey as Chief Financial Officer, and Aaron Atins as Corporate Secretary.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments are measured at amortized cost or fair value. Fair value represents the estimated amounts at which financial instruments could be exchanged between knowledgeable and willing parties in an arm’s length transaction. Determining fair value requires management judgement.

Financial Instruments Measured at fair value

The Company uses quoted market prices when available to estimate fair value. Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Management’s judgement as to the significance of a particular input may affect placement within the fair value hierarchy levels.

The fair value hierarchy is as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and,

- Level 3 – Inputs that are not based on observable market data.

The valuation methods used to determine the fair value of each financial instrument and its associated level in the fair value hierarchy is described below.

Financial Instruments	Fair Value Method
Measured at Amortized Cost	
Cash, accounts receivable, and accounts payable and accrued liabilities	Measured initially at fair value, then at amortized cost after initial recognition. Fair value approximates carrying value due to their short-term nature.
Long-term debt	Measured initially at fair value, then at amortized cost after initial recognition using the effective interest method. Fair value is determined using discounted cash flows at the current market interest rate. (Level 2)
Measured at Fair Value	
Contingent consideration	Measured at fair value through profit or loss.

MARKET RISK

The Company's activities expose it to a variety of market risks, including foreign currency risk, interest rate risk, credit risk, and liquidity risk.

Management has overall responsibility for the establishment of risk management strategies and objectives. EarthRenew's risk management policies are established to identify the risks faced, to set appropriate risk limits, and to monitor adherence to risk limits. Risk management policies are reviewed regularly to reflect changes in market conditions and EarthRenew's activities.

Foreign currency risk

The Company funds the operations and maintains a head office in Canada. A portion of the Company's expenses are denominated in United States dollars. Consequently, the Company is exposed to fluctuations in the Canadian dollar relative to the United States dollar. The Company has not used derivative instruments to reduce its exposure to foreign exchange fluctuations.

The Company estimates that a 10% strengthening or weakening of the Canadian dollar against the United States dollar would result in a $3,300 decrease or $4,000 increase in net loss and comprehensive net loss.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in interest rates. The Company's interest-bearing liabilities include long-term debt. Changes in the prime interest rate may cause fluctuations in cash flow and interest expense.

A fluctuation of 0.5% in the interest rate would result in a $47,000 increase or $46,000 decrease in interest expense.

Credit risk

EarthRenew is exposed to credit risk if a customer or counterparty fails to meet its contractual obligations. The maximum credit risk that the Company is exposed to is the carrying value of cash and accounts receivable.

The Company's accounts receivables of $3,915,034 at December 31, 2021 are non-interest bearing. The Company historically has not experienced any significant collection issues with customers as a significant portion of these receivables are with farmers who generally pay invoices when their crops are harvested in the fall. The Company continues to expect that its receivables are substantially collectible at December 31, 2021, and that the Company does not have a significant concentration of credit risk.

The Company maintains an allowance for doubtful accounts for the expected credit losses resulting from the inability of its customers to make required payments.

	December 31, 2021	December 31, 2020
Balance, beginning of year	**$ -**	$ -
Additions (doubtful accounts expense)	**(931,857)**	-
Balance, end of year	**$ (931,857)**	$ -

In determining the allowance, the Company considers factors such as the number of days the customer account is past due, the Company's past collection history and changes in business circumstances. Uncollectible accounts receivables are charged against the allowance account based on the age of the account and payment history. The Company believes that its allowance for doubtful accounts is sufficient to reflect the related credit risk.

The Company's receivables are summarized as follows:

	December 31, 2021	December 31, 2020
Trade receivables	**$ 3,961,489**	$ 58,389
Other receivables	**-**	54,803
Less: Allowance for expected credit loss	**(931,857)**	-
	$ 3,029,633	$ 113,192

The following is an aging of the Company's accounts receivable:

	December 31, 2021	December 31, 2020
Current (less than 30 days)	**$ 2,1978,295**	$ 113,192
31 – 90 days	472,202	-
Over 90 days	360,136	-
Total receivables	**$ 3,029,633**	$ 113,192

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Liquidity is managed through cash, debt and equity management strategies, when available.

The Company is exposed to liquidity risk primarily through its accounts payable and accrued liabilities. All of the Company's accounts payable and accrued liabilities have a contractual maturity of less than one year. As at December 31, 2021, the Company has a working capital of $(2,392,577). The Company expects to complete future equity or other debt financings, as required and available. However, there is no assurance that funds will be available on terms acceptable to the Company at all.

The table below summarizes the Company's contractual obligations as at December 31, 2021:

	Recognized in Financial Statements	**Total**	**Less than 1 year**	**2-3 years**	**4-5 years**	**More than 5 years**
Accounts payable and accrued liabilities [1]	Yes-Liability	$ 5,192,162	$ 5,192,162	$ -	$ -	$ -
Long-term debt	Yes-Liability	3,151,849	588,651	1,330,063	1,233,135	-
Minimum lease payments	Yes-Liability	499,688	106,886	213,772	133,385	181,500
Interest payable [2]	No	294,909	63,574	144,052	81,937	5,346

1) Accounts payable and accrued liabilities exclude interest payable on long-term debt.
2) Excludes interest payable on lease liabilities

NON-IFRS MEASURES

Certain financial measures included in this MD&A do not have a standardized meaning prescribed by IFRS and therefore are considered non-IFRS measures; accordingly, they may not be comparable to similar measures provided by other companies.

Working Capital

The Company has included a Non-IFRS performance measure, working capital, throughout this document. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. This Non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Working capital is calculated by subtracting the current liabilities from the current assets. The following tables provide a reconciliation of working capital to the financial statements for 2021 and 2020:

(Expressed in Canadian dollars)		**2021**		2020
Current Assets				
Cash	**$**	**1,274,977**	$	953,768
Accounts receivables		**3,029,633**		113,192
Inventory		**926,304**		-
Prepaid expenses and deposits		**104,105**		395,883
		5,335,019		1,462,843
Current Liabilities				
Accounts payable and accrued liabilities	**$**	**5,204,762**	$	561,288
Current portion of lease liabilities		**65,434**		30,019
Current portion of long-term debt		**588,651**		-
Current portion of contingent consideration		**1,868,749**		
		7,727,596		591,307
Working Capital	**$**	**(2,392,577)**	$	871,536

Gross Margin and Gross Margin %

Gross margin is calculated as revenues minus cost of goods sold. Management believes that gross margin is an important indicator of profitability to assess operational performance. The higher the gross margin, the more capital the Company retains, which it can then use to pay other costs or satisfy debt obligations.

Gross margin % is the ratio of gross margin to revenue, expressed as a percentage.

The following tables provide a reconciliation of gross margin and gross margin % to the financial statements for 2021 and 2020:

		Three months ended December 31,					**Year ended December 31,**
Expressed in Canadian dollars, except per share amounts)		**2021**		2020	**2021**		2020
Revenues	**$**	**7,673,011**	$	154,138	**$ 12,299,580**	$	506,859
Cost of goods sold		**(5,454,050)**		(69,619)	**(8,999,084)**		(360,029)
Gross margin		**2,218,961**		84,519	**3,300,496**		146,830
Gross margin %		**29%**		55%	**27%**		29%

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

EarthRenew's significant accounting policies are described in Note 3 of the audited Consolidated Financial Statements for the year ended December 31, 2021.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE
Certain new or amended standards or interpretations issued by the International Accounting Standards Board (IASB) or IFRS Interpretations Committee (IFRIC) are mandatory for accounting periods on or after January 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded.

The standards issued, but not yet effective, are described below.

- IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to (i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. Earlier adoption is permitted.

- IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in February 2021. The IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' with amendments that require entities to disclose their material accounting policies rather than their significant accounting policies, with guidance to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2023. Earlier adoption is permitted.

- IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") was amended in February 2021 to introduce the definition of an accounting estimate and include other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier adoption is permitted.

- IAS 12 – Income Taxes ("IAS 12") was amended in May 2021. The IASB issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12). The amendments narrowed the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences. The amendments are effective January 1, 2023, with early adoption permitted.

- IAS 16 – Property, Plant and Equipment ("IAS 16") was amended in May 2020 to prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss. The amendments are effective for annual periods beginning on or after January 1, 2022. Earlier adoption is permitted.

- IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

- IFRS 3 - Business Combinations ("IFRS 3") was amended in May 2020 to update an outdated reference in the conceptual framework in IFRS 3 without significantly changing its requirements (Amendments to IFRS 3). The amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination; and that for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies

IAS 37 or IFRIC 21 to identify the liabilities it has assumed in a business combination. The amendments are effective for annual periods beginning on or after 1 January 2022, with early adoption permitted.

The Company will adopt these amendments as of their effective dates and is currently assessing their impacts on adoption. There are no other standards or interpretations issued, but not yet effective, that the Company anticipates may have a material effect on the consolidated financial statements once adopted.

SIGNIFICANT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgements, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant judgements, estimates and assumptions considered by management in preparing the consolidated financial statements include:

- Assets' carrying values and impairment charges - In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- Contingencies - Contingencies can be either possible assets or possible liabilities arising from past events, which, by their nature, will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential impact of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. Furthermore, estimates are made in determining the value of contingent consideration payments that should be recorded as part of the consideration on the date of acquisition and changes in contingent consideration payable in subsequent reporting periods. Contingent consideration payments are generally based on acquired businesses achieving certain performance targets. The estimates are based on management's best assessment of the related inputs used in the valuation models, such as future cash flows and discount rates. Future performance results that differ from management's estimates could result in changes to liabilities recorded, which are recorded as they arise through profit or loss.

- Depreciation rates - All plant and equipment are depreciated over a term, which the Company believes is the best approximation of the asset utility to the Company. If the estimated life had been longer than management's estimate, the carrying amount of the asset would have been higher. The Company applies significant estimates to determine the useful lives, considering technological advancements, past experience, expected use and review of useful lives.

- Share-based payments - Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgement used in applying valuation techniques. These assumptions and judgements include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- Income taxes, value added, withholding and other taxes - The Company is subject to income, value added, withholding and other taxes. Significant judgement is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company’s income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company’s interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- Discount rate used in adoption of IFRS 16 - The determination of the Company’s lease liabilities, right-of-use assets, and net investment in lease depends on certain assumptions, which include the selection of the discount rate. The discount rate is set by reference to the Company’s incremental borrowing rate. Significant assumptions are required to be made when determining which borrowing rates to apply in this determination. Changes in the assumptions used may have a significant effect on the Company’s consolidated financial statements.

- Expected credit losses - Determining an allowance for expected credit losses ("ECLs") requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management’s judgement about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

- Business combinations - Purchase price allocation involves judgment in identifying assets acquired and liabilities assumed, and estimation of their fair values. Key assumptions include discount rates and revenue growth rates specific to the acquired assets or liabilities assumed. The Company performed a thorough review of all internal and external sources of information available on circumstances that existed at the acquisition date. The Company also engaged independent valuation experts to assist in determining the fair value of certain assets acquired and liabilities assumed and related deferred income tax impacts.

- COVID-19 – Due to the impact of the COVID-19 pandemic we have assessed our accounting estimates and other matters that require the use of forecasted financial information. The assessment included estimates of the unknown future impacts of the pandemic using information that is reasonably available at this time. Accounting estimates and other matters assessed include the allowance for expected credit losses of receivables from customers, valuation of inventory, goodwill and other intangible assets. Based on the current assessment, there was not a material impact on these consolidated financial statements.

RISKS AND UNCERTAINTIES

NOVEL CORONAVIRUS (“COVID-19”)

The Company’s operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company’s operations and ability to finance its operations.

ELECTRICITY GENERATION

Changes in the Price of Electricity

A portion of EarthRenew’s revenues will be tied, either directly or indirectly, to the market price for electricity. Market electricity prices are impacted by a number of factors including: the strength of the economy, the available transmission capacity, the price of fuel that is used to generate electricity (and, accordingly, certain of the factors that affect the price of fuel described below); the management of generation and the amount of excess generating capacity relative to load in a particular market; the cost of controlling emissions of pollution, including the cost of carbon; the structure of the particular market; and weather conditions that impact electrical load. As a result, EarthRenew cannot accurately predict future electricity prices and electricity price volatility could have a material adverse effect on EarthRenew.

Regulatory Risk
The regulatory framework under which power generation is governed is impacted by significant shifts in government policy and changes in government, which creates uncertainty about public policy priorities and directions, particularly around electricity and environmental issues. The regulations that govern the competitive wholesale and retail electricity markets in Alberta continue to evolve and the extent to which the government of Alberta may participate in, and make adjustments to, the regulations cannot be foreseen.

Third Party Transmission Systems
The Strathmore Plant relies on a regional transmission system and related facilities that are owned and operated by third parties and have both regulatory and physical constraints that could impede EarthRenew's access to electricity markets. EarthRenew's power generation facilities depend on electric transmission systems and related facilities owned and operated by third parties to deliver the electricity that is generated to delivery points where ownership changes. These grids operate with both regulatory and physical constraints which in certain circumstances may impede access to electricity markets. There may be instances in system emergencies in which power generation facilities are physically disconnected from the power grid, or production curtailed, for short periods of time. In addition, EarthRenew's power generation facilities in the future may not be able to secure access to this interconnection or transmission capacity at reasonable prices, in a timely fashion or at all, which could then cause delays and additional costs in attempting to negotiate or renegotiate applicable power purchase agreements. Any such increased costs and delays could delay the commercial operation dates of any new projects and negatively impact EarthRenew's revenues and financial condition.

FERTILIZER PRODUCTION
Limited Operating History
EarthRenew commenced commercial operations at its Strathmore Plant in April 2008. Accordingly, EarthRenew will have a relatively limited operating history from which an investor can evaluate its business and prospects, particularly with respect to its fertilizer operating segment. EarthRenew has generated net losses and negative cash flow from operations since the commencement of operations and EarthRenew is expected to incur net losses and negative cash flow from operations for a significant period of time as it expands its operations, streamlines organic fertilizer production and commercialization with Replenish, and applies for regulatory permits and approvals associated with any such expansion. The likelihood of the Company's success must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with the expansion of a nascent business operating in a competitive industry.

Capitalization
EarthRenew had negative operating cash flow on December 31, 2020 and will continue to have negative operating cash flow until revenues increase. The Company currently has inadequate funds to fully develop its business and will need additional financing (which may include the issuance of equity or debt securities) or other capital investment to implement its business plan. The Company has no assurance that additional funding will be available to carry out the completion of all proposed activities. Although the Company has been successful in the past in obtaining financing through the sale of 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 result in the delay or indefinite postponement of its business plan.

The continued development of the Company will require additional financing. The Company intends to fund its future business activities by way of additional offerings of equity and/or debt financing, as well as through anticipated positive cash flow from operations in the future. The failure to raise or procure such additional funds or the failure to achieve positive cash flow could result in delays or failure to obtain our current business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Company. If additional funds are raised by offering equity securities, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve the granting of security against assets of the Company and could also contain restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Fertilizer Products and Markets

The market for EarthRenew's products is undeveloped and development of such markets will require significant marketing efforts, working capital and increased sales and marketing staff. This may present difficulties due to limited resources as the price at which EarthRenew may sell its products in commercial quantities has not yet been fully determined. EarthRenew may be required to modify its growth strategy as a result of actual or anticipated competition, customer response, lack of resources, regulatory requirements or other reasons. Operating results and the price at which EarthRenew will be able to sell its products and services will be highly dependent on the existence of a market for such products and overall farm receipts.

Success in marketing and selling products will depend upon multiple factors, including:

- the effectiveness of the products;
- the ability of EarthRenew to locate additional hosts and add sufficient manufacturing capacity at an acceptable cost and in compliance with regulatory requirements;
- the ability to generate commercial sales of products;
- acceptance of products and services by target markets;
- inherent development risks, such as fertilizer products not having the anticipated effectiveness;
- preclusion or obsolescence resulting from a third party developing superior or equivalent products;
- the ability to develop repeatable processes to manufacture our products in sufficient quantities; and
- general economic conditions.

If any of these factors cannot be overcome, EarthRenew may not be able to introduce products to target markets in a timely or cost-effective manner, which could adversely affect future growth and results.

There can be no assurance that illustrative or indicative use information in respect of products contained in this MD&A will reflect actual use of our products by growers. In adopting our products, growers will adopt and use product in accordance with their own circumstances and may in particular stage the adoption of product over time, or blend or use our fertilizer with other fertilizers, which may affect the demand for products.

Operating results and the price at which EarthRenew can sell products will be dependent on demand for products. Demand for products will be affected by a number of factors including weather conditions, commodity prices, and government policies. It is likely that the price at which EarthRenew sells its products will fluctuate if there are significant changes in the price and availability of other fertilizer products.

Product Price and Margin

Operating results are and will be dependent upon product prices and margins, which are in turn dependent on demand for crop inputs. Demand for crop inputs can be affected by a number of factors including weather conditions, outlook for crop nutrient prices and farmer economics, governmental policies, access of our customers to credit, and build-up of inventories in distribution channels.

Product price and margins are also significantly influenced by competitor actions that change overall industry production capacity, such as decisions to build or close production plants, changes in utilization rates and pricing decisions.

Challenges to Commercial Production – Raw Materials

EarthRenew's sales objectives will require significant demand for raw materials to produce the various product formulations for the Replenish Products. Variations in commodity prices at several levels of its production chain may affect the ability to meet product demand in multiple markets. While the Company has established manufacturing and processing operations based on its ability to obtain adequate supplies of raw materials on a timely basis, the Company relies on a limited number of third-party suppliers with respect to a portion of the raw materials. A supply agreement has been signed with Fertoz, and a non-binding letter of intent has been signed with K+S Potash Canada General Partnership relating to the conditional lease of 15 acres of land on which the Bethune Plant will be constructed. It is difficult for the Company to secure additional suppliers of certain raw materials due to their specialized nature. If any of the Company's suppliers are unable to meet their obligations under present or future supply agreements due to any factors such as delays, or insufficient supply in their respective supply chains, or increases in the prices of raw materials to be provided, or if any of the Company's key supply agreements are terminated earlier than anticipated, the Company may be forced to postpone delivery dates for Replenish Products or be forced to purchase raw materials in the open market or from alternative suppliers, and it may not be able to make those purchases at efficient price or quality levels, or at all. The Company's business may also be impacted by sudden increases in raw material prices, or the inability to secure host manure sites. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs to the Replenish Products could materially impact the business, financial condition, results of operations or prospects of the Company. If a sole source supplier was to go out of business, or was to be acquired by a competitor, that competitor may elect not to sell to the Company in the future. Any inability to secure required supplies and services (including host manure sites), or to do so on reasonable terms, could have a material adverse effect on the business, financial condition, results of operations or prospects of the Company.

Competition

The fertilizer manufacturing and electricity generation industries in which we operate are highly competitive. Although EarthRenew does not produce the same products as traditional fertilizer producers, management of EarthRenew anticipates that future sales, pricing and margins will be affected by the price and availability of traditional soil products such as nitrogen-based fertilizers, the price of which is highly dependent on inputs such as natural gas. If the price and availability of traditional fertilizer products is attractive, future sales, pricing and margins may suffer which could have a material adverse effect on our business and financial condition. Competitors in the traditional fertilizer industry are larger and have better access to capital and resources than EarthRenew which could affect its ability to compete. A competitor or a new entrant could invent a technology or process that is superior to EarthRenew's technology or process and this would have an adverse effect on its ability to compete. We will also compete for host manure sites and for an adequate supply of inputs. A failure to secure future host sites will have a material adverse effect on the growth prospects of EarthRenew.

Production Process

Under EarthRenew's manufacturing model, it has developed and established, and will continue to develop and establish, manufacturing processes and systems at the Beiseker Plant.

EarthRenew's manufacturing process is a highly automated and complex process that requires extreme precision and quality control throughout each production stage. The Beiseker Plant consists of multiple components, all of which must be run on an integrated and coordinated basis. There can be no assurance that each component will continuously operate as designed or expected or that the necessary levels of integration and co-ordination will continuously be achieved. Any difficulties encountered in our manufacturing process could adversely affect the ability to produce products, thereby affecting EarthRenew's ability to meet customer expectations and may adversely affect the business and financial results.

Product Liability

As a manufacturer and distributor of products designed to be used on crops destined for human consumption or products for use on infrastructures accessible to the population, the Company faces an inherent risk of exposure to product liability claims, regulatory action, and litigation if its products (including the Replenish Products) are alleged to have caused loss or injury. Previously unknown adverse reactions may result from use of the Replenish Products. The Company or Replenish may be subject to various product liability claims, including, among others, that the Replenish Products contributed to agricultural losses, injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company or Replenish could result in increased costs, could adversely affect both the Company's and Replenish's reputation and goodwill with consumers generally, and could have a material adverse effect on the Company's business, financial condition and results of operations. The Company cannot ensure that its current or future liability insurance, together with indemnification rights under any potential future licence agreements and other collaborative arrangements, will be adequate to protect it against any claims and resulting liabilities or that it will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance may be cost-prohibitive or completely unavailable. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the continued commercial offering of Replenish Products.

Product Recalls
Manufacturers and distributors of products are occasionally subject to the recall or return of their products for a variety of reasons, including product defects such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. Recalls can cause unexpected expenses, legal proceedings, and the loss of a significant amount of sales. In addition, a product recall may require significant management attention, and the reputation of the recalled product's brand and the Company could be harmed. Additionally, product recalls can lead to increased scrutiny of operations by applicable regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Intellectual Property
EarthRenew relies on a combination of patents, trademarks, trade secrets, confidentiality agreements and other contractual restrictions on disclosure to protect its intellectual property rights. EarthRenew also enters into confidentiality agreements with employees, consultants, hosts and other third parties, and controls access to and distributions of confidential information.

EarthRenew's success will depend in part on its ability to maintain or obtain and enforce patent and other intellectual property protection for processes, products and technology, to preserve trade secrets and to operate without infringing upon the proprietary rights of third parties. Setbacks or failures in these areas could negatively affect EarthRenew's ability to compete and materially and adversely affect its business and financial condition. EarthRenew has obtained patents or filed patent applications in the United States, Canada and internationally and may, in the future, seek additional patents or file additional patent applications. Certain aspects of EarthRenew's technology are currently protected as trade secrets, for which we may or may not file patent applications.

There can be no assurance that EarthRenew's patents or patent applications will be valid, or that patents will issue from the patent applications that have been filed or will be filed. Additionally, there can be no assurances that the scope of any claims granted in any patent will provide adequate protection for the processes used by the Company currently or in the future. EarthRenew cannot be certain that the creators of EarthRenew's technology were the first inventors of inventions and processes covered by patents and patent applications or that they were the first to file. Accordingly, there can be no assurance that EarthRenew's patents will be valid or will afford EarthRenew with protection against competitors with similar technology or processes. Despite efforts to protect proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use proprietary information. Monitoring unauthorized use of confidential information is difficult and there is no certainty that steps EarthRenew take to prevent unauthorized use of patented products or confidential information will be effective.

EarthRenew may deem it necessary or advisable to commence litigation to enforce our intellectual property rights. Others may claim that EarthRenew has infringed upon their intellectual property rights and commence litigation against EarthRenew. EarthRenew's commercial success depends in part on its ability to operate without infringing the patents and other proprietary rights of third parties. Infringement proceedings relating to intellectual property are often lengthy, costly and time-consuming and their outcome is uncertain. Moreover, if competitors prepare and file patent applications to claim technology that is also claimed by EarthRenew, EarthRenew may be forced to participate in interference proceedings to determine priority of invention. Litigation and participation in such proceedings could result in substantial costs and diversion of the efforts of EarthRenew, even if the eventual outcome is favourable. Litigation could also subject EarthRenew to significant liabilities to third parties, require disputed rights to be licensed from third parties or require EarthRenew to cease using certain technology. If EarthRenew becomes involved in any patent litigation, interference, opposition or other administrative proceedings, EarthRenew will incur substantial expense and the efforts of technical and management personnel will be significantly diverted. As a result of such litigation or proceedings EarthRenew could lose its proprietary position and be restricted or prevented from manufacturing products, incur significant damage awards, including punitive damages, or be required to seek third-party licenses that may not be available on commercially acceptable terms, if at all. In addition, EarthRenew may lack the resources, whether financial or otherwise, to monitor, prosecute and enforce intellectual property rights.

Volatility of Electricity and Natural Gas Prices

EarthRenew's future revenue will be dependent on the market prices of electricity and natural gas. The market rates of electricity and natural gas may be affected by changes in regulations and government policy and in demand and capacity supply, including cyclical changes, as well as the overall economy. Electricity markets are subject to regulatory developments within the jurisdictions in which EarthRenew operates (or intends to operate) or sell electricity and other external factors outside its control, which developments or factors may negatively impact electricity markets, pricing, transmission development and investment. This volatility may have a material adverse effect on EarthRenew's business and financial condition.

To the extent that electricity prices do not increase in tandem with any future increases in natural gas prices, EarthRenew's operating results will be adversely affected as it will not be able to sell the electricity produced by these plants at levels sufficient to offset a majority of the cost of the natural gas it will have to purchase to power such plants.

Government Regulation

EarthRenew's operations will be subject to a variety of federal, provincial, state and local laws, regulations, and guidelines, including laws and regulations relating to health and safety, manure management, production and sale of fertilizers, including for organic farming use, the conduct of operations, the protection of the environment, the operation of equipment used in operations, the sale of electricity and the transportation and the import and export of products. EarthRenew believes that it is currently in compliance with such laws and regulations. EarthRenew intends to invest financial and managerial resources to ensure such compliance in the future. Although such expenditures historically have not been material, such laws or regulations are subject to change. Accordingly, it is impossible for the Company to predict the cost or impact of such laws and regulations on its future operations.

If the Company or Replenish is unable to comply with current or future government regulations of its products and production activities, the Company may be forced to discontinue production of current or future products. Each product that is developed, produced, marketed, or licensed presents unique regulatory problems and risks. The problems and risks depend on the product type, its uses, and method of manufacture. For products used in human nutrition, the Company and Replenish will be required to adhere to requirements published by the CFIA, USDA, the International Organization for Standardization ("ISO"), and other applicable standards. If it is unable to maintain its current compliance, or achieve compliance with standards applicable to anticipated expansion, its practices and procedures, as applicable, the Company may be unable to produce its current or future products.

Operating Risks and Insurance

EarthRenew's operations will be subject to hazards inherent in the fertilizer manufacturing and sale and electrical generation industries, such as labour disruptions and unscheduled downtime, equipment defects, malfunctions and failures, loss of product in processing, and natural disasters, that can cause personal injury, loss of life, suspension of operations, damage to plants, business interruption and damage to or destruction of property, equipment and the environment. These risks could expose us to substantial liability for personal injury, wrongful death, property damage, pollution, and other environmental damages and the imposition of civil or criminal penalties. The frequency and severity of such incidents will affect operating costs, insurability and relationships with customers, employees and regulators. In the event of equipment defects, malfunctions or failures, there can be no assurance that supplier warranties will be effective to compensate us for any losses.

EarthRenew will continuously monitor its activities for quality control and safety. However, there are no assurances that safety procedures will always prevent the damages described above. Although EarthRenew will maintain insurance coverage that it believes to be adequate and customary in the industries in which it operates, there are no assurances that such insurance will be adequate to cover all liabilities. In addition, there are no assurances that EarthRenew will be able to maintain adequate insurance in the future at rates it considers reasonable and commercially justifiable. The occurrence of a significant uninsured claim, a claim in excess of the insurance coverage limits, or a claim at a time when EarthRenew is not able to obtain liability insurance, could have a material adverse effect on its ability to conduct normal business operations.

Defects in its products or failures in quality control could impair EarthRenew's ability to sell products or could result in product liability claims, litigation and other significant events with substantial additional costs. Detection of any significant defects in its products or failure in our quality control procedures may result in, among other things loss of sales and market acceptance of our products, diversion of development resources and injury to EarthRenew's reputation.

The costs EarthRenew may incur in correcting any product defects may be substantial. Additionally, errors, defects or other performance problems could result in financial or other damages to customers, which could result in litigation. Product liability litigation, even if unsuccessful, would be time consuming and costly to defend. EarthRenew's product liability insurance may not be adequate to cover claims.

Environmental and Regulatory Risk

EarthRenew's operations are subject to environmental risks and regulatory compliance and there are no assurances that its plants will be in compliance with all regulatory requirements. New or amended environmental laws and regulations may require EarthRenew to curtail or stop operations at one or more plants, or may require expenditures by us to install environmental control equipment or modify operations. Failure to comply could subject EarthRenew to fines or penalties.

There can be no assurances that EarthRenew will not experience difficulties in its efforts to comply with such laws and regulations in future years, or that the costs associated with EarthRenew's continued compliance efforts will not have a material adverse effect on its business and financial condition. The ability to use its product in organic agriculture is a key component to the marketability of such product. Should any regulatory body prohibit organic matter fertilizers for use in organic agriculture it would materially adversely affect the marketability of the products of EarthRenew.

Inability to Adapt or Incorporate New Technological Processes

The development and implementation of new technologies may result in a significant reduction in the costs of fertilizer production. Technological advances by other fertilizer producers in methods to convert minerals, green wastes, biosolids and manures into fertilizer could increase efficiency and decrease the cost of production, which could increase competition. EarthRenew cannot predict when new technology may become available, the rate of acceptance of new technologies by its competitors or the costs associated with new technologies. It is also possible that EarthRenew may not be able to incorporate new technological processes into its production process which could place the Company at a competitive disadvantage.

Sales Cycle

EarthRenew is affected by seasonality risk due to weather and the potential buying patterns of major customers. EarthRenew's revenue may therefore be affected by these buying patterns, notably a potential slowdown in sales over the winter and early spring.

Personnel and Strategic Allies

The successful operation of our business will depend upon the abilities, expertise, judgment, discretion, integrity and good faith of our management, executive officers, general managers, employees, consultants and strategic allies. In addition, our ability to expand will depend upon our ability to attract qualified personnel as needed, including marketing, sales and operational personnel. The demand for skilled employees is high, and the supply can be limited, particularly in the Alberta market. The unexpected loss of our key personnel or strategic partners, or the inability to retain or recruit skilled personnel could have a material adverse effect on our business and financial condition.

Marketing and Distribution Expertise

Achieving market success will require substantial marketing efforts and the expenditure of funds to inform potential customers of the distinctive benefits and characteristics of our fertilizer. EarthRenew's long term success will depend on its ability to expand current marketing capabilities. EarthRenew will, among other things, need to attract and retain experienced marketing and sales personnel. No assurance can be given that EarthRenew will be able to attract and retain such personnel or that any efforts undertaken by such personnel will be successful.

Weather and Climate

Adverse weather conditions represent a very significant operating risk affecting potential hosts and customers for products. Weather conditions affect the types of crops grown, the quality and quantity of production and the levels of farm inputs which, in turn, will affect demand for our products. Adverse weather conditions, such as drought or excessive rains, can result in both reduced production of the inputs we need to manufacture products by our hosts, reduced crop production by customers for products and increased costs to operate plants. During the winter and wet seasons, EarthRenew expects the amount of inputs produced by hosts to decline. A reduction in the production of the inputs needed to manufacture our products or crop input sales because of adverse weather conditions could have a material adverse effect on operating results and financial condition.

Management Estimates and Assumptions

A number of matters set forth in this MD&A including, without limitation, engineering matters, energy efficiency, product performance and costs are based on certain assumptions and estimates made by management. These estimates and assumptions may prove to be inaccurate.

Litigation Risks

EarthRenew may become involved in, named as a party to, or the subject of, various legal proceedings, including contract disputes, regulatory proceedings, tax proceedings and legal actions relating to intellectual property, product liability, personal injuries, property damage, property taxes, land rights, and the environment. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to EarthRenew and as a result, could have a material adverse effect on its assets, liabilities, business, financial condition and results of operations. Even if EarthRenew prevails in any such legal proceeding, the proceedings could be costly and time-consuming and would divert the attention of management and key personnel from business operations, which could adversely affect its financial condition.

Credit Risk

A substantial portion of EarthRenew's accounts receivable will be with customers involved in the agricultural industry whose revenues may be impacted by fluctuations in commodity prices and all other factors affecting the economics of the agricultural industry. Collection of these receivables could be influenced by economic factors affecting the agricultural industry as a whole.

Foreign Exchange and Interest Rates

EarthRenew will incur costs in United States dollars, particularly in relation to equipment and parts purchased from the United States. Accordingly, EarthRenew is subject to risk from fluctuations in the rates of currency exchange between the United States dollar and Canadian dollar, and such fluctuations may materially affect its business and financial condition.

Catastrophic Event Risk

EarthRenew's operations are exposed to potential damage, including partial or full loss, resulting from disasters such as an earthquake, hurricane, fire, explosion, flood, severe storm, terrorist attack or other comparable events. Both the Strathmore Plant and future plants owned by hosts could be exposed to effects of severe weather conditions, natural disasters and potentially catastrophic events such as a major accident or incident at our plants. A pandemic or an assault or an action of malicious destruction, sabotage or terrorism committed at our plants or with respect to our fertilizer could also disrupt our ability to produce and sell fertilizer. The occurrence of a significant event that disrupts the ability of our plants to produce fertilizer for an extended period could have a material adverse effect on our business, financial condition and results of operations.

Potential Acquisitions

As part of EarthRenew's overall business strategy, it may pursue select strategic acquisitions, which could provide additional product offerings, vertical integrations, additional industry expertise and a stronger industry presence. The success of any such acquisitions will depend, in part, on the ability of the Company to realize the anticipated benefits and synergies from integrating those companies into the businesses of the Company. Future acquisitions may expose the Company to potential risks, including risks associated with: (i) the integration of new operations, services and personnel, (ii) unforeseen or hidden liabilities, (iii) the diversion of resources from the Company's existing business and technology, (iv) potential inability to generate sufficient revenue to offset new costs, (v) the expense of acquisitions, and (vi) the potential loss of or harm to relationships with both employees and existing customers resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval. While the Company intends to conduct reasonable due diligence in connection with such strategic acquisitions, there are risks inherent in any acquisition. Specifically, there could be unknown or undisclosed risks or liabilities of such companies for which the Company is not sufficiently indemnified. Any such unknown or undisclosed risks of liability could materially and adversely affect the Company's financial performance and results of operations. The Company could encounter additional transaction and integration related costs or other factors such as failure to realize all of the benefits from the acquisition. All of these factors could decrease or delay the anticipated accretive effect of the acquisition and cause a decrease in the market price of the common shares. The Company may not be able to successfully integrate and combine the operations, personnel, and technology infrastructure of any such strategic acquisition with its existing operations. If integration is not managed successfully by the Company's management, the Company may experience interruptions in its business activities, deterioration in its employee and customer relationships, increased costs of integration and harm to its reputation, all of which could have a material adverse effect on the Company's business, financial condition and results of operations.

GENERAL BUSINESS AND MARKET RISKS

Key Personnel

The senior officers of EarthRenew will be critical to its success. In the event of the departure of a senior officer, EarthRenew believes that it will be successful in attracting and retaining qualified successors but there can be no assurance of such success. Recruiting qualified personnel as EarthRenew grows is critical to its success. As EarthRenew's business activity grows, it will require additional key financial, administrative and technical personnel as well as additional operations staff. If EarthRenew is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on future cash flows, earnings, results of operations and the financial condition of EarthRenew.

Conflicts of Interest

Directors and officers of EarthRenew are or may become directors or officers of other reporting companies or have significant shareholdings in other fertilizer or electrical generation companies. EarthRenew and its directors and officers will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the directors of EarthRenew, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, EarthRenew will establish a special committee of independent directors to review a matter in which one or more directors, or officers, may have a conflict. In determining whether or not EarthRenew will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to EarthRenew, the degree of risk to which EarthRenew may be exposed and its financial position at that time. Other than as indicated, EarthRenew has no other procedures or mechanisms to deal with conflicts of interest.

Additional Financing

EarthRenew will require additional financing in order to make further investments or take advantage of future opportunities and to grow its business. The ability of EarthRenew to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as upon the business success of EarthRenew. There can be no assurance that EarthRenew will be successful in its efforts to arrange additional financing on terms satisfactory to EarthRenew. If additional financing is raised by the issuance of Common Shares or other forms of convertible securities from treasury, control of EarthRenew may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, EarthRenew may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business. If EarthRenew is unable to generate such revenues or obtain such additional financing, any investment in EarthRenew may be lost. In such event, the probability of resale of the securities of EarthRenew would be diminished.

Profitability

There is no assurance that EarthRenew will earn profits in the future, or that profitability will be sustained. There is no assurance that future revenues will be sufficient to generate the funds required to continue EarthRenew's business development and marketing activities. If EarthRenew does not have sufficient capital to fund its operations, it may be required to reduce its sales and marketing efforts or forego certain business opportunities.

Management of Growth

EarthRenew may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of EarthRenew to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of EarthRenew to deal with this growth may have a material adverse effect on EarthRenew's business, financial condition, results of operations and prospects.

Issuance of Debt

From time to time, EarthRenew may enter into transactions to acquire assets or seek to obtain additional working capital. These transactions may be financed in whole or in part with debt, which may increase EarthRenew's debt levels. Depending on future plans, EarthRenew may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms to EarthRenew. EarthRenew's constating documents do not limit the amount of indebtedness that may be incurred and it is not expected that EarthRenew's constating documents will contain such restrictions. As a result, the level of EarthRenew's indebtedness from time to time could impair its ability to operate or otherwise take advantage of business opportunities that may arise.

Dilution

EarthRenew may make future acquisitions or enter into financings or other transactions involving the issuance of securities of EarthRenew which may be dilutive to the holdings of existing shareholders.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of EarthRenew in creating revenues, cash flows or earnings. The value of the Common Shares will be affected by such volatility. A public trading market in the Common Shares having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of willing buyers and sellers of Common Shares at any given time, which, in turn is dependent on the individual decisions of investors over which EarthRenew has no control. There can be no assurance that an active trading market in securities of EarthRenew will be established and sustained. The market price for EarthRenew's securities could be subject to wide fluctuations, which could have an adverse effect on the market price of EarthRenew. The stock market has, from time to time, experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance, net asset values or prospects of particular companies. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline.

Dividends

EarthRenew has not paid any dividends on its outstanding shares. Any payments of dividends on the Common Shares will be dependent upon the financial requirements of EarthRenew to finance future growth, the financial condition of EarthRenew and other factors which EarthRenew's board of directors may consider appropriate in the circumstance. It is unlikely that EarthRenew will pay dividends in the immediate or foreseeable future.

Markets for Securities

There can be no assurance that an active trading market in the Common Shares will be established and sustained. The market price for the Common Shares could be subject to wide fluctuations. Factors such as agriculture commodity prices, government regulation, the demand for fertilizer, electricity prices, interest rates, share price movements of EarthRenew's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of EarthRenew.

General Economic Conditions May Adversely Affect EarthRenew's Growth

Events in global financial markets can have a profound impact on the global economy in general and the fertilizer industry in particular. Many industries can be negatively impacted by these market conditions. A slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, tax rates may adversely affect EarthRenew.

OTHER FINANCIAL INFORMATION

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Internal controls over financial reporting, no matter how well designed, have inherent limitations. Therefore, internal controls over financial reporting can provide only reasonable assurance regarding the reliability of financial statement preparation and may not prevent or detect all misstatements.

FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to EarthRenew, certain information contained herein constitutes forward-looking information under Canadian securities legislation. Forward-looking information includes, without limitation, statements with respect to power generation and fertilizer aspect: the anticipated benefits of the products; the production rate of our Strathmore Plant; the energy efficiency and net energy costs of our Strathmore Plant; future production; the supply and demand for organic matter fertilizers in agriculture and other industries; emissions reductions and credits from various activities; the development of markets for our organic matter fertilizer and the demand for organic matter fertilizer; anticipated availability and sources of future financing; the commercialization of additional applications of EarthRenew's technology; growth expectations and plans; the ability to enter into additional host agreements; the ability to hire and retain sufficient personnel; operating costs at the Strathmore Plant; and results of trials of products. With respect to forward-looking statements contained in this MD&A, we have made assumptions regarding, among other things: future prices of fertilizer and soil products; future prices of natural gas and electricity; the actual and expected results of manufacturing activities; organic waste composition including qualities and quantities; market acceptance of our products; ability to obtain equipment from suppliers; ability to obtain additional financing on satisfactory terms; ability to obtain and enforce our intellectual property rights; ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the regulatory framework governing our operations and environmental matters in the jurisdictions in which EarthRenew conducts and will conduct its business; future production levels; operating costs associated with the operation of EarthRenew's plants; future capital expenditures to be made by EarthRenew; products will perform as indicated in research trials; ability to execute our growth plans; ability to enter into additional host agreements; ability to quantify and verify emissions reductions and credits within established emissions credit regimes; ability to obtain required permits, grid access and power purchase arrangements for our second generation plants; ability to obtain organic inputs for our plants; the operation of our second generation plants, including in respect of matters referenced elsewhere in this MD&A; and the operation of our Strathmore Plant. The words "anticipates", ''plans'', ''expects'', "indicative", "intend", ''scheduled'', "timeline", ''estimates'', ''forecasts", "guidance", "opportunity", "outlook", "potential", "projected", "schedule", "seek", "strategy", "study" (including, without limitation, as may be qualified by "feasibility" and "pre-feasibility"), "targets", "models", or ''believes'', or variations of or similar such words and phrases or statements that certain actions, events or results ''may'', ''could'', ''would'', or ''should'', ''might'', or ''will be taken'', ''occur'' or ''be achieved'' and similar expressions identify forward-looking information. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable by EarthRenew and its external professional advisors as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. 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.

Forward-looking information is provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements and those made in the ''Risks and Uncertainties" section of this MD&A. These factors are not intended to represent a complete list of the factors that could affect EarthRenew. EarthRenew disclaims any intention or obligation to update or revise any forward-looking information or to explain any material difference between subsequent actual events and such forward-looking information, except to the extent required by applicable law.

ABBREVIATIONS AND DEFINITIONS

ESG	Environmental, social and governance
CSE	Canadian Securities Exchange
USD	United States dollar
CAD	Canadian dollar

Measurement

Tonne	A unit of weight. One metric tonne equals 2,204.6 pounds or 1,000 kilograms
Mt	Metric tonnes
MWh	Megawatt hour