EARTHRENEW INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022 and 2021
(Expressed in Canadian dollars)

EARTHRENEW INC.
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AUGUST 25, 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 three and six months ended June 30, 2022.

The MD&A was prepared as of August 25, 2022 and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2022. This MD&A should also be read in conjunction with the Company's MD&A for the year ended December 31, 2021, as disclosure which is unchanged from December 31, 2021 may not be duplicated herein. 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 3 of the annual audited consolidated financial statements as at and for the years ended December 31, 2021, for disclosure of the Company's significant accounting policies.

Additional information about the Company may be found 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 three and six months ended June 30, 2022, 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, AB 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 farmer; and.
- Electricity: Low-cost power generation.

OUTLOOK

EarthRenew continues to focus on growth in the regenerative fertilizer business, by increasing manufacturing capacity and partnering with aligned Ag Retailers to expand distribution within North America. The Company's success in 2021 has prompted us to establish new sites in proven, high-demand locations. The Company forecasts revenue from regenerative fertilizer sales of approximately $27 million for 2022.

FINANCIAL AND OPERATING SUMMARY

Financial Summary

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

	Three Months Ended June 30,		Six Months Ended June 30,	
Expressed in Canadian dollars, except per share amounts)	**2022**	2021	**2022**	2021
Revenues	**$7,034,294**	$1,585,662	**$10,098,108**	$2,067,360
Cost of goods sold	**(6,060,077)**	(1,165,591)	**(9,370,807)**	(1,288,238)
Gross margin [1]	**974,317**	420,071	**737,301**	779,122
Gross margin % [1]	**14%**	26%	**7%**	38%
Net loss and comprehensive loss	**(1,286,712)**	(1,062,957)	**(2,650,304)**	(1,853,041)
Net loss per share – basic and diluted	**(0.01)**	(0.02)	**(0.03)**	(0.03)
Changes in non-cash working capital	**(2,992,395)**	397,821	**(3,610,493)**	573,474
Capital expenditures	**34,698**	354,156	**441,523**	354,156
Cash used in operating activities	**(3,016,784)**	(335,552)	**(4,731,149)**	(869,978)
Weighted average number of shares - Basic and diluted	**103,179,707**	54,922,222	**97,975,895**	62,602,603

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

Operational Summary

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	**2022**	2021
Regenerative fertilizer				
Sales volume (Mt)	**12,301**	9,178	**17,308**	9,178
Average selling price ($/Mt)	**570**	145	**490**	145
Electricity				
Electricity generation(MWh)	**45**	482	**289**	1499
Average Selling Price ($/MWh)	**611**	352	**605**	359

REVENUES

EarthRenew is reporting $7.0 million in revenues for the second quarter of 2022, $5.4 million higher than the same period in 2021 or 344% increase. Higher revenues are from the fertilizer sales which started operations in May 2021 with the acquisition of Replenish.

Fertilizer sales in Q2/2022 were $7.0 million, 99% of total Company revenues. The Company is focusing on the fertilizer segment operations. The Company is also reporting Q2-2022 revenue from power generation of $0.03 million.

Year to date revenue of $10.1 million was recorded, which is $8.0 million higher than the same period in 2021. Higher revenues are from the fertilizer sales which started operations in May 2021 with the acquisition of Replenish.

GROSS MARGIN

Gross margin was $0.9 million in the second quarter of 2022 up from $0.4 million for the same period in 2021. This increase came from the fertilizer segment and was reduced by the Company having a negative gross margin in the electrical generation part of the business. The fertilizer segment gross margin rose to $1.1 million from $0.3 million in 2021.

Gross margin % for the second quarter of 2022 was 14% compared to 26% for the same period in 2021. This decrease in gross margin % is due to having negative gross margin on the electrical generation, higher fertilizer sales activity and an increase in raw material input costs.

Gross margin on a year to date basis of 2022 was 7% with the electrical generation being a negative and the first quarter commissioning and raw material product sales at close to no margin on a year to date basis.

Refer to "Non-IFRS measures".

NET LOSS

In the second quarter of 2022, the Company had net loss of $1,286,712, or $(0.01) per share, compared to net loss of $1,062,957 for the same period in 2021. The increased losses were mainly due to an increase in depreciation, change in fair value of contingent consideration, and negative gross margin in the electrical generation segment.

Year to date the net loss rose to $2.7 million or $(0.03) per share, compared to a net loss of $1.9 million for the same period in 2021. The increased losses were mainly due increase in depreciation, change in fair value of contingent consideration, and negative gross margin in the electrical generation segment.

General and administrative expenses

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

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2022	2021	**2022**	2021
Salaries and benefits	**569,106**	403,163	**988,588**	512,165
Professional fees	**30,722**	174,327	**123,007**	224,797
Consulting and management fees	**156,601**	290,785	**414,733**	948,243
Advertising and promotion	**149,924**	29,301	**156,466**	172,522
Shareholder communications and filing fees	**37,446**	28,952	**51,209**	73,736
Travel	**27,327**	7,296	**64,028**	13,513
Rent and office	**84,163**	223,451	**189,180**	303,656
	1,055,289	1,157,274	**1,987,211**	2,248,632

General and administrative expenses for the second quarter of 2022 were $1,055,289, a decrease of 9% from second quarter of 2021. Year to date general and administration expense were $2.0 million a decrease of 12% from the same period in 2021. The change in general and administrative expenses is due to increased salaries and benefits, decreases in the professional fees, and consulting and management fees, offset by 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.

CASH FLOW

Cash flows used in operating activities were $3.0 million in the second quarter of 2022, $2.7 million higher than the same period in 2021. The increase was mainly due to increased operating activities from the fertilizer business and expansion of inventory on hand.

CAPITAL INVESTMENT

Total capital investment for the six months ended June 30, 2022 was $0.4 millon compared to $0.35 million for the same period in 2021, due to the expansion of the production facilities at Beiseker.

The Company has recently commissioned the Beiseker production facility which will increase capacity to 18,000 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.

Engineering and development activities are underway for a 50,000 metric tonne granulation facility on-site at our current DeBolt, Alberta fertilizer blending facility. The zero-waste facility will service the large agriculture region in the Peace Country of Northern Alberta. The area is home to over 10 million acres of arable land, an area about the size of New York state, and represents an untapped market for sustainable agricultural products. Replenish has established a toe-hold in the area with sales of approximately $7.5 million to date. The Company's expansion extends market reach due to the inherent ease of transport, application, and storage of this type of product. Modeled after the recently commissioned Beiseker facility, the Company intends for the DeBolt facility to be operational in 2023. The project has received development permit approval from the Municipal District of Greenview.

The Company is also advancing its efforts to establish a larger facility at the K+S Potash mine in Bethune, Saskatchewan. This strategic site provides access to the 36.5 million acres of farmland in Saskatchewan and an additional 20 million acres in Manitoba serviced by independent retailers and wholesale providers. The facility would allow Replenish to produce up to 200,000 metric tonnes of made-in-Canada product. Replenish benefits with a stable source of potash while assisting K+S in debottlenecking their production process. Project development activities such as environmental, permitting, regulatory and preliminary engineering have commenced.

With these two projects, the Company can boost volume by up to 250,000 metric tonnes over the coming two years. The decision to build a smaller facility on the DeBolt location allows the Company to quickly capitalize on a Replenish-owned site with an established retail presence. The Bethune project will solidify the Company's position as a leader in the production of regenerative fertilizers in Western Canada. These two key projects offer growers a unique, made-in-Canada, low GHG footprint fertilizer product.

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 prices 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 June 30,		Six Months Ended June 30,	
	2022	2021	**2022**	2021
REVENUES	**7,006,817**	$ 1,411,407	**9,922,908**	$ 1,411,407
Cost of goods sold	**(5,856,346)**	(1,064,218)	**(9,051,831)**	(1,064,218)
	1,150,470	347,189	**871,077**	347,189
EXPENSES				
General and administrative	**544,173**	312,503	**810,360**	312,503
Bad debt recovery	**(29,761)**	-	**(157,219)**	-
Research and development	**115,317**	16,321	**132,513**	16,321
Depreciation and amortization	**381,677**	227,110	**767,558**	227,110
Financing	**49,933**	26,758	**87,287**	26,758
Foreign exchange loss	**16,241**	9,720	**14,706**	9,720
	1,077,580	592,412	**1,655,204**	592,412
Other income	**215,510**	6,242	**228,115**	6,242
Net income (loss) and Comprehensive income (loss)	**245,865**	(238,981)	**(322,549)**	(238,981)

The fertilizer segment started operations in May 2021 with the acquisition of Replenish. Fertilizer revenue for the second quarter of 2022 was $7.0 million. The Company is recording strong revenues 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 18,000 Mt in Q4-2021, commissioned in early 2022.

Net income from fertilizer segment in second quarter 2022 was $0.2 million, due to depreciation and amortization, financing expenses, up by $0.5million from the prior year.

Gross margin was $1.2 million in the second quarter of 2022, up from $0.3 million in the prior year.

We continue to see the strategic growth from the Replenish acquisition and the growth in revenue from regenerative agriculture inputs. Replenish's Bieseker facility is now operational and is now capable of producing up to 18,000 tonnes per year.

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.

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2022	2021	**2022**	2021
REVENUES	**27,577**	$ 174,255	**175,200**	$ 655,953
Cost of goods sold	**(203,730)**	(101,373)	**(318,976)**	(224,020)
	(176,153)	72,882	**(143,776)**	431,933
EXPENSES				
General and administrative	**35,628**	104,021	**127,515**	238,025
Research and development	**-**	-	**-**	-
Depreciation and amortization	**72,181**	72,181	**144,364**	144,364
Financing	**7,253**	8,131	**14,492**	15,849
Foreign exchange loss	**-**	-	**-**	-
	115,062	$ (111,451)	**286,371**	398,238
Net loss and Comprehensive loss	**(291,215)**	(238,981)	**(430,147)**	$ 33,695

Electricity revenues in the second quarter of 2022 were $27,577, compared to $174,255 for the same period in 2021.

OUTSTANDING SHARE CAPITAL INFORMATION

As at August 25, 2022, the Company has 141,283,762 common shares outstanding;

1) 5,301,660 stock options outstanding with expiry dates ranging between July 8, 2024 and August 3, 2026. If all of the options are exercised, 5,301,660 shares would be issued for gross proceeds of $1,381,548.
2) 48,037,782 warrants outstanding with expiry dates ranging from July 24, 2022 to June 21, 2026. If all of the warrants are exercised, 48,037,780 shares would be issued for gross proceeds of $15,703,200.

MARKET CONDITIONS

Fertilizer operations

Global fertilizer prices are market-driven, and determined by the balance between supply and demand, underpinned by production costs. Prices also vary with agricultural seasonality and the timing of fertilizer purchases in a year. Fertilizer demand has reached record levels since the start of the Covid-19 pandemic. This has been driven by a strong emphasis on food security and government support to the agricultural sector. It is also driven by strong crop prices globally, which have increased the incentive to plant additional acreage and increase fertilizer use to maximise yields. It is rare for the fertilizer supply chain to encounter so many disruptions at the same time, including sanctions and export restrictions causing market uncertainty, and high production and delivery costs.

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

	Q2 - 2022	**Q1-2022**	Q4-2021	Q3-2021	Q2-2021	Q1-2021	Q4-2020	Q3-2020
Average selling price								
Regenerative fertilizer (CAD/Mt)	**570**	**512**	334	352	296	-	-	-
Benchmark prices (USD/Mt)								
Potash	**879**	**875**	807	571	450	424	366	345
Phosphorous	**983**	**935**	862	722	661	616	475	434
Sulphur	**730**	**436**	365	351	293	269	180	160
CAD/USD Exchange rate	**0.78**	**0.80**	0.79	0.79	0.81	0.79	0.77	0.75

Fertilizer prices continue to climb in Q2/2022. Increasing crop prices have resulted in increasing demand for fertilizers. Additionally, favorable weather has also increased the demand for fertilizers in major agricultural regions. Most fertilizers continue to be considerably higher in prices than one year earlier, and these increases will likely be staying around for a while. As the Russia-Ukraine crisis continues, oil prices can influence fertilizer prices, likely increasing costs more.

Russia and Belarus account for approximately 40 percent of global potash production and exports. Financial sanctions and other restrictions imposed on Russia and Belarus have significantly constrained supply of potash exports from the region. Average potash prices increased to USD879/Mt in Q2/2022 vs USD450/Mt in Q2/2021.

Global phosphate supply has been impacted by a reduction in Russian and Chinese DAP and MAP fertilizer exports. Phosphate markets have been further supported by a significant increase in sulfur and ammonia costs.

It was a similar story for phosphorous - reduction in Russian and Chinese fertilizer export, more demand, higher raw material costs and higher transportation costs, and there was a big jump in prices from USD 661/Mt in Q2/2021 to USD 983/Mt in Q2/2022.

The market dynamics for sulphur in the North American region experienced some buoyancy in the first quarter of 2022, as Russia began its special military operations in Ukraine. The price of crude oil increased as western nations became more hesitant to purchase Russian supplies, impact the sulphur market. As China and Russia imposed limits on raw material exports, the OPEC alliance continued its resolve to progressively increase crude oil supply, which helped to maintain market sentiments. During the second quarter of 2022, the average pricing for Sulphur was USD 730/Mt compared to USD 293/Mt for the same period in 2021.

While EarthRenew has not been immune to the tightening in the fertilizer 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.

QUARTERLY OPERATING AND FINANCIAL INFORMATION

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

	Q2-2022	**Q1-2022**	Q4-2021	Q3-2021	Q2-2021	Q1-2021	Q4-2020	Q3-2020
Sales volumes								
Regenerative fertilizer (Mt)	**12,301**	**5,691**	20,683	6,044	4,505	-	-	-
Electricity (MWh)	**45**	**244**	247	453	482	1,016	330	159
Revenues	**7,034,394**	**3,063,714**	7,673,011	2,559,209	1,585,662	481,698	154,138	139,424
Fertilizer	**7,006,817**	**2,916,091**	7,505,214	2,283,957	1,411,407	-	-	-
Electricity	**27,577**	**147,623**	167,797	275,252	174,255	481,698	154,138	139,424
Gross margin [1]	**974,318**	**(247,016)**	2,218,961	411,186	420,071	301,773	84,519	24,587
Gross margin % [1]	**14%**	**(8)%**	29%	16%	26%	63%	55%	18%
Net loss	**(1,286,712)**	**(1,639,592)**	(432,738)	(2,417,262)	(1,062,957)	(790,084)	(912,599)	(949,415)
Net loss per share	**(0.01)**	**(0.02)**	(0.00)	(0.03)	(0.02)	(0.01)	(0.01)	(0.02)
Working Capital [1]	**6,780,820**	**(2,369,793)**	(2,392,577)	(584,576)	(598,700)	422,299	841,536	768,699
Total assets	**37,214,323**	**26,892,863**	26,791,992	25,742,153	24,292,064	5,431,529	5,639,075	5,566,328
Total non-current liabilities	**9,116,703**	**9,406,733**	8,528,097	11,933,989	10,040,588	355,418	363,304	16,282

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 Q2-2021 from fertilizer sales. Since the closing of the Replenish acquisition, the Company is focusing on the growth of this business line.

The Company reported total revenue of $7.0 million in Q2-2022, an increase of $5.5 million over Q2 2021, as the spring seasonal planting season occurred, and our sales were close to matching our Q4 2021 revenue which is the highest seasonal quarter of fertilizer sales in our history, and a larger fertilizer sale quarter. The business has a seasonal business in Q4 and Q2 being the largest quarters.

Gross margin improved from $420,071 in Q2-2021 to $974,318 in Q2-2022, and gross margin % was 14%. The decrease is mainly due to increase in cost of goods sold. The higher cost of goods sold was mainly attributed to higher production and labour costs from the commissioning of the production facility in Beiseker.

Net loss is driven primarily by fertilizer production volumes and electricity generation levels, and corporate overhead. With the revenue leap coming almost exclusively from fertilizer sales, the Company is focused on the fertilizer business.

Total assets increased in Q2-2022 primarily due to increased inventories held to meet anticipated demand and tight supply, and cash from equity raise.

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 Q1-2022 is due to revaluation of the contingent consideration, and the additions to the 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

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2022	2021	**2022**	2021
Net cash provided by (used in)				
Operating activities	**(3,016,784)**	(335,552)	**$ (4,731,149)**	$ (869,978)
Financing activities	**9,862,333**	1,379,997	**11,384,199**	1,806,147
Investing activities	**22,397**	(1,747,796)	**(384,428)**	(1,747,796)
Decrease in cash during the period	**6,897,946**	(703,351)	**6,268,622**	(811,627)
CASH - BEGINNING OF PERIOD	**675,653**	845,492	**1,274,977**	953,768
CASH – END OF PERIOD	**7,543,599**	142,141	**$ 7,543,599**	$ 142,141

During the second quarter of 2022, the Company used cash in operating activities of $3.0 millions, compared to cash used of $0.3 for the same period in 2021. The increase is primarily due to the increase in operating activities for the fertilizer operations.

During the three months ended June 30, 2022, financing activities generated $9.9 million cash from the proceeds of the prospectus offering.

Cash from in investing activities was $22,937 for the three months ended June 30, 2022. This is related primarily to additions to property, plant and equipment to complete the commissioning of the Beiseker production facility, offset by sale o 2 pick ups.

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 June 30, 2022, 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"). On February 28, 2022 the ABL Facility was increased to $3.9 million

The ABL Facility contemplates a five-year term, including interest-only payments until June 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. 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.

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 2022 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 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 $1,856,333 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.

As at June 30, 2022, contingent consideration amounted to $5,904,583

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

During the three and six months ended June 30, 2022, the Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company:

- Received $440,501 and $597,883 (2021 - $362,489 and $520,321) in fertilizer sales and spreading services revenue from a company controlled by an officer of the Company.

As at June 30, 2022, accounts receivable and accounts payable and accrued liabilities due from and due to officers of the Company for services provided amounted to $19,360 and $249,460 (December 31, 2021 – accounts payable and accrued liabilities of $657,640). The amounts outstanding are unsecured and non-interest bearing.

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:

	Three Months Ended June 30		**Six Months Ended June 30**	
	2022	2021	**2022**	2021
Management fees	**194,500**	175,958	**417,750**	303,958
Office rent	**9,450**	-	**18,900**	-
	203,950	175,958	**436,650**	303,958

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.
Digital assets	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 $1,400 decrease or $1,200 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. The Company has fixed interest rates. Consequently, the exposure to fluctuations in market interest rates is limited.

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 $ 3,649,519 at June 30, 2022 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 June 30, 2022, 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.

The Company's receivables are summarized as follows:

	June 30, 2022	December 31, 2021
Trade receivables	**$ 5,089,219**	$ 3,961,488
Less: Allowance for expected credit loss	**(727,575)**	(931,855)
	$ 4,361,314	$ 3,029,633

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

	June 30, 2022	December 31, 2021
Current (less than 30 days)	**$ 3,579,017**	$ 2,197,295
31 – 90 days	**367,977**	472,202
Over 90 days	**414,320**	360,136
Total receivables	**$ 4,361,314**	$ 3,029,633

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 June 30, 2022, the Company has a working capital surplus of $6,385,113. 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 June 30, 2022:

	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	$ 6,281,708	$ 6,281,708	$ -	$ -	$ -
Long-term debt	Yes-Liability	3,865,493	584,584	1,404,610	1,005,906	67,773
Contingent Consideration[(3)]	Yes-Liability	7,000,000	2,730,176	4,269,824	-	-
Minimum lease payments	Yes-Liability	596,000	106,886	213,772	144,285	131,057
Interest payable [2]	No	381,577	119,220	173,544	88,813	-

1) Accounts payable and accrued liabilities exclude interest payable on long-term debt.
2) Excludes interest payable on lease liabilities
3) Contingent Consideration shown as non-discounted. Present value $5,138,655

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 as at June 30, 2022 and December 31, 2021:

(Expressed in Canadian dollars)	**June 30, 2022**	December 31, 2021
Current Assets		
Cash	**$ 7,543,599**	$ 1,274,977
Accounts receivables	**4,361,314**	3,029,633
Inventory	**4,121,329**	926,304
Prepaid expenses and deposits	**264,838**	104,105
	16,291,080	5,335,019
Current Liabilities		
Accounts payable and accrued liabilities	**$ 6,281,708**	$ 5,204,762
Current portion of lease liabilities	**80,719**	65,434
Current portion of long-term debt	**551,958**	588,651
Current portion of contingent consideration	**2,595,875**	1,868,749
	9,510,260	7,727,596
Working Capital	**$ 6,780,820**	$ (2,392,577)

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 2022 and 2021:

	Three Months Ended June 30		**Six Months Ended June 30**	
	2022	2021	**2022**	2021
Revenues	**$7,034,394**	$2,067,360	**$10,098,108**	$2,067,360
Cost of goods sold	**(6,060,077)**	(1,253,959)	**(9,370,807)**	(1,397,011)
Gross Margin	**974,317**	813,401	**727,301**	670,349
Gross Margin %	**14%**	39%	**7%**	32%

SIGNIFICANT ACCOUNTING POLICIES

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

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. A detailed description of EarthRenew's critical accounting estimates is provided in note 4 of the audited Consolidated Financial Statements for the year ended December 31, 2021.

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, 2021 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.

<u>Volatility of Electricity and Natural Gas Prices</u>

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.

<u>Government Regulation</u>

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