SOLARVEST BIOENERGY INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE TWELVE MONTHS ENDED JULY 31, 2024

The following discussion of financial performance and condition should be read in conjunction with the audited consolidated financial statements of Solarvest BioEnergy Inc. and its subsidiaries ("Solarvest" or the "Company") as at July 31 ,2024 and for the twelve-month periods ended July 31, 2024, and the notes thereto. The consolidated financial statements as at July 31, 2024 and for the twelve-months ended July 31, 2024 and 2023 were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). All dollar amounts are expressed in Canadian dollars, which is the functional currency, unless otherwise indicated.

BASIS OF PRESENTATION AND GOING CONCERN UNCERTAINTY

The financial information in the Management's Discussion and Analysis ("MD&A") is derived from the Company's unaudited condensed interim consolidated financial statements, prepared in accordance with IFRS. All amounts presented in the MD&A are presented in Canadian dollars, unless otherwise noted.

The consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. However, the use of the going concern assumption on which these consolidated financial statements are prepared may not be appropriate based on the factors described below. The consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company faces increasingly challenging financial and business conditions, including an inability to raise sufficient equity, equity-linked or debt financing to fully fund the execution of its business plans and for the sale of its inventory and work in process. In October 2022, the Company announced its $650,000 financing which it increased its size to $1 million on January 23, 2023. The financing closed on February 7, 2023 where only $541,900 in gross proceeds were raised. During this same period, the Company also pursued non-dilutive funding initiatives, including related party financing of the land and buildings to attract third party financing into the Company as well as the sale of excess equipment, to strengthen its financial position.

The combination of volatile capital markets, difficult operating conditions and delays experienced in selling existing assets have made it impossible for the Company to raise meaningful amounts of equity, equity linked or third-party debt financing. Due to an immediate cash flow shortage, the Company was forced to halt operations and release all employees effective April 18, 2023.

At that time, the Company was planning the sale of the building, currently held by Summerville Holdings Inc. (“Summerville”) pursuant to an executed agreement between Eversea, the Company’s 100% wholly owned subsidiary and Summerville. It is expected that, upon completion of the sale, the net proceeds from the sale can be used to restart operations and prioritize other financial obligations. However, to cover then-current short-term urgent cash needs, the Company received loans from now-former directors and funds from nominal sales of equipment.

As of July 31, 2024, the Company had cash and cash equivalents of $22,298, a working capital deficit of $6,839,059, and an accumulated deficit of $19,756,832. The Company also had a net loss of $801,197, and negative cash flows from operations of $666,643 for the twelve months ended July 31, 2024. Due to limited cash flows from operations, the Company and its subsidiaries have missed making vendor, employee and interest payments. Refer to “Liquidity and Capital Resources” on page 13 for additional information on the Company’s cash position. As of the date of this MD&A, management does not believe that the Company’s cash balance is sufficient to meet its general working capital requirements and contractual obligations for the next 12 months.

Debt refinancing of the Company, the raising of additional capital, and/or the trade sale of some of the Company’s operations to make bulk payments to repay outstanding debt and accounts payable, if successful, would potentially alleviate any significant doubt on the Company’s ability to continue as a going concern. In the event that debt and/or capital financing is unable to be secured or contemplated trade sale fail to materialize, the Company may need to resolve to other means of protecting its assets in the best interests of its shareholders, including foreclosure or forced liquidation and/or seeking creditors’ protection.

Regulatory update

Based on the April 19, 2023 Corporate Update press release, the TSX Venture Exchange (“TSXV”) advised the Company that it had until July 20, 2023 to provide its analysis on how it intends to meet Tier 2 Continue Listing Requirements (“CLR”) and the timing to do so. On July 24, 2023, the Company announced that it was granted an extension to August 31, 2023 after submitting a detailed response for consideration to the TSX-V, to execute its plan to meet the CLR and to comply with the stringent requirements to maintain its listing on the TSX-V.

On August 3, 2023, the Company announced that a notice of requisition of a general meeting of shareholders (the "Requisition") was delivered to the registered office of the Company on July 24, 2023. The Requisition was made by Garth Greenham and LMC Communications Inc. and would require that the Company call and hold a general meeting of shareholders, pursuant to section 167 of the *Business Corporations Act* (British Columbia) (the "Act"). The purpose of the proposed meeting is to effect changes to the Board of Directors. The Company scheduled a meeting for November 24, 2023 in compliance with this request. On October 18, 2023, the Company announced that it had reached an amicable settlement with the shareholders of the Company (the "Concerned Shareholders") that had sent the Requisition to the Company on July 24,

2023. Accordingly, the Concerned Shareholders have withdrawn their requisition for a Special Meeting of Shareholders. Accordingly, the Concerned Shareholders have withdrawn their requisition for a Special Meeting of Shareholders, as announced by the Concerned Shareholders in a press release dated August 3, 2023. As part of the Amicable Settlement, the Concerned Shareholders arranged a $100,000 bridge loan for the Company; certain changes were made to the Board of Directors; and the Company agreed to pay or reimburse all fees and expenses incurred by the Concerned Shareholders. At that time, the Company also received an advance of $50,000 from one of the promissory note holders.

Effective September 18, 2023, the TSX-V announced that trading in the shares of the Company was suspended as the Company failed to maintain the services of a Transfer Agent in accordance with its Policy 3.1.

The Company’s shares remain halted as at the date of this filing.

Overall

These conditions indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern without a significant restructuring and/or financing, and, accordingly, of the appropriateness of the use of the going concern assumption in the preparation of the audited consolidated financial statements. Management is evaluating various alternatives to secure the necessary financing so that the Company can continue as a going concern. While the Company has been successful in obtaining financing to date, there can be no assurance that the Company will achieve profitability and be able to do so in the future on terms favorable for the Company. Refer to the section titled “Going Concern Risk” on page 19-20.

Since October 2022, the Company has had significant and sustained turnover in members of its Board of Directors as well as its senior management and advisors. Refer to the section “Changes in Personnel and Advisors” on pages 8-9. Effective November 27, 2023, all directors and the Chief Operating Officer and the President resigned. At the Company’s May 10, 2024 annual meeting of shareholders, Messrs. Ken Campeau, Max Goldberg and Grant Larsen were unanimously elected directors of the Company. Subsequently, Messrs. Ken Campeau and Max Goldberg resigned as directors and Messrs. Alex MacKay and Paul Lipoth joined the Board of Directors. Solarvest does not currently compensate the members of the board of directors or CEO in either cash, shares, options, warrants or other financial means. Compensation policies will be reviewed post restructuring to align with corporate best practices, shareholder interests and to retain appropriate talent to achieve new corporate objectives.

This report, which is dated November 27, 2024, and the Company’s other public filings can be reviewed on the SEDAR+ website (www.sedarplus.com).

This MD&A was approved by the Board on November 27, 2024.

COMPANY OVERVIEW

Solarvest (TSXV:SVS) is an algae biologic company with several unique patents in organic ingredient production with global commercial product applications. With a commitment to innovation and a dedication to harnessing the power of nature, Solarvest is poised to transform the landscape of healthcare with its proprietary organic solutions. The Company is focused on commercializing products utilizing its patented "organic omega 3 "DHA" products and processes. Through strategic partnerships, Solarvest expects to be capable of delivering powdered ingredients, products in various formats to capitalize on its competitive advantage in the global supplements category. Future opportunities for the Company will continue to develop research and development ("R&D") in protein expression, particularly as it relates to "Bone Morphogenic Protein" as financing becomes available. Assessment of other areas of R&D will continue related to existing patents, including bio-hydrogen.

ABOUT FORWARD-LOOKING STATEMENTS

This MD&A may contain statements regarding future events, results or outlooks that are considered "forward-looking statements" within the meaning of securities regulation. These forward-looking statements reflect the management's best judgment based on current facts or assumptions that management considers reasonable and include the words "anticipate", "believe", "could", "estimate", "expect', "intend", "may", "plan", "potential", "pursue" and similar expressions or variations of such words. Forward-looking statements contain significant risks and uncertainties. A number of circumstances could cause results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions, political issues, permitting, environmental, research and development success, continued availability of capital and other risk factors of significance. The Company requires financing to fund its research and development in addition to successful completion of future private placements.

The Company has also established research and development goals, which may or may not be realized. The forward-looking statements contained in this MD&A are based on what management believes to be reasonable assumptions; however, we cannot assure that the results will be compatible to the forward-looking statements as management assumes no obligation to revise them to reflect new circumstances. No representation or warranty is intended with respect to anticipated future results, that estimates and projections will be sustained or that any project will otherwise prove to be economic. Historical information contained in this MD&A has been derived from information provided by certain third parties. The Company has no knowledge that would indicate the information is not true or incomplete and the Company assumes no responsibility for the accuracy and completeness of the information. Readers should not place reliance on forward-looking statements, which speak only of the date of the MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties elsewhere in this MD&A, actual events may differ materially from current expectations. More information concerning risks and uncertainties that may affect the Company's business is provided under "Business Risk" and "Going Concern Risk" in this MD&A on pages 16-20.

ORGANIC OMEGA-3 DHA

Solarvest has developed, patented, and acquired United States Food and Drug Administration ("FDA") approval for the world's only plant-based Organic Omega-3 DHA powder. The products produced using the Omega-3 DHA powder are produced without chemicals, solvents, and/or heavy processing that degrade the nutritional benefits. This preservation of the natural triglyceride form of the Omega-3 oils provides a pure and highly bioavailable health product. The use of microalgae and a sterile growing environment offers a plant-based and sustainable product while avoiding ocean-based toxins/pollutants or residual processing solvents.

The Company's marketing programs are based on the strategy that the market will be receptive to an organic, environmentally sustainable, vegan-friendly algae-based Omega-3 product. Risks associated with this product's success will be based on whether customers are willing to pay more for an organic product than industrially and chemical processed fish oil-based product. Other manageable risks include whether the Company can access distribution channels that reach the US market that looks for organic products. Finally, the Company can present the product in a convenient form and taste to attract repeat business. Initial success can be monitored by the Company's ability to establish distribution and control these channels. After the initial introduction, repeat business is expected to be a good indicator of success and to provide guidance for second-generation products.

On January 24, 2023, the Company announced that it had been granted a patent for Organic Omega-3 in Brazil. The intellectual property protection concentrates on the production of algal biomass, algal cell cultures, lipid compounds, and compositions thereof, including fatty acids, carotenoids and fat-soluble vitamins. This patent adds additional strength to the Company's existing patent portfolio as it commercializes its line of organic Omega-3 products. Further to this patent, the Company has previously been issued organic Omega-3 patents in Japan, Australia and India and the patent is pending in practically every commercially significant global market, including the USA and the EU.

On July 27, 2023, the Company announced that it had received Notice of Allowance and Notice of Allowability from the U.S. Patent & Trademark Office for it US Algal Juice Media Patent Application, U.S. Patent Application No.: 14/896,809 – METHODS AND PRODUCING ALGAL CELL CULTURES AND BIOMASS, LIPID COMPOUNDS AND COMPOSITIONS, AND RELATED PRODUCTS – RIVEROLL et al.

Through its 100% wholly owned subsidiary, Eversea Inc. ("Eversea") in March 2023 launched a social media based sales campaign promoting sales of its Organic Omega-3 DHA nutritional gummy fruit slice supplement for children and adults. The Company's fruit slice gummies are the only product of its kind and the first regarding organic certified ingredients and production.

The Eversea Omega-3 DHA powder is USDA and EU Organic Certified and produced using the Company's sustainable, proprietary manufacturing process.

The Fruit Slices are available for consumers from the company's Ecommerce web site (www.ever-sea.ca) and on all Eversea social medial platforms. Eversea provides organic oriented retailers with private white label options based on patented ingredient so they may take benefit from the extensive business-to-business market demand for the product's unique characteristics, particularly for organic and vegan diets.

The Company continues to focus on the launch for the world first Organic certified Omega-3 DHA powder capsule with an expected launch into the US market once the Company restarts its operations.

PROTEIN EXPRESSION

Algae have much of the cell machinery of higher plants and have demonstrated substantial advantages as a biopharmaceutical production platform. The Company has successfully demonstrated the expression of high-value biological active pharmaceutical ingredient ("API") therapeutic proteins, viral antigens (immune-stimulating proteins), and Cecropins (antimicrobial peptide/protein).

Bone Morphogenetic Protein (BMP)

Solarvest has successfully produced BMP in micro algae with the efficacy confirmed in equine cells by the Atlantic Veterinary College, University of Prince Edward Island.

Human Recombinant Bone Morphogenetic Protein-2, rhBMP2, is known to be an effective treatment for repairing bone fractures. Current commercial production methods of rhBMP2 use a bacterial, fungal and or human host cell for production. Post-processing of protein purified from these hosts can lack bioactivity and therefore must be extensively processed before it becomes active, adding significant cost to the final product. Algae overcomes this shortcoming by producing BMP in its natural state – bioactive three-dimensional quality that avoids the extensive downstream processing.

The Company has recently succeeded at expressing BMP6, a complex protein, in our modified algae. Currently BMPs are used for bone repair in orthopedic surgery but recent research appears to indicate that circulating BMP6 play a role in blood glucose metabolism. The algae production platform has the potential to substantially reduce the cost of production which, in turn, may open up new markets.

GREEN BIO-HYDROGEN

Previously, the Company announced third-party confirmation of its Green Bio-Hydrogen expression system following the successful completion of a previously announced nine-month NSERC Engage project with Dr. Hallenbeck at the Université de Montreal, a world leader in Green Bio-Hydrogen production and proteomics. The study indicated that Solarvest's improved strain of microalgae produced six times more hydrogen per cell as compared to the industry standard wild-type strain. In addition, the Solarvest strain demonstrated continuous hydrogen production; producing hydrogen ten times longer when compared to the industry standard wild-type microalgae. The Company expects that yield can be further improved with optimization of culture conditions and strain improvements. Solarvest has obtained patents in many countries that cover this Hydrogen technology. In addition to the intellectual property, the Company has in-house expertise and know-how to deploy this technology at scale.

With the recent initiatives from numerous governments around the world to invest in the development of Green Hydrogen, including Canada and many provinces, Solarvest intends to pursue collaborative agreements with various private and public institutions to develop the mechanisms that will further the commercial development of producing Green Bio-Hydrogen from algae.

On October 4, 2022, the Company announced that it had mandated Solarvest management to present a clear plan to reactivate the development of our Green Bio-Hydrogen vertical market which will include a financing plan along with strategic partnerships that should be targeted.

EXERCISE OF PURCHASE OPTION AGREEMENT ON INDUSTRIAL BUILDINGS AND LAND

On October 31, 2022, the Company, through its wholly-owned subsidiary Eversea, exercised the purchase option agreement on the land and building it had been leasing in Prince Edward Island and paid $291,546. At that time, the right-of-use asset and related lease liability were extinguished.

Effective December 6, 2022, the Company completed a sale-leaseback of the land and building to the related company which had loaned the Company the funds to complete the exercise of the purchase option. The Company has elected to recognize the land and buildings on the cost basis and allocated the purchase price to land and buildings on the basis of their relative fair value.

The Company applied the requirement for determining when a performance obligation is satisfied in IFRS 15, Revenue from Contracts with Customers, to determine whether this transfer is accounted for as a sale. As the Company has the ability to purchase the building back from the related company, at any time, upon payment the loan plus twelve months interest, the Company determined that the performance obligation was not met and the transfer has not be accounted for as a sale. As such, the Company has presented the land and building on the cost basis on the interim unaudited consolidated statements of financial position.

In order to fund operations, the Company was planning to sell the land and building within one year of July 31, 2023. As such, management assessed the value of the leasehold improvements as $nil and has written this asset down in full and the land and building were reclassified as Assets held for sale. During the fourth quarter of fiscal 2024, the Company listed the land and building and received an offer of $1.2 million and, as such, has revalulated the land and building to this fair market value as at July 31, 2024.

Pursuant to a purchase lease buyback agreement dated October 27, 2022, between a non-arm's length private corporation owned primarily by related parties of the Company, Summerville Holdings Inc. ("Summerville") loaned the Company $500,000 to fund the exercise of the purchase option agreement on the land and building for its operations. In exchange for the loan, the Company agreed to pay annual interest of 12% on the loan, transfer title of the building to Summerville and, subject to regulatory consent, issue an aggregate of 1,000,000 warrants, each warrant entitling the related company to acquire one common share of the Company at a price of $0.15 per share for a period of 24 months. Effective April 29, 2024, Summerville and the Company signed a new Credit Agreement revising the terms to include the following: secured first mortgage on the land and buildings, one year interest of $120,000 and annual interest of 12%. On November 22, 2024, the Company closed the sale of the land and building for gross proceeds of $1,200,000 and incurred transaction costs of $111,556. Upon closing, the Company paid the amounts owing to Summerville Holding Inc. and extinguished the debt in full.

FINANCINGS

On December 16, 2022, the Company closed the first tranche (the "First Tranche") of a non-brokered private placement (the "Offering") through the issuance of 4,609,000 units (a "Unit") for gross proceeds of $460,900. Each Unit consists of one common share (a "Common Share") and one whole share purchase warrant (a "Warrant"). In connection with closing of the First Tranche, the Company paid aggregate cash finder's fees of $20,244 and issued an aggregate of 187,440 non-transferable finders' options and 400,000 shares were issued to a related person. In total, the Company received cash proceeds of $420,133, net of share issuance costs of $40,767.

On February 7, 2023, the Company closed the second and final tranche (the "Second Tranche") of the Offering through the issuance of 810,000 Units for gross proceeds of $81,000. In connection with the closing of the Second Tranche, the Company paid an aggregate cash finder's fees of $1,200 and issued an aggregate of 12,000 non-transferable finders' options. Each warrant is exercisable at $0.20 per share for a period of two years following closing. In total, the Company received cash proceeds of $68,086, net of share issuance costs of $12,914.

During the fourth quarter of 2023, the Company received loans from its directors of $33,000 to meet urgent cash flow needs.

On October 18, 2023, in conjunction with the Amicable Settlement, further discussed in "Regulatory Update" on pages 2-3, the Company issued a $100,000 bridge loan and received $50,000 in advances from one of these lenders. The bridge loan is comprised of two $50,000 promissory notes issued by the Company, matured on January 18, 2024, have an interest rate of 12% per annum and are unsecured and unpaid at the date of this filing.

CHANGES IN PERSONNEL AND ADVISORS

Effective October 7, 2022, the Company appointed Mr. Claes Ellegaard as the Company's Chief Executive Officer while Mr. Gerri H. Greenham decided to step back from the day-to-day operation activities after more than three decades of successfully leading innovative life sciences and health technology companies. At the Company's annual and special meeting of shareholders on October 25, 2022, Mr. Ellegaard was appointed to the Board, as was Mr. Donal Carroll, in connection with the Company's Collaborative Research and Development Agreement with FSD Pharma Inc. ("FSD Agreement") and Mr. Greenham resigned from the Board. Effective January 30, 2023, Ms. Leslie Auld was appointed Chief Financial Officer of the Company. As announced on March 31, 2023, the Company announced that as a part of it's streamlining of its organizational structure, it has decided to dissolve its financial advisory board (the "FAB") and terminated the consulting agreements with two FAB members, Richard Groome and Jerome Cliche.

Due to an immediate cash flow shortage, the Company was forced to halt operations and release all employees effective April 18, 2023.

On October 18, 2023, the Company announced that Messrs. Garth Greenham, Michael Farley and Eugenio-Noel Cuesta were appointed to the board of directors of the Company to fill the vacancies left by Mr. Claes Ellegaard (who remained as Chief Executive Officer until October 31, 2023), Messrs. Gregory Drohan, and Donal Carroll who agreed to resign as directors of the Company. In conjunction with these changes, a consultant was contracted to provide executive, management and business development services while the Company was restructuring its operations; this contract was terminated on December 13, 2023.

Effective October 31, 2023, the Company announced that Mr. Michael Farley was appointed as President of the Company effective immediately following the resignation of Mr. Claes Ellegaard and that Mr. Garth Greenham had been appointed as Chief Operating Officer of the Company.

Effective November 27, 2023, all directors, namely Messrs. Bill Cheliak, Garth Greenham, Michael Farley and Eugenio-Noel Cuesta, resigned. In addition, Messrs. Garth Greenham and Michael Farley resigned as Chief Operating Officer and President, respectively. Between then and May 10, 2024, Ms. Leslie Auld was the sole officer, in the position of Chief Financial Officer. At the Company's May 10, 2024 annual meeting of shareholders, Messrs. Ken Campeau, Max Goldberg and Grant Larsen were unanimously elected directors of the Company. Subsequently, Messrs. Ken Campeau and Max Goldberg resigned as directors and Messrs. Alex MacKay and Paul Lipoth joined the Board of Directors.

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS DATA

	Three months ended July 31		Twelve months ended July 31	
	2024	**2023**	**2024**	**2023**
Revenue				
Product sales	**$ -**	$ 292	**$ -**	$ 984
Cost of sales	**-**	131	**-**	450
Gross profit	**-**	161	**-**	534
Expenses				
Insurance	**$ 10,861**	$ 12,935	**$ 44,945**	$ 45,515
Interest expense	**37,702**	34,513	**149,591**	123,381
License fees	-	198	-	198
Office and general	**8,172**	(11,005)	**17,771**	87,466
Professional fees	**130,559**	193,088	**525,024**	499,094
Registration and filings fees	**1,250**	-	**6,765**	21,722
Rent and utilities	**(60,700)**	24,650	**(2,016)**	106,200
Research and development	**27,990**	(64,244)	**78,284**	564,063
Shareholder costs	**625**	1,017	**3,630**	9,188
Transfer agent	**4,947**	716	**4,947**	8,297
Travel	**1,531**	2,400	**1,531**	14,222
Stock-based compensation	**-**	**-**	-	342,515
Amortization of intellectual property	**6,000**	6,100	**24,000**	24,400
Amortization of property and equipment	**(9,572)**	(870)	**18,028**	37,001
	159,365	199,498	**872,500**	1,883,262
Operating loss	**(159,365)**	(199,337)	**(872,500)**	(1,882,728)
Other (expense) income				
Gain (loss) on disposal of assets	**(12,902)**	(34,891)	**96,638**	(67,097)
Government assistance	-	**-**	**(20,000)**	-
Foreign exchange (loss) gain	**1,878**	1,358	**(5,286)**	(8,324)
Provision for inventory and work in process	**-**	(457,836)	-	(457,836)
Repayment of government assistance	**(49)**	-	**(49)**	(159)
Recovery of research and development expenses	**-**	-	**-**	1,159
Net loss for the period	**$ (170,438)**	$ (690,706)	**$ (801,197)**	$ (2,414,985)
Other comprehensive income:				
Unrealized gain on revaluation of investment property	**796,896**	-	**796,896**	-
Total comprehensive loss	**$ (626,458)**	$ (690,706)	**$ (4,301)**	$ (2,414,985)
Basic and diluted loss per share	**(0.00)**	(0.01)	**(0.01)**	(0.04)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATA

	At July 31, 2024	At July 31, 2023
	$	$
Cash and cash equivalents	**22,298**	19,909
Total current assets	**40,298**	34,195
Total non-current assets	**1,290,379**	600,024
Total assets	**1,330,677**	634,219
Total current liabilities	**6,879,357**	5,695,329
Total non-current liabilities	**70,865**	554,134
Total shareholders' deficiency	**(5,619,545)**	(5,615,244)

Critical accounting policies, estimates and judgments

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of the Company's assets, liabilities, revenues, expenses and related disclosures. Judgments, estimates and assumptions are based on historical experience, expectations, current trends and other factors that management believes to be relevant at the time at which the Company's unaudited condensed interim consolidated financial statements are prepared.

Management reviews, on a regular basis, the Company's accounting policies, assumptions, estimates and judgments in order to ensure that the consolidated financial statements are presented fairly and in accordance with IFRS applicable to interim financial statements. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates and assumptions, as well as critical judgments used in applying accounting policies in the preparation of the Company's audited consolidated financial statements were the same as those applied to the Company's annual consolidated financial statements for the year ended July 31, 2024.

Financial Risk Factors and Other Financial Instruments

The nature and extent of our exposure to risks arising from financial instruments, including credit risk, liquidity risk and market risk and how we manage those risks are described in note 16 to the Company's audited consolidated financial statements for the year ended July 31, 2024.

RESULTS FROM OPERATIONS FOR THE THREE-MONTH PERIOD ENDED JULY 31, 2024

For the three-month period ended July 31, 2024, the Company reported a consolidated net loss of $170,438 or $0.00 loss per common share, as compared with a consolidated net loss of $690,706, or $0.01 loss per common share for the three-month period ended July 31, 2023. The $520,268 decrease in net loss is primarily from declines of $480,296 in other expense and of $39,972 in operating loss.

The decline of $480,296 in other expense is primarily due to $nil provision for inventory and work in process and to $12,902 loss on disposal of assets in the fourth quarter of 2024 as compared to $457,839 and $34,891, respectively, in the fourth quarter of fiscal 2023.

The decline of $39,972 in operating loss is primarily due to the reduction in operations due to the lack of sufficient financings undertaken since the second quarter of fiscal 2023. As such, all employees were released in April 2023. Specifically, declines in rent and utilities ($85,350) and professional fees ($62,529), were offset by increases in research and development costs ($92,234) and in office and general costs ($19,177).

RESULTS FROM OPERATIONS FOR THE TWELVE-MONTH PERIOD ENDED JULY 31, 2023

For the twelve-month period ended July 31, 2024, the Company reported a consolidated net loss of $801,197, or $0.01 loss per common share, as compared with a consolidated net loss of $2,414,985, or $0.04 loss per common share for the twelve-month period ended July 31, 2023. The $1,613,788 decrease in net loss is primarily from $1,010,228 decrease in operating loss and $603,560 decrease in other expense.

The decline in net loss is primarily due to the reduction in operations due to the lack of sufficient financings undertaken since the second quarter of fiscal 2023. As such, all employees were released in April 2023. The decline of $1,010,228 in operating loss is primarily due to declines of $485,779 in research and development costs, $342,515 in stock-based compensation and $108,216 in rent and utilities. The $603,560 decrease in other expense is primarily due to the sale of equipment for net gain of $96,638 of fiscal 2024 (as compared to a similar sale in fiscal 2023 which resulted in a net loss of $67,097), and there were no provision for inventory and work in process in 2024 as compared to such provision of $457,836 in fiscal 2023.

USE OF CASH AND CASH EQUIVALENTS

We began fiscal 2024 with $19,909 in cash and cash equivalents. During the nine-month period ended July 31, 2024, our operating activities consumed $666,643, our investing activities provided $161,150 and our financing activities provided $507,882. As at July 31, 2024, we had $22,298 of cash and cash equivalents.

Liquidity and Capital Resources

Our operations and capital expenditures have generally been financed through public equity offerings and government assistance.

Summary of cash flows

	Twelve months ended July 31,	
	2024	2023
	$	$
Cash and cash equivalents – beginning of period	**19,909**	15,896
Cash flows used in operating activities	**(666,643)**	(1,133,621)
Cash flows provided by (used in) investing activities	**161,150**	(285,501)
Cash flows provided by financing activities	**507,882**	1,423,135
Cash and cash equivalents – end of period	**22,298**	19,909

Operating Activities

Cash used by operating activities declined by $466,978 during the twelve-months ended July 31, 2024 as compared to the same period ended July 31, 2023. This decline is attributed primarily to cash constraints on operations due to insufficient financings in addition to lack of granting of stock options in 2024.

Investing Activities

Cash provided by investing activities increased by $446,651 during the twelve-months ended July 31, 2024 as compared to the same period ending in July 31, 2023. During the second quarter of fiscal 2024, the Company sold equipment for cash proceeds of $161,150 while in the second quarter of fiscal 2023, the Company purchased land and building for $305,761

Financing Activities

Cash provided by financing activities decreased by $915,253 for the twelve-month period ended July 31, 2024, as compared with the same period ended July 31, 2023. This decrease is primarily due to the reduction in related party advances received and proceeds from the issuance of share capital, in the second quarter of fiscal 2023 only, offset by an increase in related party and long-term debt payments made, even with the proceeds of $150,000 from promissory notes payable holders in October 2023.

Capital stock

At July 31, 2024, the Company had issued and outstanding 60,755,372 common shares, 5,419,000 warrants and 2,075,000 stock options.

<u>ADEQUACY OF FINANCIAL RESOURCES</u>

Since inception, the Company has incurred significant expenses in its efforts to develop and commercialize its products. The current lack of sufficient financial and human resources has impacted the Company's business focus to: sell existing inventory of Organic Omega-3 DHA powder, launch Eversea's Organic Omega-3 DHA powder capsules, continue the research and development of BMP6 and develop a clear plan to reactivate the development of our Green Bio-Hydrogen vertical market. These priorities can only be restarted upon the receipt of significant funding and the restructuring of the Company's operations.

As of July 31, 2024, the Company had cash and cash equivalents of $22,298, a working capital deficit of $6,839,059, and an accumulated deficit of $19,756,832. The Company also had a net loss of $801,197, and negative cash flows from operations of $666,643 for the year ended July 31, 2024. Due to limited cash flows from operations, the Company and its subsidiaries have missed paying former employees, and making vendor, principal and interest payments while various financing alternatives were initiated including selling the land and building and selling excess equipment.

There can be no assurance that additional funding will be available on acceptable terms or at all, when and if required. If adequate funds are not available when required, the Company may have to substantially reduce or eliminate planned expenditure on its marketing of the nutraceuticals or delay programs to further develop its protein expression project or to evaluate the development plans or available markets for the green bio-hydrogen project. As there can be no certainty as to the resolution of the above matters, there is material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, see "Going Concern Risk" on pages 19-20.

SELECTED QUARTERLY FINANCIAL DATA

Selected quarterly financial data for our last eight fiscal quarters follows:

	2024				2023			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Revenues	**-**	**-**	**-**	**-**	292	228	220	244
Net loss	**(170,438)**	**(351,948)**	**(54,813)**	**(223,998)**	(690,706)	(746,881)	(599,003)	(378,395)
Basic and diluted loss per common share	**(0.00)**	**(0.01)**	**(0.00)**	**(0.00)**	(0.01)	(0.01)	(0.01)	(0.01)

RESPONSIBILITIES, CONTROLS AND POLICIES

Management's responsibility for financial reporting

Disclosure Controls and Procedures

Under the supervision and with the participation of the Chief Financial Officer, the Company has evaluated the effectiveness of our disclosure controls and procedures as at July 31, 2024. Based on that evaluation, the Chief Financial Officer has concluded that these disclosure controls and procedures were not effective as of that date due to a material weakness in internal control over financial reporting as described below.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by the IASB.

Our internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Solarvest; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Company management; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Company assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Material weakness

The material weakness that we identified in our internal controls over financial reporting as of July 31, 2024 was as follows: sufficient accounting resources with relevant technical accounting skills to address issues related to the financial statement close process. Because of the size of the Company and its staff complement, we were not able to sufficiently design internal controls to provide the appropriate level of oversight regarding the financial record-keeping and review of the Company's financial reporting.

This weakness will begin to be addressed through fiscal 2025 upon receipt of sufficient funding and restructuring of the Company's operations. See "Changes in Internal Controls Over Financial Reporting" below.

In making this assessment, management used the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control – Integrated Framework (2013).

Consistent with our stage of development, we continue to rely on risk-mitigating procedures during our financial closing process in order to provide comfort that the financial statements are presented fairly in accordance with IFRS. We have developed and commenced implementation of a remediation plan to address the material weakness discussed above and to improve our internal control over financial reporting. The remediation plan includes:

- strengthening our financial reporting controls by adding new or additional resources with adequate technical knowledge and training, including the hiring of a new Chief Financial Officer on January 30, 2023.
- designing and implementing effective internal controls related to the involvement of appropriate finance and accounting staff in the review of complex transactions, including as those transactions are negotiated and executed, to ensure that any matters with accounting ramifications are addressed on a timely basis; and

- ensuring that all non-routine transactions, including those requiring the application of significant judgment or analysis, are thoroughly researched at the appropriate level and are sufficiently documented by qualified accounting and finance personnel (including third-party subject matter experts as necessary), with such documentation to be approved in a timely manner by the Company's Chief Financial Officer.

This material weakness will continue to be addressed through fiscal 2025.

Changes in Internal Controls over Financial Reporting

There have been no significant changes to our internal controls over financial reporting for the three months ended July 31, 2024 that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.

ADDITIONAL INFORMATION

Additional information related to the Company is available for view on SEDAR+ at www.sedarplus.com and at the Company's website at www.solarvest.ca.

BUSINESS RISKS

As at July 31, 2024, the principal business of the Company is the development of its algal-based production system to produce natural based 'green' commercial products. There are a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

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

- Regulatory risks include the possible delays in getting the required regulatory approvals to the products the Company produces, and includes increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet.

In addition to the risks mentioned above, there are additional risks associated with the biotechnology sector and the operation of the business as follows:

- The ongoing development of the Company's business will require significant financial resources, and there is no assurance that future revenues, if any, will be sufficient to generate the funds required to continue the Company's business development and marketing activities. If the Company does not have sufficient capital to fund its operations, it may be required to reduce its research and development efforts, forego certain business opportunities or discontinue its business.

- The Company will require additional financing and there is no assurance that the Company will be able to obtain additional financing on reasonable terms or at all. The only sources of future funds presently available to the Company are debt financing, the sale of equity capital or the offering by the Company of an interest in its business. There is no assurance that any such funds will be available for operations. Failure to obtain additional financing on a timely basis could cause the Company to reduce or terminate its operations. The sale of equity capital could result in a substantial dilution of the equity interests of the Company's shareholders.

- The Company has no history of earnings and there can be no assurance that the Company will be profitable.

- The biotechnology industry involves a substantial degree of risk, which a combination of experience, knowledge and careful evaluation may not be able to overcome. Shareholders of the Company must rely on the ability, expertise, judgment, direction and integrity of the management of the Company. The success of the Company is currently largely dependent on the performance of its directors, officers and consultants. The loss of the services of any of these persons could have a material adverse effect on the Company's business and prospects. There is no assurance the Company will be able to maintain the services of its directors, officers or other qualified personnel required to operate its business.

- There are inherent risks associated with the production of products proposed to be marketed by the Company. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

- The Company's success will depend in significant part on its ability to obtain patent protection for its technology in the United States and in other countries, and to enforce these patents. There can be no assurance that any of patent claims contained in the Company's non-provisional and provisional patent applications for its technology will result in the issue of patents or that any such patent claims will be valid and enforceable against third-party claims of infringement, or that the Company's products will not infringe any third-party patent or intellectual property. Moreover, any patent claims relating to the technology may not be sufficiently broad to protect the Company's products. In addition, issued patent claims may be challenged, invalidated or circumvented. The Company's patent claims may not afford it protection against competitors with similar technology or permit the commercialization of its products without infringing third-party patents or other intellectual property rights.

- The Company's success also depends on it not infringing patents issued to competitors or others. The Company may become aware of patents and patent applications belonging to competitors and others that could require it to alter its technologies. Such alterations could be time consuming and costly. The Company may not be able to obtain a license to technology owned by or licensed to a third party that it requires in order to manufacture or market one or more products.
- Valid claims for patent infringement may also be prohibitively expensive to prosecute. Conversely, a frivolous claim filed against the Company may be financially impossible to defend.
- The future operations of the Company may require permits from various federal, state, provincial and local governmental authorities. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to carry on the Company's business.
- The biotechnology industry is intensely competitive in all its phases. The Company will compete for contracts for the sale of its products, as well as for the recruitment and retention of qualified employees with other companies, which may possess greater financial resources and technical facilities than the Company. That competition could have an adverse effect on the Company's ability to profitably carry on its business in the future.
- If additional financing is raised by the issuance of shares from the treasury of the Company, shareholders may suffer additional dilution.
- For the foreseeable future, the Company is expected to follow a policy of retaining earnings, if any, in order to finance further development and expansion. The payment of dividends is within the discretion of the board of directors of the Company and will depend on the earnings, if any, financial requirements and the operating and financial condition of the Company, among other factors.
- Certain of the directors and officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest.
- As the shares of the Company will be listed on the Exchange, factors such as announcements of periodic variations in operating results, or new actions by competitors of the Company, as well as market conditions in the biotech industry, may have a significant impact on the market price of the shares of the Company. In addition, the

world stock market has from time-to-time experienced extreme price and volume fluctuations, which have often been unrelated to the operations of particular companies. In addition, there can be no assurance that an active public market will develop or be sustained for the shares of the Company. The market price of the shares of the Company could be subject to significant fluctuations in response to operating results of the Company, changes in financial estimates by securities analysts or other events or factors, many of which will be beyond the Company's control.

- The Company maintains its accounts in Canadian currency. The Company may incur expenses in foreign currencies, and as a consequence may be subject to foreign currency fluctuations. Such fluctuations may materially affect its financial position and results. The Company does not, and the Company is not expected to, engage in currency hedging activities.

GOING CONCERN RISK

The Company's financial statements have been prepared on a going concern basis under which the Company is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. However, as of the date of this MD&A, management does not believe that the Company's cash balance is sufficient to meet its general working capital requirements and contractual obligations for the next 12 months. Solarvest's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing additional equity or debt financing or in achieving profitability, or that such additional equity or debt financing will be completed on terms satisfactory to the Company and would be sufficient to satisfy any liquidity concerns related to the Company's ability to continue as a going concern. Certain adverse conditions and material uncertainties cast doubt upon the ability of the Company to continue as a going concern without a significant restructuring and/or financing. These include:

- the Company has cash-on-hand of approximately $400,000 as at the date of this MD&A;
- the Company has a working capital deficiency (excess current liabilities over current assets);
- the Company currently has had no material sales of marketed products and no material sources of cash other than equity or debt financings, and there can be no assurance as to the Company's ability to maintain or obtain sufficient financing sources for operations or to meet future obligations.

Due to these adverse conditions and material uncertainties, the use of the going concern assumption in the preparation of the Company's financial statements may not be appropriate. This could result in material adjustments to the amounts and classifications of assets and liabilities in the Company's financial statements should the Company fail to continue as a going concern. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should it be unable to continue as a going concern. If the Company is unable to continue as a going concern, it may be forced to seek relief under applicable bankruptcy and insolvency legislation, which may negatively affect the price and volatility of the Common Shares and any investment in such shares could suffer a significant decline or total loss in value and would subject the Company to additional risks related to such proceedings.