

DLC HOLDINGS CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

Dated: April 30, 2026

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The following Management Discussion and Analysis ("MD&A") reports on the operating results, financial condition and business risks of DLC Holdings Corp. ("DLC" or the "Company") and is designed to help the reader understand the results of operations and financial condition of the Company as at and for the year ended December 31, 2025. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2025 and 2024 the notes thereto which were prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") (the "Financial Statements"). Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Financial Statements. All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings. These Financial Statements together with the other financial information included in these filings fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented in this filing. The Board of Directors approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing. The Board of Directors has approved the Financial Statements and MD&A, as well as ensured that management has discharged its financial responsibilities as at April 30, 2026.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These forward-looking statements include but are not limited to statements concerning:

- The Company's success at completing future financings
- The Company's strategies and objectives
- The Company's cost reductions and other financial operating objectives
- General business and economic conditions
- The Company's ability to meet its financial obligations as they become due
- The positive cash flows and financial viability of its operations
- The Company's ability to manage growth
- The Company's tax position, anticipated tax refunds and the tax rates applicable to the Company

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Readers are cautioned that the preceding list of risks, uncertainties, assumptions and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The forward-looking statements contained in this document are made as of the date of this MD&A.

CORPORATE OVERVIEW

The Company was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on March 25, 2011, and is listed for trading on the TSX Venture Exchange ("Exchange") under the symbol DLC. The Company's head office address is 1600 – 609 Granville Street, Vancouver, British Columbia, Canada V7Y 1C3 and its registered and records office address is 2200 – 885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

Overall Performance

The Company's investments in Craven House Industries Ltd. ("Craven House") and Ceniako Ltd. ("Ceniako") represent holdings in real property. Through Craven House and Ceniako controls c.2,500 hectares of land and c.10km of water-front and direct beach-front real estate facing the South Atlantic Ocean in the Bahia province of Brazil. Additionally, during the year ended December 31, 2025, the Company sold its macadamia processing facility in South Africa for \$1,644,720. Accordingly, changes to fair value and capital appreciation are anticipated to be on a long-term horizon. The Company prepares valuations with reference to reports provided by professional, independent third-party valuers. Fair value is assessed at each reporting period with indicators of changes to market fundamentals reviewed on an ongoing basis. Management anticipates moderated adjustments as land tenure is robust in its current ownership jurisdictions.

OUTLOOK

DLC's strategy is to further its investment in agricultural land and in the food processing industry.

SELECTED ANNUAL INFORMATION

The Company provides the following annual information for the historic periods to be presented pursuant to accounting for a Reverse Takeover. The financial information reflects the historic results of Craven House and Ceniako as a continuing entity as if they had been operating as a consolidated entity from an inception date of January 1, 2017. The non-controlling interest (39.5%) in Ceniako has been presented as an existing position in the historical accounts of the financial statements.

	December 31, 2025	December 31, 2024	December 31, 2023
Net income (loss)	\$ 396,515	\$ (2,820,654)	\$ 2,715,146
Comprehensive income (loss)	\$ 1,517,027	\$ (2,497,436)	\$ 2,853,247
Income (Loss) per share	\$ 0.00	\$ (0.03)	\$ 0.03
Total assets	\$ 16,628,194	\$ 14,828,053	\$ 17,289,093
Total liabilities	\$ 2,105,171	\$ 1,822,057	\$ 1,785,661

The significant investment assets as of December 31, 2025, 2024, and 2023 represent the investment holdings of Craven House and Ceniako:

Investments of Craven House comprise 99.9% ownership of the share capital of Universal Properties Brasil Administracao de Imoveis Ltda ("UPBAI" Brazil). The subsidiary UPBAI in turn owns approximately 500

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hectares of land in Bahia, Brazil. The land is suitable for the cultivation of macadamias and coconuts. It presently has no operations. Additionally, Craven House owns directly a plot of development land in Salta, Argentina.

Investments of Ceniako represent ownership of 100% of the issued and outstanding share capital Woodford Empreendimentos Imobiliarios LTDA (Brazil). This subsidiary in turn own approximately 2,000 hectares of land in Bahia. The land is suitable for the cultivation of macadamias and coconuts. It presently has no operations.

SUMMARY OF QUARTERLY RESULTS

The following information is unaudited:

UNAUDITED	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
Interest and other income	\$ (23,861)	\$ 20,652	\$ 42,343	\$ -
Net income (loss) for the period	703,237	(296,721)	480,210	(490,211)
Comprehensive income (loss) for the period	467,503	(12,439)	977,927	84,036
Basic and diluted income (loss) per share	0.01	(0.00)	0.01	(0.01)

UNAUDITED	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Interest and other income	\$ 27,491	\$ 13,806	\$ 20,468	\$ 20,105
Net income (loss) for the period	(886,470)	(1,639,572)	(21,695)	(272,917)
Comprehensive income (loss) for the period	(1,074,871)	(1,185,636)	69,958	(306,887)
Basic and diluted income (loss) per share	(0.01)	(0.02)	(0.00)	0.00

The Company's financial results by quarter are largely influenced by the foreign exchange rates between the Canadian dollar, United States dollar, Euro and Brazilian real.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER 31, 2025

The Company reported a net income of \$703,237 in the three months ended December 31, 2025 compared to a net loss of \$886,470 for the three months ended December 31, 2024. The net loss includes a foreign exchange gain of \$224,447 (2024 – loss of \$873,554). The foreign exchange recorded is largely attributable to the end of period adjustment of the Company's investments in subsidiaries which are held in Brazil and tangible assets held in Argentina to current rates.

During the three months ended December 31, 2025, the Company arranged the sale of the macadamia facility in the year ended December 31, 2025 and recognized a gain on sale of \$1,303,093 (2024 - \$nil) and associated income tax expense of \$165,252 (2024 - \$nil). The Company also recognized an impairment of \$489,646 in three months ended December 31, 2025 in its investment in tangible asset due to uncertainty with respect to title

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In the three months ended December 31, 2025, the Company incurred professional fees of \$4,182 (2024 - \$23,012). These costs derive from the management of a public entity. The interest expense of \$16,820 (2024 - \$14,128) relates to debt instruments accruing interest being a promissory note, long-term loans and the KwikBuild Loan.

In the three months ended December 31, 2025, the Company recorded a gain on marketable securities of \$37,993 (2024 – loss of \$19,807).

In the three months ended December 31, 2025, the Company recorded a currency translation adjustment gain of \$235,734 (2024 – gain of \$188,041) due to the translation of the Company's entities with foreign functional currencies to the Company's presentation currency of Canadian dollars.

RESULTS OF OPERATION FOR THE YEAR ENDED DECEMBER 31, 2025

The Company reported a net income of \$396,515 in the year ended December 31, 2025 compared to a loss of \$2,820,654 for the year ended December 31, 2024. The net income includes a foreign exchange gain of \$16,773 (2024 – loss of \$2,720,885). The foreign exchange recorded is largely attributable to the end of period adjustment of the Company's investments in subsidiaries which are held in Brazil and tangible assets held in Argentina to current rates.

In the year ended December 31, 2025, the Company incurred transfer agent and filing fees of \$9,719 (2024 - \$21,664), consulting fees of \$14,000 (2024 - \$15,550), and professional fees of \$85,197 (2024 - \$76,242). These costs derive from the management of a public entity. The interest expense of \$66,264 (2024 - \$60,488) relates to debt instruments accruing interest being a promissory note, long-term loans and the KwikBuild Loan.

In the year ended December 31, 2025, the Company recorded a depreciation expense of \$10,724 (2024 - \$10,280) to account for the depreciating value of buildings on the macadamia facility in South Africa. The Company arranged the sale of the macadamia facility in the year ended December 31, 2025 and recognized a gain on sale of \$1,303,093 (2024 - \$nil) and associated income tax expense of \$165,252 (2024 - \$nil).

In the year ended December 31, 2025, the Company recorded a gain on marketable securities of \$38,304 (2024 – loss of \$20,462).

In the year ended December 31, 2025, the Company recorded a currency translation adjustment gain of \$1,120,512 (2024 – \$323,218) due to the translation of the Company's entities with foreign functional currencies to the Company's presentation currency of Canadian dollars.

During the year ended December 31, 2025, the Company also recognized an impairment of \$489,646 in its investment in tangible asset due to uncertainty with respect to title.

LIQUIDITY AND CAPITAL RESOURCES

The Company defines capital as consisting of the components of shareholder's equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to manage the cost of capital at acceptable levels of risk.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business.

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Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at December 31, 2025, the Company is not subject to any externally imposed capital requirements or debt covenants.

The Company has the following debt instruments as at December 31, 2025:

Promissory note

The Company has a promissory note due to a company controlled by the Company's CEO. The promissory note bears interest 6% per annum, is due on December 31, 2028 and is unsecured. As at December 31, 2025, the balance owing is \$133,268 (December 31, 2024 - \$128,986).

Related Party Loans

The Company has loans of \$194,178 (December 31, 2024 - \$196,088) due to a company controlled by the Company's CEO ("Related Party Loans") which bear interest at 6% per annum, are due in 2026 and are unsecured.

As at December 31, 2024, the Company had loans of \$392,732 due to a company controlled by the Company's CEO which accrues interest at 6% per annum, maturing in 2026. This loan was assigned to Craven Industrial Holdings Plc ("CIH") in 2025.

The Company had a loan facility, under which the Company was provided with a loan from KwikBuild Corporation Ltd ("KwikBuild"), a subsidiary of CIH ("KwikBuild Loan"). The KwikBuild Loan held a senior secured position on the assets of the Company, bore an interest rate of 5% and has a term of seven years ending April, 2027 with interest and principal due at maturity. This is a related party transaction as the Company has directors in common with CIH. As at December 31, 2025, the KwikBuild Loan was assigned to CIH.

The resulting combined amounts due to CIH are unsecured and accrue interest at 5% per annum are mature in 2028.

Craven Industrial Holdings plc	Related party loan	Kwikbuild	Total
Balance, December 31, 2023	\$ 343,419	\$ 680,320	\$ 1,023,739
Funds received	34,287	-	34,287
Interest expense	19,104	29,679	48,793
Foreign exchange	<u>(4,078)</u>	<u>61,320</u>	<u>57,242</u>
Balance, December 31, 2024	392,732	771,319	1,164,051
Funds received	88,224	-	88,224
Funds repaid	(26,143)	-	(26,143)
Interest expense	24,237	30,202	54,439
Foreign exchange	<u>14,420</u>	<u>(37,198)</u>	<u>(22,778)</u>
Balance, December 31, 2025	\$ 493,470	\$ 764,323	\$ 1,257,793

The Company incurred a comprehensive income of \$1,517,027 for the year ended December 31, 2025 (2024 – loss of \$2,497,436).

As at December 31, 2025, the Company has a cash balance of \$37,989, its current assets exceed its current liabilities by \$1,087,058 and it has an accumulated deficit of \$10,642,021. These factors indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company has entered into a credit facility with a related party which will provide

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working capital if required to meet ongoing costs. The Company will continue to finance its operations by the issuance of shares or use of the credit facility as its operations have not achieved profitability.

OFF-BALANCE SHEET ARRANGEMENT

The Company currently has no off-balance sheet arrangement.

RELATED PARTY TRANSACTION

Key Personnel Compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. There was no remuneration paid to directors and key management personal during the period ended December 31, 2025 and 2024.

The following details amounts due to related parties:

Nature of Relationship	December 31, 2025	December 31, 2024
Emprise Capital Corp., a company with a former officer in common	\$ 104,633	\$ 104,633
Desmond Holdings Ltd., a company owned by the CEO	<u>19,911</u>	<u>19,911</u>
	\$ 124,544	\$ 124,544

- a) Balance is secured by a promissory note. The balance is payable in installments of \$10,000 every two months, subject to a 10% late fee and subject to 12% following the maturity date of any such payment. The promissory note matured during the year ended December 31, 2021.
- b) Balances are due on demand and unsecured. In addition to the balances above, a promissory note, Related Party Loans, and KwikBuild Loan are due to related parties.

The Company had a \$14,705 (ZAR188,000) loan receivable from a subsidiary of KwikBuild which is non-interest bearing and has no fixed terms of repayment. The loan was impaired as unrecoverable in the year ended December 31, 2025 at a value of \$14,705.

During the year ended December 31, 2019, the Company entered into an unsecured revolving credit facility (the "Credit Facility") with Craven House Capital Plc for up to USD \$500,000. Craven House Capital Plc is a related party by a common directorship. The Credit Facility bears interest of 5% per annum with all principal and interest on the Credit Facility due and payable on or before December 1, 2028. The Company has not drawn down on the credit facility.

PROPOSED TRANSACTIONS

There are no proposed transactions.

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CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The key areas of judgment applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

Determination of functional currency

The functional currency of each of the subsidiaries and the Company were assessed to determine the economic substance of the currency in which each entity performed its operations. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*. The determination of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment.

Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements.

The key areas of estimates applied in the preparation of the condensed consolidated interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

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Valuation of investments and lands

The Company recognizes its investment in tangible assets and investment in lands at fair value. The material composition of these assets is land. The Company performs reviews of comparable transactions and engages third party valuers to provide annual valuations of those holdings. These valuations are determined using level 3 inputs which involve considerable estimates as the inputs used to value these assets are based on unobservable market data. There is inherent uncertainty and imprecision in estimating the factors that can affect fair value, and in estimating fair values generally, when observable market data is not available. Between third party valuations, management reviews assumptions and market conditions, including any impact of political or legal risk of foreign jurisdictions, to adjust fair value estimations. Changes in assumptions and inputs used in valuing the land and investments could affect reported fair values.

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Deferred income tax

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations of the Company. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Impairment of long-lived assets

The carrying value of long-lived assets is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired, and an impairment loss is recognized in the consolidated statement of income and comprehensive income. The assessment of fair values, including those of the cash generating units (the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflow from other assets or groups of assets – "CGUs") for purposes of impairment testing, require the use of estimates and assumptions for discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumption or estimates used in determining the fair value of long-lived assets could impact the impairment analysis.

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FINANCIAL INSTRUMENTS

Financial instruments

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial instruments by category	Fair value through profit or loss		Amortized cost	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
<i>Financial assets</i>				
Cash	\$ 37,989	\$ 2,361	\$ -	\$ -
Receivables	-	-	1,775	85,810
Loan receivable	-	-	-	14,331
Consideration receivable on sale of property and equipment	-	-	1,644,720	-
Marketable securities	55,685	19,034	-	-
	93,674	21,395	1,646,495	100,141
<i>Financial liabilities</i>				
Accounts payable and accrued liabilities	-	-	159,668	186,338
Due to related parties	-	-	124,544	124,544
Promissory note	-	-	133,267	129,986
Loans	-	-	1,451,971	1,360,139
	\$ -	\$ -	\$ 1,869,450	\$ 1,800,057

The Company considers that the carrying amount of financial instruments carried at amortized cost to approximate their fair value due to the short-term nature of the financial instruments.

Financial instruments measured at FVPL	Level 1		Level 3	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Cash	\$ 37,989	\$ 2,361	\$ -	\$ -
Marketable securities	-	19,034	-	-

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Financial risk factors

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash, receivables and consideration receivable. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The Company considers the risk of financial loss on cash to be remote. The Company's receivables consist materially of GST input tax credits recoverable from the government of Canada and a receivable from a related party. The Company considers credit risk with respect to these amounts to be moderate. Consideration receivable on sale of property and equipment is assessed as moderate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2025, the Company had current assets exceed current liabilities by \$1,087,058 (December 31, 2024 – (\$203,727)).

The Company's ability to finance its future operating requirements is significantly dependent on the Company's ability to achieve economic returns on its investments. Without these returns, the Company will remain dependent upon the continued financial support of its debtors and shareholders. The Company, as at December 31, 2025, is exposed to liquidity risk.

Market risk

Market risk is the risk of loss that may arise from changes in market factors, such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

a) Interest rate risk

The Company's financial asset exposed to interest rate risk consists of cash and cash equivalents. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company does not anticipate interest income on cash to contribute significantly to the operations and returns of the Company and is therefore minimally exposed to interest rate risk on assets.

Interest rates on debts payable are set at fixed rates reducing the Company's exposure to interest rate changes.

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b) Foreign currency risk

The Company's investments and assets are located in a number of jurisdictions and therefore exposed to the currency movements of a number of currencies. In addition to the functional currencies of the Company and its subsidiaries, the Company is also exposed to the Brazilian Real on its non-monetary investments which is the jurisdiction of the investments in the unconsolidated subsidiaries of Craven House and Ceniako.

As at December 31, 2025, the Company's net foreign denominated monetary financial instruments are as follows:

	Foreign currency		Canadian dollar equivalent	
US dollar	US\$	212,420	\$	291,142
Euro	€	(81,399)	\$	(130,963)
South African Rand	R	-	\$	-

A fluctuation of 10% of the above note currencies against the Canadian dollar would have had an impact of \$40,150 on the net loss for the period.

c) Other price risk

The Company's marketable securities is comprised of individual equities in publicly traded companies. The portfolio is not diversified against geography or industry and is therefore subject to fluctuations in equity markets as well as volatility in individual underlying equities. The Company's exposure to other price risk is assumed to be the value of the marketable securities which are held at FVPL. The Company does not have a specific policy with respect to investment or portfolio requirements.

SHARE CAPITAL

Authorized:

Unlimited number of common shares without par value.

Unlimited number of Class A Preferred Shares without par value.

- Convertible on a 1 for 1 basis to common shares.

Unlimited number of Class B Preferred Shares without par value.

- Entitled to one vote per Class B Preferred Share at meetings of the shareholders of the Company;
- Entitled to participate on a per share basis with the common shares in respect of any declaration of dividends on the common shares and any distribution on the common shares upon the liquidation, winding-up or dissolution of the Company; and
- Convertible, at the election of the Company, on a one-for-one basis into common shares.

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Issued and outstanding:

Issued and outstanding	December 31, 2025	December 31, 2024
Common shares	29,033,375	29,033,375
Class A Preferred Shares	4,545,455	4,545,455
Class B Preferred Shares	51,071,397	51,071,397

Stock Options:

The Company has a stock option plan under which it is authorized to grant to executive officers and directors, employees and consultants stock options enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

RISKS AND UNCERTAINTIES

Foreign Operations

All or substantially all of the Company's assets are located in Brazil, South Africa and Argentina, and as a result, the Company's operations are exposed to various levels of political, social, economic, and other risks and uncertainties associated with operating in foreign jurisdictions. These risks and uncertainties include, but are not limited to: changing and unstable political, social and financial conditions, war, terrorism, civil disputes, protests, riots, insurrection, labour unrest, corruption, robbery, production and price controls, import or export controls, currency exchange and currency transfer controls, currency remittances, changes in taxation, government regulations and policies that may restrict employment and the supply of goods and services to citizens and other specific groups, arbitrary nullification of existing licenses, concessions, permits, contracts and other property rights, arbitrary mandates to address shifts in political, social and financial policies and attitudes that directly or indirectly affect the Company's business operations, financial condition or prospects, nationalism and isolationism, trade embargoes, higher rates of inflation, unstable monetary policies, unstable foreign exchange rates and uncertainties with respect to local legal system and respect of the rule of law. The occurrence of or adverse change in these or similar matters will likely have an adverse effect on the business, operations, financial condition of the Company, including but not limited to the loss, destruction, damage and injury to property and personnel, an impairment, reduction, cessation of operations, the loss of potential opportunities, increased costs and inefficiencies and reduced financial results and flexibility. In addition, failure to comply with anti-corruption and anti-bribery legislation of Canada and other jurisdictions may result in significant fines, penalties and other sanctions.

Agricultural Business

The Company's assets are tied to agricultural industry and commodity prices and are therefore exposed to a high degree of risk, often characterized by potential disruption that could result in total crop failure, seasonal windows, perishable inventories, commodity pricing and low margins which require economies of scale and efficiencies for optimal results. In particular, small changes in commodity pricing can have disproportionate effects on profitability and financial results. This pricing, seasonality and variability can impact the Company's return on agricultural investments.

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Disruptions

The Company will be subject to both natural and man-made disruptions to agricultural operations, including but not limited to drought, storms, frost and other adverse weather conditions, fires, floods, insect swarms, pestilence, crop failure and other acts of God, industrial accidents, strikes, lock-outs, labour shortages, power shortages, fuel shortages, title or access disputes, including aboriginal or native disputes, wars, terrorism, civil disputes, protests, riots, insurrection, governmental regulations or requirements restricting or otherwise adversely altering free market or normal operations and other adverse events or occurrences beyond the control of the Company or operators. These or similar matters may have a direct impact on farming operations which provide the Company inputs but may also have an indirect impact on other aspects of the agricultural business such as transportation, storage, food processing and distribution, marketing and sales efforts, monetary payments. The occurrence of or an adverse change in these or similar matters will likely have an adverse effect on the business, operations, financial condition, financial results, and prospects of the Company. There can be no assurances that these disruptions will not occur, that any such disruption would not be of indefinite duration, and that any such disruption will not result in the loss of an entire seasonal crop yield or complete failure of the Company's investments.

Insurance

It may not be possible for the Company to fully insure itself against all operational risks and losses embedded in its portfolio, and the Company may ultimately decide or be forced to not take out various insurance policies due to high premiums or for other reasons. Should such uninsured damages or losses occur, they could have a substantial adverse affect on the Company, including the complete failure of the business.

Competition

The Company competes for personnel, land acquisitions, and investments. Competitors may have greater financial resources, established and diversified operations, history, goodwill, and other factors that will give them a competitive advantage over the Company. There can be no assurances that the Company will be able to secure resources, services and sales in an environment of increased competition by such competitors.

Government Regulation

The Company's agricultural and land investments will be subject to government legislation, policies and controls. These may include but are not limited to regulations in respect of land use, water use and irrigation rights, fertilizer, hormone, pesticide and antibiotic controls, food inspections, food standards and other environmental and health and safety laws. In addition, any delays in receiving any necessary license, concession, permit or other regulatory approval may cause operational delays resulting in, among other things, inefficiencies, increased costs and untenable crop schedules and/or unfavourable terms for the valuation of land assets. The exercise of discretion by government authorities under existing regulations, modification of existing regulations and the implementation of new regulations affecting the industry are beyond the control of the Company and could have an adverse impact on the business, operations, financial condition, financial results and prospects of the Company.

Failure to comply with applicable laws and regulations may result in enforcement actions resulting in forfeiture of property, payment of administrative, civil and criminal fines and penalties, payment of damages and compensation, and the imposition of corrective measures requiring capital and other expenditures, changes in procedures or other remedial actions.

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Environmental Exposure

Operations conducted by the Company's investments have the potential to affect surrounding lands. In the event that investment operations result in loss or damage to neighbouring landowners or other affected persons, the Company may be required to compensate those affected and to take remedial actions that would require significant expenditures, changes in procedures or other remedial actions, which individually or in the aggregate could have an adverse impact on the business, operations, financial condition, financial results and prospects of the Company.

Exchange rate Fluctuations

The Company reports its financial statements in Canadian dollars. In contrast, all or substantially all of its investments are located in South Africa, and Brazil and are exposed to the South African Rand, and Brazilian Real respectively. In addition, the value and cashflows of those investments may be denominated in other currencies, such as the US dollar. As a result, fluctuations in exchange rates, which can be volatile, can have a material effect on working capital, reported fair values, cash flow and reported financial condition and financial results.

Lack of Dividend Policy

The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from the Company will remain subject to the discretion of the Company's Board of Directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

Possible Dilution to Present and Prospective Shareholders

The Company may from time to time issue equity securities to finance its operations, acquisitions and other working capital requirements. The issuance of equity securities will result in the dilution of the equity interests of existing shareholders. There can be no assurances that equity securities can in any instance be issued on terms favourable or acceptable to the Company, as the case may be, and if such issuance is nonetheless required, the result will be additional and possibly excessive dilution to the equity interests of existing shareholders.

Dependence of Key Personnel

The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources will be required, especially since the Company encounters risks that are inherent in doing business in several countries.

Lack of Trading

A listing of the Common Shares on the Exchange is not a guarantee of liquidity. If an active trading market for the Common Shares does not develop, the liquidity of the Common Shares may be limited and it may be difficult if not impossible for a holder of Common Shares to sell Common Shares. There can be no assurances that an active trading market for the Common Shares will develop or if developed will be sustained for any period of time.

Volatility of Share Price

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Market prices for shares of TSX Venture Exchange companies are often volatile. Factors such as announcements of financial results, and other factors could have a significant effect on the price of the Company's shares.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca.