SOLARVEST BIOENERGY INC.
FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED APRIL 30, 2018.

The following discussion of financial performance and condition should be read in conjunction with the condensed consolidated financial statements of Solarvest BioEnergy Inc. ("Solarvest" or the "Company") for the year ended July 31, 2017 and 2016 and the notes thereto, that have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are expressed in Canadian dollars, which is the functional currency unless otherwise indicated. This report which is dated June 25, 2018 and the Company's other public filings can be reviewed on the SEDAR website (www.sedar.com).

This Management Discussion and Analysis ("MD&A") has been approved by the Board of Directors on June 25, 2018.

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", "intend" 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 funding 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" in this MD&A.

Description of Business

The Company was incorporated under the Business Corporations Act (British Columbia) on November 9, 2005.

The Company has three wholly owned subsidiaries, Phycobiologics (Europe) Limited ("Phyco Europe"), Phyco Hydrogen Inc. ("PHI"), and Solarvest (P.E.I.) Inc. ("PEI"). Phyco Europe was incorporated in July 2006 in Scotland. PHI was incorporated in July 2007 in the State of Delaware in the USA. PEI was incorporated in September 2009 in the Province of Prince Edward Island, Canada.

The principal business of the Company has been focused on the development of algal-based production system to produce proprietary natural based environmentally positive commercial products - for example nutritional nutraceuticals, pharmaceutical oils and biologic active ingredients/therapies. This algal-based production system can, in the future, be modified to meet the Company's original long-term goal of sustainable and zero emission production of hydrogen.

Having the flexibility to produce nutraceuticals, as well as high value human therapeutics, using the same basic environmentally friendly biological production platform, will diversify the risk associated with the Company and significantly increase the short-term revenue potentials.

The Company has completed a commercialization strategy and is prepared to launch the world's first organic DHA utilizing its heterotrophic algal-based production system to meet the growing demands for an environmentally acceptable and animal friendly source of products that have near, mid and long term revenue potential.

- The Company has developed organic algae strains that are rich in DHA which are the most valuable forms of Omega 3 fatty acids for the multi-billion dollar food enhancement and nutraceutical markets.

- In the mid-term the Company is developing algae strains that can produce therapeutic proteins with the first such target being an active ingredient that is used in human orthopedic surgery and has animal applications.

- Long-term development plans include the commercialization of a genetically modified algae strain that can be used to produce hydrogen.

The Company continues to prosecute its patent portfolio and it's PCT (Patent Cooperation Treaty) filing(s) are in the national phase. The Company's patent portfolio has been submitted in major markets around the globe, for example our organic Omega-3 patent is issued in Europe, UK, USA, Canada, Japan, India, China, South Korea, Hong Kong and Australia and is being filed in other significant markets. The Company intends to further pursue the development and licensing of its intellectual property through the formation of strategic partnerships (especially the hydrogen project) that will enable it to achieve its goals.

Research and Development Activities

The Company's research and development programs are designed with a number of near term and long-term commercialization possibilities. These programs are based on harvesting valuable bio-actives and natural resource potential from algae. The Company operates research and development activities in a 5,000 square foot laboratory facility, located in Summerville, Prince Edward Island. In addition, the company is actively collaborating with experts at multiple research centers including, Université de Montréal, The University of New Brunswick and the National Research Council Institute for Nutrisciences and Health.

The Company has developed specific research programs with respect to each of its commercialization goals;

Near-term Goal

Omega 3's - the Company has developed algae strains that are individually rich in DHA, the most valuable form of Omega 3 fatty acids for human nutrition. Currently the global market for Omega 3 is over $20 billion and is forecast to grow significantly. The USA alone buys an estimated $8 billion in Omega 3 supplements and enhanced food products. To date the primary source of Omega 3's are fish oils, which can be contaminated with heavy metals and PCBs and are not a sustainable source capable of meeting the anticipated growth/future demand. Algae can be used to produce Omega 3's sustainably, eco- nomically and chemical-free. Through its internal R&D program the Company has developed a proprietary formulation(s) for producing high Omega 3 algae that are organic. This patented technology will allow the Company to occupy an unsatisfied market segment for organic certified Omega 3's. The Company also leverages expertise from the National Research Council for Nutrisciences and Health to assist with the characterization of lipids and fatty acids in algae. The Company has been working primarily with one European organic manufacturing facility to produce quantities of its Omega 3's for testing consumer foods and supplements. The challenge for the Company has been to scale up pilot production results to production size equipment in a timely manner while utilizing a contract facility with their competing production requirements. The producer is ready and currently meets all regulatory requirements for organic food and natural ingredients. The Company's also has future plans to renovate an additional 8,000 square feet at its Summerville facility for the installation of manufacturing equipment for 'in-house' production of specialized organic certified omega 3 products.

The Company intends to custom produce organic chemical-free Omega 3's and other nutritional oils to meet customer specifications. The production of a high Omega 3 algal cream, powder and bulk algal oil for use in fortified foods and beverages and for the use of algal oil in a format suitable as a nutraceutical supplement is actively being pursued in Canada, Europe and the US. Algal oil has been awarded a generally regarded as safe (GRAS) classification in the United States and an algal oil as a nutraceutical supplement has been approved for use in Canada. The Company has received a FDA NDI (New Dietary Ingredient) notification (approved for interstate trade) for its developed algae powder for use in nutraceuticals. Use as a food supplement is allowed, but a specific approval for specific foods will be pursued to support marketing efforts – this process is not expected to be lengthy and sales may commence concurrently. The Canadian and EU registrations are the next targeted markets. The regulatory pathway is clear, and a positive reply is expected but the Company is unable, at this point, to accurately predict (regulatory timeline) when the specific product registrations will be completed for these markets. Health Canada, the Canadian licensing body, forecasts its processing time to be 60 days.

Solarvest has received a patent (published late in 2014) that will enable the Company to comply with EU organic and USDA organic regulations. This innovation will further protect the Company's unique process for the production of a line of Omega 3 algal-based products. Solarvest intends to market a natural, premium, organic certified Omega 3 nutraceutical product(s) to food producers and grocery chains throughout North America, China and Europe.

Mid-term Goals

Alternate therapies - The Company is developing an algae platform that may be used to develop a bioactive therapeutic proteins. The Company has demonstrated some success at producing BMP (Bone Morphogenetic Protein-2 and -7' (hrBMP-2 and -7)) are applied during surgery to accelerate bone growth. The existing human market is $1 billion; however the current production process is complicated and involves numerous steps to process the product into an active protein - with the required three dimensional folding necessary for product effectiveness. Algae can be grown relatively quickly, in large quantities and may have the ability to simplify this process and naturally produce a protein with the necessary three dimensional shape and quality required. Algae as a protein production system also have the benefit of increased safety since algae harbor no known human pathogens – this safety profile should simplify the regulatory process. The Company could access the human therapeutic market by supplying active ingredients to pharmaceutical companies with currently marketed products. The current bioactive is extremely expensive so it is envisioned that a cost effective product would increase market reach as well as open up sales to the veterinary market.

Long-term Goals

Hydrogen Production - Solarvest has patents pending for the biological splitting of water by microalgae into its component parts - Hydrogen and Oxygen gases. Algae perform this process, fueled by carbon dioxide, and using only water and sunlight. This active research program has led to the development of a genetically modified algae strain that continuously produces six times more hydrogen per alga cell as compared to wild-type cells under laboratory conditions. For Solarvest to be successful the challenge is to be able to enhance the algae to produce levels of hydrogen that are commercially significant with the infra-structure required for growth and containment.

In partnership with Dr. Patrick C. Hallenbeck's laboratory at Université de Montréal, Solarvest completed an NSERC Engage-funded project in December 2013, the "**Molecular characterization of Solarvest H2 (hydrogen) producing algal strain for the development of targets for strain and process improvement"**. Dr. Hallenbeck's group was able to demonstrate that the Solarvest modified 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 even though the laboratory growth conditions were less than optimal. Solarvest will continue to support this collaboration with Dr. Hallenbeck. Dr. Hallenbeck's group will investigate the impact of light cycles and variations of growth modes and growth media on hydrogen productivity. This work with further define specific operational conditions that will enhance hydrogen production in Solarvest's proprietary algal strain of *Chlamydomonas reinhardtii* and to identify key molecules that are involved in regulating increased hydrogen production.

In partnership with Dr. Sean McGrady at the University of New Brunswick, Solarvest has successfully completed prototype equipment for the "Purification and trapping of Bio-hydrogen". The project was funded in part by and NSERC Engage and MITACS and focused on developing a hydrogen purification system that can be used to quantify and store bio-hydrogen released by algae strains.

The industrial demand for hydrogen is substantial and the use as a clean fuel will greatly increase with the launch and public acceptance of fuel cell automobiles. Hydrogen can be burned or used in a fuel cell with the resulting electricity feeding the current grid. Use in a fuel cell only releases heat energy and water as byproducts. The Company will continue to seek out funding and synergistic partners to support and further this work.

Intellectual Property

Our key patent for organic Omega 3 is issued in Europe, UK, USA, Canada, Japan, India China, South Korea, Hong Kong and Australia and is being sought in other significant countries. Its process produces the world's first organic DHA & EPA Omega 3.

The Intellectual property consists of worldwide exclusive rights, subject to limited exceptions, to a unique Inducible Chloroplast Gene Expression System patent. Solarvest has previously disclosed that the European patent office will allow the claims of Solarvest's European "System, Method and Device for the Expression or Repression of Proteins" patent application and they intend to grant the patent. The patent office in Korea has issued a similar approval. This is a significant milestone in Solarvest's patent portfolio due to the fact that this patent covers many areas of production (expression) of bioactive therapeutics. The substantial scope of potential products include proteins, antigens, and antibiotic like molecules as well as the Company's clean hydrogen production technology. This provides the Company the approvals required to expand programs of protein expression and clean H2 production.

The Company also previously announced that it has purchased worldwide rights to certain patents and patent applications from Kohilo Bio Inc. This acquisition will strengthen and diversify Solarvest's existing patent portfolio and will enable it to operate unimpeded in several global markets. In particular, this acquisition gives Solarvest complete worldwide rights (previously shared rights) to the Algae Technology Patent (System Method Patent- noted in the above paragraph) that it previously licensed as a part of its Qualifying Transaction in 2008. This Algae Technology Patent particularly adds strength to Solarvest's position as it relates to the creation of products by manipulating cell processes in algae -environmental bioremediation, and animal and human health products. The Company will focus on using its unique algae strains as a 'biological manufacturing platform' to produce a diverse products ranging from vaccines and bioactive proteins to enzymes.

It should be noted that, as our PCT patents move on to their national applications the costs associated with the Company's patent portfolio will continue the increase.

Patent List

Methods of Producing Algal Cell Cultures & Biomass, Lipid Compounds & Compositions, and Related Product

- *Production of algae biomass without using chemicals Lipid Compounds &*

System, Method, and Device for the Expression or Repression of Proteins

- *Method for controlling the expression of chloroplast - induce the production of hydrogen gas and or the expression of therapeutic proteins*

Transgenic Algae for Delivering Antigens to an Animal

- *Animal vaccine patent- A method for feeding transgenic algae with an expressed antigen to provoke an immune response*

Dental Composition and Method

- *Method for suppressing plaque formation on canine (and other animal) teeth*

Method of Making Microalgae-based Animal Foodstuff Supplements

- *Trace metal binding system that effectively delivers chromium, cobalt, copper, iron, manganese, molybdenum, selenium and zinc to animals*

Methods and Uses of a Modified Cecropin for Treating Endoparasitic and Bacterial

- *Infections Antimicrobial protein (AMP) expression for the treatment of malaria*

Commercialization Overview

Solarvest Organic Omega 3 Products

The Company has developed the world's first 100% organic (DHA) Omega 3, which has been patented and FDA approved. The products are produced without chemicals, solvents and or heavy processing that degrade the nutritional benefits. The use of algae (a marine plant) and a clean growing environment offers a product that is vegan, sustainable, without ocean based toxins/pollutants or residual processing solvents. The preservation of the natural triglyceride form of the Omega 3 oils provides a pure highly bioavailable health product.

Solarvest's products are intended to support the health of customers and their families, without the environmental and health concerns that accompanies wholesale ocean harvests, synthetic industrial processing and daily consumption of residual solvents and toxic ocean pollutants.

Market Estimate

Global consumer spending on Omega 3 is estimated at US$25.4 billion, based on GOED numbers.

Solarvest has obtained a FDA NDI (new dietary ingredient) license so the Company intends to initially target the American market.

The algae Omega 3 products may be sold as a baby formula additive and supplement for baby and infants - the choice for parents that demand a clean and toxin free diet for their children and may appreciate the added benefit of sustainability.

For nutraceutical and enhanced food consumers especially vegetarians, and vegans that get little DHA/EPA have a chemical free non-synthetic option that protects their health without sacrificing the oceans food chain.

FDA

The Company has an FDA NDI (New Dietary Ingredient) notification and the approved dosage recommendations. The FDA allowed the Company's claim for its Omega 3 as "Supportive but not conclusive research shows that consumption of EPA and DHA omega-3 fatty acids may reduce the risk of coronary heart disease."

Overall Performance

The Company incurred a net loss of $1,306,583 for the nine months ended April 30, 2018 compared to $629,285 for the comparative period of the prior year.

At April 30, 2018, the Company had a cash of $633,484 (July 31, 2017 -$201,121) in cash. Working capital deficiency at April 30, 2018 was $1,936,807 (July 31, 2017 - $2,186,192).

Selected Financial Data

The following financial data are selected financial information as at July 31, 2017, July 31, 2016 and July 31, 2015 respectively.

	July 31, 2017	July 31, 2016	July 31, 2015
Total Revenues	$Nil	$Nil	$Nil
Net income (loss) for the year	(916,127)	(1,565,816)	(1,483,788)
Total assets	869,188	899,733	1,078,931
Total long term liabilities	206,183	227,356	126,000
Shareholders' equity (deficiency)	(1,740,805)	(1,230,978)	(77,562)

Summary of Quarterly Results

	Three month period ended April 30, 2018	**Three month period ended January 31, 2018**	**Three month period ended October 31, 2017**	**Three month period ended July 31, 2017**
Total assets	1,174,457	679,359	742,539	869,188
Working capital (deficiency)	(1,936,807)	(2,528,107)	(2,359,813)	(2,186,192)
Shareholders' equity (deficiency)	(2,604,860)	(2,163,396	(1,952,534)	(1,740,805)
Revenues	-	-	-	-
Net Income (Loss)	(883,992)	(210,862)	(211,729)	(286,842)
Income (Loss) per share	(0.04)	(0.01)	(0.01)	(0.01)

	Three month period ended April 30, 2017	**Three month period ended January 31, 2017**	**Three month period ended October 31, 2016**	**Three month period ended July 31, 2016**
Total assets	882,189	775,057	814,993	899,733
Working capital (deficiency)	(2,094,230)	(2,151,791)	(2,031,634)	(1,848,420)
Shareholders' equity (deficiency)	(1,610,263)	(1,623,849)	(1,459,028)	(1,230,978)
Revenues	-	-	-	-
Net Income (Loss)	(236,414)	(164,821)	(228,050)	(393,761)
Income (Loss) per share	(0.01)	(0.01)	(0.01)	(0.02)

Summary and review of operations

For the nine months ended April 30,	2018	2017
Revenue	-	-
Expenses		
Research and development	306,322	238,322
Professional fees	193,868	109,862
Interest expense	10,550	11,475
Insurance	19,880	15,929
Rent and utilities	67,602	67,638
Debt issue costs	522,528	-
Amortization	135,085	144,964
Other operating expenses	50,748	41,305
	1,306,583	629,285
Net loss and comprehensive loss	(1,306,583)	(629,285)

The Company made a net loss of $1,306,583 during the nine months ended April 30, 2018, compared to a net loss of $629,285 for the comparative period.

Research and development cost of $306,322 (2017 - $238,112), a breakdown is provided below under "Research and development costs".

Professional fees increased as a result of legal and advisory fees paid in connection with the convertible debt financing. Also there was a slight increase in legal fees on patent filing with various international jurisdictions.

Debt issue costs relates to a commission of $80,000 paid and the 5,400,000 warrants issued in connection with the convertible debt financing. The value of the 5,400,000 warrants is calculated at $442,528 using the Black Scholes model.

Other expenses are comparable between periods. There were no unusual items in the ordinary course of business.

For the three months ended April 30,	2018	2017
Revenue	-	-
Expenses		
Research and development	119,649	71,629
Professional fees	143,260	70,548
Interest expense	3,427	3,585
Insurance	6,886	5,167
Rent and utilities	23,101	21,880
Debt issue costs	522,528	-
Amortization	45,028	48,265
Other operating expenses	20,113	15,340
	883,992	236,414
Net loss and comprehensive loss	(883,992)	(236,414)

Research and Development Costs

Research and development costs expended is appended below:

For the nine months ended April 30,	2018	2017
Wages and benefits	$247,328	$195,920
Consulting	-	25,050
Contracted services	25,917	2,316
Small tools and consumables	20,486	6,184
Repairs and maintenance	12,591	8,642
Total	$306,322	$238,112

Impairment of Intellectual Property

Management test for impairment annually, at which time Management takes into account the following:

i. The Intellectual Property reflects fair value and is the original historical costs upon acquisition less amounts amortized to date. Subsequent costs incurred with the enhancements of the intellectual property were written off. The Intellectual Property represents the most significant asset of the Company and one upon which the Company's business plan has been developed. The Company could look to the market value of the Company to gauge its value. Based on a share price range of $0.10 –0.30, the value would be in excess of $1 million dollars.
ii. The development milestones with respect to the technology have been successfully achieved to date.
iii. Intellectual property is amortized over a 20-year life on a straight-line basis.

As at April 30, 2018, management had determined that there was no impairment to the Company's intellectual property.

Liquidity and Capital Resources

The Company is in need of capital to pursue its operating activities.

On February 8, 2017, the Company closed a first tranche of a non-brokered private placement of 1,000,000 Units at a price of $0.25 per unit for gross proceeds of $250,000. Each unit consists of one common share and one warrant. Each whole warrant is exercisable at $0.35 per share for a period of two years from date of issuance and include an acceleration clause that is triggered by a 20 day volume weighted average share price of $0.95 per share.

On July 7, 2017, the Company closed a non-brokered private placement of 680,000 Units at a price of $0.25 per unit for gross proceeds of $170,000. Each unit consists of one common share and one warrant. Each whole warrant is exercisable at $0.35 per share for a period of two years from date of issuance and include an acceleration clause that is triggered by a 20 day volume weighted average share price of $0.95 per share. The Company paid $13,600 in commissions and issued 54,400 broker warrants.

On March 22, 2018, the Company closed a first tranche of its current financing. The Company issued convertible debentures units ("Unit(s)") for the aggregate gross proceeds of $1,000,000. Each Unit consists of one (1) convertible debenture (the "Convertible Debenture(s)") and that number of detachable Warrants that is equal to the principal amount of the debenture divided by $0.20 (the "Warrant(s)"). Each Convertible Debenture may be converted into common shares ("Shares") at the price of $0.20 per Share for 36 months from the closing date, and does not bear interest. Each Warrant entitles the Purchaser to purchase one Share at the price of $0.25 per Share for 36 months from the closing date. The Company also paid finder's fees of $80,000 cash and issued of 400,000 finders' warrants. Each non-transferable finder's warrant entitles the finder to acquire one Share at $0.25 per Share for 36 months.

In addition to seeking capital through private placement, the Company actively pursues Governmental programs through grants and subsidy to fund its research program. The Company will require approximately $2,200,000 in funding for working capital within the next 12 months based on budgeted work programs and is estimated as follows:

Operating expenses	$1,000,000
Equipment purchases	200,000
Sub-Total	$1,200,000
Accounts payable	1,000,000
Estimated funding required – say	$2,200,000

Should funding requirements from private placements or from other funding sources not materialized, the Company will have to curtail its research activities and other developmental programs.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	April 30 2018	July 31 2017
Working capital (deficiency)	$ (1,936,807)	$ (2,186,192)
Deficit	(8,517,808)	(7,211,225)

Nine months ended April 30, 2018

Net cash during the nine months ended April 30, 2018 increased by $432,363 compared to $166,481 for the comparative prior period and is attributed to the following:

Cash used in operating activities for the nine months ended April 30, 2018 was $637,234 compared to $212,029 for the comparative period.

Cash used in investing activities were additions to equipment aggregating $2,952.

During the nine months ended April 30, 2018, a shareholder provided a short term loan for $170,000 (2017- $14,000), which will be converted in common shares in the future.
In addition, the Company raised net proceeds of $920,000 in connection with the closing of a convertible debenture financing.
The Company also repaid $17,451 (2017 - $11,490) during the current period on its Capital Improvements loan.

Related Party Transactions

The Company entered into the following transactions with related parties during the six months ended January 31, 2018 and 2017:

a) Received advances of $243,972 (2017:- $45,990) from Gerri Greenham, President & CEO of the Company for short-term cash requirements.

b) Accrued interest of $4,505 (2017:- $4,504) due on the promissory note held by Gerri Greenham, President & CEO of the Company.

c) Incurred and accrued $57,392 (2017:- $36,925) of legal fees to Cawkell Brodie LLP, a legal firm where a principal Kenneth Cawkell is a director of the Company.

d) The Company accrued $18,000 (2017:- $18,000) to Joseph Heng, the CFO for services rendered to the Company.

Included in accounts payable and accrued liabilities is $244,920 (July 31, 2017:- $202,858) due to Cawkell Brodie LLP, a Company controlled by a director and $102,787 (July 31, 2017 - $135,999) due to directors of the Company.

Due to a related party in the amount of $983,230 (July 31, 2017: - $738,829) due to Gerri Greenham (a control person of the Company), $310,000 (July 31, 2017 - $140,000) due to another shareholder as well as $59,811 (July 31, 2017 - $60,241) owed to Kohilo Bio Inc., a company controlled by an employee and a director within the consolidated group of companies of Solarvest BioEnergy Inc.

The unsecured promissory note payable of $152,865 (July 31, 2017 - $148,361) is due to Gerri Greenham, President of the Company. The note bears interest at 6% compounded annually and is due on demand.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

Financial Instruments

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the balance sheet and arises from the Company's cash and receivables.

The Company's cash is held with high-credit quality financial institutions. Receivables mainly consist of goods and services tax due from the Federal Government of Canada and grant subsidy from the ACOA.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations, and anticipating investing and financing activities. As at April 30, 2018, the Company had cash of $633,484 and is insufficient to settle current liabilities of $2,591,828, which have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market prices, such as interest rates and foreign exchange rates.

i) Interest rate risk

The Company has cash and has a fixed interest rate bearing promissory note payable as a debt instrument. The Company's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks.

ii) Foreign exchange rate risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations and administrative expenses in United States by using the US dollar currency from its Canadian dollar bank accounts. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

Sensitivity analysis

The carrying values of cash, receivables, and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturities of these financial instruments.

Based on management's knowledge of and experience in the financial markets, management does not believe that the Company's current financial instruments will be affected by credit risk, liquidity risk or market risk.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at April 30, 2018.

Outstanding Share Data

The following table summarizes the Company's outstanding share data as at June 25, 2018:

	Number of shares Issued or issuable
Common shares issued	23,460,216
Options	970,000
Common shares issuable under Milestone Agreements	500,000
Warrants	7,734,400

Internal Controls over Financial Reporting

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting ("ICFR") or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework that has been used is the COSO framework. There were no changes in the Company's ICFR that occurred during the year that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosure. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Additional Information

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

Business Risks

As at April 30, 2018, 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 with- out 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 govern- mental 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.

Outlook

The Company's primary focus for the foreseeable future will be on the procurement of production for the commercialization of its high omega 3 algae products and should funds allow, maintaining its research and development activities.