

Progressive Planet Solutions Inc.
Management Discussion & Analysis
For the Six-Month Period Ended October 31, 2021

December 29, 2021

The Company's shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the trading symbol PLAN.

The following management discussion and analysis ("MD&A") is a review of the operations, current financial position and outlook for Progressive Planet Solutions Inc. ("the Company" or "Progressive") and should be read in conjunction with the Company's consolidated financial statements and the accompanying notes for the period ended October 31, 2021, which were prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and are filed on the SEDAR website: www.sedar.com.

All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

This MD&A may contain forward-looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of exploration or other risk factors beyond its control. Actual results may differ materially from the expected results.

FORWARD-LOOKING STATEMENTS

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflect management's expectations regarding the Company's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A the Company's assumptions may include among other things: (i) assumptions about the price of metals; (ii) that there are no material delays in the optimisation of operations at the exploration and evaluation assets; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; (v) that there is no unanticipated fluctuation in foreign exchange rates; and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of base metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; and (vi) environmental risks and changes in environmental legislation.

This MD&A (See "Risks and Uncertainties") and the Company's annual information form contain information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company

has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

OVERVIEW

Progressive Planet Solutions Inc. (the Company or PLAN) was incorporated under the Laws of British Columbia, Canada on November 10, 2006.

PLAN is primarily engaged in developing natural pozzolan properties in BC, Canada. Its three mineral properties are all within a one-hour drive of Kamloops, BC. These properties are named the Z1 Natural Pozzolan Property, the Z2 Natural Pozzolan Quarry, and the Heffley Creek Metals & Pozzolan Property.

PLAN has a pilot plant which produces mineral powders for agriculture. PLAN is also developing supplementary cementing materials (SCMs) to replace up to 50% of Portland cement in concrete through an active product development program focused on developing technologies to lower the carbon footprint of all the Portland cement powder we replace with new innovative SCMs. Our flagship product, PozGlass SCM is a combination of natural pozzolan and post-consumer glass which is finely ground and treated using proprietary processes developed by PLAN.

Since the last MDA, PLAN has also developed an additional SCM named PozGlass 100G. This SCM receives additional proprietary treatment (versus PozGlass SCM) and contains 100% post-consumer glass. Proprietary treatment of this glass has seen test results where mix designs which substitute 25% of Portland for PozGlass 100G demonstrating greater strength than mix designs using 100% Portland cement when tested after 28 days of curing.

On January 2, 2018, PLAN announced that Stephen Harpur had joined its board and accepted the role of President. Details can be found on PLAN's website at <https://progressiveplanet.ca/investors-nov-21>.

In December 2018, Canada announced regulations to phase-out traditional coal-fired electricity by 2029. As Class F fly ash is only created by coal fired power plants, the generation of fly ash as a by-product of burning coal will cease in Canada by 2030. In the interim, the supply is already diminishing with early shutdowns already occurring. Further early shutdowns were announced in December 2020 by Capital Power announcing the early shutdown of the coal fired Genesee 1 and Genesee 2 in Alberta by 2023.

As referenced above, PLAN has built a Comminution Plant in Spallumcheen, BC. Comminution is defined by Wikipedia as "the reduction of solid materials from one average particle size to a smaller average particle size, by crushing, grinding, cutting, vibrating, or other processes." This comminution plant was designed to crush natural pozzolan from its Z1 Natural Pozzolan Quarry as well as post-consumer glass and soft rock phosphate soil amendments. This plant recently began crushing ore into fine powders for third party customers under toll processing arrangements. Under these toll processing arrangements, PLAN has no inventory or shipping costs and receives a processing fee for each tonne of finished product produced.

In 2021, PLAN finished independent testing of PozGlass SCM so that it can introduce this product as a competitive substitute for fly ash in concrete as part of an overall strategy of developing cementitious products using natural pozzolans.

PLAN is allocating resources to development intellectual property with respect to sequestering CO2 in PozGlass 100G and in cellular concrete to further reduce the carbon footprint of materials that can replace

Portland cement. To accelerate these efforts, PLAN opened a research lab in Calgary and hired a VP of Research and Development, Dr. Roger Mah. PLAN is expanding the footprint of this lab during the current quarter to enable expansion of our efforts to lower the carbon footprint of cement materials. The expanded lab has been named the C-Quester Centre for Sustainable Innovation.

As a mineral exploration company, the Company's core assets include the exploration rights to its mineral properties. In conjunction with developing its Heffley Creek Pozzolan and Metals Property, PLAN discovered nickel and chromium in both soil and bedrock in 2020.

SIGNIFICANT EVENTS / OVERALL PERFORMANCE

MINERAL PROPERTIES

Z1 Natural Pozzolan Property, British Columbia

On January 23, 2017, the Company announced the signing of an option agreement, subsequently amended, to acquire a 100% interest in the Z1 Zeolite Quarry/Mine located about 3 kms northeast of Cache Creek, BC. Details can be found on PLAN's website at <https://progressiveplanet.ca/investors-nov-21/>.

On January 17, 2018, the Company amended certain terms of the Z1 Zeolite agreement. The mending agreement afforded the Company an additional 12 months to meet the minimum expenditures requirement. Details can be found on PLAN's website at <https://progressiveplanet.ca/investors-nov-21/>.

On June 14, 2018, the Company completed all its option requirements on the Z1 Zeolite Property in Cache Creek, BC, six months ahead of the deadline to complete the minimum expenditures requirement. Details can be found on PLAN's website at <https://progressiveplanet.ca/investors-nov-21/>.

Since completing the acquisition of the Z1, PLAN has conducted various research activities on natural pozzolan from the Z1 including the development of PozGlass SCM to complete with fly ash as a lower carbon footprint substitute for Portland cement. Management determined that the largest market opportunity involved creating a supplementary cementing material (SCM) since the main SCM currently consumed in Canada is fly ash and fly ash is created from burning thermal coal to produce electricity.

In April 2021, PLAN announced the successful completion of Phase One of a Two Phase test program for its PozGlass™ SCM product.

In June 2021, PLAN announced the positive accelerated-cure Resistance to Chloride Ion Penetration (RCP) test results for its PozGlass™ SCM product. The Company is focused on delivering economic and eco-friendly solutions for the cement and concrete industry.

Phase Two testing has now been completed and was focused on testing concrete durability, including compressive strength, chloride permeability testing (RCP) and sulphate resistance. All results have been disseminated in news releases and can be found on PLAN's website at <https://progressiveplanet.ca/investors-nov-21/>.

Z2 Natural Pozzolan Property, British Columbia

On October 3, 2019, the Company entered into a property option agreement to acquire the Z-2 Zeolite Property for the following considerations:

- i) Share issuances
 - a) 33,334 common shares on or before October 22, 2019 (issued with a value of \$3,000).
 - b) 66,667 common shares on or before April 22, 2021(issued with a value of \$26,667).

- c) 66,667 common shares on or before October 22, 2022.
- ii) Cash payment
 - a) \$1,000 as non-refundable deposit (paid).
 - b) \$5,000 upon the execution of the agreement (paid).
 - c) \$10,000 on or before April 22, 2021(paid).
 - d) \$10,000 on or before October 22, 2022.
- iii) Exploration expenditures
 - a) incur \$200,000 in exploration on or before October 22, 2022.

In relation to the acquisition, the Company is also required to issue the following as finder's fees:

- i) Share issuances
 - a) 3,333 common shares on or before October 22, 2019 (issued with a value of \$300).
 - b) 6,667 common shares on or before April 22, 2021(issued with a value of \$2,267).
 - c) 6,667 common shares on or before October 22, 2022.

The vendor will retain a royalty of \$8 per tonne of mineral products produced from the property, subject to a 50% buyback right in consideration of \$75,000.

Additional sampling was completed on the Z2 Natural Pozzolan Property in 2021 to work towards finishing the earn out of this property. Results confirmed the continued presence of natural pozzolan and an application to drill this property will be submitted in the Q1 2022. Due to the length of time it currently takes the Ministry to process such applications, there is not guarantee that a drilling permit will be issued in 2022.

Management remains optimistic regarding Z2's ability to supply natural pozzolan to the cement industry. Testing of the Z2 natural pozzolan for compressive strength showed that this pozzolan had excellent compressive strength, but the samples collected in 2021 were not submitted for compressive strength as the company focused the majority of its exploration efforts and budget on the Heffley Creek Metals and Pozzolan Property.

It is management's intention to finish its exploration obligations to earn a 100% interest in this property in 2022 with the long-term goal of completing a successful Notice of Work for the Z-2 so that natural pozzolan from this property can be used to supply the cement industry as the supply of Class F fly ash continues to diminish in Canada.

Heffley Creek Metals and Pozzolan Property, British Columbia

On February 24, 2020, the Company entered into an option agreement to acquired 100% interest in Heffley Creek Natural Pozzolan Property in Heffley Creek, BC, for the following consideration:

- i) Cash payment
 - a) \$7,500 on or before February 25, 2020 (paid).
 - b) \$10,000 on or before February 10, 2021(paid).
 - c) \$10,000 on or before February 10, 2022.
 - d) \$12,500 on or before February 10, 2023.
 - e) \$15,000 on or before February 10, 2024.
- ii) Exploration expenditures
 - a) incur \$50,000 in exploration on or before February 10, 2021(incurred).
 - b) incur \$50,000 in exploration on or before February 10, 2022.
 - c) incur \$75,000 in exploration on or before February 10, 2023.
 - d) incur \$100,000 in exploration on or before February 10, 2024.

The vendor will retain a royalty of \$8 per tonne of industrial mineral products produced from the property, subject to a 75% buyback right in consideration of \$150,000. The vendor will also retain a 3% NSR subject to a 50% buyback right in consideration of \$1,500,000.

PLAN optioned this property after conducting surface sampling which confirmed the presence of aluminosilicates (natural pozzolans), magnesium, and anomalous gold and silver. Five rock samples were taken and one soil sample. PLAN's original interest in the property was for its potential as a further source of natural pozzolans near Kamloops, BC. When surface sampling was done to confirm the presence of natural pozzolans, it revealed the presence of anomalous gold and silver in the soil (0.28 g/tonne gold and 1.6 g/tonne silver). PLAN thus requested the precious metal rights to the property in addition to the industrial mineral rights originally sought. The vendor agreed to option the precious metals rights.

The field exploration program was led by Dwayne Melrose, a director of PLAN and a professional geologist. When PLAN optioned Heffley Creek, the owner of the mineral claims believed there was potential for gold on the property. Since PLAN was required to spend \$275,000 on exploration on the property to earn a 100% interest, it commenced soil and hard rock sampling during the 2020 field exploration season and submitted these samples for precious metals and base metal assays.

In July 2020, PLAN received its first assays back from its soil and hard rock sampling and discovered that many of these samples had elevated nickel content.

In early August 2020, PLAN announced that the nickel in soil anomaly was over 500 meters long and by mid-August, PLAN announced that it had confirmed the presence of nickel in bedrock at Heffley Creek.

In late October 2020, PLAN announced that it has expanded the nickel in bedrock to a strike length of 800 meters and also confirmed anomalous chromium in bedrock with a strike length of 800 meters.

The field exploration program ended in November 2020 with the onset of snowfall in the area. PLAN subsequently completed the expenditure of the flow through funds it raised in December 2019 by conducting further detailed assaying on over two hundred rock samples collected during the field season. In addition, work was completed by ALS Metallurgy on rock lithologies to better understand the geological environment at Heffley Creek.

Most of the work on this property in 2021 included completing detailed geological mapping as well as designing a drill program. Third party contractors were hired to assess the suitability of drill hole locations. As stated in our Q1 MDA, PLAN submitted a full application to drill this property in early 2021, including posting a required performance bond with the Ministry of Energy, Mines and Low Carbon Innovation and has notified First Nations in the area of our intentions. PLAN awaits receipt of a drilling permit from the Ministry.

PLAN anticipates receiving this permit in 2022, but there is no guarantee this drilling permit will be approved and we understand that turnaround times for approval of drilling permits is currently much longer than traditionally experienced in BC over the last decade.

Comminution Plant

Through April 30, 2021 and the six month period ended October 31, 2021, PLAN spent over \$1,000,000 on building a comminution plant and equipment. This plant was designed to produce fine powders from natural pozzolan mined from the Z1 Natural Pozzolan Quarry as well as being able to pulverize post-consumer glass down to a fine powder. PLAN is developing a supplementary cementing material, PozGlass SCM, which is a combination of Z1 Natural Pozzolan and finely ground post-consumer glass.

The comminution plant consists of a jaw crusher, a hammer mill, two ball mills, a pneumatic conveyance system, and an air classifier which separates particles by their weight. Ancillary equipment includes conveyors, fans, dust collection systems, etc.

As a general rule of thumb, natural pozzolans are more reactive as a component of cement when the particles are smaller. Cement industry users expect particles to be less than 45 microns and the American Society of Tests and Measures (ASTM) developed standard specifications for ground glass pozzolan in 2020. These standards are identified as ASTM C1866/C1866M-20. These specific standards require that 95% of the ground glass pozzolan is smaller than 45 microns.

In the Fall of 2019, a regional toll processing comminution plant in southern Alberta closed. PLAN purchased some of its equipment and filled a market gap to produce fine powders with the commissioning of its comminution plant in Spallumcheen, BC in late August 2020. PLAN invoiced its first customer for comminution toll processing in October 2020.

During the six-month period ended October 31, 2021, PLAN completed its first toll processing purchase order for Fertoz. Fertoz is the largest supplier of organic rock phosphate in North America, and recently announced mining permits are in place to access large phosphate resources in Fernie, British Columbia. Fertoz's products promote good agricultural practices that earn farmers carbon credits that can be sold back to industry to offset emissions. PLAN has also received a follow up purchase order from Fertoz since completing the first purchase order.

The Comminution Plant is considered a pilot plant and has been the proving ground to test various types of processing equipment since 2018. Since the end of the current fiscal year, additional equipment has been purchased and tested with the most recent addition being pneumatic conveyance equipment which enables the transfer of powders within the plant and removes this task from human operators.

PLAN has commenced with designing a full-scale commercial comminution plant that is climate controlled (inside versus being in an open-air fabric structure) and intends to relocate this comminution plant to industrial premises which are under long term leases held by Absorbent Products Ltd. (refer to the Proposed Transactions section below for details of the proposed acquisition of Absorbent Products Ltd.).

RISKS, UNCERTAINTIES AND GOING CONCERN

The Company is in the business of exploring for minerals that by its nature involves a high degree of risk. There can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the exploration and evaluation assets and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to obtain financing or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis. Additionally, the Company estimates that it will need additional capital to operate for the upcoming year. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

The biggest effect that COVID-19 has had on PLAN's operations has been the delay in the completion of five tests on PozGlass SCM which PLAN had contracted with the University of Alberta to complete as announced

in a news release dated December 18, 2020. The University of Alberta notified PLAN in mid December of its inability to complete the tests due to its inability for engineering staff to access its concrete research lab based on COVID-19 protocols. Management is currently seeking an alternate entity in the private sector to complete these tests.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts revenues and expenses during the reporting year. Actual results could differ from those estimates.

Annual losses are expected to continue until the Company has an interest in a mineral property that produces significant revenues. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Company's accompanying financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company and other factors.

RESULTS OF OPERATIONS

Period ended October 31, 2021 compared to the period ended October 31, 2020.

Loss and comprehensive loss

The Company recorded a net loss and comprehensive loss of \$818,787 for the six month period ended July 31, 2022, compared to \$724,180 in the comparative period.

A brief explanation of the significant changes in expenses by category is provided below:

- Consulting fees increased to \$144,712 (2020 - \$43,354) due to the Company additional business development activities during the current period.
- Depreciation increased to \$107,532 (2020 - \$47,993) due to additional equipment purchased to assist with the business operation during the current period.
- Management and Director Fees expense increased to \$61,365 (2020 - \$24,000), which primarily resulted from an increased allocation of the CEO's time, and corresponding fees, to management and business development functions. In previous periods, a greater amount of the CEO's time was devoted to Research and Development activities, and therefore, a greater amount of his fees were allocated to Research and Development expense.
- Interest expense increased to \$15,239 (2020 – recovery of \$11,662) due to the Company acquiring additional leased equipment and long-term debt between periods.
- Professional fees increased to \$212,021 (2020 - \$79,467) due to increased corporate and business development activities during the current period.
- Repairs and maintenance expense increased to \$72,414 (2010 - \$8,737) due to the addition of capital equipment and activity in the company's comminution operations.
- Travel and entertainment increased to \$27,178 (2020 - \$2,440) due to increased business development travel and meetings during the current period.

- Wages and salaries of \$305,379 (2020 - \$97,164) due to hiring additional employees to undertake the increased business operations in the current period.
- Other income, which is primarily comprised of sales from PLAN's comminution operations, increased to \$239,153 (2020 - \$76,609) due to the Company acquiring additional customers and expanding its processing capacity in this aspect of its business. Furthermore, for the three months ending October 31, 2021, the Comminution generated revenue of \$180,039, which was the highest quarterly revenue achieved since commencement of comminution operations. Because the comminution plant is classified as a pilot plant, related pilot plant expenses are deducted from these revenues and the net amount is reported as Other Income. Management anticipates that the Comminution Plant will be combined with the operations of Absorbent Products Ltd., subject to the successful closing of the Share Purchase Agreement announced on December 24, 2021. (refer to the Proposed Transactions section below for details).
- The unrealized gain on marketable securities increased to \$444,400(2020 – loss of \$2,500) due to the Company's revaluation of its Snow Lake Resources Ltd. shares from \$0.04 per share to their current fair market value of approximately \$4.64 per share

SUMMARY OF QUARTERLY REPORTS

Results for the most recent quarters ending:

	For the Three Months Ended			
	October 31, 2021	July 31, 2021	April 30, 2021	January 31, 2021
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Income (loss) and comprehensive income (loss)	(320,751)	(498,036)	(1,692,156)	24,587
Exploration and evaluation assets	1,607,790	1,578,630	1,544,612	1,429,981
Total assets	4,101,700	3,908,704	4,256,912	3,050,933
Basic and diluted income (loss) per share	(0.00)	(0.01)	(0.03)	0.00
	October 31, 2020	July 31, 2020	April 30, 2020	January 31, 2020
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Loss and comprehensive loss	(184,511)	(539,769)	(1,175,586)	(188,284)
Exploration and evaluation assets	1,311,969	1,221,872	1,181,863	2,136,383
Total assets	2,127,903	1,962,027	1,816,701	2,765,524
Basic and diluted loss per share	(0.01)	(0.02)	(0.04)	(0.01)

Fluctuations in the Company's expenditures reflect the seasonal variations of exploration and the ability of the Company to raise capital for its projects.

Variations in losses occurred during quarters where share-based compensation was recorded, where higher professional fees were incurred and where exploration and evaluation assets were written off. In addition, as the Company attends to more projects, administrative expenses also increase to support the operation of these projects.

LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2021, the Company's shareholders' equity was \$3,579,491.

The company had the following cash flows during the six-month period ended October 31, 2021;

- i) Cash used in operating activities of \$1,060,555 (2020 - \$352,423) which consisted of the cash costs related to the statement of loss and comprehensive loss adjusted for changes in non-cash operating working capital items.
- ii) Cash consumed by investing activities of \$270,691 (2020 - \$409,827) consisted primarily of the cost associated with the purchase of marketable securities of \$300,000 (2020 - \$Nil) and the purchase of property and equipment of \$170,599 (2020 - \$264,725), partially offset by the cash generated from the sale of marketable securities of \$282,000 (2020 - \$Nil).
- iii) Cash generated by financing activities of \$440,845 (2020 - \$730,462) consisted primarily of proceeds from share issuances on the exercise of warrants.

During the period from May 1, 2021 to December 29, 2021, the Company:

- i) issued 6,582,500 common shares upon exercise of warrants for gross proceeds of \$567,000.
- ii) issued 588,333 common shares upon exercise of stock options for gross proceeds of \$56,883.

RELATED PARTY TRANSACTIONS

The Company defines key management as officers and directors. For the period ended October 31, 2021, the Company had the following transactions with key management, being related parties:

- i) paid or accrued management fees of \$39,000 (2020 - \$18,000) to a corporation owned by the Company's CEO for his services as President and CEO.
- ii) paid or accrued fees of \$21,000 (2020 - \$42,000) to a corporation owned by the Company's CEO for services relating to research and development.
- iii) paid or accrued director fees of \$12,000 (2020 - \$6,000) to the directors of the Company.
- iv) paid or accrued professional fees of \$36,000 (2020 - \$Nil) to a corporation owned by the Company's CFO.
- v) paid or accrued professional fees of \$32,000 (2020 - \$36,000) to a partnership in which the Company's former Chief Financial Officer has an interest.
- vi) paid or accrued advertising and promotion consulting fees and wages of \$7,500 (2020 - \$6,000) to the CEO's spouse.
- vii) granted a total of 450,000 stock options (2020 - 700,000) to officers and directors of the Company, of which the fair market value was estimated at \$128,000 (2020 - \$19,232) and was included in share-based compensation expense.

As at October 31, 2021, \$23,777 (April 30, 2021 - \$14,700) is included in accounts payable and accrued liabilities owed to directors, a corporation owned by the Company's CEO, and a corporation owned by the Company's CFO.

FINANCIAL INSTRUMENTS, RISKS AND UNCERTAINTIES

Fair values

The Company's financial instruments consist of cash, marketable securities, accounts payable and accrued liabilities. Cash and marketable securities are carried at fair value. The fair values of accounts payable and accrued liabilities approximate their carrying amounts due to their current nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial assets measured at fair value on a recurring basis were calculated as follows:

	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>As at October 31, 2021</i>				
Cash	\$ 448,182	\$ 448,182	\$ -	\$ -
Marketable securities	764,400	-	464,000	300,000
<i>As at April 30, 2021</i>				
Cash	\$ 1,338,583	\$ 1,338,583	\$ -	\$ -
Marketable securities	302,000	-	-	302,000

Financial instruments measured at fair value on the statement of financial position include cash and marketable securities. Cash is valued within level 1 of the fair value hierarchy.

The Company's marketable securities are comprised of shares of Snow Lake Resources Ltd. ("Snow Lake") and ZS2 Technologies Inc. ("ZS2").

The Snow Lake private company shares are valued within level 2 of the fair value hierarchy. As at October 31, 2021, the Company was actively engaged in the sale of these shares to an arm's length party. The transaction was completed shortly after the balance sheet date suggesting the fair market value of the shares as at October 31, 2021 was equal to the negotiated sales price.

The ZS2 Technologies private company shares are valued within level 3 of the fair value hierarchy. The key assumptions driving the valuation of this investment includes, but are not limited to, the value at which a recent financing was completed by the investee, significant changes in general market conditions and company specific information. For those investments valued based on general market condition and company specific information, these inputs can be highly judgmental.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of tax receivables due from a federal government agency.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operating activities and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

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.

a) Interest rate risk

The Company has cash balances and interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks.

b) Foreign currency risk

The Company is exposed to nominal foreign currency risk.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings (loss) due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations may be significant.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CHANGES IN ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS

Please refer to the consolidated interim financial statements for the period ended October 31, 2021 located on www.sedar.com.

OUTSTANDING SHARES, STOCK OPTIONS AND WARRANTS

As of December 29, 2021, the Company had the following outstanding:

Common shares – 66,951,877 outstanding

Stock options:

Options Outstanding	Exercise Price	Expiry Date
60,000	0.06	3-Feb-22
50,000	0.05	22-May-22
200,000	0.59	9-Nov-22
168,000	0.195	13-Jan-23
50,000	0.38	8-Feb-23
1,150,000	0.39	25-Feb-23
125,000	0.41	1-Mar-23
175,000	0.395	17-Mar-23
250,000	0.39	18-Apr-23
375,000	0.43	6-May-23
100,000	0.39	20-Sep-23
125,000	0.10	23-Dec-23
3,000,000	0.39	25-Feb-24
400,000	0.36	09-Sep-24
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6,228,000		

Warrants:

Warrants Outstanding	Exercise Price	Expiry Date
240,000	0.10	20-Jan-22
7,500,000	0.15	20-Jan-23
6,975,000	0.25	12-Feb-23
530,000	0.20	12-Feb-23
4,000,000	0.05	15-Jun-23
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19,245,000		

PROPOSED TRANSACTIONS

On December 24, 2021, Progressive Planet issued the following news release:

PROGRESSIVE PLANET REACHES DEFINITIVE SHARE PURCHASE AGREEMENT TO ACQUIRE ABSORBENT PRODUCTS LTD.

Combined Entities Create Huge Pozzolan Player and International Supplier of Mineral Based Product Lines

Vancouver, BC, December 24, 2021 – [Progressive Planet Solutions Inc.](#) (TSXV: PLAN) (“PLAN”, “Progressive Planet” or the “Company”) is pleased to announce that it has signed a binding Share Purchase Agreement (“SPA”) to acquire full ownership of [Absorbent Products Ltd.](#) (“Absorbent Products” or “APL”)

Absorbent Products Ltd.

With revenue of over \$20 million in its latest fiscal year and operating since 1989, Absorbent Products is a dominant manufacturer of mineral-based products derived from diatomaceous earth, zeolite, and bentonite. Absorbent Products operates its own diatomaceous earth and bentonite mines in BC and is also the operator of the Bromley Creek Zeolite Mine.

Under the deal terms, PLAN would continue to maintain and support Absorbent Products’ existing business operations, while also gaining access to supplies of natural pozzolans to develop incremental lines of business in sustainable cement and additional agricultural powders. Business assets and interests purchased from APL or related companies, including mineral and mining operations, owned and long-lease industrial properties, manufacturing / sales / distribution infrastructure and portfolio of eco-conscious product lines, patents and intellectual property will be retained by Progressive Planet.

Absorbent Products and its shareholders are each at arm’s length to Progressive Planet.

The proposed acquisition would bring two complementary companies together, each known for sustainable innovation and mineral-based product development. Deal synergies and highlights include:

- *Access to 3 additional sources of natural pozzolans from permitted mines in BC for use in the PozGlass group of SCMs (supplementary cementing materials) while maintaining legacy operations of APL’s existing, long standing business;*
- *Ownership of APL’s extensive product line and intellectual property portfolio including APL’s top selling US patented, OMRI listed, Activated Barn Fresh Natural Ammonia Control;*
- *Cross-selling complimentary products to each company’s clients;*
- *Four long term industrial leases in the Mount Paul Industrial Park owned by the Tk’emlúps te Secwepemc (Kamloops Indian Band);*
- *Industrial space to grow PLAN’s previously seasonal comminution business and build a new PozGlass Manufacturing Plant; and*
- *A new head office close to the Z1 Natural Pozzolan Quarry, the Z2 Natural Pozzolan Mineral Property, the Heffley Creek Metals and Natural Pozzolan Property and APL’s flagship Red Lake Diatomaceous Earth Mine.*

Progressive Planet would like to publicly acknowledge the Tk’emlúps te Secwepemc First Nation for approving the proposed change of control of APL with respect to its leases in advance of the Share Purchase Agreement.

“The cross-selling opportunities to build on solid customer relationships are significant, as PLAN is already selling zeolite processed by APL and sourced from the Bromley Mine to our largest customer,” stated Ian

Grant, VP of Business Development of Progressive Planet. “The potential to unify great teams and talent with a shared vision to strengthen and supply customers with innovative and sustainable products is exciting, on trend, and economically advantageous.”

APL’s diatomaceous earth passed all mortar and concrete ASTM and CSA test protocols conducted by PLAN, showing tremendous promise for use in PozGlass SCM. Most notably, PozGlass SCM containing DE and ground glass pozzolan meets CSA A23.1 requirements for both C-1 and C-XL at 25% replacement, achieving a resist chloride ion penetration (RCP) value of 710 Coulombs compared to the control of 3017 Coulombs at 91 days. Simply put, concrete’s ability to resist salt penetration (which corrodes rebar) is a key factor in concrete’s longevity.

The Acquisition

The total consideration payable by the Company is \$16.3 million, and consists of (A) \$13.3 million in cash and assumption of debt, and (B) \$3 million in equity. The cash component of the consideration will be funded by way of bank financing (the details of which will announced separately) and from proceeds of a concurrent private placement financing, described further below. The equity portion will be paid via issuing \$1.2 million in common shares of the Company at the time of closing, at a price of \$0.35 per share, with \$900,000 in equity being issued one year from the date of closing and \$900,000 in equity being issued one year later. The number of common shares to be issued post-closing will be determined using the per-share price of the Company’s common shares which is the greater of (a)\$0.35 per share, or (b) the 50-day volume weighted average trading price of such shares in the days immediately preceding each issuance of such shares. Completion of the acquisition is subject to numerous conditions, including the receipt of all necessary prior TSX Venture Exchange approvals and is also subject to the Company obtaining financing, including completion of aforementioned private placement. There is no assurance or guarantee that the Company will be able to complete the acquisition as described or at all.

“The deal synergies are strong. We look forward to increased opportunities to provide earth-conscious pathways and products that radically decarbonize concrete production, naturally enhance industry, and re-mineralize agricultural operations,” stated Steve Harpur, CEO of PLAN. “Our shared portfolio of natural pozzolans represents a new era of environmental science where natural raw materials are introduced to minimize carbon footprints, sequester greenhouse gasses and provide a safer and superior alternative to synthetic products.”

“After starting this business from scratch in 1989, I am proud to see this deal come together. APL has created over 55 full time jobs in Kamloops while manufacturing world class products that are sold throughout North America and beyond,” stated Peter Aylen, founder and President of APL. “I leave knowing that it remains business as usual, and that our current management team will stay on to continue to develop additional classes of products using our foundational base of natural pozzolans.”

“We wish Peter a well-earned retirement after building APL for over three decades,” Harpur continued. “His vision, dedication to his community, and the numerous business awards he earned as the leader of APL created a legacy that we intend to honour and continue.”

Concurrent Financing

The Company also announces a non-brokered private placement (the “Offering”) to be completed concurrent with the Acquisition. Under the Offering, PLAN will offer a minimum of 9,000,000 units and a maximum of 13,500,000 units (“Units”) at a price of \$0.35 per Unit, for gross proceeds of \$3,150,000. Each Unit will be comprised of one common share and one share purchase warrant (a “Warrant”), with each Warrant exercisable at \$0.60 per share for a period of 2 year, subject to acceleration if PLAN’s common shares trade at over \$0.75 per share for a period of ten trading days or more after the first year. Agents of the Company will have an option to increase the size of the Offering by up to 50% at any time prior to the closing of the Offering. The Company anticipates that Peter Lacey, director of the Company, will subscribe for \$525,000 in

the Offering, as well as other insiders may participate in the Offering. Additionally, APL shareholders may participate for at least \$450,000 in the Offering.

Agents of the Company with respect to the Offering will receive as compensation: (a) a cash commission of up to 5% of the gross proceeds raised under the Offering from investors introduced by such agents, and (b) broker warrants entitling the agents to acquire in aggregate up to that number of common shares that is equal to 5% of the Units sold under the Offering to investors introduced by such agents. The broker warrants are exercisable at \$0.35 per share for a period of 1 year.

The Company intends to primarily rely on the “accredited investor” prospectus exemption available under National Instrument 45-106 Prospectus Exemptions for the Offering. Depending on demand and regulatory requirements, a portion of the Offering may be made to British Columbia and Alberta residents who have obtained suitability advice from a registered investment dealer in accordance with the provisions of the prospectus exemptions available under British Columbia Securities Commission Instrument 45-536 and Alberta Securities Commission Rule 45-516 (the “Investment Dealer Exemptions”). As required under the Investment Dealer Exemptions, the Company confirms that there are no material facts or material changes that have not been disclosed.

If the Company completes the minimum Offering, all proceeds will be used towards payment of the cash consideration payable under the Acquisition and for Acquisition costs. The Company intends to allocate any additional proceeds received under the Offering, including any proceeds received upon exercise of the over-allotment option, as follows: approximately \$250,000 towards the recommended work programs with respect to APL’s mineral properties; and any remaining proceeds towards retiring the APL debt assumed by the Company under the Acquisition or for integrating the Company’s comminution business into APL’s premises as part of its head office relocation.

All securities issued under the Offering will be subject to a four-month statutory hold period from the date of issuance under applicable securities laws. Completion of the Offering is subject to PLAN receiving all necessary prior approvals from the TSX Venture Exchange.

ABOUT ABSORBENT PRODUCTS LTD.

APL produces industrial minerals from two mines in British Columbia, creating mineral-based products seen on store shelves that range from industrial absorbents, fillers, and sealants; to agricultural feed additives and soil conditioners; to cat litter, natural insecticides and pet-friendly ice melters among other applications -- all derived from diatomaceous earth, bentonite, leonardite, and zeolite mining operations. APL has a high ‘value added ratio’ since it takes the material from its raw state, processes it and packages it for retail sale. APL continues to demonstrate a commitment to advancing and promoting sustainable development in the mining sector.

APL continues to be recognized for its efforts in reclaiming land. In doing so, the company seeks to minimize the amount of disturbed land and to promote environmental stewardship. APL’s 1,000-acre ranch adjacent to its Red Lake Mine property north of Kamloops has been used for agricultural operations and utilizes APL’s natural fertilizer, leonardite. The reclaimed land at the Red Lake Mine has demonstrated higher yields after reclamation versus pre-reclamation.

APL takes immense pride in the environmental integrity of its operations and products with many of its products being listed for use in organic production by the Organic Material Review Institute (OMRI). APL has a strong focus on sustainable use of resources including mined materials, electricity, natural gas, or other resources. APL has reduced its use of natural gas and electricity per tonne over the past five years and uses approximately 98% of the material that is transported from the mines to the processing facility in Kamloops.

ABOUT PROGRESSIVE PLANET

Progressive Planet is an emerging company providing innovative circular solutions and earth-friendly micronized minerals that naturally unlock sustainability benefits across the construction and agriculture industries. Tapping into the earth's inherent binding powers and properties, PLAN is developing and scaling a portfolio of proprietary solutions to help our customers build, grow, and operate more responsibly.

PLAN continues work on creating supplementary cementing materials (SCMs) with a focus on minimizing the carbon footprint of the SCMs we create; utilizing waste materials where possible to create the most sustainable SCMs; and sequestering CO2 in SCMs to address climate change. PLAN's research team has begun exploring the opportunity to utilize the legacy CO2 stream generated by APL's natural gas rotary kiln drier in operation in Kamloops.

PLAN's operations currently include:

- *A comminution facility in Spallumcheen, BC which is currently producing micronized minerals used by farmers in lieu of chemical fertilizers to promote healthy soils without the addition of chemicals,*
- *A research lab in Calgary, AB focused on creating SCMs and associated technologies to sequester CO2 in concrete; and,*
- *Three natural pozzolan properties in BC including our flagship Z1 Natural Pozzolan Quarry in Cache Creek, BC and our two pozzolan properties under development, the Z2 Natural Pozzolan Property near Falkland and the Heffley Creek Metals and Natural Pozzolan Property.*

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements:

This news release contains forward-looking information within the meaning of Canadian securities laws. Such information includes, without limitation, information regarding the completion of the proposed acquisition of APL, the anticipated business plan of the Company subsequent to completion of such acquisition, and the proposed private placement financing offered by the Company. Although the Company believes that such information is reasonable, it can give no assurance that such expectations will prove to be correct.

Forward looking information is typically identified by such words as "believe," "expect," "anticipate," "intend," and similar expressions, or are those that, by their nature, refer to future events. The Company cautions investors that any forward-looking information provided by the Company are not guarantees of future results or performance, and that actual results may differ materially from those in forward looking

information as a result of various factors, including but not limited to: the Company's ability to complete the acquisition as described; the Company's ability to complete the proposed private placement; the general state of the industry in which the Company operates; the state of financial markets generally; and other risks and factors that the Company is not aware of at this time.

OTHER MD&A REQUIREMENTS

Additional disclosure of the Company's technical reports, material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com.