

NuVim, Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operation Fiscal Years ended December 31, 2016 & 2015

Results of Operations

Results of operations for the year ended December 31, 2016 compared to the year ended December 31, 2015

Sales for the year ended December 31, 2016, gross sales were \$2,127 a decrease of \$844, or 28% below gross sales of \$2,971 for the twelve months ended December 31, 2015. This decrease for the year is also caused by a focus on the future business represented by the arrangement with Amazon versus selling through the NuVim web-site and, in part by focusing the cash on-hand to reduce the current debt to zero and \$120,000 long term. With limited cash available, efforts to grow revenue had to be curtailed.

Cost of Sales NuVim is required to periodically assess the value of its inventory for impairment. Over the last several years, the value of the inventory was reduced to zero. Therefore NuVim's books reflect no cost for the inventory now being sold.

Gross Profit Gross profit was \$2,127 for the year ended December 31, 2016, a decrease of 28% or \$844 from \$2,971 for the twelve months ended December 31, 2015, the same as the reduction in Net Sales. As explained above, Gross profit as a percentage of gross sales was 100% during 2016, the same as in 2015.

Selling, General and Administrative Expenses Selling, general and administrative expenses were \$42,029 for the year ended December 31, 2016, down from \$50,732 during the twelve months ended December 31, 2015. The decrease of \$8,703 (17%) is due to physically moving the power mix inventory to a less expensive warehouse and eliminating expenses such as office rent.

Loss from Operations Loss from operations was \$39,902 for the year ended December 31, 2016 compared to \$47,761 for the twelve months ended December 31, 2015. The decrease of the loss by \$7,859 (16%) versus 2015 is primarily due to the reduction of operating expenses as described above.

Interest Expense Interest expense was \$841 for the year ended December 31, 2016, an decrease from \$5,913 of for the same period ended December 31, 2015. The decrease in interest expense is attributable to conversion and settlement of debt during of 2016 and 2015.

Gain on Settlement of debt During 2015 the Company recorded gains attributable to the conversion and settlement of debt.

Income Tax Expense This amount represents the payment of past due New Jersey State Income Taxes.

Net Loss Net loss was \$44,409 for the year ended December 31, 2016 compared to \$33,674 for the twelve months ended December 31, 2015. The increase of the loss by \$10,735 versus 2015 is primarily due to the New Jersey tax expense and the loss of the gains from debt settlement and conversion offset by the decreased operating expenses as described above.

Liquidity and Capital Resources

Our operations to date have generated significant operating losses that have been funded through the issuance of common stock and external borrowings. We will require additional sources of outside capital to continue our operations.

We will still need to raise additional financing to pay our past due obligations, fund operating losses and to support sales and marketing programs to increase sales of our products. If we are not able to identify additional sources of financing, we may not be able to continue operations beyond December 2016.

NuVim's Shareholders' Deficit was \$137,494 at December 31, 2016 as compared with \$94,375 at the end of 2015, reflecting 2016's \$44,409 of operating loss. The Working Capital deficit at the end of December 2016 was \$17,177 up from the \$4,899 negative balance at the end of 2015.

Net cash used in operating activities for the twelve months ended December 31, 2016 was \$38,177, compared to cash used in operating activities of \$30,233 during the same period in 2015.

A net amount of \$30,841 was provided by financing activities during the first year of 2016, compared to \$41,600 provided for the same period in 2015. The additional cash was primarily provided by borrowing from related parties.

As a result, the Cash as of December 31, 2016 was \$5,185 as compared with \$12,521 at the end of December, 2015.

C. Off-Balance Sheet Arrangements.

NuVim does not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.