

Management's Discussion and Analysis of Financial Condition and Results of Operation

First Quarter of 2017

Results of Operations

Results of operations for the quarter ended March 31, 2017 compared to the quarter ended March 31, 2016

Sales For the quarter ended March 31, 2017, gross sales were \$374 a decrease of \$56, from gross sales of \$430 for the three months ended March 31, 2016. 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 was 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. This represents a considerable net profit should the inventory be able to be sold.

Gross Profit Gross profit was \$374 for the quarter ended March 31, 2017, a decrease of 13% or \$56 from \$430 for the quarter ended March 31, 2016, the same as the reduction in Net Sales. As explained above, Gross profit as a percentage of gross sales was 100% during first half of 2017, the same as in 2016

Selling, General and Administrative Expenses Selling, general and administrative expenses were \$6,727 for the quarter ended March 31, 2017, down from \$7,555 during the three months ended March 31, 2016. The decrease of \$828 is due to decreased legal, accounting, and administrative expenses.

Loss from Operations Loss from operations was \$6,353 for the quarter ended March 31, 2017 compared to \$7,125 for the quarter ended March 31, 2016. The decrease of the loss by \$772 versus 2016 is primarily due to the decreased operating expenses.

Interest Expense Interest expense was \$269 for the quarter ended March 31, 2017, a decrease from \$387 of interest expense of for the quarter ended March 31, 2016. The decrease in interest expense is attributable to the conversion of indebtedness during of 2016.

Net Loss Net loss was \$6,623 for the quarter ended March 31, 2017 compared to \$7,512 for the quarter ended March 31, 2016. The decrease of the loss of \$889 versus 2016 is primarily due to 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 2017.

NuVim's Shareholders' Deficit was \$144,117 at March 31, 2017 as compared with \$137,494 at the end of 2016, reflecting First Quarter of 2017's \$6,623 of operating loss. The Working Capital deficit at the end of June 2017 was \$23,648 up from the \$17,177 negative balance at the end of 2016.

Net cash used in operating activities for the quarter ended March 31, 2017 was \$3,388, compared to cash used in operating activities of \$5,625 during the first quarter of 2016.

No funds were provided by financing activities during the first quarter of 2017, compared to \$20,000 provided for the quarter ended March 31, 2016. The additional cash was primarily provided by borrowing from related parties.

As a result, the Cash as of March 31, 2017 was \$1,797 as compared with \$5,185 at the end of December 2016.

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.