RED LIGHT HOLLAND

RED LIGHT HOLLAND CORP (FORMERLY ADDED CAPITAL INC.)

MANAGEMENT’S DISCUSSION & ANALYSIS

FOR THE THREE MONTHS ENDED JUNE 30, 2020 AND 2019

MANAGEMENT’S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of the activities, results of operations and financial condition of Red Light Holland Corp. (“Red Light” or the “Company”) for the three ended June 30, 2020, and the comparable period ended June 30, 2019. The discussion should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements for the three months ended June 30, 2020 and related notes thereto and the annual audited financial statements for the years ended March 31, 2020 and 2019. The Company’s financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All monetary amounts are reported in Canadian dollars unless otherwise noted. These documents, as well as additional information on the Company, are filed electronically through the System for Electronic Document Analysis and Retrieval (SEDAR) and are available online at www.sedar.com.

The effective date for this report is August 18, 2020.

Overview and RTO

On October 8, 2019, Red Light Holland Corp (formerly Added Capital Inc.) (“Red Light Holland” or the “Company”) incorporated Red Light Holland Financing Inc. (“Finco”) (under the laws of the province of Ontario), for the purpose of completing a transaction to establish itself as a producer and distributor of its premium brand of psilocybin truffles within the Netherlands. On May 22, 2020, the Company closed a transaction (the “Transaction") with Finco and Red Light Holland Debt Inc. ("Debtco"), both wholly owned subsidiaries of the Company. The Transaction was effected by way of two triangular amalgamations (the “Amalgamations”) among (a) the Company and Debtco, and a wholly-owned subsidiary of the Company, and (b) the Company and Finco another wholly-owned subsidiary of the Company. Concurrent with the Transaction, the Company effected a change of its name to "Red Light Holland Corp." from Added Capital Inc.

Following completion of the Transaction on May 22, 2020, the Company received approval to list its common shares on the Canadian Securities Exchange (the “CSE”) and commenced trading on May 28, 2020, under the ticker symbol "TRIP" and on July 11, 2020, listing of its common shares on the Frankfurt Stock Exchange (“FSE”) under the symbol “4YX”.

In connection with the completion of the Transaction, the board of directors and senior officers of the Company have been reconstituted to consist of Todd Shapiro (Director and Chief Executive Officer), Kyle Appleby (Chief Financial Officer), Brad Lamb (Director and Chairman), Anne Barnes (Director), Lowell Kamin (Director), and Binyomin Posen (Director).

In May 2020, the Company formed an advisory board headed by Bruce Linton, one of the world's foremost executives in the cannabis industry, as the Chairman, and in June 2020, added the Honourable Tony Clement, Genevieve Roch-Decter, Sarah Hashkes, and Joseph Geraci to the advisory board.

Effective February 13, 2020, the Company consolidated its issued and outstanding common shares on the basis of one (new) post consolidation common share for each 20 (old) pre-consolidation common shares (the “Consolidation”). The Consolidation was approved at the Company’s annual and special meeting of shareholders held on May 8, 2019. The information in this report reflect the post-consolidation common shares.

Prior to completing the Transaction, and during fiscal 2020, the Company was inactive and evaluating business opportunities.

Financing events and restructuring

In January 2020, Red Light Holland completed a debt restructuring transaction (the “Debt Restructuring”), whereby it assigned, to its wholly owned subsidiary, Debtco, an aggregate of $1,577,623 in debt (the “Assigned Debt”) owing by Red Light Holland to several third-party creditors. As part of the Debt Restructuring, in January 2020, Debtco completed a debt conversion (the “Debt Conversion”), whereby various debt holders elected to convert an aggregate of $196,563 of the Assigned Debt into Debtco Shares at a conversion price of $0.005 per Debtco Share, and an aggregate of $1,294,292 of the Assigned Debt into Debtco Shares at a conversion price of $0.02 per Debtco Share.

In addition, Debtco accepted subscriptions for an aggregate of $14,583 for Debtco Shares at a price of $0.005 per Debtco Share, and an aggregate of $344,096 of for Debtco Shares at a price of $0.02 per Debtco Share.

In May 2020, Finco completed a non-brokered private placement of 66,022,530 subscription receipts ("Subscription Receipt") at a price of $0.06 per Subscription Receipt for gross proceeds of $3,961,352. Each Subscription Receipt entitled the holder to one common share in the capital of Finco ("Finco Share"). In connection with the Offering, Finco paid to the Finder a cash commission of $273,633, and issued 4,856,802 compensation warrants. Finco also issued an aggregate of 1,833,333 New RLH Shares to certain finders as consideration for assisting in arranging the Amalgamations.

Upon completion of the Transaction, (i) each shareholder of Finco received one common share of the Company (total 67,855,863 Shares) for each one Finco Share held, (ii) each shareholder of Debtco received one common share of the Company (total 125,148,606 Shares) for each one common share in the capital of Debtco (each, a "Debtco Share") held, and (iii) all unexercised Finder Compensation Warrants (4,856,802 warrants) were adjusted in accordance with their terms such that, each Finder Compensation Warrant entitles the holder to acquire, upon exercise, one common share of the Company, on the same terms.

On June 8, 2020, June 16, 2020, and July 16, 2020, the Company closed a brokered private placement (in three tranches) of Units in three tranches, for gross proceeds of approximately $5,000,000. The Company issued a total of 5,009,830 Units at a price of $0.165 per Unit, with each Unit consisting of one common share and one warrant. Each warrant entitles the holder thereof to purchase one additional common share at an exercise price of $0.26 at any time until June 8, 2024, subject to an accelerated expiry option. In connection with the First Tranche, the Company paid to the agent a cash fee of $210,000 and issued 1,272,727 compensation options, with each compensation option entitling the holder to purchase one Unit at a price of $0.165 per Unit, for a period of 48 months following the issuance date. In connection with the Second Tranche, the Company paid the agent a cash fee of $58,137 and issued 352,346 compensation options, with each compensation option entitling the holder to purchase one unit at a price of $0.165 per unit for a period of 48 months following the date of issuance.

On July 14, 2020, the Company entered into a securities exchange agreement (the "Securities Exchange Agreement") with PharmaDrug Inc. (CSE: BUZZ) ("PharmaDrug"). Under the terms of the Securities Exchange Agreement, PharmaDrug has agreed to issue 9,333,333 units to the Company (the "PharmaDrug SEAUnits") at deemed price of $0.075 per unit, in consideration for the issuance by Red Light Holland of 4,242,424 RLH Units at a deemed price of $0.165 per unit to PharmaDrug. Each PharmaDrug SEA Unit consists of (i) one common share of PharmaDrug (a "PharmaDrug Share"), (ii) 0.9 of a PharmaDrug common share purchase warrant, each whole warrant entitling the holder thereof to acquire one common share of PharmaDrug at a price of $0.13 for a period of 48 months (each whole warrant, a "Class A PharmaDrug Warrant"), and (iii) 0.1 of a PharmaDrug common share purchase warrant, each whole warrant entitling the holder thereof to acquire one common share of PharmaDrug at a price of $0.08 for a period of 48 months (each whole warrant, a "Class B PharmaDrug Warrant"). In addition, the Company will make a cash investment for $200,000 of units of PharmaDrug (the "PharmaDrug Subscription Units") at a price of $0.075 per unit, each PharmaDrug Subscription Unit consisting of (i) one PharmaDrug Share, and (ii) one Class B PharmaDrug Warrant. Each RLH Unit will consist of one common share in the capital of the Company (a "RLH Share") and one common share purchase warrant (a "RLH Warrant") of the Company. Each RLH Warrant entitles the holder to purchase one additional RLH Share at an exercise price of $0.26 at any time for a period of 48 months, subject to an accelerated expiry option.

In July 2020, the Company entered into an agreement where it was agreed to issue stock options to acquire 150,000 common shares of the Company to a consultant. Each option entitles the holder to acquire one common share of the Company at a price to be determined by the board of directors for a period of three years.

Business of Red Light Holland Corp (following completion of the Transaction)

The business objective of the Company is to provide its premium brand of truffles to the legal market within the Netherlands. By doing so, the Company hopes to contribute to the advancement and awareness of truffles, and promote its potential as a candidate for further research and study.

Truffles vs. Magic Mushrooms

Psilocybin truffles (commonly known as magic truffles) ("truffles") are the sclerotia (the compact mass of hardened, vegetative part of a fungus or fungus-like bacterial colony which contain food reserves) of psilocybin mushrooms ("magic mushrooms"). Truffles and magic mushrooms both belong to the same species of psychoactive fungi, and contain similar psychoactive substances and active compounds (such as psilocybin, psilocin and baeocystin). However, there are some key differences. First, truffles and magic mushrooms are each at a different stage of fungal development. Truffles, which grow beneath the ground, can be described as dormant fungi (which resemble walnuts) that store food reserves during periods where surrounding environmental conditions are not optimal for the above-ground growth of the mushroom part of a fungus. Truffles store food and psychoactive chemicals until the surrounding environment becomes suitable for the above-ground growth of magic mushrooms. Second, although scientific data is limited with respect to the various kinds of truffles, anecdotal reports from users of truffles usually describe milder experiences, with less pronounced hallucinations and a more preserved ability to move and socialize. Finally, the concentration of psychoactive substances and active compounds in magic mushrooms is believed to vary considerably, which could result in the potency of individual mushrooms in a particular batch of magic mushrooms to be somewhat inconsistent. On the other hand, the concentration of psychoactive substances and active compounds, and therefore, the potency is regarded to be far more consistent in truffles, relative to magic mushrooms, which enables a more predictable dosing experience.

In May 2020, the Company, through a wholly owned subsidiary, entered into a non-exclusive letter of intent (the "Letter of Intent") with Xena-it.nl B.V. ("McSmart"), an independent and established third party producer, wholesaler, and distributor of truffles within the Netherlands, to launch the Red Light Holland-branded truffles within the Netherlands. The Letter of Intent covers the entire truffles supply chain, from production to retail distribution, and and marks an important achievement in the development of the Issuer's business. While the Company intends to, initially, rely on McSmart, and if and to the extent required, other industry partners to set up its initial operations and facilitate the distribution and sale of its premium brand of truffles within the Netherlands, the Company intends to maintain its various relationships with industry partners (such as McSmart), on an as needed basis, following such time as the Company has built the Facility and established its business operations within the Netherlands. In pursuing its business objectives, the Company intends to focus and limit its operations for the immediate future exclusively on the growth, production and sale (through Smart Shop Retailers) of fresh, unprocessed truffles to the recreational market within the Netherlands, a market within which the growth, sale, and distribution of truffles has existed for more than a decade. Subject to various factors, including market and regulatory conditions, and the operational priorities from time to time established by the Company, the Company may, in the future, also engage in (i) the supply of fresh, unprocessed truffles directly to end users, as legally licensed retailer within the Netherlands, and (ii) the supply of fresh, unprocessed truffles to third parties within the Netherlands, that are duly licensed and authorized to conduct research and clinical trials for medical purposes using truffles.

By leveraging the strengths and experiences of its management team – individuals who possess a wealth of combined knowledge and experience necessary for the growth, mass-production, and distribution of fresh, unprocessed truffles, as well as the marketing and management of its proposed business- the Company intends to over time establish itself as a leader in the recreational truffles industry.

For the immediate future, the Company's business is expected to be focused exclusively on the recreational truffles industry, and its fresh, unprocessed truffles are expected to be accessible only to end-users within the Netherlands. Until such time as market and regulatory conditions present a legal and viable business opportunity for the expansion of the Company's business, the Company does not intend to engage in the distribution or sale of truffles outside of the Netherlands. Instead, the Company intends to focus on developing, branding, producing and distributing its premium brand of truffles exclusively in the Netherlands.

The Facility

The Company's goal is to supply, to the legal market, its premium brand of truffles which are pure and natural, and free of harmful pesticides and chemicals. To this end, in June 2020, the Company entered into a 5-year lease for approx. 3,000 square feet of commercial space in Horst, the Netherlands, to construct a custom built, indoor growing, production and distribution facility (the "Facility"). Subject to market conditions (including, the effects and impact of COVID-19 on the Company's proposed business plans), the Company intends to begin construction of the Facility in Q2, 2020, which construction is projected to be completed over the course of a twelve (12) to twenty four (24) month period thereafter. Once complete, the Facility is expected to be capable of producing up to 10,000 kilograms of truffles per year.

Upon completion of construction, the Company intends to promptly establish its production operations, with the goal of beginning to independently grow and produce its own truffles for packaging and distribution under the Red Light Holland-brand.

In June 2020, the Company completed the planning of the Phase 1 build out of the facility The Company has engaged an independent consultant with specialized knowledge of the Good Agricultural and Collection Practices ("GACP") and European UnionGood Manufacturing Practices ("EU-GMP") to assist the Company to make progress in Phase 2, including a plan of action for the location in Horst to bring it up to GACP standards. The Company anticipates to be in a position to commence the actual build out of the Facility (Phase 3) in late Q3 2020.

Product Offerings

The Company's goal is to apply the highest standards to its growth, processing and production operations in order to supply, to the legal market, its premium band of truffles, which are pure and natural, and free of harmful pesticides and chemicals.

The Company, through one or more of its wholly owned subsidiaries, intends to grow, produce, and offer for sale (through Smart Shop Retailers) its premium brand of truffles for recreational use within the Netherlands under the brand name "Red Light Holland". Initially, the Company intends to rely on McSmart to set up its initial business operations, and if and to the extent required, form additional strategic partnerships with (i) existing producers of truffles based in the Netherlands, to source the truffles the Company intends to distribute under its premium brand, and (ii) Smart Shop Retailers, to facilitate the distribution and sale of its premium brand of truffles. The Company also intends to establish a robust e-commerce platform, in order to market and promote its premium brand of truffles for sale through Smart Shop Retailers. Subject to market conditions (including, the effects and impact of COVID-19 on the Company's proposed business plans), the Company anticipates that the e-commerce platform will cost approximately €14,000 to launch, and will become operational as early as late Q2, 2020.

As of the date of this MD&A, the Company is not a party to any discussions with any producers of truffles based in the Netherlands (other than McSmart), or any Smart Shop Retailers. Given the breath of McSmart's expertise and experience in the truffles industry in the Netherlands, and the fact that the Company's arrangement with McSmart could provide the Company with access to, approximately, up to fifty (50%) of Smart Shop Retailers, the Company believes that it is not necessary at this time to enter into negotiations or discussions with any additional, potential industry partners in order to set up its initial business operations.

The Company expects that its production and processing operations will initially be conducted from the Facility, and that its Red Light Holland-branded truffles will initially be made available to end-users in two different varieties, under the names "Bicycle Day" and "Bliss".

In July 2020, the Company placed an initial order for 10,000 units of its psychedelic truffles microdosing packs ("Microdosing Packs") with McSmart, to launch the Microdosing Packs within the Netherlands as early as September 2020, through three Smart Shops operated by McSmart, as well as through Red Light Holland's proposed ecommerce platform and McSmart's current e-commerce platform.

Distribution and Scalability

Although the Company intends to focus and limit its operations for the immediate future exclusively in the Netherlands, the Company believes that there will, over time, be growing market demand for truffles internationally. In particular, the Company believes that as jurisdictions across the globe continue to decriminalize and/or legalize the sale and distribution of cannabis and products containing cannabis compounds, there is potential for truffles to also transition from being a counterculture product to a product consumed by mainstream end-users.

The Company's marketing and distribution strategy for the immediate future is expected to focus on two (2) distribution channels within the Netherlands. The Company intends to distribute its premium brand of truffles to end-users through (i) partnerships with Smart Shop Retailers, and (ii) a robust e-commerce platform, intended to promote the sale, of it premium brand of truffles through Smart Shop Retailers, in each case in compliance with existing local laws. The Company may also set-up kiosk establishments in targeted retail locations (both leased and licensed), the purpose of which will be solely to promote awareness of truffles and the Company's brand and business. The Company currently does not have any plans to establish or operate any brick-and-mortar retail store locations.

In implementing its marketing and distribution strategy, the Company intends to implement and utilize consistent branding and messaging of its premium brand of truffles using the Red Light Holland-brand. The Company intends to consider and establish branding guidelines, where necessary, and monitor the use of the Company's brand name across its distribution channels in order to ensure the highest brand integrity.

Retailer and Producer Partnerships
The Company intends to establish working partnerships with Smart Shop Retailers in order to market and distribute its premium brand of truffles. In addition, until such time as the Facility is completed, the Company will need to rely on McSmart, and if and to the extent required, establish working partnerships with existing producers of truffles based in the Netherlands, to source the fresh, unprocessed truffles the Company intends to distribute under its premium brand.

The Company expects that such working partnerships will enable the Company to expand its presence in the Netherlands by introducing its Red Light Holland-branded truffles to the market, and enabling it to, over time, capture a growing market share.

E-Commerce Platform
Today's consumers are increasingly searching online for information relating to products, and as such, the Company believes that having a strong, robust website, that is optimized for searches is essential to the Company's business. As such, the Company intends to create a customized e-commerce website to promote the sale of its premium brand of

truffles, which, subject to market conditions (including, the effects and impact of COVID-19 on the Company's proposed business plans), the Company anticipates that the e-commerce platform will become operational as early as late Q2, 2020. The Company's e-commerce website is expected to (i) offer for sale, through Smart Shop Retailers, the Company's premium brand of truffles, and (ii) offer for sale through the Company, the Company's branded apparel and proprietary branded accessory products, subject in all cases to applicable laws and all governmental approvals (where required).

Medical and Scientific Division

In July 2020, the Company established a medical and scientific division called Scarlette Lillie Science and Innovation. This marks an early move to position the Company to expand its business into the medical psychedelics market in the future, at such time as market and regulatory conditions present a viable business opportunity. Scarlette Lillie Science and Innovation's goal will be to supply the medical market, with naturally occurring, nonsynthetic psilocybin as current research shows clinical trials are using a synthetic pro-drug compound. Red Light Holland hopes to explore the entourage effect of whole fungi medicine and to establish itself as a pioneering company with the capability to grow medical grade truffles which will potentially help discover more about the entire psilocybin Truffle.

Other highlights for the period

In July 2020, Red Light Holland engaged RadixMotion to design and develop a virtual reality shopping experience module (the "VR Module") intended to explain the effects of microdosing of magic truffles on the human brain, as well as a virtual reality avatar (the "VR Avatar") that is centered around the Company's brand. The VR Module is expected to be completed in Q4 2020, and will be designed with the goal of educating and enabling individuals to make reasoned, informed decisions with respect to magic truffles and other psychedelic substances, and enabling Red Light Holland to gather valuable data on user experience of synesthesia, loss of autonomy and suggestibility to inform further study and research in the psychedelic space. The VR Avatar, which is expected to be completed in Q3 2020, is expected to be integrated into RadixMotion's "Meu" platform, the first social platform based on 3D human movement data, and is expected to assist Red Light Holland's larger efforts towards reducing the stigma associated with, among other things, magic truffles and other psychedelic substances.

In June 2020, the Company launched the High Times Psychedelic Podcast (the "Podcast"), a weekly podcast hosted by Todd Shapiro, the Company's Chief Executive Officer and Director, who took part in several virtual conferences and webinars in the psychedelic space in May 2020, and is quickly becoming a sought-after speaker within the psychedelic space. The Podcast, which is supported by High Times, the preeminent source for cannabis information since 1974, discusses numerous topics within the psychedelics industry, and from time to time, engages industry leaders and other creative personalities to share their insights.

On August 5, 2020 the Company announced that it has started to grow its first batch of magic truffles, much quicker than originally anticipated. It is currently growing three different strains of magic truffles, including Psilocybe Mexicana, Psilocybe Galindoi, and Psilocybe Tampanensis, and expects to have an initial batch of approximately 100,000 grams of magic truffles available in late October, 2020.

Results of Operations for the three months ended June 30, 2020 compared to the three months ended June 30, 2019

As at June 30, 2020, the Company is well positioned with $6,612,533 in cash and cash equivalents, $7,730,963 in current assets, and $6,533,150 in working capital.

The Company reports a consolidated net loss of $854,145 for the three months ended June 30, 2020, compared to a net loss of $5,000 for the three months ended June 30, 2019. During the comparative period, the Company was not operating, as it was seeking a corporate transaction. Therefore, all expense categories have increased in the current period with the closing of the Transaction and commencement of business activity.

FOR THE THREE MONTHS ENDED JUNE 30,	2020	2019
OPERATING EXPENSES		
General and administrative (i)	$ 610,363	$ 5,000
Share based payments (ii)	883,718	-
LOSS BEFORE OTHER ITEMS	(1,494,081)	(5,000)
OTHER ITEMS		
Gain on sale of marketable securities (iii)	110,124	-
Unrealized change in fair value of marketable securities (iii)	528,000	-
Interest income	1,812	-
NET LOSS AND COMPREHENSIVE LOSS	$ (854,145)	$ (5,000)
LOSS PER SHARE – Basic and diluted (Note 6(e))	$ (0.01)	$ (0.01)

(i) The following is a breakdown of General and Administrative expenses for the three months ended June 30:

	2020	2019
Consulting	$ 95,790	$ -
Legal, audit and other professional fees	338,432	5,000
Management fees	83,000	-
Business development	33,130	-
Office and general	14,425	-
Regulatory	10,355	-
Shareholder communication	35,231	-
	$ 610,363	$ -

(ii) Share based payments includes the value of options that vested during the period ($255,161), and the value of shares and warrants issued to various consultants for assisting with the Transaction ($628,557).

(iii) Gain on sale of marketable securities represents the realized gains generated from the sale of shares of Revive Therapeutics Ltd. (“Revive”). Revive participated in the Subscription Receipt financing for 2,500,000 subscription receipts. In exchange, the Company received 3,000,000 common shares of Revive with a deemed valued of $150,000. As at June 30, 2020, the Revive shares had increased in value and had an unrealized gain in the amount of $528,000.

Quarterly Financial Information

For the quarters ended	Revenue ($’s)	Net Loss ($’s)	Loss per share ($’s)	Weighted Average Shares
June 30, 2020	-	(854,145)	(0.01)	80,925,926
March 31, 2020	-	(306,218)	(0.35)	851,335
December 31, 2019	-	(8,955)	(0.01)	851,335
September 30, 2019	-	(5,000)	(0.01)	851,335
June 30, 2019	-	(5,000)	(0.01)	851,335
March 31, 2019	-	(6,783)	(0.01)	851,335
December 31, 2018	84	(57,540)	(0.07)	851,335
September 30, 2018	5,439	(57,117)	(0.07)	851,335

Liquidity, Capital Resources and Cash Flows

As at June 30, 2020, the Company had cash of $6,612,533 (March 31, 2020 - 1,963,492) and $nil (March 31, 2020 - $1,804,290) of funds held in escrow.

The Company used cash in operations of $847,738 in Q1 2020 compared to $nil in Q1 2019 (as in 2019 the Company was inactive).

Cash from investing activities amounts to $1,954,414 and consisted of $1,804,290 of funds released from escrow, and $150,124 proceeds from the sale of Revive shares.

Cash from financing activities amounted to $3,542,365 and consisted of net proceeds from private placements ($3,512,365), and $30,000 from the exercise of warrants.

As at June 30, 2020, the Company had a working capital position of $6,533,149, which will fund operations and growth strategy in the short term.

The primary need for liquidity is to fund the construction of the Facility, execute the business plan to commence sales and to fund working capital requirements. The primary source of liquidity has been primarily from private and/or public financing. The ability to fund operations, to make planned capital expenditures and execute the growth/acquisition strategy depends on the future operating performance and cash flows, which are subject to prevailing economic conditions, regulatory and financial, business and other factors, some of which are beyond the Company's control.

The Company intends to grow rapidly and expand its operations within the next twelve to twenty-four months. This growth, along with the expectation of operating at a loss for at minimum the next 12 months, will place a significant strain on the Company's financial resources. As such, further financings may be required to develop the Company's facility and products, make acquisitions, meet ongoing obligations, and discharge its liabilities in the normal course of business. There is no assurance that additional funds can be raised upon terms acceptable to the Company or at all and funding for small companies remains challenging.

Management of Capital

The capital managed by the Company includes the components of shareholders' equity as described in the unaudited interim condensed financial statements for the three months ended June 30, 2020. The Company is not subject to externally imposed capital requirements.

The Company's objectives of capital management are to create long-term value and economic returns for its shareholders. It does this by seeking to maximize its resources to fund the growth and development of its business, and to support the working capital required to maintain its ability to continue as a going concern. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its assets by seeking to limit shareholder dilution and optimize its cost of capital while maintaining an acceptable level of risk. In order to maintain or adjust its capital structure, the Company considers all sources of financing reasonably available to it, including but not limited to the issuance of new capital and the issuance of new debt.

Dividends

The Company did not pay dividends in the current year, 2020 or 2019 financial years.

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements as of June 30, 2020 and the date of this MDA.

Critical Accounting Estimates

Significant judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the year.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

(a) Income and other taxes
Income, value added, withholding and other taxes The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of

business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

(b) Provisions and contingencies
Provisions are recorded by the Company when it has determined that it has a present obligation, whether legal or constructive, and that it is probable that an outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. Provisions are recorded based on management's best estimates of timing, and quantum of future outflows.

(c) Share based payments
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Risk Management

The following is a description and analysis of the risks associated with financial instruments that may affect the Company:

Fair value of financial assets and financial liabilities
Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from its financial instruments. The fair values of the Company's financial assets and financial liabilities approximate their carrying amounts due to their imminent or short-term maturity.
Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at June 30, 2020, the Company had no interest-bearing loans.

Foreign exchange risk
Foreign exchange risk is the risk that the market value of financial instruments and the associated revenues will fluctuate due to changes in exchange rates. The Company does not use derivatives to modify the foreign exchange risk. The Company holds minimal financial instruments in foreign currencies.

Liquidity risk
Liquidity risk is the risk that results from the Company's potential inability to meet its financial obligations as they come due. The Company manages liquidity risk by reviewing the amount of cash available, on a daily basis, to ensure that it can meet its current obligations.

The Company has loans outstanding of $86,768 as at June 30, 2020 (March 31, 2020 - $86,768).

Credit risk
The Company's credit risk is primarily attributable to cash and cash held in escrow. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable financial institutions and cash held with a law firm, from which management believes the risk of loss to be remote.

Share Capital Information

Outlined below is selected current share capital information related to the Company as at the date of this MDA:

Description	Number
Common shares issued and outstanding	227,718,409
Stock options outstanding	10,950,000
Common share purchase warrants issued and outstanding	46,619,687

Related Party Transactions

The Company had related party transactions with directors or officers of the Company, or companies with which they were associated, as follows:

Compensation to key management personnel
Compensation paid or payable during the three months ended June 30, 2020 and 2019 to persons and corporations in charge of the planning, direction and control of the Company, including executive and non-executive directors, is as follows:

(a) During the three months ended June 30, 2020, the Company was charged $53,000 in fees by the CEO for CEO management fees.

(b) During the three months ended June 30, 2020, the Company was charged $9,000 in fees by the CFO for management fees.

(c) During the three months ended June 30, 2020, the Company was charged $21,000 in fee by the President for management fees.

Equity Transactions
Shares issued during the three months ended June 30, 2020 and the year ended March 31, 2020 and 2019 to persons and corporations in charge of the planning, direction and control of the Company, including executive and non-executive directors, is as follows:

a) On May 27, 2020, the Company issued 3,700,000 stock options to directors and officers of the Company.

b) During the year ended March 31, 2020, the Company settled debt of $464,115 to related parties through the issuance of 32,408,850 shares (2019 - $nil).

c) During the year ended March 31, 2020, the Company issued $46,667 worth of shares to related parties through the issuance of 2,333,333 common shares in the DebtCo financing in January 2020.

c) During the year ended March 31, 2020, the Company issued $200,000 worth of subscription receipts to related parties through the issuance of 3,333,333 subscription receipts through the FinCo financing.

Commitments, Provisions and Contingencies

The Company is party to legal proceedings and other claims in the ordinary course of its operations. Litigation and other claims are subject to many uncertainties and the outcome of individual matters is not predictable. Where management can estimate that there is a loss probable, a provision has been recorded in its financial statements, where proceedings are at a premature stage or the ultimate outcome is not determinable, then no provision is recorded. It is possible that the final resolution of these matters may require the Company to make expenditures over an extended period of time and in a range of amounts that cannot be reasonably estimated and may differ significantly from any amounts recorded in these consolidated financial statements. Should the Company be unsuccessful in its defense or settlement of one or more of these legal actions, there could be a materially adverse effect on the Company's financial position, future expectations, and cash flows.

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $244,000 which are due within one year.

Future Accounting Policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning on or after April 1, 2019 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Corporation and its financial position. Please refer to the section entitled "Risks Related to the Resulting Issuer's Business and Industry" in the Company's May 26, 2020 filing statement, available on SEDAR at www.sedar.com.

In March 2020, the outbreak of the novel strain of corona virus, specifically identified as "COVID19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Forward-Looking Statements

This MD&A contains "forward-looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, forward looking statements can be identified by the use of words such as "estimate", "consider", "expect", "anticipate", "objective" and similar expressions or variations of such words. Forward looking statements are, by their very nature, not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause RLHC's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward looking statements. 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.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by securities law.

Additional Information

Additional information on the Company has been filed electronically through the System for Document Analysis and retrieval ("SEDAR") and is available online at www.sedar.com.