AREV BRANDS INTERNATIONAL LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2019

Stated in Canadian Funds

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MANAGEMENT DISCUSSION AND ANALYSIS

TO OUR SHAREHOLDERS

This Management Discussion and Analysis ("MD&A") supplements, but does not form part of the financial statements for the three months ended March 31, 2019. Consequently, the following discussion and analysis of the financial condition and results of operations for AREV Brands International Ltd. ("AREV" or, the "Company"), should be read in conjunction with the condensed consolidated interim financial statements for the period ended March 31, 2019 and the audited consolidated financial statements for the year ended December 31, 2018 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), consistently applied. This MD&A is dated May 30, 2019.

Discussion of the Company, its operations and associated risks are further described in the Company's filings, available for viewing at www.sedar.com.

BUSINESS OVERVIEW

AREV was incorporated under the Business Corporations Act (Alberta) on November 22, 2005. The Company was a research company engaged in the business of developing and commercializing technology related to the growth and extraction of active ingredients from American ginseng. During 2014, the Company ceased its ginseng operations. The Company moved its focus to R&D of formulations and is currently developing and plans on distributing its line of branded natural health and cannabis infused products. The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol "AREV". The registered address of the Company is Suite 440, 890 West Pender Street, Vancouver, BC, V6C 1J9. The principal place of business of the Company is Unit 2, 9049 Shaughnessy Street, Vancouver, BC, V6P 6R9.

SIGNIFICANT EVENTS AND TRANSACTIONS DURING THE PERIOD

On February 12, 2019 the Company announced Leo Ford has joined the Company's board of directors and has been appointed to the audit committee.

On February 12, 2019 the Company issued 100,000 stock options to Directors and Consultants of the Company at a price of $0.24 for a period of 5 years from the issuance date. These options vest immediately.

On February 27, 2019 the Company announced it has closed a purchase and sale agreement to acquire a 100-per-cent interest in certain assets of Canna Gold Inc. The purchase price of $1.2 million was paid by way of the issuance of four million common shares of the Company at a deemed price of 30 cents per share. If gross sales revenues of the retail inventory of the assets reach a minimum of $1-million as reported in the interim or year-end financial statements of the Company, the Company will pay the lesser in value of one million common shares at the closing market price on the date of SEDAR filing of the company's financial statements with the securities commissions or that number of common shares having an aggregate deemed value of $500,000.

On February 27, 2019 the Company announced it has closed a purchase and sale agreement to acquire a 100-per-cent interest in two parcels of rural residential/agricultural properties, comprising 27.41 acres, located in Sorrento, B.C. The purchase price was at the appraised value of $1,215,000 of which $691,057 was paid by way of a convertible debenture issued by the Company accruing interest at 8 per cent per annum and the balance was paid in cash. The outstanding principal amount and outstanding accruing interest of the convertible debenture shall be convertible into common shares of the Company at the price of 30 cents per common share.

On February 27, 2019 the Company announced that Stephane Maher has resigned as a director of the company.

On April 11, 2019 the Company announced that BC Bud Depot has commenced an intensive phase of developing new proprietary strains for the Company. Seeing a deficiency in the variety and qualities of cannabis strains made available to the medicinal and recreational markets by Licensed Producers in Canada, BC Bud Depot has begun germination and selection from its extensive proprietary genetics vault of breeding stock for new strain development. The BC Bud Depot genetics vault is a collection of over two hundred unique and elite cannabis strains collected over 20 years. Many of the strains are believed to no longer exist anywhere else in the world. AREV, a cannabis integrator company through its holdings in BC Bud Depot has extensive cannabis genetics and breeding programs, also announced a strategic collaboration between BC Bud Depot with Lighthouse Genomics Inc., a national leader in cannabis genetic research involving high-value genetic traits and genome sequence analysis. This breeding partnership will allow BC Bud Depot's Health Canada-licensed breeders to benefit from Lighthouse's industry-leading technologies, and to apply genetic intelligence towards the accelerated production of proprietary genetic assets with rare traits and high consumer demand. Lighthouse has conducted Whole Genome Sequencing on a population of ten BC Bud Depot cultivars, obtaining data from the entire DNA sequence – roughly 800 million base pairs per individual plant – at 15 times coverage, a level of accuracy unprecedented in the cannabis industry worldwide. Lighthouse's work with the high-quality data from BC Bud Depot genetics allowed for a significant advancement in cannabis science, with over 25 Million variable locations detected in the genomes sequenced, as compared to approximately 450,000 reported in published studies, a 55-fold increase in the number of high-interest data points. The project team consisting of two PhD geneticists and seasoned cannabis breeders is led by Lighthouse Chief Science Officer Dr. Gina Conte. Lighthouse is providing BC Bud Depot extensive consulting and two forms of reporting: a Genetic Assets Overview for the population as a whole, detailing genetic distance between cultivars, and a Genome Report for each individual plant sequenced. In addition to analysis including ancestry, genetic stability and genetic novelty, the Genome Report offers a comprehensive panel of functionally important and well-annotated genes, including those involved in cannabinoid and terpene synthesis, greatly facilitating genetically-informed breeding.

On April 24, 2019 the Company announced that it has modified its sub critical "FFE" Fast Freeze Extraction systems to be fully scaleable to handle tonnes of biomass on a continuous bases and has developed a patentable method that increases the ability to separate waxes from biomass on the fly. AREV, a cannabis IP and integrator company through its strategic partnership with Alternative Extracts Inc. "AEI" also announced a strategic collaboration between the company and AEI., a leading extraction technology company in Surrey BC focused on projects working with materials including Ginseng, Sea Cucumber, Hemp, Frankincense, Agarwood, Turmeric and other exotic plant material from Asia. The collaboration involves information sharing and testing of various methods using different temperatures, pressure, flow rates, separations, solvents, gasses and vessels to produce high value oils with unique chemistry. AEI has expertise and patents on bio similar cannabinoids from non-regulated sources and is working with AREV to apply this fractionation method to large scale cannabis and hemp biomass.

On April 25, 2019 the Company announced it has worked closely with Silvertree Investments of Los Angeles, California over the past year. "Silvertree" has been actively researching, identifying and developing a strategy for AREV Brands USA Inc. to enter into the California market. A process that has involved very extensive due diligence and networking. This lengthy process has resulted in Silvertree identifying and commencing negotiations with principle license holders in Los Angeles, King City, Long Beach, California City, San Diego and Pasadena. The mandate is to enter into 50/50 partnerships with the license holders who will continue to operate and join our network of licenses in the State. This plan would create a select group of license holders that link with each other to form the largest alliance and network of cultivation, processing, manufacturing and distribution organization south of San Francisco in the State of California. The combined license holders would gain access to the inside (two) cover pages in High Times Magazine and access to the seed vault owned by BC Bud Depot, a wholly owned asset of AREV. The High Times ad space drives traffic and customers to the BC Bud Depot website which in turn will direct orders to the licensed partner in the customer's county that the license holder serves. BC Bud Depot supplies the genetics to the partners which ensures consumers receive quality products from a trusted and reliable source. AREV will work with the license holders of extraction licenses and Alternative Extracts Inc. to bring proprietary extraction to the network. The company has issued 800,000 shares to settle $200,000 in debt with Silvertree. These costs were incurred in the normal course of business associated with the consulting work discussed above.

On April 25, 2019 the Company announced it has settled $32,327 in debt with 0991843 BC LTD. by the issuance of 129,307 shares. This issuance is for the acquisition of two-piece encapsulation equipment, a 1000 litre ribbon blender and a tea bag machine. This equipment is in addition to the recently acquired softgel system the company owns and compliments the production equipment to be installed in the Sorrento processing facility due to be completed by the fall of 2019.

On April 25, 2019 the Company issued 100,000 stock options to Directors, Officers and Consultants of the Company at a price of $0.22 for a period of 5 years from the issuance date. These options vest immediately.

On May 1, 2019, the Company announced it has entered into a Binding LOI with LB Anaheim Street LLC, a company organized under the laws of California, USA ("Anaheim") and LBC Integrated Growers LLC, a company organized under the laws of California, (collectively, the "Companies"). LB Anaheim Street LLC owns a 5,300 square foot facility minutes from the Long Beach Port and holds the highly-coveted Type 7N and shared-use commercial cannabis volatile manufacturing license used for volatile and non-volatile solvent extraction, infusion processing (including edibles, topicals and beverages), packaging and labeling, and a Type S shared use kitchen for producing edibles. LBC Integrated Growers LLC is a 100 acre cannabis and hemp cultivation AG II zoned property in Santa Barbara County, California. The Type 7N License has a THC canopy size limited to 30,000 square feet per 100 acre parcel. CBD canopy sizes are currently unlimited. Using BC Bud Depot's advanced genetics, AREV will plant a short-season crop of auto-flowering, high-THC feminized seeds in March of each year. This will yield a flowering crop in a period of eight weeks. A second high-THC crop of elite proprietary genetics will then be planted in May for harvest in September. High-yielding CBD will be harvested from a single annual planting of feminized hemp seeds. The biomass yield will be supplied to the Long Beach location and the entire multi-crop yield is to be pre-purchased by LB Anaheim Street LLC. Under the terms of the agreement, As soon as practicable following the parties' satisfaction or waiver of the Conditions to Closing (the "Closing"). The parties will work together in good faith to negotiate and finalize the Acquisition Agreement on or before June 1, 2019. The obligations of the Selling Party and the Buyer under the Transaction documents are conditioned solely upon satisfaction or waiver of the following conditions (collectively, the "Conditions to Closing"): (i) on or prior to the date of Closing the Buyer shall obtain all necessary governmental, regulatory and court consents, permits, licenses, waivers and approvals to operate the businesses; (ii) compliance with pre- closing covenants and continuing accuracy of each Party's representations and warranties in all material respects; (iii) obtaining all consents and approvals of third parties and the Canadian Securities Exchange (the "CSE"); and (iv) on or prior to the date of Closing the Buyer shall provide written confirmation of the completion of a satisfactory due diligence investigation, including, but not limited to, confirmation that the Selling Party owns all right, title and interest in and to the operating assets of the Companies. The purchase price will be based on a fair market report valuation report prepared by RwE Growth Partners to be determined at a later date but before the finalization of the Acquisition Agreement. Such valuation report shall be paid for by the Buyer.

On May 2, 2019, the Company announced Colin Job has joined the board of Directors and has been appointed Chief Operations Officer ("COO") of the Company of the Company. The Company has also entered into a consulting agreement with R. & C. JOB Holdings Inc, Shaxon Enterprises Ltd., and Neil Wills to provide services to the Company.

On May 2, 2019, the Company issued 3,150,000 stock options to Directors, Officers and Consultants of the Company at a price of $0.32 for a period of 5 years from the issuance dated. These options will vest immediately.

On May 6, 2019, the Company issued 833,340 units (each, a "Unit"), at a price of $0.30 per Unit, for gross proceeds of $250,002. Each Unit is comprised of one common share (the "Shares") of the Company and one common share purchase warrant (each whole one, the "Warrants") and with each Warrant being exercisable at $0.50 per Warrant Share. Subject to adjustment in certain events, each whole Warrant entitles the holder thereof to purchase one additional common share (the "Warrant Shares") of the Company at any time on or before 5:00 p.m. (Vancouver time) on the date that is 12 months from the date of issuance of the Warrants; except that, if over a period of 10 consecutive trading days between the date that is 4 months and a day from the date of issuance of the Warrants and the date that the Warrants would otherwise expire, the closing price of the Company's common shares on the Canadian Securities Exchange (or such other stock exchange where the majority of the trading volume for the Company's common shares occurs) is at or exceeds $0.60, then the Company may, at its option, provide written notice to the warrant holders to exercise their Warrants within 30 days of the date of the notice, failing which the Warrants will expire (the "Exercise Period").

On May 7, 2019, announced they have become a member of the 8020 Connect Inc., investor community.

On May 8, 2019, the Company announced BC Bud Depot became Canada's first cannabis company to receive genomically-verified certification for the identity of genetic assets, based on whole genome analysis provided by Lighthouse Genomics Inc. ("Lighthouse"), which has the industry's most scientifically rigorous and authoritative identity certification process. Lighthouse has issued certification documents to BC Bud Depot for the master plants of ten genomic varieties, or Genovars TM , which are unique clone lines associated with the individual plant tested in the certification process. The BC Bud Depot Genovars TM are elite lineages selected for traits desirable in master breeding stock used for producing seeds and new cannabis varieties. The certificate of genomic identity provides the documentary basis for sales and licensing of genetic assets. Plants from downstream generations can be rapidly tested by genotyping to prove or disprove their identity as a match to the certified Genovar TM. Each certificate is digitally notarized with a link to a time-stamped record of the certificate's digital fingerprint.

On May 10, 2019, the Company announced Donald Shaxon has been appointed President of the Company.

On May 22, 2019, the Company announced that it has contributed DNA samples from select BC Bud Depot genovarsTM to the inaugural batch run on the world's first BeadArray genotype chip to be designed specifically for the cannabis genome. The Illumina Infinium HTS microarray, designed and wholly owned by Lighthouse Genomics Inc., allows up to 96 samples to be economically tested in a single batch run. Through its holding BC Bud Depot, AREV has entered into a Letter of Intent to undertake genetic quality screening of all BC Bud Depot strains and genovarsTM. This advancement in genomics technology provides BC Bud Depot access to what is now the world's most efficient and cost-effective method of gathering quality, targeted data from the cannabis genome. Under the terms of the LOI, BC Bud Depot will receive preferential pricing on Lighthouse sequencing, genotyping and consulting services for a period of one year, subject to renewal upon mutual agreement of both parties. During this period, BC Bud Depot will test and provide consultation on new services or technologies offered by Lighthouse Genomics. Initial services are to focus on mapping genetic diversity of the BC Bud Depot catalogue, creating genetic profiles of unique individuals and co-developing data-handling protocols for BC Bud Depot's genetic screening and cannabis breeding program.

RESULTS OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2019

The Company incurred a net loss of $162,118 during the three months ended March 31, 2019, compared with a net loss of $221,140 in the comparative period. The main fluctuations in cost are as follows:

Share-based payments (rounded to the nearest '000)	3 months 2019	3 months 2018
	$ 19,000	$ 75,000
Variance increase	$ 56,000	

The recognition of share-based payment expense results from the timing of granting of equity-based awards. During the three months ended March 31, 2019, the Company granted 100,000 stock options to officers and consultants of the Company, resulting in the recognition of $19,000 in share-based payments.

Advertising and marketing (rounded to the nearest '000)	3 months 2019	3 months 2018
	$ 3,000	$ 47,000
Variance increase	$ (44,000)	

The decrease in advertising and promotion expense during the three months ended March 31, 2019 resulted from a reduction of the investor marketing program that the Company engaged in the previous period.

Office and administration & Travel and accommodation (rounded to the nearest '000)	3 months 2019	3 months 2018
	$ 41,000	$ 16,000
Variance increase	$ 25,000	

The increase in office and administration & travel and accommodation during the three months ended March 31, 2019 resulted from the increased activities and travel during the current period.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of the Company and is derived from the financial statements prepared by management. The Company's financial statements are prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

Three months ended	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17	Jun-17
	$	$	$	$	$	$	$	$
Total revenue	-	-	-	-	-	-	-	-
Comprehensive loss	(162,118)	(6,953,911)	(917,397)	(334,367)	(221,140)	(422,050)	(308,187)	(159,787)
Loss per share	(0.00)	(0.18)	(0.02)	(0.01)	(0.01)	(0.02)	(0.02)	(0.01)
Total assets	2,758,537	530,218	6,629,448	1,467,280	1,590,334	1,658,827	582,908	583,291
Working capital (deficit)	(1,615,195)	(226,450)	530,801	746,222	858,337	814,233	(370,308)	(251,049)

- The increase in total assets during the three months ended March 31, 2019 resulted from the acquisition of the interest in real estate located in Sorrento, BC and the acquisition of the Canna Gold assets.

- The increased loss during the three month period ended December 31, 2018 resulted from a write down of intangible assets of $6,014,998 and equipment of $609,669.

- The increased loss during the three month period ended September 30, 2018 resulted from share based payments of $528,077. The increased total assets as at September 30, 2018 resulted from intangible assets of $5,250,000.

- The increased loss during the three month period ended June 30, 2018 resulted from the non-recurring impairment loss on deferred transaction costs.

- The decreased loss during the period ended March 31, 2018 resulted from interest and accrued expense incurred on convertible debentures decreasing due to the conversion of this debenture.

- The increased loss during the three month period ended December 31, 2017 results from a non-recurring impairment of intangible assets.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The Company's general and administrative expenses are disclosed in the condensed consolidated interim financial statements for the three months ended March 31, 2019 to which this MD&A relates.

OUTSTANDING SHARE DATA

As at March 31, 2019, the Company had 52,784,200 common shares outstanding. As at March 31, 2019, the fully diluted amount of 58,642,800 includes vested options of 2,500,000 and warrants of 3,358,600. As at the date of this report, the Company had 54,546,847 common shares issued and outstanding. As at the date of this report, the fully diluted amount of 60,996,847 includes vested options of 5,750,000 and 700,000 warrants.

FINANCIAL POSITION AND LIQUIDITY

The Company does not have sufficient working capital to continue operations in the normal course for the foreseeable future and will require additional financing to remain financially solvent.

The Company's condensed consolidated interim financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2019, the Company has not generated any revenues from operations, has a working capital deficiency of $1,615,195, and has an accumulated deficit of $11,194,886. The Company's ability to continue as a going concern is dependent upon its ability to generate and maintain future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast doubt on the ability of the Company to continue as a going concern.

As at March 31, 2019, the Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, due to related parties, loans payable and convertible debentures. The Company has no speculative financial instruments, derivatives, forward contracts or hedges.

Cash used in operating activities during the three months ended March 31, 2019 totalled $57,103 (comparative year: $238,650). This is consistent with the expectations of management.

Cash used in investing activities during the three months ended March 31, 2019 totalled $217,708 (comparative year: $260,350).

Cash raised in financing activities during the three months ended March 31, 2019 totalled $328,000 (comparative year: $215,000).

On May 6, 2019, the Company issued 833,340 units (each, a "Unit"), at a price of $0.30 per Unit, for gross proceeds of $250,002. Each Unit is comprised of one common share (the "Shares") of the Company and one common share purchase warrant (each whole one, the "Warrants") and with each Warrant being exercisable at $0.50 per Warrant Share. Subject to adjustment in certain events, each whole Warrant entitles the holder thereof to purchase one additional common share (the "Warrant Shares") of the Company at any time on or before 5:00 p.m. (Vancouver time) on the date that is 12 months from the date of issuance of the Warrants; except that, if over a period of 10 consecutive trading days between the date that is 4 months and a day from the date of issuance of the Warrants and the date that the Warrants would otherwise expire, the closing price of the Company's common shares on the Canadian Securities Exchange (or such other stock exchange where the majority of the trading volume for the Company's common shares occurs) is at or exceeds $0.60, then the Company may, at its option, provide written notice to the warrant holders to exercise their Warrants within 30 days of the date of the notice, failing which the Warrants will expire (the "Exercise Period").

Management is currently investigating a range of strategic options available with a view to generating income sufficient to pay its liabilities and ongoing operating expenses, and maximizing shareholder value. The Company may be required to obtain additional debt or equity financing or curtail spending in the future to fund operations and settle obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements for the three months ended March 31, 2019.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

RELATED PARTY TRANSACTIONS

During the period ended March 31, 2019, the Company owed $21,000 (December 31, 2018 - $5,250) to a company where the Chief Financial Officer of the Company is a partner. The amount owing is non-interest bearing, unsecured, and due on demand. During the period ended March 31, 2019, the Company incurred $15,000 (2018 - $nil) of accounting fees to a company where the Chief Financial Officer of the Company is a partner.

During the period ended March 31, 2019, the Company owed $nil (December 31, 2018 - $3,607) to the former Chief Executive Officer of the Company. The amount owing is non-interest bearing, unsecured, and due on demand.

During the period ended March 31, 2019, the Company incurred $6,000 (2018 - $24,000) of management fees to the former Chief Executive Officer of the Company.

During the period ended March 31, 2019, the Company owed $12,600 (December 31, 2018 - $6,300) to a company controlled by the former Chief Executive Officer of the Company. The amount owing is non-interest bearing, unsecured and due on demand.

During the period ended March 31, 2019, the Company owed $81,615 (December 31, 2018 - $70,421) to the Chief Executive Officer of the Company. The amount owing is non-interest bearing, unsecured, and due on demand. During the period ended March 31, 2019, the Company received loans of $228,000 from the Chief Executive Officer of the Company and received a loan from an arm's length party for $100,000. The loans are non-interest bearing, unsecured, and due on demand.

As at March 31, 2019, the Company owed $58,004 (December 31, 2018 - $46,129) to AEI which is non-interest bearing, unsecured, and due on demand.

During the period ended March 31, 2019, the Company incurred $nil (2018 - $15,835) of consulting fees to the former Chief Financial Officer of the Company.

During the period ended March 31, 2019, the Company granted stock options with a fair value of $nil (2018 - $75,750) to key management personnel.

COMMITMENTS

On September 1, 2018 the Company extended a premises lease agreement until August 31, 2020 with a two year option to extend. Expected annual payments under this lease arrangement are as follows:

2019	$	28,200
2020		28,200
Total	$	56,400

On August 21, 2018, the Company announced a binding agreement to acquire 100% of the issued and outstanding shares of AdviceScene Enterprises Inc. dba Seventails Cultivation. The acquisition agreement provides for the aggregate purchase price for the acquisition of the Seventails' shares to have a deemed value of $5,250,000 comprised of $500,000 in cash and 9,500,000 common shares of AcquireCo. It is anticipated a total of 9,500,000 common shares of the Company shares will be issued pursuant to the agreement. An aggregate deemed value of $5,000,000. If the valuation reports a higher valuation range limit lower than $5,000,000 but equal to or greater than $4,000,000 then the purchase price shall comprise of $500,000 in cash and 9,500,000 common shares. Concurrent with the completion of the acquisition at the closing, AcquireCo shall have completed a financing raising a minimum of $3,000,000 in net proceeds, which $3,000,000 in net proceeds shall be provided to Seventails as an inter-corporate loan from AcquireCo to Seventails as a subsidiary of AcquireCo. As at March 31, 2019, the Company paid $50,000 which is recorded under prepaid expenses and deposits.

RISKS AND UNCERTAINTIES

The Company is in the biotechnology business focusing on nutraceutical products and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. The Company has no ongoing revenue or income from operations. The Company has limited capital resources and has to rely upon the sale its assets or sale of its common shares for cash required to make new investments and to fund the administration of the Company.

These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company or which are presently considered immaterial may also adversely impact the Company's business, results of operations, and financial performance. The most significant risks and uncertainties faced by the Company are (in no specific order) are:

There is expressed doubt about our ability to continue as a going concern, which may hinder our ability to achieve our objectives

The Company's ability to realize the inherent value of its assets is dependent on successfully advancing its technologies to market through product development and ultimately achieving future profitable operations, the outcome of which cannot be predicted at this time, or in the alternative being able to sell the assets for proceeds equal to their carrying value or greater.

We have no committed sources of additional capital. In the future we may need to raise additional capital through equity financings. Additional equity financings could result in significant dilution to shareholders. Funds may not be available to us in the future on favourable terms, if at all, and we may be required to delay, reduce the scope of, or eliminate research and development efforts and the patent protection for our product candidates.

We have completed the development of two commercial products, but do not have any revenues from the sale of products; we may not achieve profitability.

We have completed the development of two commercial products, we have not begun to market or generate revenues from sales of the products we are developing. We do not anticipate that we will generate revenue from the sale of products in the foreseeable future.

There can be no assurance that any of our product candidates will meet applicable health regulatory standards, obtain required regulatory approvals, be capable of being produced in commercial quantities at reasonable costs, be successfully marketed or that the investment made in such product candidates will be recouped through sales or related royalties. There can be no assurance that we will ever achieve profitability. As a result, an investment in our common shares involves a high degree of risk and should be considered only by those persons who can afford a total loss of their investment.

Our products may not gain meaningful market acceptance, and we may not become profitable

We may not be able to contend successfully with competitors. The biotechnology industries are highly competitive and subject to significant and rapid technological change as researchers learn more about diseases and develop new technologies and treatments. Our current and potential competitors generally include major multinational pharmaceutical companies, biopharmaceutical firms, specialty pharmaceutical companies, universities and other research institutions.

Many of our competitors, either alone or together with their collaborators, have substantially greater financial resources and larger research, development and regulatory staffs than ours. There can be no assurance that competitors will not develop more effective or more affordable products or product commercialization than us and our corporate collaborators.

If our product candidates fail to gain market acceptance, we may be unable to earn sufficient revenue to continue our business. If our product does not become widely accepted, it is unlikely that we will ever become profitable.

Our product candidates subject us to the risk of product liability claims for which we may not be able to maintain or obtain adequate insurance coverage

Inherent in the use of our product, is the risk of financial exposure to product liability claims and adverse publicity in the event that the use of such products results in personal injury or death. There can be no assurance that we will not experience losses due to product liability claims in the future.

We may encounter difficulties in manufacturing our products delaying or preventing the development or commercialization of our product candidates.

There can be no assurance that our product candidate can be manufactured at a cost or in quantities necessary to make them commercially competitive or even viable. We do not have any manufacturing facilities and we are dependent on third party contract manufacturers and/or collaborators to produce our product. There can be no assurance that such third party manufacturers or collaborators will be able to meet our needs with respect to timing, quantity, quality or pricing. If we are unable to contract for a sufficient supply of product on acceptable terms, or if we should encounter delays or difficulties in our relationships with manufacturers or collaborators, and/or product sales would be delayed, thereby delaying the submission of products for market introduction and subsequent sales of such products.

Our success depends on the management of growth

Our future growth, if any, may cause a significant strain on management, operational, financial and other resources. The failure of our management team to effectively manage growth could have a material adverse effect on our business, financial condition and results of operations.

Our success depends on our ability to protect our proprietary rights and operate without infringing the proprietary rights of others;

Our success will depend in part on our ability to obtain and enforce patents and maintain trade secrets.

Our commercial success depends significantly on our ability to operate without infringing the patents and proprietary rights of third parties, and there can be no assurance that our products do not or will not infringe on the proprietary rights of others.

Litigation may also be necessary to enforce technology licensed to us or to determine the scope and validity of a third party's proprietary rights. We could incur substantial costs if litigation is required to defend ourselves in such suits.

Certain of the Company's directors and officers may, from time to time, serve in similar positions with other public companies, which may put them in a conflict position from time to time.

Certain of the Company's directors and officers may, from time to time, serve as directors or officers of other companies involved in similar businesses to the Company and, to the extent that such other companies may participate in the same ventures in which the Company may seek to participate, such directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such conflicts of the Company's directors and officers may result in a material and adverse effect on the Company's results of operations and financial condition.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Please refer to the March 31, 2019 condensed consolidated interim financial statements on www.sedar.com.

CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to sustain future development of the business. The capital structure of the Company consists of cash and equity comprised of issued share capital, share subscriptions receivable, equity portion of convertible debentures, and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it according to economic market conditions. Management monitors the Company's ongoing capital requirements against unrestricted net working capital and assesses expected capital requirements for the fiscal year. In order to maintain or adjust the capital structure, the Company may adjust spending, issue new shares, sell assets, or incur debt.

The Company is not subject to externally imposed capital requirements and there have been no changes to the Company's capital management policy during the three months ended March 31, 2019.

INVESTOR RELATIONS ACTIVITIES

With respect to public relations, the Company's policy is to provide information from its corporate offices to investors and brokers directly.

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic

Certificate with respect to the financial information contained in the consolidated financial statements for the three months ended March 31, 2019 and this accompanying MD&A (together, the "Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Filings on SEDAR at www.sedar.com.

FORWARD-LOOKING INFORMATION OR STATEMENTS AND CAUTIONARY FACTORS THAT MAY AFFECT FUTURE RESULTS

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, fluctuations in currency exchange rates; uncertainty of estimates of capital and operating costs; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; and other risks and uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions, which are, based on information available at the time these assumptions are made. The forward looking statements contained herein are as of the date of this report and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds and find additional value in the biotechnology assets held.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

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.

CONTINGENCIES

There are no contingent liabilities.

RECENT ACCOUNTING POLICIES

Please refer to the March 31, 2019 condensed consolidated interim financial statements on www.sedar.com.