AREV NanoTec Brands Inc.

(Formerly AREV Brands International Ltd.)

Management Discussion and Analysis

Of the Financial Position and Results of Operations

For the Years Ended December 31, 2019 and 2018

Stated in Canadian Dollars

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 year ended December 31, 2019. Consequently, the following discussion and analysis of the financial condition and results of operations for AREV NanoTec Brands Inc. (formerly AREV Brands International Ltd.) ("AREV" or, the "Company"), should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2019 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), consistently applied. This MD&A is dated June 15, 2020.

Discussion of the Company, its operations and associated risks are further described in the Company's filings, available for viewing at www.sedar.com and www.arevbrands.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 hemp infused products. AREV produces and sells functional ingredients produced via its proprietary extraction systems. These premium ingredients and products are targeted for the natural health, medical, functional food, nutraceutical, sport nutrition markets. AREV's model is to toll process extraction of targeted essential and functional oils and license its formulations to Licensed Producers in Canada. The company utilizes toll processors in foreign countries to encapsulate and package its formulations that can be sold in traditional distribution channels and online. AREV has developed proprietary methods to extract and produce nano particulates from raw materials like astaxanthin, sea cucumber, hops, Frankinsence, myrrh, ginseng, kampot pepper, turmeric and functional mushrooms. Subsequent to year end Mr. Withrow sourced a fabrication company in Vietnam who is manufacturing custom centrifuges, screw presses and grinders for AREV. These pieces are all part of the methodology and systems AREV can now produce from the IP. For example Frankinsence contains a little know compound called viridiflorol, which has shown moderate antibacterial activity against Mycobacterium tuberculosis, the causative agent of tuberculosis, in an in vitro assay. It is also an effective anti-inflammatory. This is just one example of the many high value compounds the company can now produce. The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol "AREV" and on October 9, 2019, the common shares began trading on the OTCQB Market ("OTCQB") under the symbol "AREVF". 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 18 - 91 Golden Drive, Coquitlam, BC, V3K 6R2.

On March 19, 2020, the Company consolidated its share capital on a 6 for 1 basis. These MD&A reflects this share consolidation retroactively.

SIGNIFICANT EVENTS AND TRANSACTIONS DURING THE YEAR

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

On February 12, 2019 the Company issued 16,667 stock options to Directors and Consultants of the Company at a price of $1.44 for a period of 5 years from the issuance date.

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 $1.80 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% 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 $572,300 of which $23,408 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 $1.80 per common share.

On February 27, 2019 the Company announced that Stephane Maher 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 133,333 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 21,551 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.

On April 25, 2019 the Company issued 16,667 stock options to Directors, Officers and Consultants of the Company at a price of $1.32 for a period of 5 years from the issuance date.

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 issued 525,000 stock options to Directors, Officers and Consultants of the Company at a price of $1.92 for a period of 5 years from the issuance dated. These options vest immediately.

On May 6, 2019, the Company issued 138,890 units at a price of $1.80 per unit, for proceeds of $250,002. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable at $3.00 per share for a period of 12 months from the date of issuance.

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 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.

On May 2, 2019, the Company granted 533,333 stock options to officers and consultants of the Company at a price of $1.95 per option for a period of 5 years from the date of issuance.

On June 10, 2019, the Company granted 16,667 stock options to directors, officers and consultants of the Company at a price of $1.56 per option for a period of 5 years from the date of issuance.

On July 16, 2019, the Company granted 16,667 stock options to a consultant of the Company at a price of $1.38 per option for a period of 5 years from the date of issuance.

On July 17, 2019, the Company announced the appointment of Mr. Michael Nen, a resident of Cambodia, to the position of Southeast Asia Regional Director. Mr. Nen will be working with the Company to evaluate the prospects to become the first Hemp and Cannabis cultivators in Cambodia.

On August 14, 2019, the Company announced that it has received the go ahead to build its 8,500 square foot facility from the Agricultural Land Commission. The Agriculture Land Commission has approved the construction of an 8,500 square foot processing facility for farm crops. The site has been surveyed and engineering is complete. The company is on task and focused on preparing its Sorrento property for its hemp cultivation and seed license for breeding, which has been applied for. We have also potted approximately 3500 hops covering 17 varieties for extraction and use in our HopinoidZ sleep aid and anti inflammatory products to be sold in the United States. We are in the final stage of branding these now that the formulation is complete and will be launching a line of functional oil extracts with CBD in the US. The company is in the final stages of completing the definitive agreement (previously announced on May 1) for the purchase of 50% of LB Anaheim Street LLC, which owns a 5,300 sq ft facility minutes from the Long Beach Port and holds the highly coveted Type 7N and shared-use commercial cannabis volatile manufacturing license that can be used for Volatiles and non-volatile solvent extraction, infusion processing (including edibles, topicals, and beverages), packaging and labeling and 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, CA. In California the Type 7N Licence has a THC canopy size is limited to 30,000 sq ft per 100 acre parcel. CBD canopy sizes are currently unlimited. THC - Using BC Bud's advanced genetics, we will plant a "short season crop" of auto flowering feminized seeds in March of each year. This yields a flowering crop in 6 weeks. A second planting of "long season crop" is then planted in May for harvest in September. High yielding CBD will be harvested from single Long Season planting of feminized Hemp seeds. The biomass yield will be supply to the Long beach location and the entire multi-crop yield is pre-purchased by LB Anaheim Street LLC.

On September 11, 2019, the Company announced that it is negotiating to acquire 50% of Lighthouse Genomics Inc. Lighthouse will remain an independent operating entity with voting control and an agreement to provide AREV holdings with preferential access to genomic analysis to inform AREV breeding operations with advanced genetic science. AREV's programs operated by BC Bud Depot will utilize Lighthouse's proprietary technologies to accelerate breeding of new genetic assets through oversight of the genetic basis of traits in cannabis. Lighthouse's industry-leading technologies include the Lighthouse Cannabis Assay™ (LCA), which captures 40,000 single nucleotide polymorphisms (SNPs) selected for high relevance within the cannabis genome. The LCA is considered the most comprehensive SNP genotype array chip for cannabis currently available worldwide. Lighthouse has also produced a proprietary bioinformatics software pipeline to analyze and interpret data produced by LCA genotyping or by Whole Genome Sequencing. These data-capture and analytic technologies provide AREV with an unprecedented opportunity to apply strategic genomic intelligence to producing rare and stable traits in new genetic assets, developed with speed and precision far surpassing conventional plant-breeding practices.

On September 23, 2019, the Company announced that BC Bud Depot has won the Best Seedbank Award at the 2019 Grow Up Conference and Expo in Niagara Falls, Canada, held September 14th, 2019. This marks the second major first place industry award that BC Bud Depot has received in 2019, having received a Genovar Award on the merit of exceptional genetic qualities of their flagship CBD variety, CBD God. The Best Seedbank Award comes as BC Bud Depot is completing growth trials on 17 new high-THC varieties to be made available to the regulated cannabis industry through partners of AREV Brands. In-house testing has confirmed high THC levels, significant terpenoid production, above average yields, high vigor and near 100% germination rates. AREV Brands is pleased by the results of this project.

On October 1, 2019, the Company announced the official launch of WOLLAMMO™, a BC Bud Depot product. The product is ready for sale and can be purchased at www.wollammo.com. After extensive testing on hemp and cannabis. WOLLAMMO™ produced very positive results. WOLLAMMO™ is comprised of wollastonite which is a unique and very rarely occurring earth mineral. BC Bud Depot is proud to supply this incredible product to solve one of the most challenging problems experienced by the expanding cannabis and hemp industries. The product sells for $14.99 for a 1 kg bag and $24.99 for a 2 kg bag. WOLLAMMO™ has unique properties that allow it to break down into calcium, magnesium and silicate in a highly bio-available form that balances soil PH throughout the growth cycle – this allows the cannabis plants to uptake silicic acid and promotes strong cell walls that better resist insect feeding and spore penetration. This also supports increased plant growth and elevated product yields (see Vertical Exploration Inc [TSX: VERT.V] February 5th, 2019 news release). On November 21, 2019, the two companies completed the definitive distribution agreement.

On October 1, 2019, the Company announced the resignations of Scott McDermid as Director of the Company and Scott Davis as Chief Financial Officer of the Company.

On November 21, 2019, the Company issued 366,667 common shares at a price of $0.36 as a milestone success fee to a director and consultant of the Company.

On December 9, 2019, the Company announced Denby Greenslade joined the Company's board of directors and announced the resignation of Guy Dancosse as Director of the Company.

On December 18, 2019, the Company announced Michael Frank Phillet joined the Company as interim Chief Financial Officer and Director of the Company and announced the resignation of Leo Ford as Director of the Company.

On January 29, 2020, the Company commenced litigation in the Supreme Court of British Columbia against the Defendant, Matthew Harvey, the vendor of the BC Bud Depot Assets. The Company is seeking damages, punitive damages, interest, injunctive relief, and costs relating to breach of contract between Matthew Harvey and the Company. The outcome of the litigation cannot be reasonably determined at this time.

In March 2020, the World Health Organization declared the coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, as well as financial markets globally, potentially leading to an economic downturn. Efforts to contain the virus has severely limited the mobility of people and businesses. However, it is not possible for the Company at this time to predict the duration or magnitude of the impact towards the Company's business or results from its operations.

On April 3, 2020, the Company closed the $225,0000 first tranche (3,750,001 units) of a non brokered Private Placement Unit Offering to raise a total of $450,000. Each Unit is priced at $0.06 per unit and 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 $0.08 per Warrant Share.

On April 9, 2020, the Company completed an asset purchase and sale agreement (the "Acquisition Agreement") dated April 4, 2020 with Chiron Capital Inc, a wholly owned BC Corporation of Mike Withrow. The Company has acquired certain intellectual property, engineering know-how, business models and trade secrets related to extraction technology of the equipment AREV had previously purchased from Alternative Extracts Inc. The rights title and interest to the Intellectual property were purchased for $200,000 free and clear of any encumbrances. The Company believes owning this key technology and methods to the equipment it already owns advance the Company forward in the current market. Now AREV has ownership of advanced IP and technology and does not have to rely on a vendor to make custom changes to the equipment when innovating and developing its new nano particulate extraction products. Having this IP enables the company to develop proprietary process high value pharmaceutical grade compounds such as Fondoside -A, piperine, and curcumin. AREV has developed proprietary methods to extract and produce nano particulates from raw materials like astaxanthin, sea cucumber, hops, Frankinsence, myrrh, ginseng, kampot pepper, turmeric and functional mushrooms. On a recent trip to Vietnam Mr. Withrow sourced a fabrication company who is manufacturing custom centrifuges, screw presses and grinders for AREV. These pieces are all part of the methodology and systems AREV can now produce from the IP. For example Frankinsence contains a little know compound called viridiflorol, which has shown moderate antibacterial activity against Mycobacterium tuberculosis, the causative agent of tuberculosis, in an in vitro assay. It is also an effective anti-inflammatory. This is just one example of the many high value compounds the company can now produce. The company changed its name to better reflect the innovation with nanotechnology it is working on with a focus on extracting and fractioning compounds used in the fight against inflammation and viral infections.

On April 17, 2020, the Company closed the $225,0000 second tranche on (3,750,000 units) of a non brokered Private Placement Unit Offering to raise a total of $450,000. Each Unit is priced at $0.06 per unit and 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 $0.08 per Warrant Share.

RESULTS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

The Company incurred a net loss of $3,192,836 during the year ended December 31, 2019, compared with a net loss of $8,265,784 in the comparative year. The main fluctuations in cost are as follows:

Share-based payments (rounded to the nearest '000)	Year ended 2019	Year ended 2018
	$ 1,193,000	$ 603,000
Variance increase	$ 590,000	

The recognition of share-based payment expense results from the timing of granting of equity-based awards.

Advertising and marketing (rounded to the nearest '000)	Year ended 2019	Year ended 2018
	$ 43,000	$ 109,000
Variance decrease	$ (66,000)	

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

Property expenses (rounded to the nearest '000)	Year ended 2019	Year ended 2018
	$ 51,000	$ 6,000
Variance increase	$ 45,000	

The increase in property expenses during the year ended December 31, 2019 resulted from expenses related to the Company's Sorrento property in the current year.

Research and Development (rounded to the nearest '000)	Year ended 2019	Year ended 2018
	$ 1,149,000	$ 195,000
Variance increase	$ (954,000)	

On February 19, 2019, the Company issued 666,667 common shares with a fair value of $1,080,000 to acquire branding and intellectual property under the name Canna Gold, which has been recorded under research and development.

During the year ended December 31, 2019, the Company recorded miscellaneous income of $194,686 from the extraction and gel cap machines.

During the year ended December 31, 2018, the Company recorded a write down of deposits of $97,382.

FOR THE THREE MONTHS ENDED DECEMBER 31, 2019

The Company incurred a net loss of $253,633 during the three months ended December 31, 2019, compared with a net loss of $917,397 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
	$ 182,000	$ -
Variance decrease	$ 182,000	

The recognition of share-based payment expense results from the timing of granting of equity-based awards.

Property expenses (rounded to the nearest '000)	3 months 2019	3 months 2018
	$ 51,000	$ -
Variance decrease	$ 51,000	

The increase in property expenses during the three months ended December 31, 2019 resulted from expenses related to the Company's Sorrento property in the current period.

Research and Development (rounded to the nearest '000)	Year ended 2019	Year ended 2018
	$ 1,123,000	$ 195,000
Variance increase	$ (928,000)	

During the three month period ended December 31, 2019, the Company recorded the fair value of $1,080,000 from the issuance of 666,667 common shares to acquire branding and intellectual property under the name Canna Gold, to research and development.

During the three months ended December 31, 2019, the Company recorded miscellaneous income of $49,483 from the extraction and gel cap machines.

SELECTED ANNUAL INFORMATION

The following table summarizes selected financial data for the Company for each of the three most recently completed financial years. The information set forth below should be read in conjunction with the consolidated audited financial statements, prepared in accordance with International Financial Reporting Standards and Canadian generally accepted accounting principles as applicable.

Fiscal Year Ended	Dec-19	Dec-18	Dec-17
Total revenues	194,686	-	-
Loss and comprehensive loss for the year	(3,192,836)	(8,426,683)	(1,019,941)
Loss per share (basic and diluted)	(0.36)	(1.33)	(0.42)
Total assets	879,424	646,308	1,658,827
Total liabilities	1,405,218	711,724	699,570
Cash Dividends declared	-	-	-

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

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	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18
	$	$	$	$	$	$	$	$
Total revenue	49,483	79,702	-	65,501	-	-	-	-
Comprehensive loss	(1,267,301)	(253,633)	(1,509,715)	(162,118)	(6,953,911)	(917,397)	(334,367)	(221,140)
Loss per share	(0.14)	(0.03)	(0.17)	(0.02)	(0.86)	(0.14)	(0.06)	(0.04)
Total assets	879,424	2,829,511	2,795,216	2,758,537	530,218	6,629,448	1,467,280	1,590,334
Working capital (deficit)	(1,319,647)	(2,022,743)	(1,772,862)	(1,615,195)	(226,450)	530,801	746,222	858,337

- During the three month period ended December 31, 2019, the Company recorded the fair value of $1,080,000 from the issuance of 666,667 common shares to acquire branding and intellectual property under the name Canna Gold, to research and development.

- The increased loss during the three month period ended June 30, 2019 resulted from share based payments of $972,474.

- 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 December 31, 2018 resulted from share based payments of $528,077. The increased total assets as at December 31, 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.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

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

OUTSTANDING SHARE DATA

As at the date of this report, the Company had 16,957,808 common shares issued and outstanding. As at the date of this report, the fully diluted amount of 23,403,640 includes vested options of 195,833 and 6,249,999 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 consolidated 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 December 31, 2019, the Company has not generated any revenues from operations, has a working capital deficiency of $1,319,647. 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.

Cash used in operating activities during the year ended December 31, 2019 totalled $113,757 (comparative year: $1,103,744). This is consistent with the expectations of management.

Cash used in investing activities during the year ended December 31, 2019 totalled $215,060 (comparative year: $576,592).

Cash raised in financing activities during the year ended December 31, 2019 totalled $350,002 (comparative year: $630,000).

On May 6, 2019, the Company issued 138,890 units at a price of $0.30 per unit, for proceeds of $250,002. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable at $3.00 per share for a period of 12 months from the date of issuance.

On April 3, 2020, the Company closed the $225,0000 first tranche (3,750,001 units) of a non brokered Private Placement Unit Offering to raise a total of $450,000. Each Unit is priced at $0.06 per unit and 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 $0.08 per Warrant Share.

On April 17, 2020, the Company closed the $225,0000 second tranche on (3,750,000 units) of a non brokered Private Placement Unit Offering to raise a total of $450,000. Each Unit is priced at $0.06 per unit and 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 $0.08 per Warrant Share.

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 year ended December 31, 2019.

Proposed Transactions

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

Related Party Transactions

As at December 31, 2019, the Company owed $52,531 (2018 - $5,250) to a company where the former Chief Financial Officer of the Company is a partner. The amount owing is non-interest bearing, unsecured, and due on demand and is included in accounts payable and accrued liabilities. During the year ended December 31, 2019, the Company incurred $60,000 (2018 - $25,000) of accounting fees to a company where the former Chief Financial Officer of the Company is a partner.

As at December 31, 2019, the Company owed $64,616 (2018 - $nil) to a director of the Company. The amount owing is non-interest bearing, unsecured, and due on demand. During the year ended December 31, 2019, the Company incurred $72,000 (2018 - $nil) of consulting fees to the director.

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

As at December 31, 2019, the Company incurred $nil (2018 - $80,000) of management fees to the former Chief Executive Officer of the Company.

As at December 31, 2019, the Company owed $nil (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.

As at December 31, 2019, the Company owed $396,605 (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 year ended December 31, 2019, the Company received a convertible debenture of $23,182 from a Company controlled by the Chief Executive Officer of the Company. (See note 8). During the year ended December 31, 2019, the Company incurred $20,800 (2018 - $nil) of consulting fees to companies of former Directors of the Company.

During the year ended December 31, 2019, the Company incurred $nil (2018 - $15,385) of consulting fees to the former Chief Financial Officer of the Company.

During the year ended December 31, 2019, the Company granted stock options with a fair value of $983,083 (2018 - $109,772) to key management personnel.

Commitments

Please refer to the December 31, 2019 consolidated financial statements on www.sedar.com.

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, 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 December 31, 2019 consolidated 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 year ended December 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 year ended December 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 and www.arevbrands.com.

CONTINGENCIES

There are no contingent liabilities.

RECENT ACCOUNTING POLICIES

Please refer to the December 31, 2019 consolidated financial statements on www.sedar.com.