RISE LIFE SCIENCE CORP. (Formerly LUMINOR MEDICAL TECHNOLOGIES INC.)

Management's Discussion and Analysis
1st Quarter Ended February 28, 2018

The following management's discussion and analysis ("MD&A") is current to April 30, 2018 and should be read in conjunction with Rise Life Science Corp.'s (formerly Luminor Medical Technologies Inc.) ("RLSC" or the "Company") interim condensed consolidated financial statements for the three months ended February 28, 2018 and 2017, which have been prepared under International Financial Reporting Standards ("IFRS"). Except as otherwise noted, the financial information contained in this MD&A and in the unaudited interim condensed consolidated financial statements has been prepared in accordance with IFRS. All amounts are expressed in Canadian Dollars unless otherwise noted. Additional information regarding the Company is available on SEDAR at www.sedar.com.

Overview

RLSC is currently developing and evolving medical and adult-use cannabis-based formulations to create general use health and well-being products for the emerging consumer category made possible by the legal U.S. Farm Bill compliant hemp and the legalization of cannabis. The Company also owns the Scout DS® device which is a clinical tool to assist in the identification of both prediabetes and type 2 diabetes.

Rise Research

On September 28, 2017, the Company acquired 100% of the outstanding shares of Jamaica-Blu Ltd. ("J-BLU"). J-BLU held the exclusive Canadian licence of all current and future cannabis commercial products developed by Rise Research Inc. ("RISE Research"). RISE Research's cannabis commercial products are based on patent pending intellectual property, currently filed with the U.S. Patent and Trademark Office, designed to create precise cannabis-based formulations that may produce specifically targeted effects for various ailments including diabetes. RISE Research's portfolio also consists of cannabis-based formulations designed to support patients with low libido and other needs. Under the terms of the acquisition, the company issued 9,500,000 common shares to the shareholders of J-BLU and paid $200,000 to RISE for intellectual property access.

On February 2, 2018, the Company acquired 100% of the outstanding shares of RISE Research. Under the terms of the acquisition, the Company issued 9,500,000 common shares to the shareholders of RISE Research and bought out the current Canadian royalty agreement for a sum of $250,000. Beyond an approximate operating accounts payable value of $100,000, RISE Research had no material liabilities. Also, on February 2, 2018, Anton Mattadeen became the Chief Executive Officer of the Company and Chris Dollard became the Chief Operating Officer of the Company.

Of important note, the Company's current intention is to only sell THC-based products in the United States under license to third parties until federal law pertaining to cannabis is changed. The Company's primary manufacturing and marketing focus will instead be on CBD products derived from the highest quality CBD hemp certified as 'U.S. Farm Bill compliant' which the Company believes enables it to stay completely aligned with U.S. federal law. This class of product may be sold in most U.S. states and in many countries around the world and is intended to ensure that the Company is not adversely affected in any way by the revocation of the 'Cole memo' by the U.S. Department of Justice.

Scout Assessment Corp.

On February 24, 2016, the Company announced that as a result of capital markets that continue to be challenging, the Company had developed a new business plan that would dramatically reduce its need for capital. The plan called for the Company to achieve this by changing its core focus to manufacturing the Scout DS® device in the most economically feasible way possible, and to market exclusive territorial license rights to the Scout DS® to qualified third parties well positioned in their regional market segments.

On June 22, 2016, the Company further announced a corporate update which included the plan for additional revenue streams in the diabetes sector and amendments to its secured loans. As a part of the corporate restructure, the Company entered into a license agreement with its newly formed wholly owned subsidiary, Scout Assessment Corp. ("Scout Corp"), whereby all revenue related to the Company's Scout DS® diabetes screening device and the PreVu® assets including current contracts and future contracts will flow through Scout Corp. The Company entered into amending agreements to transfer its CDN$1,611,334 in secured loans (the "Loans") from the Company to Scout Corp. The Loans are secured through a general security agreement against Scout Corp. and the security interest against the Company has been discharged. The maturity date has been extended from a current obligation to $300,000 due on December 31, 2018, $400,000 due on December 31, 2019, $600,000 due on December 31, 2020 and $311,334 plus all accrued interest and any other amounts due on December 31, 2021. The principal and interest payments will be accelerated based on payments of ten percent (10%) of all gross sales on Scout Corp Assets.

At the special meeting of the shareholders of the Company held on February 27, 2018, the Company's shareholders adopted a special resolution reducing the paid-up capital of the Company (the "Scout Resolution") in connection with a proposed reorganization of the Company involving the distribution of all of the Company's shares of its wholly owned subsidiary Scout Assessment Corp. ("Scout Corp") to the Company's shareholders (the "Distribution").

In connection with the Distribution, the Company and Scout Corp. would file a preliminary prospectus (the "Scout Prospectus") with the securities commission or similar regulatory authority in certain provinces of Canada. The Scout Prospectus would, among other things, qualify the distribution of the securities of Scout Corp. to the Company's shareholders. Once prepared and filed, the Scout Prospectus would be available in electronic format under Scout Corp.'s profile on SEDAR at www.sedar.com. Upon receipt of the Scout Corp. Prospectus shareholders are encouraged to carefully consider all of the information contained therein, including but not limited to the description of Scout Corp., the proposed listing on the CSE and the risk factors involved with holding shares in Scout Corp. as a stand-alone public company. The Board of Directors continues to evaluate the Scout DS® device business and may determine in its sole discretion to revoke this special resolution and abandon the reduction of the amount of the issued and paid-up share capital of the Company, the filing of the Scout Prospectus and the Distribution without any further approval of the shareholders.

Overall Performance

Recent Developments

See above on the acquisition of Jamaica Blu, Rise Research and the potential spin-out of Scout Assessment Corp.

On January 30, 2018, the Company announced a comprehensive strategic partnership with Constance Therapeutics ("CT"), an established San Francisco-based developer and manufacturer of premium medical cannabis extract products for physician and patient use in California.

The proposed partnership includes a distribution agreement that will see RISE build and manage a retail sales and distribution channel for both CT and RISE products in the California market. RISE will deploy a direct sales team in the state to sign top-tier dispensaries, augmented by a personalized support program for customers and patients to be delivered at the store level. RISE expects to create a network of at least 240 premium store locations in California within the next 12 months. RISE and CT continue to work towards developing and executing their final form of partnership for the California market.

Leveraging its pharmaceutical grade product, know-how, and intellectual property ("IP") assets, combined with RISE Research's patent pending formulation, CT will produce one or more THC-based sexual health and wellness products under license for RISE, to be sold in California. The product line will be developed at CT's San Francisco lab and manufacturing headquarters and is expected to be available in California retail channels in calendar Q2 2018. Following the initial rollout, RISE plans to expand product sales to other U.S. states, as well as European markets.

In April 2018, the Company completed the acquisition of U.S. Patent Nos. 9,603,887 and 8,642,645 issued by the U.S. Patent and trademark office in respect of "Cannabinoid composition including a cytochrome p450 enzyme inhibitor" and "Pharmaceutical composition comprising Cannabinoids" respectively. The acquisition of these patents, together with the Company's patent pending intellectual property noted above, provide the Company with an opportunity to accelerate its product development plans with respect to cannabis-based formulations designed to support patients with low libido and other needs.

Our goal is to leverage our proprietary technologies and know-how in order to build a diversified portfolio of commercialized products that generate revenue. We intend to do this by advancing our products from the formulation stage through product development to manufacturing, marketing and distribution. There can be no assurance that our products or technologies will be successfully commercialized or produce significant revenues for us.

Corporate Developments

On **December 1, 2017**, the Company listed its shares on the Canadian Securities Exchange (the "CSE") and delisted from the TSX Venture Exchange. The Company's symbol remained "LMT".

On **March 9, 2018**, the Company changed its name to Rise Life Science Corp. and began trading on the Canadian Stock Exchange under the new symbol "RLSC" at the open of market on March 14, 2018

On **April 19, 2018,** the Company closed on its non-brokered private placement through the issuance of an aggregate of 7,366,166 units (each a "Unit") at a price of $0.30 per Unit for gross proceeds of $2,209,849.80. Each Unit is comprised of one common share ("Common Share") of the Company and one-half of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share for a period of twenty-four (24) months from the date of closing at a price of $0.45 per Common Share. The Company has also issued an aggregate of 83,333 common shares in settlement of an aggregate of $30,307 of indebtedness with a vendor at a price of $0.30 per common share.

Overview

During the quarter, the strategic direction of the Company was centered on its cannabis operations. In the fourth quarter of 2017, the Company acquired JBlu from the cannabis sector and in the first quarter of 2018 enhanced it cannabis focus by acquiring Rise Research. Management is in the process of securing trade relations within the Californian market and preparing for its commercial launch in calendar Q2.

Management, because of its current focus on cannabis and its expected commercial launch in Q2 expects certain costs in 2018 to increase. The launch will increase direct cists and will include but not be limited to salaries, legal and consulting fees.

The Company's unaudited interim condensed consolidated financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. There are material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern as the Company has experienced operating losses and cash outflows from operations since incorporation, has accumulated a deficit of $26,518,089 as at February 28, 2018 (February 28, 2017 - $24,234,058), working capital deficit of $881,050 as at February 28, 2018 (February 28, 2017 – deficit of $431,546).

Financial Information

Despite not having any revenue during its first quarter period ended February 28, 2018, the Company expects to commence revenue generating activities in the near future as a result of its commercial launch of its cannabis products.

Selling, general and administrative expenses increased by $121,511 from $283,538 for the period ended February 28, 2017 to $405,049 the period ended February 28, 2018 as the Company readied itself for its commercial launch of its cannabis products in the second quarter of the calendar year, hosted its AGM and made key acquisitions.

Stock based compensation expense during the first quarter ended February 28, 2018 was nil when compared to the previous period's expense of $235,363. The decline is a result of not issuing stock options during the quarter.

Finance expense for the three months ended February 28, 2018 was $93,685 (2017 -$78,966). The small increase is a result of a changing debt load and other accruals for interest expense.

Selected Quarterly Financial Information

The selected financial information, presented under IFRS, provided in the table below is derived from the unaudited quarterly financial statements for each of the last eight quarters (in $'s):

2018	**Q1**	**Q4**	**Q3**	**Q2**
Revenue	-	-	-	-
Loss	497,114	1,096,199	277,983	412,735
Loss per share	0.01	0.04	0.03	0.04

2017	**Q1**	**Q4**	**Q3**	**Q2**
Revenue	-	-	-	-
Loss	599,674	445,653	199,484	220,897
Loss per share	0.08	0.17	0.10	0.11

Liquidity and Capital Resources

Since inception, the Company has financed its operations from public and private sales of equity, issuance of debt, the exercise of warrants and stock options, interest income on funds available for investment and, government grants. As at February 28, 2018, the Company had unrestricted cash totaling $434,967 as compared with $344,050 at February 28, 2017.

The Company had a working capital deficiency of $881,050 as at February 28, 2018 (February 28, 2017 – deficiency of $431,546).

On April 19, 2018**,** the Company closed on its non-brokered private placement through the issuance of an aggregate of 7,366,166 units (each a "Unit") at a price of $0.30 per Unit for gross proceeds of $2,209,849.80. Each Unit is comprised of one common share ("Common Share") of the Company and one-half of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share for a period of twenty-four (24) months from the date of closing at a price of $0.45 per Common Share. The Company has also issued an aggregate of 83,333 common shares in settlement of an aggregate of $30,307 of indebtedness with a vendor at a price of $0.30 per common share.

The Company periodically enters into long term contractual agreements for the leases of office facilities and equipment, management services, and certain purchased services. The following table presents commitments arising from agreements currently in force over the next five years.

	Payments due by Period			
	Within 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 1,320,059	$ -	$ -	$ 1,320,059
Long-term debt including interest	300,000	1,000,000	1,555,337	2,855,337
Convertible debt including interest	71,027	-	-	71,027
	$ 1,691,086	$ 1,000,000	$ 1,555,337	$ 4,246,423

The Company is obligated to pay royalties to PreMD based on any future commercial sales of PreVu® Skin Cholesterol test equal to 10 percent of gross revenue associated with PreVu®. The Company retains the right to buy out the royalty at anytime for a one-time payment of $1,000,000. There were no royalties paid or accrued during the three-month period ended February 28, 2018 or 2017.

The Company is obligated to pay royalties to Canada Israel Industrial Research and Development Foundation ("CIIRDF") based on any future product revenues, if any, from the exploitation of the preeclampsia technology contemplated in the project funding agreement equal to 2.5 percent up to a maximum of the amounts funded under the agreement. To February 28, 2018, no royalties are due and/or payable.

The Company is obligated to pay a royalty to MSH, subject to minimum annual royalties, of a stipulated percentage of the net sales of licensed products related to the worldwide rights to commercialize a portfolio of biomarkers for use in developing diagnostic assays for the early detection of preeclampsia, if any, along with other milestone payments. If the Company sub licenses any rights under the MSH Agreement to a third party, the Company shall pay MSH a stipulated percentage of sub license fee and sub license royalty fee. No royalties were paid to MSH during the three-month period ended February 28, 2018 or 2017.

Off Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Related Party Transactions

Compensation to key management
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors, President & CEO, COO and Chief Financial Officer are key management personnel.

In addition to their salaries, the Company also provides non-cash benefits and participation in the Stock Option Plan. Compensation paid to key management personnel for the three-month period ended February 28, 2017 and 2016 is as follows:

	Three months ended February 28, 2018	Three months ended February 28, 2017
	$	$
Short-term compensation		
Salaries, fees and short term employee benefits	69,500	131,000
Total short-term compensation	69,500	131,000
Stock-based compensation	-	165,634
Total compensation	**69,500**	**296,634**

Changes in Accounting Policies

New standards and interpretations not yet adopted

Certain new standards, interpretations and amendments to existing standards issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are not yet effective up to the date of issuance of the Company's financial statements are listed below. The Company is assessing the impact of these pronouncements on its results and financial position. The Company intends to adopt those standards when they become effective.

IFRS 9 *Financial Instruments: Classification and Measurement*

IFRS 9 replaces the guidance in IAS 39 *Financial Instruments: Recognition and Measurement,* on the classification and measurement of financial assets. The Standard eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivables.

Financial assets will be classified into one of two categories on initial recognition:

- financial assets measured at amortized cost; or
- financial assets measured at fair value.

Under IFRS 9, for financial liabilities measured at fair value under the fair value option, changes in fair value attributable to changes in credit risk will be recognized in other comprehensive income ("OCI"), with the remainder of the change recognized in profit and loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively with some exemptions.

IFRS 15, *Revenue from Contracts with Customers*

IFRS 15, *Revenue from Contracts with Customers*, issued by the IASB in May 2014, is applicable to all revenue contracts and provides a model for the recognition and measurement of gains or losses from sales of some non-financial assets. The core principle is that revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively [for example, service revenue and contract modifications] and improve guidance for multiple-element arrangements. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively, with earlier adoption permitted. Entities will transition following either a full or modified retrospective approach. The Company is currently evaluating the impact of the above standard on its financial statements.

Financial and other instruments

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the consolidated financial statements:

	Carrying Amount February 28, 2018	Fair Value February 28, 2018	Carrying Amount February 28, 2017	Fair Value February 28, 2017
Financial Assets				
Loans and receivable				
Cash	$ 434,967	$ 434,967	$ 344,050	$ 344,050
Accounts receivable	190,273	190,273	73,201	73,201
Financial Liabilities				
Other financial liabilities				
Accounts payable and accrued liabilities	$ 1,320,059	$ 1,320,059	$ 881,184	$ 881,184
Current portion of convertible debentures	50,000	50,000	140,476	140,476
Current portion of accrued interest	21,027	21,027	10,375	10,375
Secured debt	1,611,334	1,611,334	1,611,334	1,611,334
Accrued interest	1,244,003	1,244,003	941,157	941,1

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. The carrying values of current monetary assets and liabilities approximate their fair values due to their relatively short periods to maturity. The fair value of the Company's secured debt is estimated to approximate its carrying value based on the terms of the secured debt. The royalty obligation and other current and long-term liabilities are carried at fair value (level 3).

IFRS 13 *Fair Value Measurement*, establishes a fair value hierarchy that reflects the significance of the inputs used in measuring fair value. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable;
- Level 3 - Unobservable inputs in which little or no market activity exists, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

The fair value hierarchy of financial instruments measured at fair value on the Statements of Financial Position as at February 28, 2018 is as follows:

	Level 1	Level 2	Level 3
Financial Liabilities			
Accounts payable and accrued liabilities	-	-	1,320,059
Current portion of convertible debentures	-	50,000	-
Current portion of accrued interest	-	21,027	-
Secured debt	-	1,611,334	-
Accrued interest	-	1,244,003	-

The fair value hierarchy of financial instruments measured at fair value on the Statements of Financial Position as at February 28, 2017 is as follows:

	Level 1	Level 2	Level 3
Financial Liabilities			
Accounts payable and accrued liabilities	-	-	881,184
Current portion of convertible debentures	-	140,476	-
Current portion of accrued interest	-	10,375	-
Secured debt	-	1,611,334	-
Accrued interest	-	941,157	-

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. During the three-month periods ended February 28, 2018 and 2017, there were no transfers between Level 1 and Level 2 fair value measurements.

Risks arising from financial instruments and risk management:

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange and interest rate risks), credit risk and liquidity risk. The Company identifies, evaluates and, where appropriate, mitigates financial risks. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The audit committee of the board is responsible to review the Company's risk management policies.

(i) Market Risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings or financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Foreign exchange risk

The Company operates primarily within Canada although a portion of its expenses are incurred in other countries primarily the United States dollars ("US dollar"). Foreign exchange risk arises because the cost of transactions denominated in foreign currencies may vary due to changes in exchange rates. The Company has not entered into foreign exchange derivative contracts. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar would not have a significant effect on the Company's results of operations, financial position or cash flows.

As at February 28, 2018, the Company is exposed to currency risk through its cash and accounts payable denominated in US dollars. Based on the net exposures as at February 28, 2018, and assuming that all other variables remain constant, a 5% appreciation or deterioration of the Canadian dollar against the US dollar would not be significant.

Interest rate risk

The Company is subject to interest rate risk on its cash and cash equivalents and long-term debt. The Company believes that interest rate risk is low as the Company does not hold any term deposits and interest earned on cash equivalents is variable. The long-term debt is at a fixed interest rate. A change of 1% in interest rates over the year ended February 28, 2018 would not have had a significant effect on loss for the period.

(ii) Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's accounts receivable. The carrying amount of financial assets represents the maximum credit exposure. The Company believes there is insignificant credit risk

associated with its accounts receivable based on the nature of the counterparties.

Financial instruments that potentially expose the Company to significant concentrations of credit risk consist principally of cash. The Company has investment policies to mitigate against the deterioration of principal and to enhance the Company's ability to meet its liquidity needs.

(iii) Liquidity and Funding Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and to fund future operations. The Company manages its liquidity risk by forecasting its cash needs on a regular basis and seeking additional financing based on those forecasts.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. The Company manages its funding risk by forecasting its cash needs on a regular basis and continuously monitoring the stock price and other market conditions.

(c) Capital management

The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern in order to pursue the development of its products and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable level; and
- To provide an adequate return to shareholders commensurate with the level of risk associated with a development stage biotechnology company.

The capital structure of the Company consists of cash, long-term debt and equity comprising, issued capital, contributed surplus, warrants, and stock options.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues, granting of stock options, the issuance of debt or by undertaking other activities as deemed appropriate under the specific circumstances. The Company's overall strategy with respect to capital risk management remains unchanged from the year ended November 30, 2016.

The Company is not subject to externally imposed capital requirements. In order to maximize ongoing research and development of its products, the Company does not pay out dividends.

Share Capital

Subsequent to year end, on February 2, 2018, the Company acquired 100% of the outstanding shares of RISE Research Inc. Under the terms of the acquisition, the Company issued 9,500,000 common shares to the shareholders of RISE Research.

	April 30, 2018	February 28, 2018	February 28, 2017
Common shares issued and outstanding	51,552,622	43,998,340	9,365,429
Options outstanding	578,000	578,000	768,800
Warrants outstanding	16,017,014	11,814,371	3,665,745

Risks and Uncertainty

The Company operates in a highly competitive environment that involves significant risks and uncertainties, some of which are outside of the Company's control, which could have a material adverse effect upon the Company, its business and future prospects. Investors should carefully consider the risks and uncertainties described below, as well as other information contained in this MD&A. The risks and uncertainties described below are not exhaustive. There may be risks and uncertainties

not presently known to the Company or that the Company believes to be immaterial which could adversely affect the Company and its business in the future.

Risks Related to the Company's Financial Condition

- The Company has mainly relied on equity and debt financing and grant funding to support operations and will continue to need significant amounts of additional capital. The Company intends to raise additional financing, as required, through research, partnering and licensing arrangements, the exercise of warrants and options, and through equity and/or debt financing. However, there can be no assurance that these financing efforts will be successful or that the Company will continue to be able to meet ongoing cash requirements. It is possible that financing will not be available or, if available, may not be on favourable terms. The Company may fail to obtain additional financing and be unable to fund operations and commercialize its product candidates. The availability of financing will be affected by the results of scientific and clinical research, the Company's ability to attain regulatory approvals, the market acceptance of the Company's products, the state of the capital markets generally (with particular reference to pharmaceutical, biotechnology and medical companies), the status of strategic alliance agreements, and other relevant commercial considerations. Any future equity financing could result in significant dilution to existing shareholders.

- The Company has earned nil revenue though 2017 and into 2018 on its commercial market development of the Scout DS® technologies but, in light of the length of time and expense associated with bringing new products through commercialization, obtaining regulatory approval and bringing products to market, operating losses are expected to continue unless and until the Company is able to generate sufficient revenues from the commercial sale or lease of its diagnostic products.

- The Company must meet its debt repayment obligations and/or renegotiate the terms and/or obtain an additional extension to the maturity date of the secured debt and failure to do so could cause the lender to demand on its security on the Company's long term debt. There can be no assurance that the Company will continue to meet its debt repayment obligations and/or renegotiate the terms and/or obtain an additional extension to the maturity date of the secured debt.

Risks Relating to the Cannabis Industry

- **Change in Law, Regulations and Guidelines** - In Canada, operations in cannabis are subject to a variety of laws, regulations and guidelines relating to marketing, acquisition, manufacture, management, transportation, storage, sale and disposal of medical marijuana but also laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines may cause adverse effects to the Company's operations. On February 24, 2016, the Federal Court released its decision in the case of Allard et al v. Canada, declaring that the Marihuana for Medical Purposes Regulations ("MMPR"), as it was drafted, was unconstitutional in violation of the plaintiffs' rights under section 7 of the Charter of Rights and Freedoms. On August 24, 2016, the Access to Cannabis for Medical Purposes Regulations ("ACMPR") came into force, replacing the MMPR as the regulations governing Canada's medical cannabis regime which permits patients to produce a limited amount of cannabis for their own medical purposes or to designate a person to produce a limited amount of cannabis. As the company eventually plans to market products in Canada through licensing and partnerships with Canadian licensed producer operators, the ACMPR could potentially decrease the size of the market for the Company's business, and potentially materially and adversely affect the Company's business, its results of operations and financial condition.

  Unlike in Canada, which has federal legislation uniformly governing the cultivation, distribution, sale and possession of medical cannabis under the ACMPR, in the United States, cannabis is largely regulated at the state level. To the Company's knowledge, there are to date a total of 37 states, plus the District of Columbia, Puerto Rico and Guam that have legalized cannabis in some form. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, cannabis continues to be categorized as a Schedule I controlled substance under the Controlled Substances Act and as such, violates federal law in the United States. As a result of the conflicting views between state legislatures and the United States federal government regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation and regulation. For the reasons set forth above, the Company's existing activities related to the United States may become the subject of heightened scrutiny

by regulators, stock exchanges and other authorities in the United States and Canada. As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to conduct business related to the United States or any other jurisdiction. In the United States, the Company's current intention is to only directly transact business pertaining to the use of 'U.S. Farm Bill Hemp' products – material sourced via state-approved compliant growers. This policy, according to the Company's U.S. legal advice, suggests that we are compliant with U.S. Federal law. For any THC-related transactions, the Company is creating licensing agreements with third parties, such as Constance Therapeutics, in the United States to establish an arm's length relationship with these products, which the Company believes is consistent with U.S. laws. There can be no assurance that the Company will not be affected by changes in laws related to cannabis related products in Canada, the United States or other jurisdictions, or the interpretation and enforcement of such laws.

- **Regulatory Risk** - Achievement of the Company's business objectives are contingent, in part, upon compliance with the regulatory requirements, including those imposed by Health Canada and US Federal law, enacted by these government authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by government authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Company's business, results of operation and financial condition.

- **Unfavourable Publicity or Consumer Perception** - The success of the medical marijuana industry may be significantly influenced by the public's perception of marijuana's medicinal applications. Medical marijuana is a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to medical marijuana will be favourable. The medical marijuana industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical marijuana is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of medical marijuana may have a material adverse effect on our operational results, consumer base and financial results.

- **Competition** - The Company expects significant competition from other companies, some of which may have significantly greater financial, technical, marketing and other resources, may be able to devote greater resources to the development, promotion, sale and support of their products and services, and may have more extensive customer bases and broader customer relationships. Should the size of the medical marijuana market increase as projected the demand for products will increase as well, and in order for the Company to be competitive it will need to invest significantly in research and development, marketing, production expansion, new client identification, and client support. If the is not successful in achieving sufficient resources to invest in these areas, the Company's ability to compete in the market may be adversely affected, which could materially and adversely affect the Company's business, its financial conditions and operations.

- **Product Liability** - As a distributor of products designed to be ingested by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the sale of the Company's products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of the Company. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products.

Risks Related to the Company's Business and Operations - Scout

- The Company is in various stages of development of diagnostic and risk assessment products and, as a result, is unable to predict whether it will be able to profitably commercialize its products. There can be no assurance that the Company will be able to commercialize its products.

- Failure to protect intellectual property, or infringement on the intellectual property rights of others, may impede the Company's ability to operate freely. There can be no assurance that the Company's intellectual property rights will not be challenged by third parties, that the Company will receive patents it seeks, or that the Company will receive any necessary licenses. The Company could incur substantial costs in enforcing its intellectual property rights or defending its intellectual property rights against claims brought by others. The Company views patents and other means of intellectual property protection as essential to the Company's core business by protecting the Company's proprietary technology from infringement by competitors. To that end, patents will be reviewed and continued to be sought in relation to those components or concepts of each of its pre clinical and clinical diagnostic products by management of the Company to ensure the highest level of protection possible given the Company's financial position is obtained. The Company requires all employees, consultants, and parties to collaborative research agreements to execute confidentiality agreements upon the commencement of employment, consulting relationships or a collaboration with the Company. These agreements require that all confidential information developed or made known during the course of the engagement with The Company is to be kept confidential. The Company also maintains agreements with scientific staff and all parties contracted in a scientific capacity, providing that all inventions resulting from work performed for The Company, using The Company' property, or relating to The Company' business and conceived or completed during the period covered by the agreement are the exclusive property of the Company. Despite these practices, there can be no assurance that the Company will be able to successfully protect its intellectual property rights.

- The Company's business is subject to significant government regulation and failure to achieve and maintain regulatory approval of diagnostic products would negatively affect its business. The process for obtaining such approval, including clinical trials, varies by country and type of product, and the process can be time consuming and costly.

- The Company is dependent on strategic partners, including clinical investigators and contract research organizations, as well as its lenders, as part of its diagnostic product development strategy, and it would be negatively affected if it is not able to initiate or maintain these relationships. Furthermore, a failure of any of these strategic partners to perform their obligations or to continue in the partnership could delay or halt the development strategy. There can be no assurance that these strategic partners will not pursue other technologies or develop alternative products competing with those of the Company. As well, there can be no assurance that the Company will continue to meet its debt repayment obligations and/or renegotiate the terms and/or obtain an additional extension to the maturity date of the secured debt.

- The Company may be dependent on others for the manufacture, development and sale of its products. If the Company is unable to establish or manage collaborations in the future, or if the Company encounters difficulties with these collaborations, there could be a delay in the manufacture, development and sale of products.

- Even if product candidates receive all of the required regulatory approvals, there is no guarantee of market acceptance or commercialization of the resulting product candidates, which will be determined by the Company's sales, marketing and distribution capabilities and the positioning and competitiveness of its diagnostic products compared with any alternatives.

- The Company's ability to successfully market certain diagnostic products may depend in part on the extent to which reimbursement for the cost of such products will be available from government health administration authorities, private health insurers and other organizations. Significant uncertainty exists as to whether newly approved healthcare products will qualify for reimbursement, or the timing by which such reimbursement can be secured. Furthermore, challenges to the price of medical products and services are becoming more frequent. There can be no assurance that adequate third party coverage will be available to establish price levels, which would allow the Company to realize an acceptable return on its investment in product development. Although non reimbursed, user pay models may be available to the Company, uncertainty exists to the degree to which lack of available reimbursement by government health administration authorities, private health insurers and other organizations could limit market adoption of the Company's products. Reimbursement issues and decisions vary country by

country as to procedure and time for review and/or reimbursement approval.

- The Company's industry is characterized by intense competition and rapid change and a failure by the Company to react to such competition and change could have a material adverse effect on its business. Competitors may develop products that are more effective and less costly than those developed by the Company. There can be no assurance that developments by others will not cause the Company's products to become non-competitive.

- The Company may conduct development internationally and may be subject to laws and regulations of several countries which may affect the Company's ability to access regulatory agencies and may affect the enforceability and value of the Company's licenses and intellectual property.

- The testing and commercial use of diagnostic products involves exposure to product liability claims. Although the Company maintains liability insurance for certain claims, there is no assurance that such coverage will provide protection against all risks, or that such insurance will continue to be available on terms which would be acceptable to the Company. If a product liability claim was brought against the Company, it could have a material adverse effect on the Company and its financial condition.

- The Company is dependent on certain members of its management and scientific staff. If the Company fails to retain this staff, or to hire qualified key personnel, the implementation of the Company's business plan could slow and the Company may be unable to successfully develop and commercialize products.

Risks Relating to the Company's Common Shares

- The Company has not paid any cash dividends on its common shares and, for the foreseeable future, the Company does not intend to pay any cash dividends on its common shares and therefore its shareholders may not be able to receive a return on their shares unless they sell them. The policy of the Board of Directors of the Company is to retain all available funds in operations. The Board of Directors may reassess this policy from time to time. Any decision to pay dividends on the common shares of The Company will be made by the Board of Directors based on the assessment of, among other factors, earnings, capital requirements and the operating and financial condition of the Company.

- The market price and trading volume of the Company's common shares have been volatile, and may continue to be volatile in the future. Variations in earnings estimates by securities analysts and the market prices of the securities of competitors may also lead to fluctuations in the trading price of the common shares. In addition, the financial markets may experience significant price and volume fluctuations that affect the market price of the Company's common shares that are not related to the Company's operating performance. Broad market fluctuation and economic conditions generally, and in the medical device sector specifically, may adversely affect the market price of the Company's common shares.

- The significant costs that the Company will incur as a result of being a public company in Canada could adversely affect its business.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards (IFRS) requires the Company to select from possible alternative accounting principles and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date, and revenue and reported costs and expenditures during the reporting period. Management believes that the estimates and assumptions upon which the Company relies are reasonable based upon information available at the time these estimates and assumptions are made. Estimates and assumptions may be revised as new information is acquired, and are subject to change.

In addition to the going concern assumption previously described, management believes that its most critical accounting policies and estimates relate to the following areas, with reference to notes contained in the interim condensed consolidated financial statements for the period ended February 28, 2018:

Financial instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: loans and receivables. The Company has not classified any assets or liabilities as held-to-maturity or available-for-sale.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost. Loans and receivables are comprised of cash and accounts receivable.

(ii) Non-derivative financial liabilities

The Company has the following non-derivative financial liabilities which are classified as other financial liabilities: accounts payable and accrued liabilities, secured debt and accrued interest on secured debt.

The Company had the following non-derivative financial liabilities, representing contingent consideration (note 8), which were classified as held for trading: other current obligation.

All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method. Costs incurred to obtain financing are deferred and amortized over the term of the associated debt using the effective interest method. The related amortization is a non-cash charge to finance expense.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

(iii) Share capital

Common voting shares are classified as equity. Incremental costs directly attributable to the issue of common voting shares are recognized as a deduction from equity, net of any tax effects.

(iv) Warrants

Warrants are classified as equity. Incremental costs directly attributable to the exercise of warrants and related issue of common voting shares are recognized as a deduction from equity, net of any tax effects.

Revenue recognition

Revenue from the sale of goods is measured by reference to the fair value of consideration received or receivable for goods supplied. Revenue from product sales is recognized when all the following conditions have been satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measure reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Company, and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Company may enter into sales agreements with customers that have multiple element arrangements. When these multiple elements have stand-alone value to the customer, the components are accounted for separately, based on the relative selling prices, using the appropriate revenue recognition criteria as described above.

Lease revenue from leasing Scout DS® devices to customers under operating leases is recognized as earned over the term of the lease on a straight-line basis.

Royalty and license revenues will be recognized in revenue once an option to license a technology is exercised and as the contracted services are performed in accordance with the terms of the specific agreement.

Up-front payments and option fees received for the use of technology where further services are to be provided are recognized over the period of performance of the related activities on the statement of net loss and comprehensive loss. Amounts received in advance of recognition are included in deferred revenue.

Intangible assets

(i) Research and development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. No development costs have been capitalized to date.

(ii) Acquired intellectual property - PreVu® and Scout DS®

Costs incurred for acquired intellectual property - PreVu® and Scout DS® were being amortized over the estimated period that they were available for use in the manner intended by management, commencing with the commercial launch of the products associated with the acquired intellectual property. The PreVu® had an estimated period of five years.

(iii) Patents and trademarks

Costs incurred for patents, patents pending and trademarks are capitalized and amortized from the date of issuance on a straight-line basis over their respective legal lives or economic life, if shorter. Trademarks have an indefinite life. Costs incurred in successfully obtaining a patent or trademark are measured at cost less accumulated amortization and accumulated impairment losses. The cost of servicing the Company's patents and trademarks is expensed as incurred.

(iv) Technology license

The Company's technology license was recorded at cost and amortized over its estimated useful life.

(v) Other intangible assets

The Company's other intangible assets are recorded at cost and amortized over their estimated useful life.

(vii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

Impairment

(i) Financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss for financial assets carried at amortized cost. The loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

(ii) Non-financial assets

The carrying amounts of the long-lived non-financial assets, including intangible assets, and property and equipment, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Intangible assets that have indefinite lives and intangible assets not yet put into use are evaluated for impairment at least annually.

An impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell or its value in use. The fair value less costs to sell calculation is based on available data from observable market prices, less incremental costs. The value in use calculation is based on a discounted cash flow model. These calculations require the use of estimates and forecasts of future cash flows. Qualitative factors, including market size and market growth trends, strength of customer demand and degree of variability in cash flows, as well as other factors, are considered when making assumptions with regard to future cash flows and the appropriate discount rate. A change in any of the significant assumptions or estimates used to evaluate the underlying assets could result in a material change to the results of operations. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment had been recognized. Write-downs as a result of impairment are recognized in selling, general and administration expense for commercialized technologies and in research and development expense for technologies that have yet to be commercialized in the statement of net loss and comprehensive loss.

Forward Looking Statements

This Management's Discussion and Analysis ("MD&A") contains forward-looking information as defined in applicable securities laws (referred to herein as "forward-looking statements") that reflect the Company's current expectations and projections about its future results. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are based on the current assumptions, estimates, analysis and opinions of management of the Company made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors which the Company believes to be relevant and reasonable in the circumstances.

The Company uses words such as "believes," "may," "plan," "will," "estimate," "continue," "anticipates," "intends," "expects," and similar expressions to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties, both known and unknown, as well as other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

Specifically, this MD&A contains forward-looking statements regarding, but not limited to, the Company's:

- intention to acquire, develop and commercialize diagnostic tests for unmet clinical needs;
- intention to partner with large diagnostic companies and reference laboratories to commercialize and market technology;
- expectation regarding collaborative research agreements, upfront payments, milestone payments, ongoing royalties on sales and other sources of revenue;
- expectation regarding new diagnostic program opportunities;
- expectations to develop and commercialize cannabis related products
- intentions regarding the use and protection of intellectual property;
- business strategy; and
- intention with respect to dividends.

Inherent in forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to predict or control that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such risk factors include, among others, the Company's stage of development, lack of product revenues, additional capital requirements, the ability to protect its intellectual property, dependence upon collaborative partners, changes in government regulation or regulatory approval processes and particular government uncertainties with respect to the legality and available markets for cannabis products, and rapid technological change in the industry. These factors should be considered carefully and readers are cautioned not to place undue reliance on such forward-looking statements.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- the availability of financing for the Company's research and development projects and marketing and distribution efforts, or the availability of financing on reasonable terms;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals for the Company's research and development projects'
- regulatory developments affecting the legalization of cannabis related products;
- interest rates and foreign exchange rates;
- the Company's costs of research projects;
- positive results of current and future clinical trials;
- the uncertainties associated with the acceptance and demand for new products;
- research projects not being unreasonably delayed and expenses not increasing substantially;
- government regulation not imposing requirements that significantly increase expenses or that delay or impede the Company's ability to bring new products to market;
- the Company's ability to attract and retain skilled staff;
- the impact of changes in Canadian-US dollar and other foreign exchange rates on the Company's costs and results;
- market competition;
- tax benefits and tax rates; and
- the Company's ongoing relations with its employees and with its business partners.

Although management of the Company believes that these forward-looking statements are based on reasonable assumptions, a number of factors could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements contained in this MD&A and any documents incorporated by reference herein are expressly qualified by this cautionary statement. The Company cautions you that the foregoing list of important factors and assumptions is not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. You should also carefully consider the matters discussed under "Risk Factors" in this MD&A which provides for additional risks and uncertainties relating to the Company and its business. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, other than as may be required by applicable legislation.