The following management's discussion and analysis ("MD&A") is current to April 1, 2019 and should be read in conjunction with Rise Life Science Corp.'s (formerly Luminor Medical Technologies Inc.) ("RLSC", "RISE" or the "Company") consolidated financial statements for the years ended November 30, 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 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

The Company's launch on June 20, 2018 of its CBD-based wellness brand, Karezza coupled with its recent acquisitions means the Company is now in revenue. The Company's revenue of $186,025 for the year ended (November 30, 2017-$Nil) was derived principally from product sales and some consulting arrangements.

The Company is developing and evolving medical and adult hemp-based formulations to create general use health and well-being products for the emerging consumer category made possible by the legalization of hemp in the United States pursuant to the Agricultural Improvement act of 2018. The Company also owns its Scout DS® device that is a clinical tool to assist in the identification of both prediabetes and type 2 diabetes.

During the year, the strategic direction of the Company was centered on its CBD operations. In the fourth quarter of 2017, the Company acquired JBlu and in the first quarter of 2018 enhanced its hemp-based focus by acquiring Rise Research. The acquisition of Life Bloom Organics ("Life Bloom") which occurred on July 11, 2018 has further expanded RISE's portfolio of CBD products from sexual health and wellness products to include wellness, sleep, sport recovery and PMS products and provide access to Life Bloom's existing channels of distribution and production in the U.S. Life Bloom's proprietary process of nanotizing CBD for increased bioavailability without psychoactivity will enhance future offerings under the RISE brand umbrella.

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 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 and 3,957,954 warrants to the shareholders of RISE Research and bought out the current Canadian royalty agreement for a sum of $250,000.

Life Bloom Organics and Cultivate Kind

On July 11, 2018 the Company acquired 100% of the outstanding shares of California Based Life Bloom Organics and Brandmax DBA Cultivate Kind. Life Bloom Organics produces and markets nanotized, hemp-based CBD wellness, sleep, sport recovery and PMS targeted oral sprays with non-GMO, lactose free all-natural ingredients. Life Bloom's proprietary process of nanotizing CBD allows more rapid absorption. Life Bloom products utilize organic, non-GMO farm-bill compliant hemp and are currently available at chiropractic offices, natural health food markets, specialty retailers, and dispensaries in New York and California, as well as sold online via the brand's e-commerce website. The company is headquartered in Malibu, and all products are formulated and produced in California.

Brand strategy agency Cultivate Kind specializes in full-service brand development, go-to-market strategy, and retail marketing. Headquartered in Malibu, California, the executive team specializes in brand pathfinding with an extensive background in food and beverage, consumer products, wine and spirits, fashion and retail, automotive, and entertainment, which informs the company's best practices and tactical programs for new consumers. The Cultivate Kind company ecosystem includes a network of best-in-class production resources, enabling it to provide clients with the very best support for new and established brands. The agency recently brought CBD company Life Bloom Organics to market in California.

Under the terms of the acquisition, RISE has issued 2,000,000 common shares in aggregate to the sellers of Cultivate Kind and Life Bloom Organics. The common shares are subject to the following contractual lockup provisions: (i) for the first 12 months from closing, 100% of the payment shares will be subject to lock-up; (ii) after 12 months, 75% of the payment shares will remain subject to lock-up; (iii) after 24 months, 50% of the payment shares will remain subject to lock-up; and (iv) after 36 months, no payment shares will be subject to lock-up.

In addition, warrants to purchase 1,000,000 common shares in RISE were issued at closing, each warrant having a five-year term and an exercise price of CDN$0.45 per common share. The warrants vest as to one-third 12 months after closing, and additional one-third vest 24 months after closing, and the balance of one-third vest 36 months after closing.

The sellers of Cultivate Kind and Life Bloom Organics are to be paid aggregate cash consideration of US$500,000 with US$175,000 due at closing. An additional payment of US$162,500 will be made on June 1, 2019 with the final payment of US$162,500 being made on June 1, 2020. The principals and key employees of Life Bloom Organics and Cultivate Kind have entered into employment contracts with RISE's U.S. subsidiary.

Scout Assessment Corp.

On February 24, 2016, the Company announced that because 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 assessment 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 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

The Company is now in revenue, generating $186,025 upon launch of its new products, sales of existing LBO products and consulting revenue.

On June 21, 2018, RISE announced the launch of its CBD-based wellness brand, Karezza, at retail in California as of June 20,

2018. Karezza's launch kicked off at holistic wellness boutique Mother Nature's Remedy, with early response to product on shelves being very positive.

Karezza is a suite of sexual wellness supplements that when launched included a couples "In the Moment" mood support supplement, plus a "Women's Daily" supplement and a "Men's Daily" supplement that supports each gender's sexual and reproductive body systems.

Each Karezza product contains full-spectrum CBD from organic, U.S. Farm Bill hemp and an FDA-compliant synergistic blend of herbs, adaptogens and essential oils formulated from botanical traditions to enhance sexual experience. These Karezza products are non-psychoactive.

In March 2019, RISE developed a targeted Recovery Formula to enhance the daily routines of those with active lifestyles. RISE also developed a new PMS Formula seeking a product to help ease occasional discomfort stemming from common premenstrual symptoms. Both come in oral sprays and were added to the existing Life Bloom Organics suite of products.

Recovery Formula features 120mg of organic hemp oil extract per bottle to help balance the body's systems and deliver key botanical actives. Recovery Formula also contains L-carnitine L-tartrate, turmeric extract, glucosamine sulfate, creatine ethyl ester HCI and beta alanine.

PMS Formula also features the Life Bloom Organic brand's core ingredient, 120mg of organic hemp oil extract, as well as vitamin B-6 paired with magnesium, calcium and chasteberry.

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

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 a non-brokered private placement through the issuance of an aggregate of 7,366,166 units at a price of $0.30 per Unit for gross proceeds of $2,209,849.80. Each unit is comprised of one common share of the Company and one-half of one common share purchase 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.

On July 3, 2018**,** the Company closed a non-brokered private placement through the issuance of an aggregate of 4,824,399 units at a price of $0.30 per unit for gross proceeds of $1,447,319.70. Each unit is comprised of one common share of the Company and one-half of one common share purchase 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.

On August 1, 2018 the Company closed a non-brokered private placement through the issuance of an aggregate 766,666 units at a price of $0.30 per unit for gross proceeds of $230,000. Each unit is comprised of one common share of the Company and one-half of one common share purchase 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

Broker commissions were issued in connection with the April 19, 2018, July 3, 2018 and August 1, 2018 non-brokered private placements.

On August 1, 2018, the Company welcomed Ryan Rocca to the board of directors and thanked Constance Finley who had resigned from the Board. Mr. Rocca, the General Manager of RISE Life Science USA, is leading the Company's retail and online sales and branding efforts in California, USA.

On October 3, 2018, it was announced that Scott Secord, formerly Chief Executive Officer of Gaming Nation, had been appointed to RISE's board of directors and the position of Executive Chairman.

Anton Mattadeen and Chris Dollard, while resigning from the board and their executive positions, continue in a consulting role to support RISE and the new team.

On November 14, 2018, the Company completed a tranche of convertible notes, raising $4,035,000.

On December 4, 2018, the Company completed a second tranche of convertible notes, raising an additional $1,490,000.

Units in both cases were issued comprising of notes and warrants. The notes bear interest at 12% per year, paid quarterly in cash to the holders of the notes. The maximum term of the notes is 24 months and the minimum twelve months, after which time the Company can repay the principle amount of the notes and any accrued but unpaid interest without any penalty or bonus.

At any time prior to repayment of Notes by the Company, the outstanding principal amount of each note and any accrued and unpaid interest is convertible at the sole discretion of the noteholder into common shares of the Company at the conversion price of $0.15 per share. In addition, the notes are convertible by the Company in its discretion into common shares at the conversion price of $0.15 per share in the event that the Company's common shares trade at $0.35 or more for 21 or more consecutive trading days on the Canadian Securities Exchange.

The purchasers of the notes in the first and second tranche were also issued an aggregate of 28,897,310 and 9,932,340 common share purchase warrants of the Company respectively where each warrant issued is exercisable for 24 months from the date of issue for $0.15 per warrant, into (i) one common share, and (ii) one half of one common share purchase warrant (each whole such warrant a "Bonus Warrant"). Each Bonus Warrant shall be exercisable into one Common Share at an exercise price of C$0.20 per share and shall expire 12 months from the date of its issuance.

On January 29, 2019 announced that Greg Mills, formerly Head of RBC's Global Equities, had been appointed to RISE's Board of Directors.

On February 1, 2019, RISE announced today that it had selected Solcanna S.A. de C.V. ("Solcanna") to act as a distributor of its Life Bloom Organics brand of CBD-based health and wellness products in Mexico.

Life Bloom Organics' proprietary 'Nano' hemp extract oral sprays can be found at natural health food markets, chiropractic offices, specialty retailers and dispensaries in New York and California, as well as online at www.lifebloomorganics.com. The initial purchase order executed with Solcanna will see Life Bloom Organics' Wellness formulation initially placed in three key Mexican markets: Mexico City, Guadalajara, and Monterrey.

Solcanna and RISE have planned this launch in the Mexican marketplace with an initial order of approximately Cdn$350,000 to place product at retailers in Mexico City, Guadalajara, and Monterrey. The expectation is for recurring orders to be placed, additional Mexican markets to be launched, and additional products to be added to RISE's Mexican portfolio.

On March 20, 2019, the Company announced that it had expanded its product portfolio with new offerings from its Life Bloom Organics brand launching in calendar Q1 2019 with even more products planned to roll out in Q2 2019.

In response to the Company's growth and U.S. customer demands, Life Bloom Organics is adding two new oral spray formulas to its suite of product offerings. Athletes are a core client base of the existing Wellness formula, from avid runners and gym goers to cyclists, skateboarders and surfers. To meet their specific needs, RISE has developed a targeted Recovery Formula to enhance the daily routines of those with active lifestyles.

RISE is also announcing today the new PMS Formula to address requests from female fans of Life Bloom Organics seeking a product to help ease occasional discomfort stemming from common premenstrual symptoms.

Recovery Formula features 120mg of organic hemp oil extract per bottle to help balance the body's systems and deliver key botanical actives. Recovery Formula also contains L-carnitine L-tartrate, turmeric extract, glucosamine sulfate, creatine ethyl ester HCI and beta alanine.

PMS Formula also features the Life Bloom Organic brand's core ingredient, 120mg of organic hemp oil extract, as well as vitamin B-6 paired with magnesium, calcium and chasteberry.

On April 1, 2019, the Company completed a tranche of convertible notes, raising an additional $2,249,000. Units were issued

comprising of notes and warrants. The notes bear interest at 12% per year, paid quarterly in cash to the holders of the notes. The maximum term of the notes is 24 months and the minimum twelve months, after which time the Company can repay the principle amount of the notes and any accrued but unpaid interest without any penalty or bonus.

At any time prior to repayment of Notes by the Company, the outstanding principal amount of each note and any accrued and unpaid interest is convertible at the sole discretion of the noteholder into common shares of the Company at the conversion price of $0.15 per share. In addition, the notes are convertible by the Company in its discretion into common shares at the conversion price of $0.15 per share in the event that the Company's common shares trade at $0.35 or more for 21 or more consecutive trading days on the Canadian Securities Exchange.

The purchasers of the notes in this tranche were also issued an aggregate of 15,658,434 common share purchase warrants of the Company where each warrant issued is exercisable for 24 months from the date of issue for $0.15 per warrant, into (i) one common share, and (ii) one half of one common share purchase warrant (each whole such warrant a "Bonus Warrant"). Each Bonus Warrant shall be exercisable into one Common Share at an exercise price of C$0.20 per share and shall expire 12 months from the date of its issuance.

Certain proceeds of this tranche, together with the notes and warrants issued will be deposited with an escrow agent upon closing. If the Company is successful in completing a CBD-related investment (the "Transaction"), the certificates representing any escrowed units will be automatically released from escrow to the subscribers thereof, and any escrowed proceeds will be automatically released from escrow to the Company. If a Transaction has not closed on or before June 30, 2019, unless otherwise agreed by the Company and subscribers for escrowed units, the escrowed proceeds will be returned to subscribers of escrowed units and the notes and warrants that are part of the escrowed units will be returned to the Company for cancellation.

Overview

During the year, the strategic direction of the Company was centered on its hemp-based 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. The acquisition of Life Bloom Organics on July 11, 2018 immediately expanded RISE's portfolio of CBD products from sexual health and wellness products to wellness, sleep, sport recovery and PMS products and access to Life Bloom's existing channels of distribution and production in the U.S. RISE will also leverage Life Bloom's proprietary process of nanotizing CBD for increased bioavailability without psychoactivity in future products created under the RISE brand umbrella.

The Company's launch on June 20, 2018 of its CBD-based wellness brand, Karezza coupled with its recent acquisition means the Company is now generating revenue. The Company saw revenue of $186,025 upon launch of its new Karezza line, sales of existing LBO products and consulting revenue.

The Company's 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 about the Company's ability to continue as a going concern as the Company has experienced operating losses and cash outflows from operations since incorporation and has accumulated a deficit of $37,877,148 as at November 30, 2018 (November 30, 2017 - $26,020,975) and has a working capital of $1,910,855 (November 30, 2017 – working capital of $160,373).

Financial Information

DESCRIPTION	30 Nov 2018	30 Nov 2017	30 Nov 2016
	AMOUNT $	AMOUNT $	AMOUNT $
Revenues	186,025	-	-
Expenses	12,042,198	2,386,591	1,108,642
Net loss for the year	(11,856,173)	(2,386,591)	(1,108,642)
Comprehensive loss	(11,871,841)	(2,386,591)	(1,108,642)
Basic & diluted loss per share	(0.24)	(0.18)	(0.50)
Cash flow from operating activities	(3,975,647)	(2,036,591)	(350,613)
Cash	3,878,161	1,065,974	133,134
Total assets	5,650,917	3,155,706	443,619
Total long-term financial liabilities	6,423,276	2,776,893	2,587,932
Dividends	-	-	-

The Company commenced revenue generating activities at or about the time it acquired Life Bloom Organics and Brandmax Inc. Revenue for the year was $186,025 compared to nil for prior comparative year and was comprised principally from product sales and consulting revenue.

Selling, general and administrative expenses increased by $2,831,783 from $1,757,659 as at November 30, 2017 to $4,589,442 for the year ended November 30, 2018. The significant increase is a result of the Company readying itself, performing market research and launching its commercial cannabis products while looking for ways to enhance its already vertically integrated organizational structure. The level of M&A activities increased substantively, closing on three acquisitions during the year compared to one in the prior year. Further, in the year, the Company was generally working on less initiatives, had a smaller team and was not actively creating brand awareness or market presence.

Finance expense for the year ended November 30, 2018 was $447,566 (2017 -$352,589). The increase is a result of a changing debt load and other accruals for interest expense as well as the addition of convertible debt near the end of the reporting period.

The Company experienced a foreign exchange loss of $7,890 for the year ended November 30, 2018 compared to a foreign exchange gain of $10,108 in the prior year. The change year over year is due to unfavourable foreign exchange rates on US denominated balances in the Canadian entity offset marginally by intercompany debt between the Canadian parent and its US subsidiaries.

Activity for contract and debt settlement saw a gain of $11,107 in the year and which was substantively lower than in 2017 which saw a gain of $190,955. The driving factor was that the Company had less debt to deal with in the current year when compared to the prior year.

Stock based compensation expense during year ended November 30, 2018 was $841,891 compared to $235,363 for the comparative year. The difference period over period is tied to the number of options issued and vested during the period and the valuation model inputs which change over time.

During the year ended November 30, 2018, the Company wrote off $13,480 of equipment which was no longer in use and which principally related to old computers and furniture and fixtures. In the prior year, the Company wrote off $242,043 of equipment most of which pertained to Scout and Prevu.

During the year ended November 30, 2018, management judgementally determined that the Canadian license obtained from Jamaica Blu and the worldwide license obtained from Rise Research were impaired. The Company, as a result recorded an impairment charge of $5,942,417 writing the assets down to zero. The Company is currently in the hemp space with no current plans to enter the THC business. Both licenses consider a THC product and all current offerings deviate significantly from the licensed product. In the prior year, no impairment of licenses or other intangible assets was recorded.

Also, during the year ended November 30, 2018, management judgementally wrote-off goodwill of $161,253 which arose on the Cultivate Kind acquisition. The Company is highly focused on growing its own brand and penetrating a variety of markets. Focusing at this time on Cultivate Kind would mean focusing on competing brands which is contrary managements plans at this time.

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	Q4	Q3	Q2	Q1
	$	$	$	$
Revenue	44,242	141,783	-	-
Comprehensive Loss	7,834,535	2,277,265	1,262,927	497,114
Loss per share	0.13	0.04	0.03	0.01

2017	Q4	Q3	Q2	Q1
	$	$	$	$
Revenue	-	-	-	-
Comprehensive Loss	1,096,199	277,983	412,735	599,674
Loss per share	0.04	0.03	0.04	0.08

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 on occasion, government grants. As at November 30, 2018 the Company had working capital of $1,910,855 (November 30, 2017 - $160,373).

The Company has experienced operating losses and cash outflows from operations since incorporation and has accumulated a deficit of $37,887,148 as at November 30, 2018 (November 30, 2017 - $26,020,975).

On April 19, 2018**,** the Company closed on a non-brokered private placement through the issuance of an aggregate of 7,366,166 Units at a price of $0.30 per Unit for gross proceeds of $2,209,849.80. Each Unit is comprised of one common share of the Company and one-half of one common share purchase 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.

On July 3, 2018, the Company closed a non-brokered private placement through the issuance of an aggregate of 4,824,399 Units at a price of $0.30 per Unit for gross proceeds of $1,447,319.70. Each Unit is comprised of one common share of the Company and one-half of one common share purchase 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.

On August 1, 2018, the Company closed its final tranche a non-brokered private placement through the issuance of an aggregate 766,666 Units at a price of $0.30 per Unit for gross proceeds of $230,000. Each Unit is comprised of one common share of the Company and one-half of one common share purchase 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.

On November 14, 2018, the Company completed a tranche of convertible notes, raising $4,035,000.

On December 4, 2018, the Company completed a second tranche of convertible notes, raising an additional $1,490,000.

Units in both cases were issued comprising of notes and warrants. The notes bear interest at 12% per year, paid quarterly in cash to the holders of the notes. The maximum term of the notes is 24 months and the minimum twelve months, after which time the Company can repay the principle amount of the notes and any accrued but unpaid interest without any penalty or bonus.

At any time prior to repayment of Notes by the Company, the outstanding principal amount of each note and any accrued and unpaid interest is convertible at the sole discretion of the noteholder into common shares of the Company at the conversion price of $0.15 per share. In addition, the notes are convertible by the Company in its discretion into common shares at the conversion price of $0.15 per share if the Company's common shares trade at $0.35 or more for 21 or more consecutive trading days on the Canadian Securities Exchange.

The purchasers of the notes in the first and second tranche were also issued an aggregate of 28,897,310 and 9,932,340 common share purchase warrants respectively of the Company where each warrant issued is exercisable for 24 months from the date of issue for $0.15 per warrant, into (i) one common share, and (ii) one half of one common share purchase warrant (each whole such warrant a “Bonus Warrant”). Each Bonus Warrant shall be exercisable into one Common Share at an exercise price of C$0.20 per share and shall expire 12 months from the date of its issuance.

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Certain proceeds of this tranche, together with the notes and warrants issued will be deposited with an escrow agent upon closing. If the Company is successful in completing a CBD-related investment (the "Transaction"), the certificates representing any escrowed units will be automatically released from escrow to the subscribers thereof, and any escrowed proceeds will be automatically released from escrow to the Company. If a Transaction has not closed on or before June 30, 2019, unless otherwise agreed by the Company and subscribers for escrowed units, the escrowed proceeds will be returned to subscribers of escrowed units and the notes and warrants that are part of the escrowed units will be returned to the Company for cancellation.

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 as of November 30, 2018 over the next five years.

	Payments due by Period			
	Within 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 2,311,102	$ 167,007	$ -	$ 2,478,109
Long-term debt including interest	300,000	1,000,000	1,811,488	3,111,488
Convertible debt including interest	95,266	4,035,000	-	4,130,266
Loan	9,237	18,474	1,164	28,911
	$ 2,715,605	$ 5,220,481	$ 1,812,652	$ 9,748,774

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 year ended November 30, 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 November 30, 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 year ended November 30, 2018 or 2017.

Off Balance Sheet Arrangements

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

A claim for breach of performance was lodged against the Company and certain directors of the Company. The Company has assessed the claim as being without merit and has therefore, not recognized any provision with respect to this claim. Subsequent to year end, a settlement offer was made by the claimant. The Company settled for $6,500.

A summary judgement has been made against the Company which pertains to prior years. The Company, in the fourth quarter changed the amount provided for by increasing its provision by $4,141 and believes the existing provision with respect to this claim is sufficient. During the first quarter of 2019, the Company engaged external legal counsel to assist with this matter.

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, Chief Operations Officer and Chief Financial Officer are key management personnel.

In addition to their salaries, the Company also provides non-cash benefits and participation in the Company's stock option plan. Compensation paid to key management personnel for the periods ended November 30, 2018 and November 30, 2017 is as follows:

		2018		2017
Salaries, fees and short-term employee benefits	$	**1,065,805**	$	233,000
Stock-based compensation		**717,685**		165,634
	$	**1,783,490**	$	398,634

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 three categories on initial recognition:

- financial assets measured at amortized cost; or
- financial assets measured at fair value through profit and loss; or
- financial assets measured at fair value through other comprehensive income or loss

Under IFRS 9, expected lifetime credit losses or 12 month expected credit losses (ECL), depending on the stage that the financial instruments fall into, are recognized at each reporting period even if no actual losses have taken place. In addition to past events and current conditions, reasonable and supportable future conditions that are available without undue cost or effort are also considered. Trade receivables, contract assets and lease receivables are allowed to apply a simplified approach in determining the ECL.

The Company does not expect the adoption of IFRS 9 to have a material impact on its financial statements.

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 does not expect IFRS 15 to have a material impact to its financial statements.

IFRS 16, Leases

This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, Leases, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. The new standard is effective for annual periods beginning on or after January 1, 2019, which is when the Company intends to adopt IFRS 16 in its consolidated financial statements. There were no leases as at the year end and as such, the Company does not expect there to be any adjustments to its historical financial statements as a result of adoption of this standard.

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 and the United States. A portion of its expenses may be incurred in other countries but primarily is incurred in United States dollars ("US dollar") and Canadian dollars ("CAD 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 may have a significant effect on the Company's results of operations, financial position or cash flows.

As at November 30, 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 November 30, 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 period ended November 30, 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.

(iv) 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 and early revenue stage company.

The capital structure of the Company consists of cash, 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, 2017.

The Company is not subject to externally imposed capital requirements. To maximize investment in and development of its products, the Company does not pay out dividends.

Share Capital

	April 1, 2019	November 30, 2018	November 30, 2017
Common shares issued and outstanding	59,243,687	59,243,687	33,836,449
Options outstanding	4,208,400	4,036,300	678,000
Warrants outstanding	74,810,896	50,860,483	11,976,262

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 on occasion 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 the Company's ability to attain regulatory approvals where required, the market acceptance of the Company's products, the state of the capital markets generally (with particular reference hemp 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 commenced earning revenue in 2018 on its commercial market development of Life Bloom Organic's and Karreza hemp products but, in light of the length of time and expense associated with bringing new products through commercialization 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 product sales.

- 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 and unsecured 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 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. As the company eventually plans to market products in Canada through licensing and partnerships with Canadian licensed producer operators, the Canadian cannabis regulations 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 cannabis, including marijuana and hemp, in the United States, various varieties of cannabis, primarily distinguished as between marijuana and hemp, are regulated independently. Marijuana remains federally illegal within the United States and is thus largely regulated at the state level. Conversely, although hemp is federally lawful, there remain certain uncertainties and inconsistencies amongst federal agency interpretation of laws as well as under state law. To the Company's knowledge, there are to date a total of approximately 40 U.S. states and territories that have legalized marijuana in some form. Notwithstanding the permissive regulatory environment of medical or adult use marijuana at the state level, marijuana continues to be categorized as a Schedule I controlled substance under the federal Controlled Substances Act ("CSA") and as such, violates federal law in the United States. With respect to hemp, the Agriculture Improvement Act of 2018 (the "Farm Bill") defines "hemp" and clarified and affirmed that hemp is not to be treated as a controlled substance in the CSA and permanently removes hemp from the definition of "marijuana." Although interference with interstate commerce of hemp and hemp products is now expressly prohibited by the Farm Bill, varying state legislation and policies related to hemp and/or CBD remain, at times, contradictory to federal law. As a result of the conflicting views between state legislatures and the United States federal government regarding marijuana and/or hemp, investments in marijuana or hemp 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-compliant hemp products – products derived from hemp (as defined under federal law) sourced via state-authorized hemp programs from 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 transactions containing products with a THC content exceeding 0.3%, the Company is evaluating licensing

agreements with third parties 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.

- **Hemp-derived cannabinoids such as CBD are subject to numerous governmental regulations and it can be costly to comply with these regulations and to develop compliant products and processes.**

- Naturally-occurring compounds, which may be used in the manufacture of various food or dietary supplement products intended for human or animal consumption, topicals and drugs are subject to rigorous regulation by the U.S. Food and Drug Administration ("FDA") and numerous international, supranational, federal and state authorities. The process of obtaining regulatory approvals to market such products can be costly and time-consuming, and approvals might not be granted for future products, or additional indications or uses of existing products, on a timely basis, if at all. Delays in the receipt of, or failure to obtain approvals for, future products, or new indications and uses, could result in delayed realization of product revenues, reduction in revenues, and in substantial additional costs. In addition, no assurance can be given that we will remain in compliance with applicable FDA and other regulatory requirements. These requirements may include, among other things, regulations regarding manufacturing practices, product labeling and advertising.

- **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, where applicable and U.S. Federal, state and local 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.

- **Unfavorable Publicity or Consumer Perception** - The success of the cannabis including hemp industry may be significantly influenced by the public's perception of cannabis applications. Cannabis is a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion will be favorable. The cannabis industry is an early-stage business that is constantly evolving with no guarantee of viability. The market is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of cannabis, including hemp 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 cannabis, including hemp 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 this 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 consolidated financial statements for the period ended November 30, 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, loan and accrued interest on secured debt and loan.

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 less 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 measured 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 and licenses

The Company's other intangible assets including licenses 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, goodwill 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.

The Company assessed the value of its licenses acquired from Jamaica Blu and Rise Research at year end and judgementally determined that the licenses were impaired. An impairment charge of was recorded in the consolidated statement of loss and comprehensive loss. In assessing for impairment, management considered, the nature of the product licensed including the expected ingredient list, product manufacturing process and product delivery method and compared the licensed product to current products in development and sale and noted substantive differences. Management further considered the Company's current hemp based initiatives to the licensed product and noted key substantive differences. Lastly, Management considered the Company's current markets. As a result of the analysis done management determined that the value in use was nominal at year end, requiring the impairment charge. At a future date, the licensed products and those products in production may be more similar at which time, the impairment charge net of expected accumulated amortization could be reversed.

The Company also assessed the goodwill recorded on its Life Bloom Organics and Cultivate Kind acquisitions. Management judgementally determined that the lowest cash generating units for the purpose of testing for goodwill impairment was at the subsidiary level of Life Bloom Organics and Cultivate Kind respectively. Management estimated value in use by referring to its budgeted revenues and costs and also looked at its current key markets and focus. Growth in revenues and costs were estimated looking at market expectations, competitor estimates as well as risk free growth rates. Sensitivity analysis on growth rates was performed. Discounted cash flows were performed using an estimated 18 percent discount rate. This rate was judgementally determined by looking at comparable investments in the Company and expected returns. As a result of management's assessment, management judgementally determined that the goodwill recognized upon the acquisition of Life Bloom Organics was not impaired. The goodwill recognised on Cultivate Kind was judgementally determined to be impaired and was written down to a nil value.

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 considering 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 agreements, upfront payments, milestone payments, ongoing royalties on sales and other sources of revenue;
- expectations regarding new opportunities;
- expectations to develop and commercialize hemp 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 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 projects'
- regulatory developments affecting the legalization of hemp related products;
- interest rates and foreign exchange rates;
- the Company's costs;
- 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.