The following management's discussion and analysis ("MD&A") is current to April 6, 2020 and should be read in conjunction with Rise Life Science Corp.'s ("RLSC", "RISE" or the "Company") audited consolidated financial statements for the years ended November 30, 2019 and 2018 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 annual 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 including its annual MD&A and audited financial statements are available on SEDAR at www.sedar.com.

Overview

Overall Performance

During the year, the strategic direction of the Company was centered on its hemp-based CBD products, distribution and operations. The acquisition of Life Bloom Organics on July 11, 2018 immediately expanded RISE's portfolio of hemp-based CBD products from sexual health and wellness products to include wellness and sleep and provided access to Life Bloom's existing channels of distribution and production in the United States.

RISE completed two tranches of financing through a convertible debenture offering during the year that raised $3,814,000 for CBD-related and general working capital requirements of which $2,050,000 was held in escrow during the year and subsequently returned to investors. This raise was in addition to the raise which was completed in November of the prior fiscal year of $4,035,000 which was also for general working capital requirements.

The Company realized $974,260 dollars of revenue from its online, business to business and distribution and partnership arrangements. Since the year ended November 30, 2018, RISE has launched several new products to compliment its existing portfolio which, as of December 1, 2018 included its Life Bloom Organics' Wellness Formulation (oral spray) and Sleep Formulation (oral spray) and its Karezza brand Women's Once a Day (oral spray), Men's Once a Day (oral spray) and In the Moment (oral spray). These new products included a Sports Recovery formula, PMS formula and Intimacy formula. In addition to the existing oral spray line, new quick dissolve tablet lines were added as well as topical balms.

Despite the growth in offerings, revenue targets fell short of projections during the year. The current cannabis market is challenging and has required the Company to alter its sales operations in the United States. The Company continues to use every effort to reduce expenditures, seek additional capital and restructure its indebtedness including steps to significantly decrease its U.S. workforce as previously announced.

Subsequent to year end, the Company announced that it would be returning the escrowed proceeds of its April 1, 2019 financing as the Company did not complete a qualifying CBD related investment within the allotted time. The Company also disclosed that it could not meet its current obligations to holders of its convertible notes issued on November 14, 2018 and December 4, 2018 in the aggregate principal amount of $5,525,000. In addition, the Company can not meet its obligations on its April 1, 2019 convertible notes of $274,000. To date, none of the note holders or other creditors has taken any action or commenced any proceedings with respect to the enforcement of any of its rights or remedies under such agreements. The Company continues to try to raise sufficient funds to settle all unpaid amounts that are due and payable to creditors or amend its existing agreements with them. However, any default under the notes would have a material adverse effect on the business, financial condition and continued operations of the Company.

Subsequent to November 30, 2019, financial markets have been negatively impacted by the novel Coronavirus or COVID-19, which was declared a pandemic by the World Health Organization on March 12, 2020. This has resulted in significant economic uncertainty and consequently, it is difficult to reliably measure the potential impact of this uncertainty on the Company's future financial results and its ability to raise needed capital either through the issuance of debt or equity.

Discussion of Operations

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 $45,003,924 as at November 30, 2019 (November 30, 2018 - $37,877,148) and had working capital deficit of $9,292,754 (November 30, 2018 – working capital of $1,910,855).

Financial Information

DESCRIPTION	**30 Nov 2019**	**30 Nov 2018**	**30 Nov 2017**
	AMOUNT $	**AMOUNT $**	**AMOUNT $**
Revenues	974,269	186,025	-
Expenses	8,101,045	12,042,198	2,386,591
Net loss for the year	(7,126,776)	(11,856,173)	(2,386,591)
Comprehensive loss	(7,155,896)	(11,871,841)	(2,386,591)
Basic & diluted loss per share	(0.12)	(0. 24)	(0.18)
Cash flow from operating activities	(7,107,249)	(3,972,083)	(2,036,591)
Cash	254,170	3,878,161	1,065,974
Total assets	3,164,234	5,650,917	3,155,706
Total long-term financial liabilities	1,492,486	6,423,276	2,776,893
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 $974,269 compared to $186,025 for prior comparative year. Last years sales number was a blend of consulting and product sales whereas the current year was solely comprised of product sales from online sources ($171,231) such as Amazon as well as the Company’s business to business ($397,684) and wholesale distribution deals ($405,354).

Selling, general and administrative expenses increased from $4,589,442 in the prior year to $5,249,078 as at November 30, 2019. The increase year on year is a result of increased US focused operations partially offset by a decrease in M&A activities in the corporate office versus those in the prior comparative period.

Gross profit year over year changed from $136,659 to $338,148 despite the much larger percentage increase in sales year on year. This is due to a variety of reasons which includes certain revenues in the prior year having zero costs attributed to them such as consulting revenue. No such revenue existed in the current year. Also, the mix of product sales will impact cost of goods sold and gross profit. Wholesale distribution sales will typically have a much lower margin than business to business and online sales due to lower selling prices. There were no wholesale sales in the prior year whereas nearly 42% of sales in the current year were from wholesale sales.

Finance expense for the year ended November 30, 2019 was $1,719,270 (2018 -$447,566). The large increase is a result of a changing debt load from the addition of the November, December and April debt tranches. The increase is also tied to the accounting for the convertible notes which get discounted upon recognition and accreted into the consolidated statement of net loss and comprehensive loss to get back to face value over the term of the respective note thereby, also increasing the effective finance charge year on year.

The Company experienced a foreign exchange gain of $5,682 for the year ended November 30, 2019 compared to a foreign exchange loss of $7,890 in the prior year. The change year over year is due to favourable foreign exchange rates on US denominated balances in the Canadian entity but more importantly 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 prior year with nil in the current year. There were no debt settlements in the current year which explain the nil balance when compared to the prior year.

Stock based compensation expense during year ended November 30, 2019 was $293,812 compared to $841,891 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, 2019, the Company wrote off $26,653 of equipment which was no longer in use and which principally related to computers and furniture and fixtures. In the prior year, the Company wrote off $13,480 of equipment for the same reason.

During the year ended November 30, 2019, management judgementally determined that certain of its patents and other insignificant intangible assets were impaired and therefore recorded an impairment charge of $181,798. During the prior year the Canadian license obtained from Jamaica-Blu Ltd. and the worldwide license obtained from Rise Research Inc. were determined to be impaired. The Company, as a result recorded an impairment charge of $5,942,417 in the prior year, writing the assets down to zero.

Also, during the year ended November 30, 2018, management judgementally wrote-off goodwill of $161,253 which arose on the Cultivate Kind acquisition. Upon assessment in 2019, no impairments to goodwill were noted or recognized.

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):

2019	Q4	Q3	Q2	Q1
	$	$	$	$
Revenue	72,449	201,137	600,081	100,602
Comprehensive Loss	1,331,535	2,153,942	1,810,348	1,860,071
Loss per share	0.02	0.04	0.03	0.03

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	0.01	0.01

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 November 30, 2019, the Company had negative working capital of $9,292,754 (November 30, 2018 - $1,910,855).

The Company has experienced operating losses and cash outflows from operations since incorporation and has accumulated a deficit of $45,003,924 as at November 30, 2019 (November 30, 2018 - $37,877,148).

On December 4, 2018, the Company completed a tranche of convertible notes, raising $1,490,000 under the same terms as outlined below and with conditions as the previous tranche which closed in November, 2018 of $4,035,000.

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 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 of this tranche were issued an aggregate of 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 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 April 1, 2019, the Company completed a tranche of units, raising an additional $274,000. Units issued comprised of convertible 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 is 12 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 issued an aggregate of 1,826,484 common share purchase warrants of the Company. 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 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.

Also, on April 1, 2019, the Company raised an additional $2,050,000 which was deposited with an escrow agent. The escrowed funds were to be released to the Company providing the Company was successful in completing a CBD-related investment (the "Transaction") within the agreed upon time. Should the Company fail to complete the Transaction, then the escrowed funds would be returned to the subscribers. The additional $2,050,000 was recorded at face value and the funds held in escrow shown as restricted cash in the financial statements. A portion of the $2,050,000 was partially paid back prior to the year ended November 30, 2019 with the remaining $1,925,000 paid back to investors subsequent to year end.

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 31, 2019 over the next five years.

	Payments due by Period			
	Within 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 2,152,742	$ -	$ -	$ 2,152,742
Secured Promissory notes including interest	3,488,540	-	-	3,488,540
Convertible debt including interest	6,433,349	1,614,499	-	8,047,848
	$ 12,074,631	$ 1,614,499	$ -	$ 13,689,130

Subsequent to year end, the Company announced that it would be returning the escrowed proceeds of its April 1, 2019 financing as the Company did not complete a qualifying CBD related investment. The Company also disclosed that it could not meet its current obligations to holders of its convertible notes issued on November 14, 2018 and December 4, 2018 in the aggregate principal amount of $5,525,000, In addition, the Company cannot meets its obligations to holders of its convertible notes issued on April 1, 2019 of $274,000. To date, none of the note holders or other creditors has taken any action or commenced any proceedings with respect to the enforcement of any of its rights or remedies under such agreements. The Company continues to try to raise sufficient funds to settle all unpaid amounts that are due and payable to creditors or amend its existing agreements with them. However, any default under the notes would have a material adverse effect on the business, financial condition and continued operations of the Company.

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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, Interim Chief Executive 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, 2019 and 2018 is as follows:

		2019		2018
Salaries, fees and short-term employee benefits	$	**1,099,223**	$	1,065,805
Stock-based compensation		**221,548**		717,685
	$	**1,320,771**	$	1,783,490

Included in accounts payable and accrued liabilities as at November 30, 2019 is $369,573 (November 30, 2018 $815,662) due to directors and key management.

Fourth Quarter

During the fourth quarter, the Company took action to alter its sales operations in the United States. It significantly decreased its U.S. workforce, reduced expenditures and sought either additional or to restructure its exiting debt.

Changes in Accounting Policies

New Standards and Interpretations Adopted

IFRS 9 Financial Instruments
Effective December 1, 2018, the Company adopted IFRS 9, Financial Instruments. In accordance with the transitional provisions, the Company adopted the standard retrospectively without restating comparatives as the change did not impact the opening balances.

IFRS 9 replaces IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for the classification, measurement and impairment of financial assets and hedge accounting. It establishes two primary measurement categories for financial assets: (i) amortized cost and (ii) fair value either through profit or loss (“FVPL”) or through other comprehensive income (“FVOCI”); establishes criteria for the classification of financial assets within each measurement category based on business model and cash flow characteristics; and eliminates the existing held for trading, held to maturity, available for sale, loans and receivable and other financial liabilities categories. IFRS 9 also introduces a new expected credit loss model for the purpose of assessing the impairment of financial assets. The following table shows the previous classification under IAS 39 and the new classification under IFRS 9 for the Company’s financial instruments:

	Original (IFRS 39)	**Revised (IFRS 9)**
Financial assets		
Cash	Loans and receivables	Amortized cost
Restricted cash	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Secured promissory notes	Other financial liabilities	Amortized cost
Accrued interest	Other financial liabilities	Amortized cost
Convertible notes	Other financial liabilities	Amortized cost

The following are the Company’s new accounting policies for financial instruments under IFRS 9:

Financial assets
Non-derivative financial assets within IFRS 9 are classified as “financial assets at fair value” (either through FVOCI or through FVPL), and “financial assets at amortized cost” as appropriate. The Company determines the classification of its financial assets at initial recognition based on the Company’s business model and contractual terms of cash flows.

All financial assets are recognized initially at fair value plus, in the case of investments not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Where the fair values of financial assets recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values.

Financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in finance expense in the consolidated statements of net loss and comprehensive loss.

Financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of net loss and comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

De-recognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gains or losses reported in other income or expense in the consolidated statements of net loss and comprehensive loss.

Impairment of financial assets

The impairment model under IFRS 9 is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date. The Company's only financial assets subject to impairment are accounts receivable which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized. The Company has measured the lifetime expected credit losses taking into consideration historical credit loss experience and financial factors specific to debtors and other relevant factors.

Financial liabilities

Non-derivative financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, loans, secured promissory notes and convertible notes which are each measured at amortized cost.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

Financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the consolidated statements of net loss and comprehensive loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gains or losses reported in other income or expense in the consolidated statements of net loss and comprehensive loss.

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.

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.

IFRS 15 Revenue from Contracts with Customers
The Company, as of December 1, 2018, adopted IFRS 15, Revenue from Contracts with Customers. The adoption of IFRS 15 had not impact to the financial statements of the Company. Revenue is recognized when control has been transferred, which is considered to occur when products have been delivered to the location specified in the sales contract and accepted by the customer. Revenue is measured based on the consideration specified in contracts, when they are present by taking into account any variation that may result from rights of return. Significant areas of judgement include (i) identifying the customer under the definition of IFRS 15 (ii) estimating returns on product sold and, (iii) assessment of whether control has passed to the customer based on criteria established in IFRS 15.

New standards and interpretations not yet adopted

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 becomes effective for the Company December 1, 2019.

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.

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, 2019 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 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 fixed interest rates. A change of 1% in interest rates over the period ended November 30, 2019 would not have had a significant effect on loss for the period.

(ii) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate or ensuring terms in place cover risk of loss as a means of mitigating the risk of financial loss from defaults. The Company may use information supplied by independent rating agencies where available, and if not available, the Company may use other publicly available financial information and its own records to rate its customers.

Credit risk arises from cash and deposits with banks as well as credit exposure to outstanding receivables, the carrying amounts represent the Company's maximum exposure to credit risk.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

(iii) Liquidity and Funding Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. The Company manages liquidity risk by forecasting its cash needs on a regular basis and seeking additional financing from operations and other sources including debt and equity markets as required.

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. While 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, financing may still not become available which could have a material effect on the Company.

(iv) Capital management

The Company's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue investments and opportunities which contribute to the success of the Company while providing shareholder returns. The company attempts to maximise returns to shareholders by also minimizing shareholder dilution and, when possible utilizing non-dilutive funding arrangements.

The Company includes equity comprised of share capital, contributed surplus, warrants and accumulated deficit in its definition of capital. The Company has financed it operations and capital requirements primarily through the issuance of shares and on some occasions, secured and convertible notes since inception.

The Company manages its capital structure and makes adjustments to it in light of economic conditions and risk characteristics of its underlying assets. The Company may issue new shares or raise debt. The Company is not subject to any externally imposed capital requirements and the overall strategy with respect to capital management remains unchanged from the preceding fiscal year.

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 6, 2020	November 30, 2019	November 30, 2018
Common shares issued and outstanding	60,310,352	60,310,352	59,243,687
Options outstanding	3,401,400	3,551,400	4,036,300
Warrants outstanding	50,090,148	51,360,740	50,860,483

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 by 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-based CBD 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 its 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. 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 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.

Risks Relating to COVID-19

- The recent outbreak of COVID-19 (Coronavirus) pandemic could impact the Company's operations by negatively impacting the supply chain including both manufacturing and delivery of products to customers, create shortages of qualified staff, reduce consumption of product and reduce the availability of both equity and or debt in the marketplace.
- Such an outbreak, could have a material adverse effect on our business, financial condition, results of operations and our ability to raise capital either through equity of debt.

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:

- 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.