The following management's discussion and analysis ("MD&A") is current to July 28, 2020 and should be read in conjunction with Rise Life Science Corp.'s ("RLSC", "RISE" or the "Company") unaudited condensed interim consolidated financial statements for the three and six month periods ended May 31, 2020 and May 31, 2019 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 condensed interim consolidated financial statements have 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

For the three and six months ended May 31, 2020, the Company realized revenue of $10,049 and $26,927 respectively from its online sales channels. Despite the growth in product offerings, revenue targets continue to fall short with COVID-19 severely impairing retail sales and other business development opportunities. As disclosed previously, 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 a result of disappointing revenue numbers and continued challenges in operations due to COVID-19, the Company has shifted its focus to enhancing shareholder value through a proposed strategic acquisition(s).The Company announced that it had entered into a binding letter agreement (the "Agreement") dated April 13, 2020 with HYDRX Farms Ltd. o/a Scientus ("Scientus") to complete a business combination of RISE and Scientus (the "Transaction"). If completed, the Transaction will constitute a "fundamental change" of RISE pursuant to the policies of the Canadian Securities Exchange (the "CSE"). The resulting issuer that would exist upon completion of the Transaction (the "Resulting Issuer") would continue to operate under the name RISE Life Science Corp. until a revised branding strategy is finalized.

The completion of the Transaction is subject to a number of conditions, including but not limited to the following:

- Approval of the Transaction by the shareholders of RISE and Scientus
- Approval of the Transaction by the CSE
- Successful completion by RISE of a minimum $5 million private placement financing (described below)
- Conversion of all outstanding RISE convertible debentures
- Assignment or retirement of current outstanding debenture held in Scientus

Escrow Release Conditions

Upon the satisfaction of the following conditions (the "Escrow Release Conditions"), to be completed within 180 days from the date of closing, the escrow agent shall release the Escrowed Funds (defined below) to the Company.

- All current outstanding debt, not including trade payables, of the Company shall be exchanged for Resulting Issuer Shares based on a conversion price of C$0.075 per share;
- All current interest payable by RISE shall be exchanged for Resulting Issuer Shares based on a conversion price of C$0.05 per share;
- Written confirmation from RISE that there are no ongoing debt obligations, not including trade payables, or interest-bearing liabilities associated with the Company;
- Written confirmation from each of the Company and Scientus that all conditions to the completion of the Transaction have been satisfied or waived, including the assignment and amendment of the Scientus Debt (as defined below), other than the release of the Escrowed Funds;
- The receipt of audited financial statements of Scientus for the years ended December 31, 2018 and December 31, 2019;
- The Resulting Issuer Shares being approved for listing on the CSE; and
- The receipt of all regulatory, shareholder and third-party approvals, if any, required in connection with the Transaction.

RISE Private Placement

As a condition to the Transaction, RISE intends to complete a brokered Private Placement (the "Private Placement"), led by Canaccord Genuity Corp. ("Agent"), of subscription receipts for targeted gross proceeds of up to C$10,000,000 that will be automatically exercised into convertible debenture units of RISE ("RISE Units") (at which time the net proceeds of the Private

Placement are released to the Company) upon the satisfaction of the Escrow Release Conditions. Each RISE Unit is comprised of one C$1,000 principal amount unsecured convertible debenture ("RISE Convertible Debentures") and 20,000 common share purchase warrants ("Warrants"). RISE Convertible Debentures will be convertible into common shares of RISE, at the sole discretion of the holder, at a conversion price of C$0.05 per common share, at any time for a period of 36 months from the satisfaction of escrow conditions. RISE Convertible Debentures will bear 12% interest per annum payable semi-annually, 6% paid in cash and 6% paid in Rise common shares based on the market price of the common shares at the time of payment and in accordance with CSE regulations. Each Warrant exercises into one common share at an exercise price of C$0.07 for 24 months from satisfaction of the Escrow Release Conditions. The Agent will receive a cash commission (the "Cash Commission") equal to 8% of the gross proceeds raised in the Offering and such number of broker warrants (the "Broker Warrants") that is equal to 8% of the number of RISE Units expiring three years following the closing date of the Private Placement. The gross proceeds of the Private Placement, less 50% of the Agent's commission and all of its estimated expenses of the Private Placement (the "Escrowed Funds"), shall be placed into escrow with a third party escrow agent, to be released to the Company upon satisfaction of the Escrow Release Conditions. The net proceeds of the Private Placement will be used for general working capital purposes.

RISE Debenture Conversion

As a condition of the Transaction, all current debentures in RISE totaling C$5.365 million, upon closing of the Transaction, must be converted into common shares of RISE at a conversion price of C$0.075 per common share. The outstanding warrants issued in connection with the current outstanding debentures of RISE (including bonus warrants issuable upon exercise of such warrants) will have their exercise price amended to C$0.05 but must be exercised within 30 days of closing of the Transaction. In addition, outstanding interest owed to debenture holders up to April 30, 2020 will be paid in kind in RISE common shares at C$0.05 per share.

Description of Scientus and its Business

Scientus is a commercial stage, vertically-integrated biopharmaceutical Licensed Producer under the Cannabis Act and its Regulations and also a Licensed Dealer under the Narcotics Control Act and its Regulations. Scientus is one of a limited number of Licensed Producers in Canada authorized to conduct R&D and fully handle cannabinoid products with the ability to wholesale, buy, process and sell cannabinoid derivatives, from and to other Licensed Producers, as well as international markets.
Having created a proprietary platform that produces a significantly more standardized active pharmaceutical ingredient ("API") than what is currently available in the industry, Scientus is able to further develop finished precise dosing forms for medical cannabis markets. In the pharmaceutical industry, inconsistency and high variability in production of API can manifest themselves into inconsistent finished products resulting in efficacy variability and reduced patient safety.

Discussion of Operations

The Company's unaudited condensed interim 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. For the period ended May 31, 2020, the Company incurred a comprehensive loss of $1,287,549, had negative cash outflows from operations since incorporation and has accumulated a deficit of $46,289,795 (November 30, 2019 - $45,003,924) and had negative working capital of $12,239,944 (November 30, 2019 – working capital of $9,292,754).

Financial Information

Revenue for the three months ended May 31, 2020 was $10,049 compared to $600,081 for the prior comparative period. Last period's sales number principally comprised of sales in the distribution and partnership sales channel whereas, the current period was solely comprised of product sales from online sources such as Amazon.

Gross profit for the three month period over three month period ended May 31, 2020 changed from $313,485 to $6,398 which is in line with the decrease in sales period over period however, the margin increased as a percentage of sales due to an online only sales channel in the current quarter.

Selling, general and administrative expenses decreased from $1,615,109 in the prior three month period to $326,623 as at May 31, 2020. The decrease period on period is a result of cost cutting measures in the Company's U.S. operations whereas, in the prior period, the Company was ramping its US operations up.

Finance expense for the three month period ended May 31, 2020 was $405,594 (2019-$475,460). The decrease is a result of a changing debt load from the payback of escrowed funds on the April debt tranche and timing.

The Company experienced a foreign exchange gain of $88,362 for the three month period ended May 31, 2020 compared to a foreign exchange gain of $78,940 in the prior period. The change period over period is due to favourable foreign exchange rates on U.S. intercompany debt between the Canadian parent and its U.S subsidiaries.

Stock based compensation expense during the three month period ended May 31, 2020 was $2,173 compared to $27,580 for the comparative period. 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 three month period ended May 31, 2020, the Company recorded a charge of $43 on equipment which was no longer in use and which principally related to fixtures. In the prior period, the Company had no similar expense.

Revenue for the six months ended May 31, 2020 was $26,927 compared to $700,683 for the prior comparative period. Last periods sales number principally comprised of sales in the distribution and partnership sales channel but also included a mix of business to business and online whereas the current period was solely comprised of product sales from online sources such as Amazon.

Gross profit for the six month period over six month period ended May 31, 2020 changed from $369,073 to $17,895 which is in line with the decrease in sales period over period however, the margin increased as a percentage of sales due to an online only sales channel in the current quarter.

Selling, general and administrative expenses decreased from $2,894,845 in the prior six month period to $644,256 as at May 31, 2020. The decrease period on period is a result of cost cutting measures in the Company's U.S. operations whereas, in the prior period, the Company was ramping its US operations up.

Finance expense for the six month period ended May 31, 2020 was $817,240 (2019-$858,446). The decrease is a result of a changing debt load from the payback of escrowed funds on the April debt tranche and timing.

The Company experienced a foreign exchange gain of $162,457 for the six month period ended May 31, 2020 compared to a foreign exchange gain of $78,827 in the prior period. The change period over period is due to favourable foreign exchange rates on U.S. intercompany debt between the Canadian parent and its U.S subsidiaries.

Stock based compensation expense during the six month period ended May 31, 2020 was $5,025 compared to $240,022 for the comparative period. 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 six month period ended May 31, 2020, the Company recorded a charge of $1,380 on equipment which was no longer in use and which principally related to fixtures. In the prior period, the Company wrote off $1,474 of equipment for the same reason.

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):

2020 and 2019	**Q2**	**Q1**	**Q4**	**Q3**
	$	$	$	$
Revenue	10,049	16,878	72,449	201,137
Comprehensive Loss	729,123	721,315	1,331,535	2,153,942
Loss per share	0.01	0.01	0.02	0.04

2019 and 2018	**Q2**	**Q1**	**Q4**	**Q3**
	$	$	$	$
Revenue	600,081	100,602	44,242	141,783
Comprehensive Loss	1,810,348	1,860,071	7,834,535	2,277,265
Loss per share	0.03	0.03	0.13	0.03

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 of May 31, 2020, the Company had negative working capital of $12,239,944 (November 30, 2019 - $9,292,754).

The Company has experienced operating losses and cash outflows from operations since incorporation and has accumulated a deficit of $46,289,795 as at May 31, 2020 (November 30, 2019 - $45,003,924).

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. All of the $2,050,000 was paid back prior to the period ended May 31, 2020.

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 May 31, 2020 over the next five years.

	Payments due by Period			
	Within 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 2,555,397	$ -	$ -	$ 2,555,397
Secured Promissory notes including interest	3,690,765	-	-	3,690,765
Convertible debt including interest	6,465,589	-	-	6,465,589
Obligations under lease	61,672	6,167	-	67,839
Loan	-	40,000	-	40,000
	$ 12,773,423	$ 46,167	$ -	$ 12,819,590

As at the date of this MD&A, financial markets remain 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.

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 May 31, 2020 and May 31, 2019 is as follows:

		2020		2019
Salaries, fees and short-term employee benefits	$	**270,000**	$	632,798
Stock-based compensation		**-**		214,901
	$	**270,000**	$	847,699

Included in accounts payable and accrued liabilities as at May 31, 2020 is $559,347 (November 30, 2019 $369,573) due to directors and key management.

Changes in Accounting Policies

New Standards and Interpretations Adopted

IFRS 16 Leases
The Company has initially applied IFRS 16 Leases effective December 1, 2018 using the modified retrospective approach under which the cumulative effect of initial application is recognized in retained earnings on December 1, 2019. Accordingly, the comparative information presented for 2019 is not restated but presented as previously reported under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 Leases have not generally been applied to comparative information.

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining whether an Arrangement contains a Lease. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained below.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after December 1, 2018.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

As lessee, the Company may lease assets from time to time including property and/or equipment. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities. At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments; variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable under a residual value guarantee; and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

On transition to IFRS 16, the Company recognised a right-of-use asset, a lease liability, recognising the difference in retained earnings. When measuring the lease liability for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate of 18%. The impact on transition is summarised below.

Right of use asset	$	68,712
Lease liability		67,006
Adjustment for:		
Change in lease expense		(50,167)
Change in finance expense		12,411
Change in depreciation		36,078
Change in deficit	$	(1,678)

The right of use asset is being amortized over the term of the lease

New standards and interpretations not yet adopted

From time to time, the IASB or IFRIC issue amendments to existing standards issued but that are not yet effective up to the date of issuance of the Company's consolidated statements. These standards are reviewed and assessed as to the impact such standards might have on the Company's accounting polices. The Company also assesses when to adopt those standards and when they become effective.

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 May 31, 2020 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 May 31, 2020 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

	July 28, 2020	May 31, 2020	November 30, 2019
Common shares issued and outstanding	60,310,352	60,310,352	60,310,352
Options outstanding	3,351,400	3,351,400	3,551,400
Warrants outstanding	44,071,965	46,789,972	51,360,740

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 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 had 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.