This Management's Discussion and Analysis ("MD&A") prepared as at August 27, 2018, reviews the financial condition and results of operations of Omni Commerce Corp. ("Omni", or the "Company"), for the year ended April 30, 2018, and all other material events up to the date of this report. The following discussion should be read in conjunction with the Company's April 30, 2018 annual audited consolidated financial statements and related notes.

The financial data included in the discussion provided in this report has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC"). All dollar amounts are in Canadian dollars, unless otherwise noted.

The Company's certifying officers are responsible for ensuring that the annual audited consolidated financial statements and MD&A do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's officers certify that the annual audited financial statements and MD&A fairly present, in all material respects, the financial condition, results of operations and cash flows, of the Company as the date hereof.

DESCRIPTION AND OVERVIEW OF BUSINESS

On March 28, 2018, the Company announced its intentions to change its name from Mezzi Holdings Inc. ("Mezzi") to Omni Commerce Corp. ("Omni"). With the name change, the Company also applied to change the trading symbol for its common shares listed on the TSX-V from MZI to OMNI.

The Company is currently seeking opportunities in the cannabidiol ("CBD") and cannabis sectors, with a focus on companies active in e-commerce.

On July 30, 2018 the Company entered into a binding letter agreement (the "Agreement") with PureKana LLC ("PureKana"), a limited liability company organized under the laws of the State of Arizona, and with Cody Alt and Jeff Yauck (together, the "Members"), pursuant to which the Company has agreed to acquire 100% of the outstanding membership interests in PureKana from the Members (the "Transaction"). PureKana is recognized as a market leader for quality, affordable health and wellness products made from CBD-rich industrial hemp and is generating unaudited revenues in excess of $1.8-million per month.

Pursuant to the terms of the Agreement, the Company will acquire 100% of the outstanding membership interests in PureKana in exchange for the issuance of an aggregate of 25,333,334 Shares (on a post-Consolidation (as defined herein) basis) (the "Consideration Shares") and an aggregate cash payment of USD$4.6 million (the "Cash Consideration") to the Members. In addition, terms of the Agreement require the Company to issue up to an additional 12 million Shares, on a post-Consolidation basis, to the Members upon the achievement of certain sales-based milestones. In conjunction with the acquisition of Purekana, the Company has voluntarily delisted from the TSX-V and has made an application the have the Company's common shares to be listed on the Canadian Securities Exchange ("CSE"). Completion of the Transaction will be subject to the satisfaction of various conditions, including the completion of the Concurrent Financing (as defined herein), the completion of the Consolidation, the satisfaction or waiver of all applicable conditions precedent, and the receipt of conditional approval from the CSE for the proposed listing of the Company's shares on the CSE.

In conjunction with Agreement, the Company will complete a consolidation of the Shares on the basis of one post-consolidation Share for each four pre-consolidation Shares (the "Consolidation"). As at the date of this MD&A, there are 40,598,202 Shares outstanding, there are expected to be approximately 10,149,551 Shares outstanding following the completion of the Consolidation, but prior to giving effect to the issuance of the Share Consideration and the completion of the Concurrent Financing.

(Expressed in Canadian Dollars)

Also in conjunction with the completion of the Transaction, it is anticipated the Company will also complete a private placement to raise minimum gross proceeds of $7,000,000, (the "Concurrent Financing"), terms of such financing will be disclosed as they are determined. The proceeds of the Concurrent Financing will be used by the Company to fund the Transaction, expand into international markets and for general working capital purposes.

On May 1, 2017, the Company had completed an investment and acquisition of a majority stake of Mekenix Commerce Inc. ("Mekenix"). Mekenix is an e-commerce sales firm that partners with compelling brands to manage and execute their e-commerce sales channels. Pursuant to the transaction, the Company issued 765,000 common shares in exchange for a 51% ownership stake in Mekenix. This was the first focused entrance into furthering the Company's interests in e-commerce.

In April 2018, the Company sold its 51% stake back to shareholders of Mekenix for a cash consideration of $105,000.

On November 24, 2017, the Company had announced that it had executed a non-binding letter of intent to make an initial investment in a private blockchain technology company that has applications for the Company's core business in e-commerce. No definitive documentation had been signed by the parties. The parties subsequently mutually terminate the letter of intent.

On August 17, 2017, Omni announced it had received TSX Venture Exchange approval for a 10:1 share consolidation of the Company's 92,730,980 outstanding common shares, resulting in 9,273,098 post-consolidated shares outstanding. All shares and per share amounts have been shown on a post-consolidated basis retroactively throughout this MD&A.

SELECTED ANNUAL INFORMATION

The following table sets forth selected financial information for the Company for the last three completed financial years ended April 30, 2018, 2017 and 2016. This information has been derived from the Company's audited financial statements for each of those years, and should be read in conjunction with those financial statements and the notes thereto.

	As at and for the fiscal year ended April 30,		
	2018	2017	2016
Sales	$ 38,062	$ 375,395	$ 419,823
Cost of sales	(20,970)	(184,332)	(540,191)
Loss on impairment of inventory	(66,845)	(260,800)	-
Loss from continuing operations	(1,264,970)	(3,438,247)	(2,170,529)
Loss from discontinued operations	(1,554,093)	(143,742)	(171,845)
Loss per share from continuing operations	(0.06)	(0.61)	(0.51)
Loss per share from discontinued operations	(0.08)	(0.01)	(0.04)
Total assets	3,965,679	1,526,423	1,753,480
Total liabilities	264,178	390,281	239,133
Working capital (deficit)	3,701,500	(218,002)	83,557

RESULTS OF OPERATIONS

Loss for the year

For the year ended April 30, 2018, the Company recognized a comprehensive loss of $(2,817,787) compared to comprehensive loss of $(3,585,857) for the year ended April 30, 2017. The decreased loss can be attributed to a general reduction in overall costs related to amortization costs, consulting and management fees, professional fees, marketing expenditures, payroll costs, travel expenditures and share-based payments.

Amortization costs for the years ended April 30, 2018 and 2017 were $3,810 and $2,641 respectively. The increased costs can be attributed to the Company's decision to fully amortize the remaining assets during the year.

Consulting fees were $476,892 for the year ended April 30, 2018 compared to costs of $699,443 for the year ended April 30, 2017. The decreased costs can be attributed to the decrease in marketing consultants as the Company ceased its activities sale and distribution of consumer products and various fashion related accessories.

The Company incurred $108,000 and $218,500 in management fees for the years ended April 30, 2018 and 2017 respectively. The decrease in fees can be attributed to the Company's shift away from the fashion accessory business to other business ventures.

Marketing expenditures were $36,639 and $607,282 for the years ended April 30, 2018 and 2017 respectively. The Company's decision early in the year to no longer be involved in the fashion accessory business resulted in the decreased costs.

Office expenses were $152,444 and $211,240 for the comparable periods ended April 30, 2018 and 2017. The decrease in the overall office expenses is primarily due to management's effort to curtail general costs.

Professional fees for the year ended April 30, 2018 were $164,265 compared to $196,447 for the year ended April 30, 2017. The costs for accounting and legal both decreased significantly compared to the previous year.

Salaries for the years ended April 30, 2018 and 2017 were $27,050 and $219,560 respectively. The decreased cost can be attributed to the termination of several full-time staff over the year.

Shareholder communication for the year ended April 30, 2018 were $260,965 compared to $373,687 for the year ended April 30, 2017. The decrease was a result of the termination of certain monthly corporate advisory services that were present during most of the comparative period.

Share-based payments for the year ended April 30, 2018 were $49,629 compared to $801,930 for the year ended April 30, 2017. The decreased cost can be attributed to the decreased number of options granted. The Company granted 410,000 options during the year ended April 30, 2018 compared to 1,788,500 options granted for the year ended April 30, 2017.

Travel and accommodation for the year ended April 30, 2018 were $9,742 compared to $79,022 for the comparable year ended April 30, 2017. The decrease is due to attending fewer trade shows to promote the MEZZI product line.

During the year ended April 30, 2018, management decided to cease its luxury brand and its consulting business. Its luxury brand business consisted of luxury leather goods, premium luggage cases, and hand-made eyewear. As a result, the loss recognized for the period ended April 30, 2018 and 2017 was $1,554,093 and $143,742 respectively from discontinued operations attributed to its luxury brand and consulting business.

- The Company recognized sales of $38,062 for the year ended April 30, 2018 compared to sales of $375,395 for the year ended April 30, 2017. The decrease in sales can be attributed to the fact that

(Expressed in Canadian Dollars)

the Company was no longer actively selling any of its product during the year and the income recognized was from the fulfillment of residual sales orders after it ceased operations.
- Cost-of-sales were $20,970 and $184,332 for the years ended April 30, 2018 and 2017 respectively. The decreased costs is directly related to the decreased sales volume.
- Amortization costs from discontinued operations were $2,401 for the year ended April 30, 2018 and $74,005 for the year ended April 30, 2017. The increased cost from the previous year can be attributed to the Company fully amortizing its assets in the previous year to reflect its residual value.
- The Company recognized an impairment loss on inventory of $66,845 and $260,800 for the years ended April 30, 2018 and 2017 respectively. The write-down in the previous year was a result of the quality issues with the handbag inventory as the product was deemed unsaleable. The write-down for the year ended April 30, 2018 was a result of the disposal of the Company's inventory.
- The Company wrote-down goodwill of $23,035 for the year ended April 30, 2018 compared to $nil for the year ended April 30, 2017. As the Company had discontinued operations in the luxury brand items market, the goodwill associated with the various brands was written-off.
- The Company also incurred a charge of $1,320,404 on the write-down of its intangible assets. These intangible assets, associated with the Company's luxury item brand included write-downs of capitalized costs related to product development and marketing costs.

This loss during the year can be attributed to the write-down of various trademarks associated with the MEZZI and Capital Eyewear brands and, goodwill.

During the year ended April 30, 2018, the Company sold its 51% stake it had acquired in Mekenix Commerce Inc. ("Mekenix") back to shareholders of Mekenix for a cash consideration of $105,000.

SUMMARY OF QUARTERLY RESULTS

Selected financial information for the eight most recently completed quarters are as follows:

	Revenue	Earnings/ (Loss)	Basic and Diluted Loss/Share
April 30, 2018	$ (14,054)	$ (2,156,897)	$ (0.08)
January 31, 2018	$ (2,671)	$ (244,862)	$ (0.01)
October 31, 2017	$ 30,050	$ (233,339)	$ (0.03)
July 31, 2017	$ 24,737	$ (183,965)	$ (0.02)
April 30, 2017	$ (729,072)	$ (904,031)	$ (0.15)
January 31, 2017	$ 620,646	$ (1,134,131)	$ (0.18)
October 31, 2016	$ 418,020	$ (920,723)	$ (0.17)
July 31, 2016	$ 65,801	$ (623,104)	$ (0.14)

Omni has seen fluctuating revenues over the last eight quarters; this is a result of the Company undergoing a refocus of its core business and as such, historical financial information are not comparable to the more current periods.

Up until the three month period ended October 31, 2017, the Company's primary focus was the sale and distribution of various consumer products and fashion accessories including the brands of MEZZI Smart Luxury and Capital Eyewear. MEZZI Smart Luxury is a brand of luxury handbags that integrates wearable technologies and has been the primary brand of focus since 2015. Capital Eyewear is a classics-driven, boutique eyewear brand that designed and manufactured eyewear.

Manufacturing of the initial inventory for the launch of the luxury handbag line was quite successful with the US based manufacturer producing high quality products that were well received by the initial local market. In an attempt to reduce the high manufacturing costs, the Company engaged with various suppliers in Asia to produce the products in order to reduce the price points for customers and be more competitive in the advanced contemporary accessories market. The first test shipments of products manufactured did meet the quality standards; subsequent other orders were later discovered upon receiving of shipped inventories, to have significant flaws related to the integrated technology as well as leather and stitching defects. Many consumers ultimately returned the bags for refund. The poor quality ultimately hurt the MEZZI brand with the distributers returning their ordered inventories for full refunds. These refunds resulted in a net revenue adjustment of $(729,072) for the three month period ended April 30, 2017.

The marketing of the MEZZI branded products as a luxury brand item could not be fully realized with the quality issues associated with the handbags being manufactured overseas. Over the past few months, sales diminished to a point where the management of the Company began looking for other business opportunities related to its core business of e-commerce and the sale of physical goods.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary source of funding continues to be through the issuance of equity securities for cash. The Company's access to financing is always uncertain.

In order to finance the acquisition of assets or a business and to fund corporate overhead, the Company has historically been dependent on investor sentiment remaining positive towards the junior companies, and towards Omni in particular, so that funds can be raised through the sale of the Company's securities. Many factors have an influence on investor sentiment, including a positive climate from investors to support junior companies, a company's track record and the experience and calibre of a company's management. There is no certainty that equity funding will be available at the times and in the amounts required to fund the Company's activities. Note 1 of the Company's 2018 audited consolidated financial statements further discusses the going concern issue. The financial statements do not include any adjustments that might result from these uncertainties.

Debt financing has not been used to fund asset and business acquisitions, and the Company has no current plans to use such financing. There are no other sources of financing that have been arranged by the Company.

As at April 30, 2018 the Company had working capital of $3,701,500 as compared to a working capital deficiency of $(218,002) at April 30, 2017. The increase can be attributed to the various private placements completed during the year.

The Company has no commitments for capital expenditures.

Cash and Financial Conditions

The Company had a cash balance of $3,899,419 as at April 30, 2018 as compared to a cash balance of $14,886 as at April 30, 2017. The increase in cash can be attributed to various private placements resulting in gross proceeds of $5,196,303 and the exercise of warrants for aggregated proceeds of $81,500.

The Company does not have any unused lines of credit or other arrangements in place to borrow funds and has no off-balance sheet arrangements.

The Company does not use hedges or other financial derivatives.

Investing Activities

On May 1, 2017, the Company had completed the acquisition of a majority interest of Mekenix Commerce Inc. ("Mekenix"). Mekenix is an e-commerce sales firm that partners with businesses to manage and execute their e-commerce sales channels. Pursuant to the transaction, the Company issued 765,000 common shares with a fair value of $229,500 as consideration for a 51% ownership interest in Mekenix.

In April 2018, the Company sold its 51% stake back to shareholders of Mekenix for a cash consideration of $105,000.

The Company also invested $30,000 in 120,000 common shares of Ashanti Gold Corp. ("Ashanti"). As at April 30, 2018, the Company has determined that the decline in value of Ashanti shares was significant and prolonged, and accordingly, recorded an impairment of $7,200 in the statement of loss and comprehensive loss.

Financing Activities

During the year ended April 30, 2018, the Company realized proceeds of $81,500 from the exercise of 815,000 warrants.
During the year ended April 30, 2018, the Company closed a private placement for 7,000,000 units at a price of $0.075 per unit for total gross proceeds of $525,000. Each unit consists of one common share of the Company and one common share purchase warrant. In connection with the private placement, the Company issued 391,622 finder's warrants exercisable into one additional common share at a price of $0.10 for a period of 24 months. The finder's warrants were assigned a value of $39,622. In addition, the Company incurred share issuance costs of $77,132.

During the year ended April 30, 2018, the Company closed a private placement for 22,510,104 units, with 20,760,104 units at a price of $0.22 per unit and 1,750,000 at $0.20 for total gross proceeds of $4,917,223. Each unit consists of one common share of the Company and one half of one common share purchase warrant. In connection with the private placement, the Company issued 1,232,892 finder's warrants exercisable into one additional common share at a price of $0.35 for a period of 12 months. The finder's warrants were assigned a value of $163,574. In addition, the Company incurred share issuance costs of $301,654.

Subsequent to the year ended April 30, 2018, the Company received $172,000 in outstanding share subscriptions receivable and is in the process of cancelling $73,920 of shares certificates.

During the year ended April 30, 2018, the Company issued 815,000 common shares upon exercise of warrants for gross proceeds of $81,500. The Company reallocated $4,249 relating to the fair value of the warrants from reserves to share capital.

During the year ended April 30, 2018, the Company issued 410,000 common shares upon the exercise of 410,000 options.

SECURITIES OUTSTANDING

On August 17, 2017, Omni announced it had received TSX Venture Exchange approval for a 10:1 share consolidation of the Company's outstanding common shares. All shares and per share amounts have been shown on a post-consolidated basis retroactively throughout this MD&A.

During the year ended April 30, 2018, the Company issued 765,000 common shares of the Company in connection with the acquisition of its 51% interest in Mekenix. The deemed value of the transaction was $229,000.

During the year ended April 30, 2018, the Company issued an aggregate of 29,510,104 common shares in connection with various private placements for gross proceeds of $5,196,303.

As at April 30, 2018, the Company recorded $245,920 subscriptions receivable from the aforementioned private placement. Subsequent to the year ended April 30, 2018, the Company received $172,000 in outstanding share subscriptions receivable and is in the process of cancelling $73,920 of shares certificates.

During the year ended April 30, 2018, the Company issued 815,000 and 410,000 common shares in connection with the exercise of warrants and options respectively.

As at April 30, 2018, the Company had 39,598,202 common shares issued and outstanding, respectively.

Subsequent to the period ended April 30, 2018, the Company issued 1,000,000 common shares on the exercise of 1,000,000 warrants for gross proceeds of $100,000.

At the date of this MD&A, the Company had 40,598,202 common shares issued and outstanding.

During the year ended April 30, 2018, the Company granted 410,000 stock options with an exercise price of $0.50 per share. These options were exercised during the period. The Company also cancelled 165,500 options with a weighted average price of $1.58 during the year.

As at April 30, 2018 and the date of this MD&A, the Company had 159,500 stock options outstanding.

During the year ended April 30, 2018, a total of 1,853,362 warrants with a weighted average exercise price of $1.38 had expired. The Company issued a total of 18,255,052 purchase warrants in connection with the private placements. The warrants have an expiry date of 12-24 months from the date of closing entitling the holder to acquire one common share of the Company at $0.10 - $0.35.

In connection with the private placement, the Company also issued a total of 1,624,514 finder warrants, each finder warrant entitles the holder to acquire one common share of the Company at $0.10-$0.35 for a period of 12-24 months from the closing date.

As at April 30, 2018, the Company had 19,064,566 warrants outstanding.

Subsequent to the period ended April 30, 2018, the Company issued 1,000,000 common shares on the exercise of 1,000,000 warrants for gross proceeds of $100,000.

At the date of this MD&A, the Company had 18,064,566 warrants outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

At the date of this report, the Company had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company has determined that key management personnel consists of the Company's Board of Directors and its corporate officers. During the year ended April 30, 2018, the Company incurred the following amounts charged by directors and officers and companies controlled and/or owned by directors and officers of the Company:

(Expressed in Canadian Dollars)

	Nature of transactions	April 30, 2018	April 30, 2017
Key management personnel			
A company controlled by the CEO	Management	$ 108,000	$ 198,500
A company controlled by the former CFO	Management	8,000	24,000
A company controlled by the CTO	Management	89,700	-
A firm of which the CFO is a former partner	Professional	-	156,000
Directors and Officers of the Company	Share-based payments	31,472	267,251
Related parties:			
A family member of the CEO	Consulting	52,381	-
Total		$ 289,553	$ 645,751

During the year ended April 30, 2018, the Company received a loan of $nil (2017- $60,000) and accrued interest of $nil (2017 - $5,474) from a Company with in which the CEO was a former director.

The amounts due to other related parties and key management personnel included in accounts payable and accrued liabilities are as follows:

	April 30, 2018	April 30, 2017
Due to a firm of which the CFO is a former partner	$ 66,000	$ 51,300
Due to companies controlled by the CEO	47,716	-
Total	$ 113,716	$ 51,300

FOURTH QUARTER RESULTS

During the three months ended April 30, 2018, the Company incurred a loss of $(2,156,897) compared to a loss of $(904,031) for the three month period ended April 30, 2017. The increase loss can be attributed to the Company's decision to discontinue its luxury brand and its consulting business. Its luxury brand business consisted of luxury leather goods, premium luggage cases, and hand-made eyewear.

During the three month period ended April 30, 2018, the Company recognized an impairment charge of $66,845 on its inventory. Additionally, the Company wrote-down its goodwill ($23,035) and its intangibles ($1,320,404).

The decision to discontinue its luxury brand and its consulting business was largely attributed to the Company's inability to raise significant capital to promote the MEZZI brand given the various quality control issues it had experienced during the year.

PROPOSED TRANSACTIONS

Subsequent to the period ended April 30, 2018, the Company entered into a binding letter agreement (the "Agreement") with PureKana LLC ("PureKana"), a limited liability company organized under the laws of the State of Arizona, and Cody Alt and with Jeff Yauck (together, the "Members"), pursuant to which the Company has agreed to acquire 100% of the outstanding membership interests in PureKana from the Members (the "Transaction").

Pursuant to the terms of the Agreement, the Company will acquire 100% of the outstanding membership interests in PureKana in exchange for the issuance of an aggregate of 25,333,334 Shares (on a post-Consolidation (as defined herein) basis) (the "Consideration Shares") and an aggregate cash payment of USD$4.6 million (the "Cash Consideration") to the Members. In addition, the Company has agreed to issue up to an additional 12 million Shares, on a post-Consolidation basis, to the Members upon the achievement of certain sales-based milestones. Completion of the Transaction will be subject to the satisfaction of various conditions, including the completion of the Concurrent Financing (as defined herein), the completion of the Consolidation, the satisfaction or waiver of all applicable conditions precedent, and the receipt of conditional approval from the CSE for the proposed listing of the Shares on the CSE.

In conjunction with Agreement, the Company will complete a consolidation of the Shares on the basis of one post-consolidation Share for each four pre-consolidation Shares (the "Consolidation"). As at the date of this MD&A, there are 40,598,202 Shares outstanding, there are expected to be approximately 10,149,551 Shares outstanding following the completion of the Consolidation, but prior to giving effect to the issuance of the Share Consideration and the completion of the Concurrent Financing.

Also in conjunction with the completion of the Transaction, it is anticipated the Company will also complete a private placement to raise minimum gross proceeds of $7,000,000, (the "Concurrent Financing"), terms of such financing will be disclosed as they are determined. The proceeds of the Concurrent Financing will be used by the Company to fund the Transaction, expand into international markets and for general working capital purposes.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Management must make judgments given the various options available as per accounting standards for items included in the consolidated financial statements. Judgments involve a degree of uncertainty and could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual events differ from a judgment made. A summary of items involving management judgment include, but are not limited to:

i) The impairment and recoverability of the intangible assets and goodwill – An integral component of impairment testing is determining the intangible asset's recoverable amount. The determination of the recoverable amount involves significant management judgment. Qualitative factors, including market presence and trends, strength of customer relationships, strength of debt and capital markets, and other factors, are considered when making assumptions with regard to recoverability of the intangible asset.

ii) Recognition of deferred income tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

iii) The determination of the Company's and its subsidiaries' functional currency – The functional currency determination will be based on management's assessment of the primary economic environment in which the entities operate.

iv) Assessment of the Company's ability to continue as a going concern – The assessment involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

v) Assessment of the Company's separate line of businesses as discontinued operations - judgement is applied in determining whether disposal groups or cash generating unit represent a component of the entity, the results of which should be recorded in discontinued operations in the consolidated statements of operations and comprehensive loss and cash flows.

vi) Assessment of the transaction as an asset acquisition or business combination - judgement is applied relating to acquisitions with respect to whether the acquisition was a business combination or an asset acquisition. Management applied a three-element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs of each acquisition in order to reach a conclusion.

Critical accounting estimates:

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

i) Valuation of inventory – The Company estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes that may reduce future selling prices. A change to these assumptions could impact the Company's inventory valuation and impact gross margins.

ii) Share-based payments – The fair value of share-based payments is determined using the Black-Scholes option pricing model. This option pricing model requires the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant.

iii) The application of the Company's accounting policy for intangible assets and goodwill requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. At least annually or whenever there is an indicator for impairment management evaluates the recoverable amount, which is the higher of an asset's fair value less costs to sell and value in use. Intangibles are written down to their recoverable amount when a decline is identified. The determination of the recoverable amount requires the use of management's best assessment of the related inputs into the valuation models, such as future cash flows and discount rates.

RECENT ACCOUNTING PRONOUNCEMENTS

No new standards or interpretations were adopted during the year.

New standards and interpretations not yet adopted

The following standards have not yet been adopted. Management has evaluated the impact of these pronouncements on the Company's consolidated financial statements and determined that the effects are immaterial. The Company plans to adopt these standards as soon as they become effective for the Company's reporting year.

- IFRS 9 Financial Instruments

  IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives.* The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

  The main features introduced by this new standard compared with predecessor IFRS are as follows:

  • Classification and measurement of financial assets:

  Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income."

  • Classification and measurement of financial liabilities:

  When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.

  • Impairment of financial assets:

  An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelvemonth expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.

  • Hedge accounting:

  Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

  The new standard is effective for the Company's annual period beginning May 1, 2018.

i) IFRS 15 *Revenue from Contracts with Customers*

This new standard establishes a comprehensive framework for the recognition, measurement and disclosure of revenue replacing IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue — Barter Transactions Involving Advertising Services*.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

Revenue is recognized based on a five-step model:

1. Identify the contract with customer;

2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognize revenue when (or as) the performance obligations are satisfied.

New disclosure requirements on information about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The new standard is effective for the Company's annual period beginning May 1, 2018.

ii) Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 Share-based Payment)

The amendments provide guidance on the accounting for:
the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;

- share-based payment transactions with a net settlement feature for withholding tax obligations; and
- a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The new standard is effective for the Company's annual period beginning May 1, 2018.

iii) IFRS 16 *Leases*

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard is effective for the Company's annual period beginning May 1, 2019.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

(Expressed in Canadian Dollars)

FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liabilities either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company's primary financial instruments are classified as follows:

Financial instruments	Classifications
Cash and cash equivalents	FVTPL
Marketable securities	AFS
Amounts receivable	LAR
Accounts payable and accrued liabilities	OFL
Loans payable	OFL
Contingent consideration	FVTPL

Contingent consideration recorded as at April 30, 2017 was measured at Level 3 in the fair value hierarchy. The Company used the discounted cash flow method, applying an after-tax discount rate of 20%, to capture the present value of the expected future economic benefits that will flow out of the Company arising from the contingent consideration.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will cause a financial loss to the Company by failing to meet its obligations.

The Company's financial instruments that are exposed to concentrations of credit risk are primarily cash and cash equivalents and amounts receivable. The Company limits its exposure to credit risk with respect to cash and cash equivalents by holding it with major Canadian financial institutions. At April 30, 2018, cash and cash equivalents are comprised of $3,899,419 (April 30, 2017 - $14,886). The Company's amounts receivable consists of government input tax credits and are not subject to significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2018, the Company had a cash and cash equivalents balance of $3,899,419 (April 30, 2017 - $14,886) to settle current liabilities of $264,178 (April 30, 2017 - $378,961). All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

a) Interest rate risk

The Company has cash and cash equivalent balances and no interest-bearing debt. As at April 30, 2018, the Company did not hold any investments and as such, the Company believes it has no significant interest rate risk.

b) Foreign currency risk

As at April 30, 2018, the Company's cash and cash equivalents were predominately held in Canadian dollars and as such, Omni has minimal exposure to foreign currency risk volatility.

FINANCIAL RISK FACTORS

The fair value of the Company's receivables, advance, trade payables and accrued liabilities, approximate their carrying value, which is the amount recorded on the statement of financial position, due to their short terms to maturity. The Company's cash is measured at fair value, under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

Investment in cannabis based businesses

The Company recognizes there are certain risks in its investment with a cannabis based business. Marijuana is classified as a Schedule I controlled substance under US federal law and as such, marijuana related practices or activities, including the cultivation, possession or distribution of marijuana, are illegal under US federal law. There remains a conflict between state and federal law related to marijuana with certain US states permitting its use and sale within a regulatory framework.

The US Department of Justice had recently rescinded the Cole memo which had given guidance that it will generally not enforce federal prohibitions on marijuana in US states that have authorized this conduct so long as the US state has implemented a strong and effective regulatory program. Future enforcement decisions will now be up to the US Attorneys in their respective states, who are to decide which cases to prosecute by weighing all relevant considerations, including federal law enforcement priorities set by the Attorney-General, the seriousness of the crime, the deterrent effect of federal prosecution and the cumulative impact of particular crimes on the community.

The Company considers it unlikely that local federal prosecutors will take action in those states where the legalization of cannabis has been implemented as a result of a majority vote of the state's electorate or by an act of the respective state's legislature. There may be action taken against those who are acting outside state regulations, and this type of enforcement is only beneficial to those businesses operating within local regulations.

The Company conducts extensive due diligence in its investment in the cannabis based business and ensures strict compliance of state policies governing this industry.

FORWARD-LOOKING STATEMENTS

Certain information set forth in this document includes forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Company's control, including but not limited to: general economic and business conditions; cash flow projections; currency fluctuations; risks relating to our ability to obtain adequate financing for future activities; the nature of our future activities; and other general market and industry conditions as well as those factors discussed in prior management discussion and analysis, available on SEDAR at www.sedar.com.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. The Company's actual results, programs and financial position could differ materially from those expressed in or implied by these forward-looking statements and accordingly, no assurance can be given that the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive from them. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and as such, undue reliance should not be placed on forward-looking statements.

The Company believes that the expectations reflected in these forward looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and as such forward looking statements contained into this report should not be relied upon. 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 report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to assumptions about general business and economic conditions, the availability of financing for the Company, and the ability to identify and secure a quality asset or a business with a view of completing a transaction subject to receipt of shareholder approval and acceptance by regulatory authorities.

ADDITIONAL SOURCES OF INFORMATION

Additional information relating to Omni Commerce Corp. can be found on the SEDAR website at www.sedar.com.