LIFESTYLE DELIVERY SYSTEMS INC.
(FORMERLY KARIANA RESOURCES INC.)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

March 31, 2015

GENERAL

The following information, prepared as of May 21, 2015, should be read in conjunction with the audited consolidated financial statements of Lifestyle Delivery Systems Inc. (formerly Kariana Resources Inc.) (the "Company" or "LDS") for the year ended December 31, 2014 and December 31, 2013. The condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

During the period ended March 31, 2015, the Company's critical accounting estimates and significant accounting policies have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian dollars unless noted otherwise.

The risk factors identified in previous management's discussion and analysis (the "MD&A") have also remained substantially unchanged but the risk factor of future financings has assumed a greater importance to the Company in view of the current economic climate and stock market volatility. Management has assessed and will continue to address the implications of recent events in order to ensure that LDS can continue to achieve its long term objectives.

As of January 1, 2011, the Company adopted IFRS and the following disclosure, and associated condensed interim consolidated financial statements, are presented in accordance with the International Accounting Standard 34, Interim Financial Reporting.

CAUTIONARY NOTE REGARDING FORWARDING LOOKING STATEMENTS

Certain statements contained in the foregoing management discussion & analysis (the "MD&A") constitutes forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below.

DESCRIPTION OF BUSINESS

The Company was incorporated on September 14, 2010 pursuant to the *Business Corporations Act,* British Columbia. The Company's principal business activity is technologies that produce oral delivery system that can be used for energy elixirs, herbal remedies and a smokeless alternative option to medical and recreational users of cannabis. The Company's shares trades on the Canadian Securities Exchange under the trading symbol "LDS".

On May 1, 2015, the Company acquired all the issued and outstanding common stock of Canna Delivery Systems Inc. ("Canna") and changed its name to "Lifestyle Delivery Systems Inc." under the British Columbia Business Corporations Act (the "Transaction"). Canna, incorporated under the State of Nevada on November 25, 2014, is now one of the wholly-owned subsidiaries of LDS.

CHANGES IN MANAGEMENT

On May 1, 2015 Brad Eckenweiler was appointed to the board of directors of the Company.

The Company's Board of Directors now consists of following: Savio Chiu, Herrick Lau, Brad Eckenweiler, and David Velisek.

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OVERALL PERFORMANCE

The following discussion of the Company's financial performance is based on the condensed interim consolidated financial statements for the period ended March 31, 2015.

The statements of financial position as of March 31, 2015 indicate a cash position of $21,264 (2014 - $189,928) and total current assets of $382,177 (2014 - $391,946). The decrease in total current assets was mainly due to general and administrative expenses.

At March 31, 2015 current liabilities total $318,411 (2014 - $241,464) and long-term liabilities total $160,125 (2014 – $160,125). Shareholders' equity is comprised of share capital of $1,376,216 (2014 - $1,338,336), reserves of $102, 140 (2014 - $102,314), equity portion of convertible debenture of $18,411 (2014 – $19,891), and accumulated deficit of $1,593,126 (2014 - $1,470,010) for a net deficiency $96,359 (2014 - $9,643).

Working capital, which is current assets less current liabilities, is $63,766 at March 31, 2015 compared to $150,482 at December 31, 2014. Management believes that there is sufficient working capital to maintain its day-to-day operations.

During the period ended March 31, 2015, the Company reported a net loss of $123,116 ($0.01 basic and diluted loss per share) compared to a net loss of $56,804 ($0.02 basic and diluted loss per share) during the period ended March 31, 2014. Losses in the period ended March 31, 2015 represent operating expenses of $123,493 (2014 – $56,870) and interest and other income of $380 (2014 – $66).

The weighted average number of common shares outstanding for the period ended March 31, 2015 was 8,435,050 (2014 –3,006,250).

COMPARISON RESULTS OF OPERATIONS

During the period ended March 31, 2015, the Company reported a net loss of $123,116 (2014 - $58,804) and a basic and diluted loss per share of $0.01 (2014 - $0.02). The net loss of $123,116 was due to accrued accounting fees of $25,000 (2014 - $10,200), consulting fees of $39,587 (2014 - $32,853), accretion expense of $20,321 (2014 – nil), accrued legal fees of $30,000 (2014 – nil), meals and travel expenses of $1,862 (2014 – $2,041), office general expenses of $803 (2014 - $864), transfer agent and filing fees of $5,923 (2014 - $10,912). During the period ended March 31, 2015 expenses were offset by interest income of $380 (2014 - $66).

The increase in legal fees to $30,000 from nil in March 31, 2014 was due to legal services relating to the acquisition of Canna and the concurrent private placement.

The increase in accretion expense from nil to $20,321 was due the convertible debentures and convertible promissory note from fiscal year 2014.

The increase in consulting fees to $39,587 from $32,853 was due to an increase in fee for financial advisory services provided by a company.

During the period, there were no revenues aside from the interest income of $380 (2014 - $66). Operating costs incurred during the period ended March 31, 2015 were primarily related to accounting, legal and general and administrative activities relating to the acquisition of Canna.

As the Company is a company without any significant revenue, it will continue to require funds to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing during the year. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular year or if available, that it can be obtained on terms satisfactory to the Company.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited financial information of the Company for the eight most recently quarters of operations. This information is derived from unaudited quarterly financial statements prepared by management. These financial data are prepared in accordance with IFRS.

	Qtr 1 March 31, 2015	Qtr 4 December 31, 2014	Qtr 3 September 30, 2014	Qtr 2 June 30, 2014	Qtr 1 March 31, 2014	Qtr 4 December 31, 2013	Qtr 3 September 30, 2013	Qtr 2 June 30, 2013
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Loss	$123,116	$210,371	$118,619	$42,309	$56,804	$72,965	$83,580	$212,290
Basic and diluted loss per share	$0.01	$0.06	$0.04	$0.01	$0.02	$0.02	$0.03	$0.07
Total assets	$382,177	$391,946	$548,474	$548,765	$43,447	$70,023	$187,761	$275,336
Working Capital	$63,766	$150,482	($44,874)	$73,743	$11,512	$68,316	$141,282	$224,862

Net Loss

Overall, management, consulting, accounting, legal, write-off of mineral properties, and accretion expense are the major components that caused variances in net losses from quarter to quarter.

During the quarter ended March 31, 2015, expenses incurred was $123,496, which mainly consisted of accrued accounting fees of $25,000 relating to fiscal year 2014 audit and preparation of the filing statement for the acquisition of Canna, accrued legal fees of $30,000 in relation to the acquisition of Canna, consulting fees of $39,587, and accretion expense of $20,321.

During the quarters ended December 31, 2014, September 30, 2014, and June 30, 2014, the major expenses of the Company are related to accretion expense from the convertible debentures. In total $110,470 was recognized as accretion expense.

During the quarter ended March 31, 2014, the major expenses of the Company are the consulting fees of $32,853.

During the quarter ended December 31, 2013, the major expenses of the Company are the management fees of $30,000 and consulting fees of $67,407.

During the quarter ended September 30, 2013, the major expenses of the Company are the management fees of $40,000 and consulting fees of $31,897.

During the quarter ended June 30, 2013, the major expenses of the Company are the write-off of mineral properties of $147,993, consulting fees of $31,120 and project investigation expenses of $15,825.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2015, the Company's cash and cash equivalents balance was recorded as $21,264 (2014 – $189,928) and the Company had a working capital of $63,766 (2014 - $150,482). As at March 31, 2015, the Company has share capital of $1,376,216 (2014 – $1,338,336) representing 8,670,250 (2014 – 8,206,250) common shares, reserves of $102,140 (2014 – $102,314) and an accumulated deficit of $1,593,126 (2014 – $1,470,010).

The Company has no operating revenues. Accordingly, the Company is dependent on the equity markets as its sole source of operating working capital.

The Company will have to continue to rely on equity and debt financing. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

CONTRACTUAL OBLIGATIONS

A summary of our contractual obligations at March 31, 2015 is detailed in the table below.

Contractual Obligations	Payments Due by Period				
	Total	**Less than 1 Year**	**1 – 3 Years**	**4 – 5 Years**	**After 5 Years**
Accounts Payable, Accrued and other Liabilities	$369,517	$209,392	$160,125	N/A	N/A
Total	$369,517	$209,392	$160,125	**N/A**	**N/A**

Management believes that the Company has sufficient cash to meet its current obligation for the next twelve months.

OFF BALANCE SHEET ARRANGEMENTS

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

TRANSACTIONS WITH RELATED PARTIES

Services provided by:		March 31, 2015	March 31, 2014
Baron Global Financial Canada Ltd.	a	$37,500	$30,000

On April 1, 2014, the Company entered into an agreement with Baron Global Financial Canada Ltd. ("Baron") that is related by way of a common director of the Company. Baron provided corporate advisory services to the Company.

Related Party Payable:

	March 31, 2015	December 31, 2014
Baron Global Financial Canada Ltd.	$160,125	$160,125

Baron has agreed not to seek repayment of this amount until March 1, 2016.

PROPOSED TRANSACTIONS

a) On March 20, 2015, the Company signed a share exchange agreement ("Agreement") with Canna in which the Company will acquire all of the issued and outstanding common shares of Canna for 7,800,000 shares of the Company. The shares will be escrowed and will be released over two years based upon Canna meeting certain financial milestones. The Company also loaned US$150,000 to Canna on December 15,

2014. The loan is unsecured, non-interest bearing and is repayable 90 days after termination of the proposed transaction.

b) In connection with the Agreement, the Company raised a gross proceed of $775,314 through the sales of 5,168,757 subscription receipts at a price of $0.15 per subscription receipt. Each subscription receipt will automatically convert into one unit subsequent to March 31, 2015. Each unit will be comprised of one common share and one half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share of the Company at the price of $0.30 for the first year and $0.45 for the second year from the closing of the concurrent financing.

c) Please also see Subsequent Events.

SIGNIFICANT ACCOUNTING POLICIES AND CRITIAL ACCOUNTING ESTIMATES

All significant accounting policies and critical accounting estimates are fully disclosed in Note 2 of the audited consolidated financial statements for the year ended December 31, 2014.

FINANCIAL INSTRUMENTS

All financial assets and financial liabilities are initially recorded at fair value and designated upon inception into one of the following categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Held-to-maturity instruments, loans and receivables and financial liabilities not at fair value through profit and loss are measured at amortized cost using the effective interest rate method.

The Company has implemented the following classifications for its financial instruments:

a) Cash has been classified as FVTPL;
b) Short-term investments have been classified as FVTPL;
c) Receivables and loan receivable have been classified as loans and receivables; and
d) Accounts payables and accrued liabilities and convertible debentures have been classified as financial liabilities not at fair value through profit and loss.

Assets measured at fair value on a recurring basis were presented on the Company's balance sheet as at March 31, 2015 as follows:

	Fair Value Measurements Using				
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, March 31, 2015 $	Balance, December 31, 2014 $
Cash	189,928	-	-	21,264	189,928
Short-term investment	11,500	-	-	181,500	11,500

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity, interest rate and currency risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations would warrant such hedging activities.

Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash and short term investment with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing assets in relation to cash at banks and GIC carried at floating interest rates with reference to the market. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered minimal. The Company has no interest bearing borrowings.

The policies to manage interest rate risk have been followed by the Company during the prior year and are considered to be effective.

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

OTHER MD&A DISCLOSURE REQUIREMENTS

Disclosure of Outstanding Share Data

The Company's issued and outstanding share capital as at the date of this report is as follows:
(1) Authorized: Unlimited common shares without par value.
(2) As at the date of this MD&A, the Company has 24,760,108 common shares, 132,500 options, and 7,711,764 warrants issued and outstanding.

Additional Disclosure For Junior Issuers

The Company has expensed the following material cost components:

	Period ended March 31, 2015 $	Period ended March 31, 2014 $
Accounting fees	25,000	10,200
Accretion expense	20,321	-
Consulting fees	39,587	32,853
Transfer agent and filing fees	5,923	10,912
Legal fees	30,000	-

Accounting fees of $25,000 (2014 - $10,200) was accrued fiscal 2014 audit fee and other accounting fees related to the preparation of the filing statement for the acquisition of Canna.

Accretion expense of $20,321 (2014 – nil) was related to the convertible debenture and convertible promissory note that closed during fiscal year 2014.

Consulting fees of $39,587 (2014 – $32,853) included financial and business development advisory fees.

Transfer agent and filing fees of $5,923 (2014 - $10,912) are in connection with regular filing with CSE and securities commission and monthly transfer agent services.

Legal fees of $30,000 (2014 - nil) was accrued legal fees in relation to the private placement and acquisition of Canna.

FUTURE ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for the March 31, 2015 reporting period. The following standards are assessed not to have any impact on the Company's financial statements:

RISKS AND UNCERTAINTIES

The Company is engaged in the exploration and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many common risks to new and developing enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a positive return on shareholders' investment.

The Company has no source of operating cash flow yet. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

SUBSEQUENT EVENTS

(a) On April 2, 2015 the Company entered into a non-secured, non-convertible promissory note with Canna. The Company advanced a loan (the "Loan") of US$75,000 to Canna and is repayable within three days from the termination of the share exchange agreement without the acquisition of Canna being completed and will bear no interest.

(b) On April 2, 2015 the Company completed a non-brokered private placement (the "Financing") of 5,168,757 subscription receipts (the "Subscription Receipts") at a price of $0.15 per Subscription Receipt for gross proceeds of $775,314. Each Subscription Receipt shall be automatically converted, without payment of any additional consideration, into one unit of LDS (a "Unit") upon the acquisition of Canna (the "Acquisition").

Each Unit is comprised of one (1) common share of LDS (each a "LDS Share") and one half of one (1/2) common share purchase warrant (each a "Warrant"). Each whole Warrant will entitle the holder to purchase one additional LDS Share at a price of $0.30 for the first year and $0.45 for the second year from the closing of the acquisition of Canna.

(c) On May 1, 2015 the Company completed the acquisition of all the issued and outstanding shares of Canna and changed its name to "Lifestyle Delivery Systems Inc." under the British Columbia Business Corporations Act. Pursuant to the terms of the share exchange agreement, the Company has issued to Canna's shareholders, pro rata, an aggregate of 7,800,000 common shares of the Company (the "Performance Shares") at a deemed price of $0.15 per Performance Share. The Performance Shares are subject to escrow provisions pursuant to the share exchange agreement and will be released upon achieving certain future financial milestones.

In connection with the Transaction, the Company issued 83,333 common shares of the Company (the "Finder Shares") to an arm's length finder for assistance in closing the Transaction. The Company has agreed to issue, and has reserved for issuance, an additional 565,000 Finder Shares upon achieving certain future financial milestones.

(d) On May 1, 2015 the Subscription Receipts were automatically converted into 5,168,757 common shares and 2,584,379 common share purchase warrants. In connection with the financing, the Company issued 254,768 units to arm's length finders (the "Finder Units"). Each Finder Unit consists of one common share and one-half of one non-transferable common share purchase warrant which entitles the finder to purchase an additional common share until May 1, 2016 at a price of $0.30 per share and at a price of $0.45 until May 1, 2017.

(e) On May 1, 2015 the Company settled $130,200 and $47,250 debt with Baron and an arm's length creditor of the Company respectively by converting the debt payable into shares of the Company at a conversion price of $0.15 per share. An aggregate $177,450 debt was extinguished and a total of 1,183,000 shares of the Company were issued.

(f) On May 4, 2015 convertible promissory notes with a total face value of $90,000 were converted which resulted in the issuance of 900,000 common shares of the Company.

(g) On May 7, 2015 the convertible promissory note with a face value of $30,000 was converted which resulted in the issuance of 300,000 common shares of the Company.

(h) On May 12, 2015, 400,000 shares were issued upon the exercise of 400,000 warrants at $0.10 per share.

ADDITIONAL INFORMATION

Additional information about the Company is available for viewing on SEDAR at www.sedar.com.