OSOYOOS CANNABIS INC.

(Formerly LKP Solutions Inc).

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended January 31, 2019

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For the Three and Nine Months Ended January 31, 2019
(Information as at March 29, 2019 unless otherwise noted)

Cautionary Statements

Forward-Looking Information

Except for statements of historical fact relating to Osoyoos Cannabis Inc. (formerly LKP Solutions Inc. (the "Company" or "OSO”) certain statements contained in this MD&A constitute forward-looking information, future oriented financial information or financial outlooks (collectively "forward-looking information") within the meaning of Canadian securities laws. Forward-looking information may relate to this document and other matters identified in OSO’s public filings, OSO’s future outlook and anticipated events or results and in some cases can be identified by terminology such as "may", "will", “could”, "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", “projects”, "predict", "potential", "targeted", "possible", "continue", "objective" or other similar expressions concerning matters that are not historical facts and include, commodity prices, access to sufficient capital resources, mineral resources, mineral reserves, realization of mineral reserves, existence or realization of mineral resource estimates, results of exploration activities, the timing and amount of future production, the timing of construction of the proposed mine and process facilities, the timing of cash flows, capital and operating expenditures, the timing of receipt of permits, rights and authorizations, communications with local stakeholders and community relations, employee relations, settlement of disputes, status of negotiations of joint ventures, availability of financing and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions. Such forward-looking statements are based on a number of material factors and assumptions including but not limited in any manner, those disclosed in any other of OSO’s public filings and include the ultimate determination of mineral reserves, availability and final receipt of required approvals, licenses and permits, ability to acquire necessary surface rights, sufficient working capital to develop and operate the proposed mine, access to adequate services and supplies, economic conditions, commodity prices, foreign currency exchange rates, interest rates, access to capital and debt markets and associated cost of funds, availability of a qualified work force, positive employee relations, lack of social opposition and legal challenges, ability to settle disputes and the ultimate ability to mine, process and sell mineral products on economically favorable terms. While OSO considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in other OSO filings. Forward-looking statements are based upon management’s beliefs, estimate and opinions on the date the statements are made and, other than as required by law, OSO does not intend and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

This MD&A may include forward looking statements regarding the Company’s future.

INTRODUCTION

The following provides Management's Discussion and Analysis of the condensed interim consolidated financial position of OSO and the results of operations of the Company for the three and nine months ended January 31, 2019. Management's Discussion and Analysis was prepared by Company management and approved by the Board of Directors on April 1, 2019.

All figures are presented in Canadian dollars (unless otherwise indicated) and are in accordance with International Financial Reporting Standards ("IFRS"). These statements together with the following Management Discussion and Analysis dated March 29, 2019, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to potential future performance. OSO's condensed interim consolidated financial statements were prepared in accordance with IFRS. All amounts in this MD&A are expressed in Canadian dollars ("CAD"), unless otherwise noted.

NATURE OF OPERATIONS

Corporate summary

LKP Solutions Inc. ("LKP") was incorporated as Red Ore Gold Inc. under the name "Red Ore Gold Inc." under the laws of the Province of British Columbia by Articles of Incorporation dated January 13, 2011.

Effective April 27, 2017, LKP completed a Common Share Exchange between LKP and Pueblo Lithium Inc. (a combination of Pueblo Potash Inc. ("PLK") and Agr-O Phosphate Inc, ("AOP"). Each Pueblo shareholder received one new LKP share for each four (4) Pueblo shares, and each Agr-O shareholder received one new LKP share for each two (2) Agr-O share).

On October 31, 2018, LKP completed a share consolidation of 1 new share for every 2.5 shares of LKP outstanding. The outcome of this consolidation was to leave 6,562,822 shares outstanding. Effective October 31, 2018 the Company was part of a three-cornered amalgamation among the Company, 1160516 B.C. Ltd. (a wholly-owned subsidiary of LKP) and LKP. The result of the transactions was that LKP acquired all of the issued and outstanding securities of former OSO on the basis of one share of LKP for each share of former OSO (24,172,361 LKP shares issued). All outstanding warrants to purchase OSO shares were exchanged, on an equivalent basis, for warrants to purchase OSO (formerly LKP) shares. At completion of the transactions, LKP changed its name to Osoyoos Cannabis Inc. and former OSO was amalgamated into 1160516 B.C. Ltd.

Under IFRS, this was considered to be a Reverse Merger and Recapitalization (commonly referred to as a Reverse Take Over or "RTO") and is accounted for as the acquisition of LKP by the Company. Pursuant to IFRS requirements, prior period information has not been prepared in a basis consistent with the preceding interim information.

The office of the Company is located at #703 – 45 Shepherd Ave East, Toronto, Ontario.

Cease Trade Order and Revocation

In June 2013, the Company was issued a Cease Trade Order due to a failure to file its annual financial statements, Management Discussion and Analysis and certificates for the year ended April 30, 2013. Further cease trade orders followed for failure to file the 2014 annual financial statements, Management Discussion and Analysis and certificates, and the subsequent quarterly financial reports.

On March 11, 2016 each of the British Columbia Securities Commission (the **BCSC**, in respect of its cease trade order dated September 8, 2014), the Ontario Securities Commission (the **OSC**, in respect of its cease trade order dated September 23, 2014) and the Alberta Securities Commission (the **ASC**, in respect of its cease trade order dated December 9, 2014) issued partial revocation and variation orders (the **Partial Revocation Orders**) in respect of the cease trade orders issued by each commission (collectively, the **Cease Trade Orders**) for the failure of the Company to file its comparative financial statements for the year ended April 30, 2014 and Form 51-102F1 *Management's Discussion and Analysis* for the period ended April 30, 2014 as required by National Policy 51-102 - Continuous Disclosure Obligations and the respective securities legislation of British Columbia, Ontario and Alberta (note 19).

On May 16, 2016 the Cease Trade Orders were revoked.

Highlights

In early June 2018, the Company determined that it would change its focus from constructing a building to cultivate cannabis to going into the business of processing cannabis to extract the valuable oils. In Q1, the Company entered into detailed planning to affect this changed focus.

In Q2, the Company executed a lease on real property and paid a rental deposit of $64,817. The triple net lease expires on August 31, 2023, subject to a 5- year renewal option at fair value rent. In years 1 and 2, the monthly rent (including common area cost) is $10,714, for years 3 and 4 $11,581 and year 5 $12,449. The common area cost will be increased to reflect cost increases. The Company has the option to acquire the property for $1,500,000. The option may be exercised at the end of the initial lease term on giving prior notice of at least six (6) months prior to the end of the initial lease term. This facility is a former storage warehouse with dimensions to allow for a phased retrofit. Phase One of the retrofit is approximately 3,500 square feet. The initial architectural designs have been completed and the Company is advancing to build out.

To implement the operating model, the Company has subsequent to the current quarter purchased and taken possession of four Vitalis supercritical CO_2 extraction systems, which will operate within the footprint of the phase one retrofit. These systems will allow for the processing of up to 50,000 kilograms of winterized output each year.

The ongoing execution of our plan will allow the Company to pursue four core business lines:

1) Contract processing for third-party licensed producers, by performing tolling services for the extraction of pharmaceutical-grade, purified oil from cannabis or hemp;

2) Extraction and production of oils to be sold through wholesale contracts to third-party licensed producers;

3) Leverage our extraction expertise for the development of cannabis concentrates, product formulations and processing and packaging for ready to sell white-labelled products for third-party licensed producers; and

4) Manufacturing and distribution of our own proprietary Osoyoos Cannabis branded products for retail, allowing us to create greater margins upon sale and to build a lifestyle brand along the way.

Subsequent to the Phase One facility retrofit, which is expected to be completed in summer 2019, the Company will commence its Phase Two retrofit. This Phase will entail retrofitting the balance of the facility, adding more packaging equipment and doubling extraction capacity. Doing so will allow for the processing of up to 100,000 kilograms of flower annually which is expected to produce approximately 9,800 kilograms of output per year.

In addition to the Company's application for a Standard Processing license, the Company is also in the process of negotiating a letter of intent relating to approximately 100 acres of neighboring land with the intention of cultivating cannabis outdoors. The Okanagan Valley is the hottest and driest place in Canada, which is the ideal location to establish an outdoor grow. This low-cost cultivation method, combined with high-margin processing and product development expertise, will allow the Company to operate with some of the better economics in the industry.

In Q2 and Q3, the Company entered into various contracts (1) to provide assistance with acquisition of a federal government license to process cannabis. Work is ongoing in pursuing completion of the license; (2) for services relating to site design and design of security procedures to process cannabis' (3) for personnel recruiting assistance.; and (4) preparation of drawings to support the application for a federal government license to process cannabis.

Effective October 31, 2018 the Company was part of a three-cornered amalgamation among the Company, 1160516 B.C. Ltd. (a wholly-owned subsidiary of LKP) and LKP. The result of the transactions was that LKP acquired all of the issued and outstanding securities of former OSO on the basis of one share of LKP for each share of former OSO (24,172,361 LKP shares issued). All outstanding warrants to purchase OSO shares were exchanged, on an equivalent basis, for warrants to purchase OSO (formerly LKP) shares. At completion of the transactions, LKP changed its name to Osoyoos Cannabis Inc. and former OSO was amalgamated into 1160516 B.C. Ltd.

Under IFRS, this was considered to be a Reverse Merger and Recapitalization (commonly referred to as a Reverse Take Over or "RTO") and is accounted for as the acquisition of LKP by the Company. Pursuant to IFRS requirements, information presented is for the former OSO and is therefor not consistent with the preceding periods interim information.

The Company commenced trading on the Canadian Stock Exchange ('CSE') on February 21, 2019 under the symbol "OSO". The Company amended its original application for the Cultivation License under the ACMPR, to a Standard Processor License under the Cannabis Act. This application has been submitted through the Indigenous navigator Program, which is expected to expedite the licensing process. The application is in the review stage.

SELECTED FINANCIAL INFORMATION

As the amalgamation resulted in a Reverse Merger and Recapitalization (commonly referred to as a RTO), the presentation of financial information (including comparative information) is that of 1160546 B.C. Ltd. (formerly OSO)

The following table contains selected consolidated financial information of the Osoyoos Cannabis Inc. (formerly LKP Solutions Inc.) for the 3 months ended January 31, 2019 and 2018, and the 9 months ended January 31, 2019 and period from incorporation to January 31, 2018. The Company was incorporated on August 11, 2017.

	3 months ended January 31, 2019	*3 months ended January 31, 2018*	*9 months ended January 31, 2019*	*Period from Aug 11, 2017 to January 31, 2018*
Total expenses	(455,288)	(198,591)	(1,631,415)	(854,246)
Net loss and comprehensive loss	(475,288)	(198,591)	(4,137,499)	(871,756)
Loss per common share – basic and diluted	(0.02)	(0.01)	(0.16)	(0.05)
Weighted average number of common shares outstanding-	30,892,146	22,153,320	26,429,739	19,184,514

The chart below presents the summary financial information of Osoyoos Cannabis Inc.: (formerly LKP Solutions Inc.)

	As at January 31, 2019	*As at April 30, 2018*
Current assets	2,582,241	5,713,599
Non- current assets	2,076,017	-
Total assets	4,658,258	5,713,599
Current liabilities	500,824	97,066
Total long-term liabilities	1,406,041	1,449,412
Shareholders' equity	2,751,393	4,167,121
Cash dividends per common share	-	-

The chart below presents the summary financial information of Osoyoos Cannabis Inc. (formerly LKP Solutions Inc.) for the three months ended January 31, 2019 and 2018, and nine months ended January 31, 2019 and the period from incorporation to October 31, 2017. The Company was incorporated on August 11, 2017.

	3 months ended January 31, 2019	3 months ended January 31, 2018	9 months ended January 31, 2019	Period from August 11, 2017 to January 31, 2018
Operating expenses	(455,288)	(198,591)	(1,631,415)	(854,246)
NET LOSS	(475,288)	(198,591)	(4,137,499)	(871,756)

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Expenses and Net Loss

Total expenses for the three months ended January 31, 2019, were $455,288 (January 31, 2018- $198,591) and for the nine months ended January 31, 2019 were $1,631,415 (January 31, 2018 – $854,246).

<u>Significant variances</u>

Operations in the prior year period ended January 31, 2018 were in the early start- up phase of the company with little activity beyond recognizing management efforts brought into the Company. Therefore, comparisons to the prior year period are of little value and all explanations below relate to periods ended January 31, 2019.

In Q1, the company's activities were primarily in planning to support the changed Company focus to the processing of cannabis. In Q2 and Q3, the Company's activities were focused on acquiring operating premises (lease was completed) and acquisition of equipment to process cannabis. As well, much effort was placed on completion of the Management Information Circular relating to the RTO transaction with 1160546 B.C. Ltd. (formerly OSO).

Stock based compensation of $396,994 in Q2 related to 1,100,000 warrants granted to directors upon completion of the RTO.

Management fees of $146,450 in Q3 and $363,450 for the nine months ended January 31, 2019, was compensation to the management team to advance both the lease and equipment acquisition, as well as completion of the RTO. In addition, this also included severance expense of $45,000 to the prior CEO of the Company. This fee also includes compensation to the corporate secretary of $22,200 in Q3 and $82,200 for the nine months ended January 31, 2019.

Accretion of $52,871in Q3 and $166,246 for the nine months ended January 31, 2019, related to recognition of costs deferred related to convertible debentures and the discounting of the loan payable.

Professional fees of $47,109 for Q3 and $150,228 for the nine months ended January 31, 2019, were largely related to completion of the RTO.

Investor relations costs of $14,940 for Q3 and $52,640 for the nine months ended January 31, 2019, are on a monthly contract basis.

In Q1, at the request of certain debenture holders, the Company repaid debentures with a face value of $105,000 for their face value, thereby incurring a loss on redemption of $47,676 and a reduction in debentures equity of $10,886. The loss primarily resulted from the accelerated recognition of transaction costs previously deferred.

No cash dividends have been paid by the Company. The Company has no present intention of paying cash dividends on its common shares as it anticipates that all available funds will be invested in completion of the leasehold improvements, completion of the license acquisition and ultimately commencement of operations.

Quarterly results

Quarter	Net Income (Loss) ($)	Income (Loss)/ Share ($)	Total Assets ($)	Shareholder's Equity ($)
Q3 2019	(475,288)	(0.02)	4,658,258	2,751,393
Q2 2019	(804,784)	(0.03)	5,073,525	3,171,681
Q1 2019	(92,393)	(0.006)	50,283	(404,521)
Q4 2018	(12,657)	(0.001)	8,986	(312,128)
Q3 2018	(119,319)	(0.007)	141,093	(299,471)
Q2 2018	(10,135)	(0.001)	9,511	(180,152)
Q1 2018	1,997	0.000	30,197	(185,017)
Q4 2017	(1,335,854)	(0.679)	19,471	(217,029)

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of these consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the years reported.

Critical Judgements

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiary has been determined to be the Canadian dollar.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the consolidated financial statements include:

Share-based Payments

Estimating fair value for granted stock options and compensatory warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Deferred Tax Assets & Liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company’s ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management’s assessment of the Company’s ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Discount on Term Debt

The terms of the term debt are that there is no interest. Fair value of the debt requires that a market rate of interest be applied. Management has made the necessary estimate of an appropriate interest rate. A variation in the rate would impact the carrying value of the loan and the accretion recognized in the statement of loss and comprehensive loss.

ACQUISITIONS

Effective October 31, 2018 the Company was part of a three-cornered amalgamation among the Company, 1160516 B.C. Ltd. (a wholly-owned subsidiary of LKP) and LKP. The result of the transactions was that LKP acquired all of the issued and outstanding securities of former OSO on the basis of one share of LKP for each share of former OSO (24,172,361 LKP shares issued). All outstanding warrants to purchase OSO shares were exchanged, on an equivalent basis, for warrants to purchase OSO (formerly LKP) shares. At completion of the transactions, LKP changed its name to Osoyoos Cannabis Inc. and former OSO was amalgamated into 1160516 B.C. Ltd.

Under IFRS, this was considered to be a Reverse Merger and Recapitalization (commonly referred to as a Reverse Take Over or “RTO”) and is accounted for as the acquisition of LKP by the Company.

The fair value of the acquired assets and liabilities assumed is as follows:

		October 31, 2018
Assets acquired by the Company:		
Cash	$	1,757
Accounts receivable		17,340
Liabilities assumed by the Company:		
Accounts payable		(40,800)
Amount due to related party		(450,519)
Share subscriptions received in advance		(45,015)
Net liabilities assumed		(517,237)

Fair value of equity surrendered to former LKP shareholders at acquisition		(1,968,847)
Loss on acquisition	$	(2,486,084)

On August 23, 2017, the Company acquired 100% of the issued and outstanding shares of BRPO for cash consideration of $1.

BRPO was incorporated under the laws of British Columbia by articles of incorporation dated on February 25, 2017 and is in the business of the research of, propagation and growth of, harvesting and marketing of medical cannabis.

The fair value of the acquired assets and liabilities assumed is as follows:

		August 23, 2017
Assets acquired by the Company:		
Cash	$	10,549
Prepaid expense		6,000
Liabilities assumed by the Company:		
Amount due to related party		(34,058)
Loss on acquisition		17,510
Fair value of consideration issued on acquisition	$	1

RECENT ACCOUNTING PRONOUNCEMENTS

Effective May 1, 2018, the Company has adopted the following new and revised standards, along with any consequential amendments. These changes were made in accordance with the applicable transitional provisions.

(a) IFRS 2, Share-based Payment (“IFRS 2”) - In June 2016, the IASB issued amendments to IFRS 2, which expands upon the guidance for recognizing a liability for cash-settlement of a share-based payment as well as transactions with a net settlement feature for withholding tax obligations. These amendments are effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The adoption of this standard has had no effect on the Company's financial reporting.

(b) IFRS 15, Revenue from Contracts with Customers (“IFRS 15”), was issued in May 2015, which replaced IAS 11, Construction Contracts, IAS 18, Revenue Recognition, IFRIC 13, Customer Loyalty Programs, 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. IFRS 15 provides a single, principles based five step model that will apply to all contracts with customers with limited exceptions. In addition to the five-step model, the standard specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The incremental costs of obtaining a contract must be recognized as an asset if the entity expects to recover these costs. The standard’s requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity’s ordinary activities. IFRS 15 is required for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The adoption of this standard has had no effect on the Company's financial reporting.

(c) IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories; amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit or loss or fair value through other comprehensive income. IFRS 15 is required for annual periods beginning on or after January 1, 2018.The Company has adopted this new standard as of its effective date being May 1, 2018, on a modified retrospective basis. The April 30, 2018 comparatives were not restated.

Accounting standards Issued but not yet applied

New standard IFRS 16 “Leases” This new standard replaces IAS 17 “Leases” and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. IFRIC 22, ‘Foreign currency transactions and advance consideration. This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The Company has not yet analyzed the new standard to determine its impact on the Company’s consolidated statements of financial position and consolidated statements of comprehensive income (loss).

Other accounting standards and amendments to existing accounting standards that have been issued and have future effective dates are not applicable or are not expected to have a significant impact on the Company’s financial statements

LIQUIDITY AND CAPITAL RESOURCES

At January 31, 2019, the Company had cash of $2,143,954. For the nine months ended January 31, 2019, the Company used cash of $1,015,897 in operating activities, $1,772,580 in investing activities and $308,303 in financing activities.

The Company has financed its operations from inception to date through the issuance of equity securities and convertible debentures. The Company currently has no source of revenues; as such, administrative and other expenses may exceed available cash resources and additional funding may be required to further its projects and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on raising additional financing, development of its projects and generation of profitable operations in the future.

The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations.

Based on available funds, the Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above as well as support future business opportunities.

To manage the capital structure, the Company may adjust its project plans, operating expenditure plans, or issue new common shares and warrants. The Company monitors its capital structure using annual forecasted cash flows, expenditure budgets and targets for the year as well as corporate capitalization schedules. This is achieved by the Board of Directors' review and acceptance of expenditure budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other funding.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to externally imposed capital requirements or covenants.

Financing Transactions

Nine months ended January 31, 2019

In Q1, at the request of certain debenture holders, the Company repaid debentures with a face value of $105,000 for their face value, thereby incurring a loss on redemption of $47,676 and a reduction in debentures equity of$10,886. The loss primarily resulted from the accelerated recognition of transaction costs previously deferred.

There were no other financing transactions during the nine months ended January 31, 2019.

OUTSTANDING SHARE DATA

Information with respect to outstanding common shares and warrants as at January 31, 2019 and October 31, 2017, are as follows:

	January 31, 2019	Oct 31, 2017
Common shares	31,138,517	18,248,260
Warrants	33,626,601	2,248,260
Fully diluted shares outstanding	64,765,118	20,496,510

Share Issuances

Quarter ended January 31, 2019

On January 8, 2019, the Company issued 333,334 shares at $0.15 per share to repay interest accrued on convertible debentures for $50,000.

On January 19, 2019 the Company issued 100,000 shares to the subscribers prior to the reverse merger for subscription for common shares @0.10 per share.

Warrants

Immediately prior to the amalgamation, the former LKP had 663,400 warrants (post consolidation) outstanding.

As a part of the amalgamation, all outstanding warrants to purchase OSO shares were exchanged, on an equivalent basis, for warrants to purchase OSO (formerly LKP) shares.

As at January 31, 2019 the Company had a total of 33,626,601 common share warrants issued and outstanding as follows.

Outstanding	Exercise Price	Expiry Date
2,450,000	$0.20	November 1, 2019
2,248,260	$0.50	November 1, 2019
7,372,560	$0.50	December 1, 2019
1,583,330	$0.20	December 10, 2019
3,500,000	$0.20	December 15, 2019
2,650,000	$0.50	Mach 14, 2020
10,559,051	$0.75	March 23, 2020
1,500,000	$0.25	March 14, 2023
1,100,000	$0.45	March 14, 2023
80,400	$0.50	July 21, 2020
357,000	$0.25	October 1, 2020
226,000	$0.50	December 31, 2020
33,626,601		

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, due from related party, accounts payable, payable on equipment, loan payable, and convertible debentures.

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. The presentation of the Company's due from related party, accounts payable and payable on equipment is fair value, taking into account their short-term nature. The fair value of convertible debentures and the loan payable are measured on the statement of financial position using level 3 of the fair value hierarchy.

The Company's financial instruments are exposed to certain financial risks including credit risk, liquidity risk, interest rate risk and market risk.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest rate risk and market risk.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements as well as, in certain cases, to pay the outstanding balances owed in shares of the Company rather than in cash.

As at January 31, 2019, the Company had cash of $2,143,954 and current liabilities of $500,824.

The Company considers expected cash flow from financial assets in managing liquidity risk. The Company's existing cash resources currently do not meet the current cash outflow requirements. As a result, the Company is at a risk of not being a going concern if management is unable to raise the appropriate funds prior to the maturity of the financial liabilities. Appropriate going concern disclosures have been made in Note 1 of the financial statements.

Market Risk

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

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

The Company is not exposed to significant foreign exchange risk as all its operations are in Canada.

CONVERTIBLE DEBENTURES

In December 2017, the Company issued $1,130,000 in convertible debentures. The debentures have a maturity of 3 years, carry an interest rate of 10%, which can be paid in cash or common shares at a price of $0.15. The debentures are convertible into common shares at $0.15 per share, at the discretion of the debenture holder. In connection with the debentures, the Company issued 7,533,530 common share purchase warrants, with each warrant exercisable at $0.20 for a period of 2 years. The warrants are considered to be transaction costs of the debentures and had a fair value of $623,521 calculated using the Black-Scholes pricing model with volatility of 120% and an interest rate of 1.41%. Of this amount, $144,116 was allocated to the equity component of the convertible debenture, with the remaining amount allocated to the liability portion, to be amortized over the term of the notes. In addition, 342,500 common shares valued at $51,375 were issued to the holders of the debentures and recorded as transaction costs. Of the $51,375 transaction costs, $11,875 was recorded as a cost of issuing the equity, with the remainder recorded against the liability portion of the notes and will be amortized over the term of the notes. During the nine- month period ended January 31, 2019 the Company expensed interest expense of $79,283 (April 30, 2018 -$49,064) for these notes. At the option of the debenture holder, the interest can be paid in cash or in shares at a value of $0.15 per share. At January 31, 2019 interest payable of $25,000 is due in shares.

On May 10, 2018 the Company repaid certain debentures with a face value of $105,000 and a carrying value of $46,438, resulting in a loss on repayment of $47,676 and a reduction in equity in debentures of $10,886.

As at January 31, 2019 the Company's convertible notes were as follows:

	Equity component of convertible debenture	Liability portion of convertible debenture	Total
Proceeds received	$ 261,181	$ 868,819	$ 1,130,000
Finance costs	(155,991)	(518,8905)	(674,896)
Amortization of finance costs	-	72,286	72,286
Accretion	-	27,212	27,212
Balance, April 30, 2018	$ 105,190	$ 449,412	$ 554,602
Repayment of debentures	(10,886)	(46,438)	(57,324)
Amortization of finance costs		118,637	118,637
Accretion		48,826	48,826
Balance, January 31, 2019	$ 94,304	$ 570,437	$ 664,741

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

TRANSACTIONS WITH RELATED PARTIES

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Key management of the Company are members of the Board of Directors, the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”).
Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

Key management remuneration includes the following:

		Three months January 31, 2019		Nine months January 31, 2019
Management fees to the former CEO*	$	55,000	$	98,750
Contract fees to the former CFO	$	11,750		57,500
Contract fees to the COO	$	22,500		30,000
Management fees to a director or to a company controlled by the director and CEO	$	30,000		90,000
Contract fees to CFO or a company controlled by the CFO	$	5,000		5,000
Contract fees to the corporate secretary	$	22,200		82,200
		146,450	$	363,450
Consulting fees paid to a director		-		20,000
Share-based compensation to directors from warrants issued		-		396,994
Office and rent expense paid to the former CEO		-		500
		146,450	$	780,944

* Includes severance expense for $45,000

As at January 31, 2019, the Company had the following balances with related parties:

- Included in due from related parties is $17,200 (April 30, 2018: $18,500) owed by the former CEO and director of the Company, and companies with management and directors in common with the Company;
- Included in accounts payable and accrued liabilities is $76,635 (April 30, 2018: $2,227) due to the related parties.
- The note payable of $1,000,000 is due to the former CEO.

Amounts due to and from related parties are non-interest bearing with no terms of repayment, other than the note payable which has been discounted to its fair value using a market rate of interest.

SEGMENTED INFORMATION

The Company operates in a single reportable operating segment in Canada.

BOARD PURPOSE AND FUNCTION

The directors and management of the company have extensive experience in taking projects through to various stages of development. There is a balanced representation of directors with operational, corporate and financial backgrounds.

The Board's purpose is to ensure corporate governance, risk, strategy and shareholder interests are priorities at all times. At the end of the financial period under review, the board consisted of five members.

Except as disclosed below, Osoyoos Cannabis Inc. (formerly LKP Solutions Inc.) is not aware of any director or of the families of any directors, having any interest, direct or indirect, in any transaction during the last financial year or in any proposed transaction with the Company which has affected or will materially affect the Company other than those that may be disclosed in the above discussion about related party transactions

On June 7, 2018, the Company entered into an agreement with a company controlled by a director for provision of corporate finance services; The said company can be paid up to $1,100,000 if successful.

PROPOSED TRANSACTIONS

The Company is in negotiations with several contractors to enter into a contract to complete required renovations.

CONTRACTUAL OBLIGATIONS

The Company's operations were governed by governmental laws and regulations regarding environmental protection. Environmental consequences are difficult to both predict and identify, in terms of level, impact or timeline. At the present time and to the best knowledge of its management, the Company is in conformity with the laws and regulations in effect. Restoration costs will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at the time.

On May 28, 2018, a performance compensation agreement was entered into between a former CEO/director, a former director and the present Secretary, the former CFO and the comptroller and OSO in relation to the provision of ongoing assistance to complete the transaction with LKP and to achieve a stock exchange listing. The milestones triggering payments under this agreement are: a) $20,000 was paid immediately; b) $20,000 was paid upon regulatory acceptance of this Information Circular; c) $20,000 upon the signing of a lease for operating premises); d) $20,000 upon the completion of the acquisition of OSO by LKP); and e) $20,000 upon achieving a listing on the Canadian Stock Exchange.

On June 7, 2018, the Company entered into an agreement with a company controlled by a director for provision of corporate finance services; The said company can be paid up to $1,100,000 if successful.

On September 1, 2018, 2018, the Company executed a lease on real property and paid a rental deposit of $64,817. The triple net lease expires on August 31, 2023, subject to a 5 year renewal option at fair value rent. In years 1 and 2, the monthly rent (including common area cost) is $10,714, for years 3 and 4 $11,581 and year 5 $12,449. The common area cost will be increased to reflect cost increases. The Company has the option to acquire the property for $1,500,000. The option may be exercised at the end of the initial lease term on giving prior notice of at least six (6) months prior to the end of the initial lease term.

On October 3, 2018, the Company entered into a $14,000 contract for consulting services in support of obtaining a federal government license to process cannabis.

On October 15, 2019 the Company entered into a $19,350 contract for services relating to site design and design of security procedures to process cannabis.

On October 17, 2018 the Company entered into a $14,000 contract for personnel recruiting assistance.

On November 20, 2018 the Company entered into a $10,000 contract for graphic design and website creation.

On December 7, 2018, the Company entered into a $7,000 contract for mechanical engineering services.

SUBSEQUENT EVENTS

The Company commenced trading on the Canadian Stock Exchange (‘CSE’) on February 21, 2019 under the symbol “OSO”.

On February 13, 2019, the Company entered into a $39,000 contract for architectural and mechanical engineering services for the extraction facility with payments structured in three phases.

On February 20, 2019, the Company entered into a $8,300 contract for electrical consulting engineering services for the extraction facility.

OTHER INFORMATION

Other information and additional disclosure of the Company’s technical reports, material change reports, news releases, and other information may be found on SEDAR.

CORPORATE INFORMATION

Directors and Officers
Gerry Goldberg – CEO, Director and Chairman
Ernie Eves, Director
Michael Ash, Director
John McMahon, Director
Sara Lee Irwin, Director
Tyler Devenyi, Chief Operating Officer
Rakesh Malhotra, CPA, CA – CFO
Patricia L. Purdy –Corporate Secretary

Corporate Office
#703 – 45 Shepherd Ave East, Toronto, Ontario

Independent Auditor

Buckley Dodds Parker LLP, Vancouver

Corporate Banker
Alterna Savings and Credit Union, Toronto

Transfer Agent
Capital Transfer Agency Inc., Toronto