OSOYOOS CANNABIS INC.
(Formerly LKP Solutions Inc).

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended April 30, 2020

Cautionary Statements

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, fluctuations in commodity prices and currency exchange rates; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and economic return; the need for cooperation of government agencies; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; uncertainty related to the completion of the amalgamation.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward- looking statements contained herein are as of April 30, 2020 and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning our expectations regarding the ability to raise additional funds, results of the research and development performed in relation to the products and services of the Company, positive result due to the change in business model, possibility of entering into strategic alliance, distribution agreements and other arrangements to market their products and services and possibility of producing viable products through the use of the new technologies purchased and developed.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

INTRODUCTION

The following provides MD&A of the consolidated financial position of the Company and the consolidated results of operations of the Company for the year ended April 30, 2020. MD&A was prepared by Company management and approved by the Board of Directors on July 9, 2020.

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 MD&A dated July 9, 2020, 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. the Company's 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 6,662,796 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 Osoyoos Cannabis Inc. ("OSO"). OSO. 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.

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 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 additional rent) 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 4,000 square feet. The initial architectural designs have been completed and the Company is advancing to build out.

To implement the operating model, the Company purchased and has taken possession of four Vitalis supercritical CO2 extraction systems.

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.

In Q2 and Q3 of 2019, the Company entered into various contracts (1) to provide assistance with acquisition of a Cannabis Act license from Health Canada 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). 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 therefore 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.

SUBSEQUENT EVENTS

a) On April 21, 2020, the Company announced that the Company entered into an equipment lease (the "Equipment Lease") and a joint-venture agreement (the "JV Agreement") with 2623942 Ontario Limited (the "Licensed Producer") commencing May 2020.

Equipment Lease & JV Agreement

Pursuant to the Equipment Lease, the Company has agreed to lease one of its Vitalis Q-180 Series extraction systems to the Licensed Producer to process their proprietary-grown biomass for a term of four years. The Company will receive up to $100,000 in cash upfront over the first 60 days of the lease and will receive monthly lease payments of approximately $17,750 (plus applicable taxes) for the remainder of the term. Provided that all payments have been made under the Equipment Lease, the Licensed Producer may at its option buyout the equipment at the end of the term for $1.

The Company and the Licensed Producer have also entered into a five-year JV Agreement to offer third-party contract tolling extraction and processing services, effective May 1, 2020. Under the JV Agreement, Osoyoos has agreed to provide use of its other Vitalis Q-180 Series extraction system to the joint-venture in exchange for 50% of the net profits derived from such tolling services, which is defined as revenues minus direct costs, which are to be mutually agreed to on a quarterly basis. The parties have also agreed to form a management committee to oversee the joint venture's business plan, accounting, day-to-day operations and terms of processing contracts. Furthermore, the Company is guaranteed a monthly minimum rental payment and total minimum cumulative payments of $1.5 million under the JV Agreement.

b) On June 1, 2020, the Company issued 100,000 warrants to a consultant for services to be provided over a period of 6 months. The warrants were issued at an exercise price of $0.10 and expire May 31, 2021.

c) On June 16, 2020, the Company announced that it proposes to complete a non-brokered private placement (the "Private Placement") of up to 20,000,000 units of the Company (the "Units"), at a price of $0.05 per Unit, for gross proceeds of up to $1,000,000. Each Unit will consist of one common share of the Company (a "Common Share") and one-half of one common share purchase warrant of the Company (a "Warrant"). Each full Warrant will entitle the holder to acquire one additional Common Share for a period of twenty-four months from the date of issuance (the "Expiry Date") at a price of $0.15 per Common Share.

Pursuant to a subscription agreement dated June 8, 2020 (the "Subscription Agreement"), the Company is pleased to announce that a Canadian institutional investor (the "Institutional Investor") is supporting the Company in completing the financing by subscribing for up to the entire amount of the Private Placement upon the Company satisfying certain mutually agreed corporate milestones. The Subscription Agreement provides for the Institutional Investor completing an initial tranche of $75,000 of the Private Placement within ten days and the remaining $925,000 in two additional equal tranches within ten days of the Company achieving mutually agreed corporate milestones. Furthermore, the Institutional Investor will be entitled to deduct from its commitment an amount equal to the aggregate gross proceeds that is raised by the Company pursuant to the Private Placement. On June 16, 2020, the Company closed the initial tranche of the Private Placement and issued 1,500,000 Units of Company, at a price of $0.05 per Unit, for gross proceeds of $75,000.All Common Shares and Warrants sold under the Private Placement will be subject to a statutory four month and one day hold period.

d) On June 26, 2020, the Company announced that it agreed to acquire 100% of the shares (the "Acquisition") of 1196691 B.C. Ltd. d/b/a "PCAI Pharma" (the "Parent") the parent company that holds 100% of the shares of AI Pharmaceuticals Jamaica Limited ("AI Pharma"). AI Pharma is engaged in the research and development of cannabis (cannabinoids) and mushrooms (psilocin) based pharmaceutical, nutraceutical and cosmeceutical formulations and related intellectual property. In connection with the Acquisition, the Company has entered into a share purchase agreement (the "Share Purchase Agreement") dated June 26, 2020 between the Company, as purchaser, and the shareholders of the Parent, as vendors. Under the terms of the Share Purchase Agreement, the Company agreed to purchase from the vendors and the vendors agreed to sell to the Company all of the issued and outstanding shares (the "Parent Shares") of the Parent. In consideration for the Parent Shares, the Company agreed to pay to the vendors a purchase price of $2,520,000, to be satisfied by issuing to the vendors an aggregate of 36,000,000 common shares of the Company at a deemed price of $0.07 per share. The acquisition was completed in June 2020.

e) Since December 31, 2019, the break of the novel strain of coronavirus, specially identified as "COVID-19" has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

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 years ended April 30, 2020 and 2019.

	year ended April 30, 2020	*year ended April 30, 2019*
Total expenses	(1,303,832)	(2,427,569)
Gain on restructuring of debt	645,000	-
Loss from issuance of shares	(14,000)	-
Loss on acquisition of subsidiary	-	(2,506,076)
Net loss and comprehensive loss	(672,832)	(4,933,645)
Loss per common share – basic and diluted	(0.02)	(0.18)
Weighted average number of common shares outstanding-	35,888,189	27,475,722

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

	As at April 30, 2020	*As at April 30, 2019*
Current assets	745,887	1,992,654
Non- current assets	2,589,906	2,115,659
Total assets	3,335,793	4,108,313
Current liabilities	478,552	462,461
Total long-term liabilities	722,992	1,007,771
Shareholders' equity	2,134,249	2,638,081
Cash dividends per common share	-	-

The chart below presents the summary financial information of Osoyoos Cannabis Inc. (formerly LKP Solutions Inc.) for the year ended April 30, 2020 and 2019.

	Year ended April 30, 2020	Year ended April 30, 2019
Operating expenses	(1,303,832)	(2,427,569)
NET LOSS	(672,832)	(4,933,645)

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Expenses and Net Loss

Total expenses for the year ended April 30, 2020, were $1,303,832 as compared to $2,427,569 for the year ended April 30, 2019.

<u>Significant variances</u>

Accretion of $211,461 for the year ended April 30, 2020 and $295,983 for prior period ended April 30, 2019, related to recognition of costs deferred related to convertible debentures and the discounting of the loan payable to the former CEO. In addition, the Company expensed accretion cost on lease obligation for $44,331 on adoption of IFRS 16 "Leases" during the year ended April 30, 2020 (Prior year: $nil)

Consulting fees for $120,521 for year ended April 30, 2020 includes payment for $75,000 paid to a corporation owned by a director. The said director resigned during the year.

Professional fees of $144,587 for the year ended April 30, 2020 (April 30, 2019: $224,739) were largely related to legal fees on the aborted Anahit transaction.

During the year ended April 30, 2020, the Company reported a gain of $645,000 on restructuring of debt due to a former CEO of the Company. On September 23, 2019, the Company announced that in final settlement of the debt of $1,000,000. The Company has issued the creditor 1,500,000 shares of the Company fair valued at $105,000, paid cash of $125,000 and executed a promissory note in the principal amount of $125,000, which accrues interest at 5% per annum. The settlement resulted in a gain on restructuring of debt in the amount of $645,000.

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.

Quarter	Net Income (Loss) and comprehensive loss ($)	Income (Loss)/ Share ($)	Total Assets ($)	Shareholder's Equity ($)
Q4 2020	(307,870)	(0.01)	3,335,793	2,134,249
Q3 2020	(246,678)	(0.01)	3,588,713	2,428,119
Q2 2020	412,202	0.01	3,794,812	2,674,797
Q1 2020	(530,486)	(0.02)	4,138,119	2,157,595
Q4 2019	(796,154)	(0.04)	4,108,313	2,638,081
Q3 2019	(455,288)	(0.02)	4,658,258	2,751,393
Q2 2019	(3,290,868)	(0.14)	5,073,525	3,171,681
Q1 2019	(371,343)	(0.02)	50,283	(404,521)

The Company became a Registered Issuer (as defined in the BC Securities AC) in mid-January 2018 and the first quarter would have been April 30, 2018 which is coincident with the year- end.

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.

Carrying values of tangible assets

The Company assesses the carrying value of its tangible assets annually or more frequently if warranted by a change in circumstances. If it is determined that carrying values of assets cannot be recovered, the unrecoverable amounts are charged against current earnings. Recoverability is dependent upon assumption and judgements regarding market conditions, costs of operations and sustaining capital requirements. Other assumptions used in the calculation of recoverable amounts are discount rates, and future cash flows. A material change in the assumptions may significantly impact the potential impairment of these assets.

Discount rates used in convertible debentures

The Company calculates the liability portion of convertible debentures by calculating the present value of the loan and related interest, using a discount rate equal to the market rate that would be given for similar debt, without a conversion feature. Management determines this rate by assessing what rate the Company could borrow funds at from an unrelated party.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Leases

The Company estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as store profitability. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment of the lease term is reviewed if a significant event or a significant change in circumstance occurs, which affects this assessment and that is within the control of the lessee. The Company estimates the incremental borrowing rate used to measure our lease liability for each lease contract. This includes estimation in determining the asset-specific security impact.

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 Company issued 6,662,796 shares to the shareholders of former OSO valued at $0.30 per share, with a total value of $1,998,839 for the acquisition.

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		(35,015)
Net liabilities assumed		(507,237)
Fair value of equity surrendered to former LKP shareholders at acquisition		(1,998,839)
Loss on acquisition	$	(2,506,076)

NEW STANDARDS ADOPTED

(a) Leases and right-of-use assets

In January 2016, the IASB issued IFRS 16 - Leases ("IFRS 16"), replacing IAS 17 - Leases. IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its statement of financial position, providing the reader with greater transparency of an entity's lease obligations.

At May 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach and accordingly the information presented for 2018 has not been restated. It remains as previously reported under IAS 17 and related interpretations.

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonably certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

-Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognized where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

LIQUIDITY AND CAPITAL RESOURCES

At April 30, 2020, the Company had cash and cash equivalents of $612,788. For the year ended April 30, 2020, the Company used cash of $551,750 (prior period: $1,318,459) in operating activities, used $333,192 (prior period provided $2,013,342) in investing activities and used 125,000 (prior period: $286,143) 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.

OUTSTANDING SHARE DATA

At April 30, 2020, the Company had 36,681,824 common shares outstanding. On the date of the MD&A the Company had 74,181,824 common shares outstanding.

At April 30, 2020, the Company had 4,258,400 warrants outstanding. On the date of the MD&A the Company had 5,108,400 warrants outstanding

Information with respect to outstanding common shares, warrants, compensation options, compensation option warrants and stock options as at April 30, 2020 and date of the MD&A are as follows:

	Date of MD&A	April 30, 2020
Common shares	74,181,824	36,681,824
Stock options	-	-
Warrants	5,108,400	4,258,400
Fully diluted shares outstanding	**79,290,224**	**40,940,224**

Share Issuances

During the year ended April 30, 2020, the Company had the following share issuances:

- On May 23, 2019, the Company issued 125,000 common shares to the former CEO for loan settlement (Note 7)
- On August 15, 2019, the Company issued 166,667 shares to repay interest accrued for $25,000 on convertible debentures
- On September 23, 2019, the Company issued 1,500,000 common shares to the former CEO for loan settlement (Note 7)
- During the year ended April 30, 2020, the Company's current management became aware of a situation where in a prior year, under the Company's old management, certain shareholders had subscribed for 220,000 common shares, which had not been issued. The Company rectified the situation by issuing 220,000 units valued at $14,000. Each unit consists of one common share, and one common share purchase warrant exercisable at $0.50 per share for a period of 2 years. As a result of the unit issuance, the Company recorded a loss of the same amount.

During the year ended April 30, 2019, the Company had the following share issuances:

- The Company issued 326,566 shares for share proceeds of $146,955 received in advance. The Company also issued 139,522 shares for finders' fees.
- On July 10, 2018, the Company repriced 1,000,000 founders' shares (previously recognized at $4) to $0.005 per share for additional proceeds of $5,000. This brought the price of the shares into alignment with requirements of the Canadian Stock Exchange
- On January 8, 2019, the Company issued 335,000 shares to repay interest accrued for $50,000 on convertible debentures.
- On April 25, 2019, the subscribers to $525,000 of the convertible debentures converted their debt to 3,500,000 common shares at $0.15 per share.
- The Company issued 6,662,796 shares in connection with the acquisition.

Warrants

During the year ended April 30, 2019, and concurrent with the completion of RTO, the Company issued to directors as compensation, 1,100,000 warrants exercisable at $0.45 until March 14, 2023.

As part of the amalgamation, all outstanding warrants (663,400 warrants) to purchase OSO shares were exchanged, on an equivalent basis, for warrants to purchase OSO (formerly LKP) shares

On April 9, 2019, the Company granted an aggregate of 775,000 5-year cashless warrants as executive compensation to the COO, the CEO and a member of the board. 575,000 of the cashless warrants have an exercise price of $0.25 and the balance at $0.45.

On October 22, 2019, the Company issued 20,000 warrants being settlement with a plaintiff regarding warrant issuance relating to the prior year reverse merger. These warrants are exercisable at $0.50 until October 21, 2021.

On January 6, 2020, the Company issued 200,000 warrants being settlement with a plaintiff regarding warrant issuance relating to the prior year reverse merger. These warrants are exercisable at $0.50 until January 5, 2022.

The following is a summary of changes in warrants:

	Number of Warrants	**Weighted Average Exercise Price**
Outstanding, April 30, 2018	31,863,201	$0.50
Issued	1,875,000	$0.39
Acquired form RTO (Note 4)	663,400	$0.37
Outstanding, April 30, 2019	34,401,601	$0.49
Issued	220,000	$0.50
Expired	(30,363,201)	$0.51
Outstanding, April 30, 2020	**4,258,400**	**$0.34**

As at April 30, 2020, the Company had the following share purchase warrants outstanding:

Outstanding	**Exercise Price**	**Remaining Life (Years)**	**Expiry Date**
80,400	$0.50	0.23	July 21, 2020
357,000	$0.25	0.42	October 1, 2020
226,000	$0.50	0.67	December 31, 2020
20,000	$0.50	1.50	October 21, 2021
200,000	$0.50	1.68	January 5, 2022
1,500,000	$0.25	2.87	March 14, 2023
1,100,000	$0.45	2.87	March 14, 2023
575,000	$0.25	3.95	April 8, 2024
200,000	$0.45	3.95	April 8, 2024
4,258,400	$0.34	2.63	

LOAN PAYABLE

The loan payable to the former CEO arises from the surrender of shares and was unsecured and non-interest bearing with a due date of March 15, 2020. Effective May 1, 2018, the loan was discounted to fair value of $718,184 using market rate. The loan was to be accreted to fair value over the term of the loan. On May 23, 2019, the Company secured extended and improved terms of the loan note initially payable on March 15, 2020. The principal amount of one million dollars ($1,000,000), negotiated as part of a capital restructuring of the Company in March 2018, would bear a simple interest rate of 5% p.a. and be payable in five equal annual installments. Additionally, subject to terms and conditions of an escrow agreement and all regulatory and exchange approvals, the Company issued to the lender 125,000 common shares valued at $25,000, with 25,000 vesting immediately and 20,000 common shares vesting on each of the five anniversary dates beginning on March 15, 2020. The finance cost of $25,000 has been deferred to be amortized over the period of the loan. During the year ended April 30, 2020, the Company expensed $5,000 as interest expense, and $20,000 remains in deferred costs. The former CEO is no longer considered a related party.

At April 30, 2019 the carrying value of the loan was $1,000,000 less $129,170 of unamortized discount. The Company recorded accretion expense for $129,170 during the three- month period ended July 31, 2019.

On September 23, 2019, the Company announced final settlement of the debt of $1,000,000. The Company has issued the creditor 1,500,000 shares of the Company fair valued at $105,000, paid cash of $125,000 and executed a promissory note in the principal amount of $125,000, which accrues interest at 5% per annum and is due May 31, 2020. The settlement resulted in a gain on restructuring of debt in the amount of $645,000.

FINANCIAL INSTRUMENTS

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

The Company's cash and cash equivalents 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 and accounts payable 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 currency risk, credit risk, liquidity risk, interest rate risk and price risk.

Financial risk management and objectives

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

The Company's cash and cash equivalents 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 and accounts payable 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 currency risk, credit risk, liquidity risk, interest rate risk and price 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

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 April 30, 2020, the Company had cash of $618,481 and current liabilities of $478,552.

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.

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

During the period ended April 30, 2018, the Company issued $1,130,000 in convertible debentures. The debentures had 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 year ended April 30, 2020 the Company expensed interest expense of $50,000 (April 30, 2019 - $104,199) 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.

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.

On April 25, 2019, convertible debenture holders of face value of $525,000 opted to convert their debt into equity at $0.15 per common share. The Company issued 3,500,000 common shares.

During the year ended April 30, 2020, the company issued 166,667 shares to settle $25,000 of accrued interest on these convertible debentures.

As at April 30, 2020 the Company's convertible notes were as follows:

		Equity component of convertible debenture		Liability portion of convertible debenture		Total
Balance as of April 30, 2018		105,190	$	449,412	$	554,602
Repayment of debentures		(10,886)		(46,438)		(57,324)
Conversion of debentures to shares		-		(525,000)		(525,000)
Amortization of finance costs		-		289,796		289,796
Accretion		-		143,337		143,337
Balance, April 30, 2019	**$**	**94,304**	**$**	**311,107**	**$**	**405,411**
Amortization of finance costs		-		77,129		77,129
Accretion		-		37,960		37,960
Balance, April 30, 2020	**$**	**94,304**	**$**	**426,196**	**$**	**520,500**

CONTINGENCIES AND COMMITMENTS

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 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.

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:

Amounts paid for key management services include the following:

			April 30, 2020
Contract fees for interim CEO services*	$	87,500	
Contract fees for CEO services*		22,500	
Contract fees to CFO services		30,000	
Contract fees for executive chairman*		22,500	
Contract fees for COO services		110,000	
	$	$	272,500
Consulting fees paid to directors		-	113,565
	$		386,065

*On January 20, 2020, the Company announced that the board of directors accepted the resignation of Ernie Eves as a director of the Company and appointed Graham Simmonds, Tyler Devenyi and Larry Horwitz to serve as directors of the Company, all effective January 16, 2020. The Company also appointed Graham Simmonds to serve as the Company's new CEO, effective January 16, 2020. Gerry Goldberg, who previously served as Interim CEO and Executive Chairman, will continue to serve as the Company's Executive Chairman.

During the year ended April 30, 2019, amounts paid for key management services include the following:

				April 30, 2019
Management fees to a former CEO*	$	98,750		
Contract fee to former CFO	$	57,500		
Contract fees for CEO services	$	120,000		
Contract fees for CFO services	$	12,500		
Contract fee for COO services	$	55,000		
Contract fees to the corporate secretary	$	98,275		
Total Management fees			$	442,025
Consulting fees paid to a director				23,000
Share-based compensation from warrants issued				554,836
Office and rent expense paid to a former CEO				500
			$	1,020,361

* Includes severance expense for $45,000

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. 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

CONTROL AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and workload will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the audit committee.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. Current and potential investors should give special consideration to the risk factors involved, should the Company continue in the cannabis business.

<u>Management</u>

Dependence on Key Contractors, Personnel and Service Providers, shareholders of our Company rely on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The

Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key parties, the loss of any one of whom could have an adverse effect on the Company.

Value of Our Common Shares

The value of the Company's common shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the success of the Company's business strategy, competition, market conditions or other applicable regulations which may affect the business of the Company and other factors.

Impact of Covid-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specially identified as "COVID-19" has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

Additional Funding and Financing Risk

Additional funds will be required for future development. The source of future funds available to the Company is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favorable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

Environmental Risk

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes to environmental regulation, if any, will not adversely affect the Company's operations.

Uninsured Hazards

The Company currently carries minimal insurance coverage. The nature of the risks the Company faces in the conduct of its operations are such that liabilities could exceed policy limits in any insurance policy or could be excluded from coverage under an insurance policy. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Company's financial position.

Conflicts of Interest

Certain Directors of the Company also serve as Directors of other companies. Consequently, there exists the possibility that such Directors will be in a position of conflict of interest. Any decision made by such Directors involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such Directors will declare and refrain from voting on, any matter in which such Directors may have a material conflict of interest.

Permits, Licenses and Approvals

The operations of the Company may require licenses and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licenses and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licenses and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licenses and permits that may be required to maintain its activities, construct facilities and commence operations. In addition, if the Company proceeds to production, it must obtain and comply with permits and licenses which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licenses or that it will be able to comply with any such conditions.

Regulatory Matters

The Company's business is subject to various federal, provincial and local laws governing its operations. Cannabis cultivation and extraction are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws impose high standards on the cannabis industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate cannabis properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties.

STRATEGY AND OUTLOOK

Our objective is to maximize the value of the Company for our shareholders and our strategy to obtain this result is to continually seek opportunities to participate in new ventures in any sector.

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 –Director and Executive Chairman
Graham Simmonds- CEO and Director
Larry Horwitz, Director
Michael Ash, Director
Sara Lee Irwin, Director
Tyler Devenyi, Director
Rakesh Malhotra, CFO

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