VIBE BIOSCIENCE LTD.
(Formerly Altitude Resources Inc.)
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE and SIX MONTHS ENDED JANUARY 31, 2019

*The following management's discussion and analysis ("**MD&A**") dated April 1, 2019 is in respect of the three and six month periods ended January 31, 2019 for Vibe Bioscience Ltd. ("**Vibe**" or the "**Company**"), formerly Altitude Resources Inc. ("**Altitude**"). It is management`s assessment of the results of operations and financial condition of Vibe and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and six month periods ended January 31, 2019 ("**Q2 2019**"), together with the notes thereto. The Company's Q2 2019 unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All dollar amounts are in Canadian dollars, unless otherwise noted.*

*The "Qualified Person" under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("**NI 43-101**") for Altitude's Palisades exploration project as described in the following discussion and analysis is Eugene Wusaty, former President and CEO of the Company and a Professional Engineer Registered in the Province of Alberta.*

This MD&A contains certain "forward-looking statements" and certain "forward-looking information" as defined under applicable Canadian securities laws. Please refer to the discussion of forward-looking statements and information set out under the heading "Forward-Looking Information" of this MD&A. As a result of many factors, the Company's actual results may differ materially from those anticipated in these forward-looking statements and information. Certain of these factors are identified in this MD&A under the heading "Risk Factors." Although the Company has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended. Accordingly, readers should not place any undue reliance on forward-looking statements.

1. DESCRIPTION OF BUSINESS

The Company is the entity resulting from a three-cornered amalgamation of Vibe Bioscience Corporation, Altitude and 2657152 Ontario Inc. that was completed on March 25, 2019. The details of this transaction are described in this MD&A under the heading "Proposed Transactions".

Vibe is an integrated cannabis company with cultivation and retail operations in California. Shares of Vibe are expected to commence trading on the Canadian Securities Exchange (the "**CSE**") in early April 2019. The primary office of the Company is located at #214, 2505 – 17th Avenue SW, Calgary, Alberta, Canada, T3E 73V.

Until March 25, 2019, the Company was known as Altitude Resources Inc., a junior coal exploration company with an exploration focus in northwest Alberta.

Unless otherwise indicated, the discussion in this MD&A and the corresponding financial statements reflect the financial position and results of operation as at and for the three and six-month periods ended January 31, 2019. As such, these financial statements contain the assets, liabilities, equity and operations related only to Altitude's coal operations. Unless otherwise indicated, there is no activity related to Vibe's cannabis operations reflected in this MD&A nor in the corresponding financial statements.

The reader is also directed to review Note 15 – ***Subsequent event*** in the Q2 2019 financial statements.

These financial statements were authorized for issue by the board of directors of the Company on April 1, 2019.

Altitude has not conducted any significant revenue generating operations to date. As at January 31, 2019, Altitude had a working capital deficit of $236,367 (including cash of $6,012) and exploration and evaluation assets of nil.

2. COAL EXPLORATION PROPERTIES

Palisades - Exploration and Evaluation Activities

The Palisades Project is approximately 270km west of Edmonton and a further 28km northwest of the town of Hinton. The leases are located approximately 12kms west of the Canadian National Railway (CN) that runs to ports on the west coast. They form a continuous block running parallel to the east of the Rocky Mountain Front Range; extending from Solomon Creek northwest over a strike distance of 12 km to the Wildhay River. The Palisades Coal Property is directly adjacent to the north of Teck Corporation's Brule Property. The Brule Property was developed by the Blue Diamond Coal Company as an underground mine and operated continuously over the period 1914 through 1928 producing a total of 1.8 million tonnes.

The Palisades Project is described in more detail in Altitude's management discussion and analysis for the three months ended October 31, 2018 under the heading "Coal Exploration Properties", a copy of which is available on SEDAR.

An updated NI-43-101 technical report was completed and filed on SEDAR on February 28, 2019. The results of the updated resource report is included in Table 1 below.

Upon completion of the final reporting (expected to occur in late Spring 2019), it is expected that Joint Exploration Agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") will have expended a total of $4.8 million on the Palisades Project and, at that point, will have earned its 51% interest in the project.

The results of the respective annual NI 43-101 Resource Reports are summarized in the following table:

Table 1. NI 43-101 Coal Resources (Million Tonnes)

Palisades	Measured	Indicated	Measured & Indicated	Inferred	Exploration Target
2019 Total	10.2	5.6	15.8	6.9	58-60
2016 Total	9.9	7.0	16.9	8.9	63 -67
2015 Total	9.0	6.8	15.8	7.6	49
2013 Total	6.3	3.7	10.0	4.9	32

The Palisades Project and all related mining assets and liabilities will be sold in connection with the Transaction, as defined herein and described in note 15 to the unaudited condensed interim financial statements for the three and six month periods ended January 31, 2019.

Elan Project –Sale to Atrum Coal Ltd.

On August 12, 2013 the Company announced that it had entered into an Exploration and Option Agreement (the "**Agreement**") with Elan Coal Ltd., a private Non-Arm's Length Party ("**Elan**"). Under the Agreement, Altitude could acquire an option to earn up to a 51% undivided working interest (the "Option") in 27 Alberta Crown coal lease applications (23,000 ha) located near the historic coal mining area of Crowsnest Pass, Alberta (the "**Leases**"). The Agreement allowed Altitude the right to enter upon and conduct exploration activities in and on all parts of the Leases (the "**Right to Explore**"). In consideration, the Company made an initial refundable cash payment of $200,000 (the "**Initial Payment**") to Elan to fund reconnaissance field work during calendar Q3 of 2013. Upon receipt of the Initial Payment, Elan provided the Company with a 120 day exclusivity period to complete due diligence and complete a financing of a minimum of $2,000,000 ("**Financing**"). Due to poor financial market conditions during 2013 and 2015, Altitude was unable to obtain the minimum $2,000,000 financing required under the Agreement.

Aggregate cumulative net advances made by the Company to Elan through July 31, 2017 totaled $234,620 which were written down to nil at July 31, 2017.

During the year ended July 31, 2018, the Company converted its cumulative $234,620 in net advances to Elan (which were previously written down to nil) of $234,620 (written down to nil between 2015 and 2017) into a 15% equity interest in Elan Coal Ltd. On March 28, 2018 Elan Coal Ltd. was sold to Kuro's parent, Atrum Coal Ltd. in a transaction that valued the Company's 15% equity interest in Elan at $815,920 – payable in cash of $465,000 and shares of Atrum Coal Ltd. valued at $350,920. The shares, which are traded on the Australian Securities Exchange, are held in escrow for a one-year period (until March 28, 2019).

These shares have subsequently been released from escrow.

Non-Material Properties

The Company's other non-material mining assets, including the Palisades Extension, Moberly Creek Application and Altitude North Application will also be sold in connection with the Transaction, as defined herein and described in note 15 to the unaudited condensed interim financial statements for the three and six month periods ended January 31, 2019.

No expenditures have been incurred related to these mining assets during the three and six month periods ended January 31, 2019 and none are anticipated to be incurred during the remainder of the year ended July 31, 2019.

EXPLORATION AND EVALUATION EXPENDITURES

There have been no exploration and evaluation expenditures made on any of the Company's mining assets (as described above) in the three and six month periods ended January 31, 2019.

As described in the audited July 31, 2018 financial statements, as a result of the Company's plans with Vibe Bioscience Corporation (See Note 15 of the Q2 2019 financial statements), the Company is divesting of its mining assets. During the year ended July 31, 2018 the Company recorded an impairment loss of $2,430,462 to fully write off the Palisades property due to the uncertainty related to the Company's ability to recover the carrying cost of those assets. See also Section 7 "Outlook".

3. SUMMARY OF SELECTED FINANCIAL INFORMATION

A summary of selected financial information for the three and six-month periods ended January 31, 2019 and 2018 is as follows:

	Three months ended 31-Jan-19	Three months ended 31-Jan-18	Six months ended 31-Jan-19	Six months ended 31-Jan-18
Total revenue - Interest income	$ -	$ -	$ -	$ -
Salaries	**48,000**	48,000	**96,000**	96,000
General expenses	**138,905**	14,012	**297,060**	41,573
Net income/(loss)	**(186,905)**	(62,012)	**(393,060)**	(137,573)
Comprehensive income/(loss)	**9,507**	(62,012)	**(196,648)**	(137,573)
Earnings/(loss) per share - basic and diluted	**-**	-	**(0.01)**	(0.01)
Total assets	**499,765**	2,901,607	**499,765**	2,901,607
Long-term financial liabilities	**Nil**	Nil	**Nil**	Nil

For the three and six-month periods ended January 31, 2019 and 2018, the Company reported no discontinued operations, and did not declare any cash dividends.

4. RESULTS OF OPERATIONS

Altitude's results of operations for the three and six-months ended January 31, 2019 resulted in a net loss of $186,905 and $393,060, respectively. This compares to net losses in the same periods in the prior year of $62,012 and $137,573.

The variance between 2019 and 2018 of approximately $124,893 (3 months) and $255,487 (6 months) is predominantly a result of significant increases to professional fees (legal, accounting and mining technical) resulting from the Transaction.

5. LIQUIDITY AND CAPITAL RESOURCES

As at January 31, 2019, the Company had cash of $6,012 (2018 - $40,984) and a working capital deficit of $236,367 (versus a deficit of $1,196,305 at January 31, 2018). Based on the closing of the Transaction, as defined herein, on March 25, 2019, Management is of the view that the Company has sufficient liquid assets to continue operations for the foreseeable future.

Altitude has not generated any revenue from operations and does not expect to generate any such revenue in its current or next fiscal year.

Altitude had no off balance sheet arrangements as at January 31, 2019.

6. OUTLOOK

Altitude is currently in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include but are not limited to: challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry as well as global economic and coal price fluctuations. There is no assurance that Altitude's funding initiatives will continue to be successful to fund its planned exploration activities, which are focused on its Palisades Project.

Working capital from Altitude's treasury, as available from time to time, may also be used to acquire and explore other properties either alone or in concert with others as opportunities and finances permit.

7. RTO TRANSACTION

On March 25, 2019, subsequent to the period end, the Company completed the transaction contemplated in the amalgamation agreement among Vibe Bioscience Corporation, Altitude and 2657152 Ontario Inc., a wholly owned subsidiary of Altitude (the "**Transaction**"). Pursuant to the Transaction, the Company acquired all of the issued and outstanding shares of Vibe Bioscience Corporation in exchange for shares in the Company, and Vibe Bioscience Corporation was amalgamated with 2657152 Ontario Inc. Following completion of the Transaction, Altitude Resources Inc. changed its name to Vibe Bioscience Ltd. Under the terms of the amalgamation agreement, former Altitude shareholders own approximately 3% of the Company.

The completion of the Transaction was subject to the satisfaction of various conditions, including but not limited to: (i) the approval of the delisting of the Altitude Shares from the TSX Venture Exchange; (ii) the approval of the listing of the Altitude Shares on the CSE; (iii) the completion of the Altitude Dispositions (as defined below); (iv) the approval of the Transaction by the shareholders of Vibe Bioscience Corporation; (v) the approval of various matters related to the Transaction by the shareholders of Altitude; (vi) the completion of satisfactory due diligence by each of the parties; and (vii) other conditions customary for a transaction of this nature. The various approvals of the shareholders was voted on by shareholders of Altitude at a meeting to be held on January 24, 2019. All matters were approved by a super majority of the shareholders of Altitude.

Completion of the Transaction was also conditional on Altitude disposing of all of its mining assets and liabilities as well as the shares of its wholly-owned subsidiary, Altitude Resources Ltd. (the "**Altitude Dispositions**"). The Altitude Dispositions constituted the sale of all, or substantially all, of the assets of the Company and required shareholder approval in accordance with the provisions of the *Business Corporations Act* (Ontario). The approval of shareholders of Altitude was received through a vote at the meeting on January 24, 2019.

It is expected that the Common Shares of Vibe will be listed on the CSE, subject to the satisfaction of certain conditions of listing. The Common Shares are expected to trade on the CSE under the symbol "VIBE".

8. QUARTERLY FINANCIAL INFORMATION

The following selected financial data for the past eight quarters has been prepared in accordance with IFRS and should be read in conjunction with the Company's audited annual financial statements:

	Quarter ended 31-Jan-19	Quarter ended 31-Oct-18	Quarter ended 31-Jul-18	Quarter ended 30-Apr-18	Quarter ended 31-Jan-18	Quarter ended 31-Oct-17	Quarter ended 31-Jul-17	Quarter ended 30-Apr-17
Operations								
Operating expenses	$ 186,905	$ 156,936	$ 209,908	$ 98,498	$ 62,012	$ 75,561	$ 133,983	$ 117,135
Write-down of E&E asset	-	49,219	2,430,462	-	-	-	5,000	-
Flow-through premium	-	-	-	-	-	-	32,000	-
Gain on disposition of interest in Elan	-	-	-	(581,300)	-	-	-	-
Reversal of writedown of E&E assets	-	-	-	(234,620)				
Operator fee income	-	-	(43,469)	-	-	-	106,639	-
Net loss/(income)	186,905	206,155	2,596,901	(717,422)	62,012	75,561	- 2,256	117,135
Per share	$ (0.01)	$ (0.01)	$ (0.10)	$ 0.01	$ -	$ -	$ -	$ -
Unrealized gain/(loss) on revaluation of marketable securities	196,412	-	(123,494)	-	-	-	-	-
Comprehensive loss/(income)	$ (9,507)	$ 206,155	$ 2,720,395	$ (717,422)	$ 62,012	$ 75,561	$ (2,256)	$ 117,135
Balance Sheet								
Cash and equivalents	$ 6,012	$ 90,049	$ 187,431	$ 410,494	$ 40,984	$ 570	$ 58,305	$ 239,963
Exploration and evaluation assets	$ -	$ -	$ -	$ 2,843,661	$ 2,834,559	$ 2,834,559	$ 2,472,984	$ 3,308,812

9. CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT JUDGEMENTS

Altitude's unaudited condensed interim consolidated financial statements for the period ended January 31, 2019 have been prepared using IFRS applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. However, Altitude is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. As a result of these circumstances, there is significant doubt as to the appropriateness of the going concern presumption. There is no assurance that Altitude's funding initiatives will continue to be successful and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

The preparation of Altitude's unaudited condensed interim consolidated financial statements for the period ended January 31, 2019 required management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These audited financial statements include estimates, which by their nature are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed interim consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- Altitude assesses the carrying value of exploration and evaluation assets at each reporting period to determine whether any indication of impairment exists. When an impairment exists, the calculation of recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, recoverable metals, and operating performance.

SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed interim consolidated financial statements have been prepared on the basis of IFRS standards that were in effect at January 31, 2019 and these accounting policies have been applied consistently to all periods presented in these unaudited condensed interim consolidated financial statements. The policies described below, and estimates related to them, have the most significant effect in preparation and presentation of Altitude's financial statements.

Exploration and Evaluation Assets

Exploration and evaluation costs, which are intangible costs, including the costs of acquiring claims, are capitalized as exploration and evaluation assets on an area of interest basis pending determination of the technical feasibility and the commercial viability of the project. Capitalized costs include costs directly related to exploration and evaluation activities in the area of interest. General and administrative costs are only allocated to the asset to the extent that those costs can be directly related to operational activities in the relevant area of interest. When a claim is relinquished or a project is abandoned, the related costs are recognized in profit or loss immediately.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of coal resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

Ownership in coal properties involves certain risks due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mining interests. Altitude has investigated the ownership of its coal properties and, to the best of its knowledge, ownership of its interests are in good standing.

10. ACCOUNTING ISSUES

Management of Capital Risk

The objective when managing capital is to safeguard Altitude's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders, benefits to other stakeholders and to have sufficient funds on hand to meet its exploration and development plans to ensure the ongoing growth of the business.

Altitude considers its shareholders equity, cash and equivalents as capital. Altitude manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust capital structure, Altitude may issue new shares through private placements, repurchase shares, sell assets, incur debt, or return capital to shareholders. Altitude's working capital deficit at January 31, 2019 was $236,367. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activities. Due to the cyclical nature of the industry, there is no guarantee that when Altitude needs to raise capital, there will be access to funds at that time.

Management of Financial Risk

Altitude is exposed to various financial instrument risks assesses the impact and likelihood of this exposure. These risks include fair value of financial instruments and commodity price risk. Where material, these risks are reviewed and monitored by the Board of Directors and they are more fully described in note 14 to Altitude's audited annual financial statements for Fiscal 2018.

11. RECENT ACCOUNTING PRONOUNCEMENTS

The financial framework and accounting policies applied in the preparation of the unaudited condensed interim financial statements (which are attached to this MD&A) are consistent with those as disclosed in Altitude's most recently completed audited annual financial statements for the year ended July 31, 2018.

Recent Accounting Pronouncements

In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments. The new standard replaces IAS 39, Financial instruments: recognition and measurement. The final amendments made in the new version include guidance for the classification and measurement of financial assets and a third measurement category for financial assets, fair value through other comprehensive income. The standard also contains a new expected loss impairment model for debt instruments measured at amortized cost or fair value through other comprehensive income, lease receivables, contract assets and certain written loan commitments and financial guarantee contracts. The standard is effective for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exceptions. Restatement of prior periods in relation to the classification and measurement, including impairment, is not required.

The accounting pronouncement detailed below has been issued but becomes effective for annual periods beginning on or after January 1, 2019. The Company has not early adopted this standard and is currently evaluating the impact, if any, that this standard might have on its financial statements.

IFRS 16 - Leases sets out the principles for the recognition, measurement and disclosure of leases.

IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all lessees and requires a lessee to recognize right of-use assets and lease liabilities for leases with terms of more than 12-months, unless the underlying asset is of low value. Under IFRS 16, lessor accounting for operating and finance leases will remain substantially unchanged. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15 Revenue from Contracts with Customers.

12. OUTSTANDING SHARE DATA

	Number of Shares
Common shares outstanding – July 31, 2018	**26,375,908**
Common shares outstanding – January 31, 2019	**26,375,908**

Authorized, unlimited Voting Common Shares

a) Authorized, unlimited Common Shares

The Company did not issue any common shares during the three and six month periods ended January 31, 2019.

As of the date of this MD&A, and subsequent to the end of the period, the Company had issued 890,483,739 common shares in connection with the Transaction. On March 25, 2019, the Company completed a share consolidation, whereby every twelve common shares held immediately prior to the consolidation were exchanged for one common share. As of the date of the MD&A, there were 76,404,997 common shares issued and outstanding.

b) Stock Options

The Company has a stock option plan to provide officers, directors, employees and consultants of the Company with options to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the minimum exercise price of the options is the market price of the Company's stock on the date of grant. The maximum term of the options is five years and the options generally vest over a three year period, or as determined by the Company's board of directors. No stock options were issued or exercised during the three and six month periods ended January 31, 2019.

As of the date of this MD&A, and subsequent to the end of the period, the Company had issued 68,207,980 options to purchase common shares in connection with the Transaction. On March 25, 2019, the Company completed a share consolidation, whereby every twelve common shares held immediately prior to the consolidation were exchanged for one common share. Pursuant to the terms of the stock option plan, the options were adjusted in connection with this share consolidation. As of the date of the MD&A, there were 5,840,666 options to purchase common shares issued and outstanding.

c) Warrants

The Company issued 77,779 warrants in the year ended July 31, 2015 which subsequently expired unexercised. As at January 31, 2019 and 2018, no warrants are outstanding.

d) Compensation Option

As of the date of this MD&A, and subsequent to the end of the period, the Company had issued 1,509,724 compensation options to purchase common shares in connection with the Transaction. On March 25, 2019, the Company completed a share consolidation, whereby every twelve common shares held immediately prior to the consolidation were exchanged for one common share. Pursuant to the terms of the compensation option agreement, the compensations options were adjusted in connection with this share consolidation. As of the date of the MD&A, there were 125,810 compensation options to purchase common shares issued and outstanding.

13. OTHER INFORMATION

Contractual Commitments

Altitude does not have any commitments for material exploration expenditures, although Altitude anticipates that it may acquire other properties and enter into other joint venture agreements in accordance with its business plan.

Disclosure Controls and Procedures

Altitude is responsible for designing internal controls over financial reporting or causing them to be designed under the supervision of the Chief Executive Officer and Chief Financial Officer in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Altitude's Chief Executive Officer and Chief Financial Officer are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. In contrast to the certificate required for non-venture issuers under National Instrument 52-109 –Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis disclosure controls and procedures and internal controls over financial reporting as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Related Party Transactions

Transactions for the period ended January 31, 2019 are disclosed and explained in the unaudited condensed interim consolidated financial statements for the period ended January 31, 2019, which accompanies this MD&A. During the period ended January 31, 2019, the related party transactions mainly related to accrued compensation to Gene Wusaty, Chief Executive Officer and Doug Porter, Chief Financial Officer.

Risk Factors

As at January 31, 2019, Altitude is in the exploration stage and is subject to the risks and challenges similar to other companies in a comparable stage. Other than the risks relating to reliance on financing previously discussed, as well as those discussed elsewhere in this MD&A, the Altitude's risks include, but are not limited to, limited operating history, speculative nature of coal exploration and development activities, operating hazards and risks, mining risks and insurance, no coal reserves, environmental and other regulatory requirements, competition, stage of development, fluctuations in commodity prices, conflicts of interest, reliance on key individuals, enforcement of civil liabilities as discussed further below.

> *Limited Operating History* - An investment in Altitude should be considered highly speculative due to the nature of Altitude's business. Altitude has no history of earnings, it has not paid any dividends and it is unlikely to enjoy earnings or be paying dividends in the immediate or foreseeable future.
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> *Speculative Nature of Coal Exploration and Development Activities* - Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover coal deposits but from finding coal deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of coal acquired or discovered by Altitude may be affected by numerous factors which are beyond the control of Altitude and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, coal markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable

production, importing and exporting of coal and environmental protection, the combination of which factors may result in Altitude not receiving an adequate return of investment capital.

Substantial expenditures are required to establish coal reserves through drilling, to develop metallurgical processes to extract and wash the coal and, in the case of new properties to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major coal deposit, no assurance can be given that coal will be discovered in sufficient quantities and grades to justify commercial operations or that the funds required for development can be obtained on a timely basis. Estimates of coal reserves, coal deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the quality of coal ultimately mined may differ from that indicated by drilling results. Short-term factors relating to reserves, such as the need for orderly development of coal deposits or the processing of new or different qualities, may also have an adverse effect on mining operations and on the results of operations. Material changes in coal reserves, qualities, stripping ratios or recovery rates may affect the economic viability of any project.

Altitude's coal properties are in the exploration stage only and are without known bodies of coal reserves. The exploration programs proposed by Altitude are exploratory searches for commercial coal deposits only. Development of any of Altitude's coal properties will only follow upon obtaining satisfactory exploration results.

Few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish coal reserves, develop metallurgical processes and construct mining and processing facilities at a particular site. There is no assurance that Altitude's coal exploration activities will result in any discoveries of commercial bodies of coal. Also, no assurance can be given that any or all of Altitude's properties will not be subject to prior unregistered agreements or interests or undetected claims which could be materially adverse to Altitude.

No Coal Reserves - All of the Altitude properties are considered to be in the exploration stage only and do not contain a known body of commercial coal. Coal reserves are estimates and no assurance can be given that the anticipated tonnages and quality will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of coal, as well as increased production costs or reduced recovery rates may render reserves containing relatively lower qualities of coal uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the coal reserves, such as the need for orderly development of the ore bodies and the processing of new or different coal qualities may cause a mining operation to be unprofitable in any particular accounting period. While Altitude does have coal resources, such resources do not have demonstrated economic viability.

Conflicts of Interest - Certain of the Directors and Officers of Altitude are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such Directors and Officers of Altitude may become subject to conflicts of interest. Canadian corporate laws provide that in the event that a Director has an interest in a contract or proposed contract or agreement, the Director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under those laws. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable Canadian corporate laws.

Operating Hazards and Risks - Coal exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Altitude's operations will be subject to all the hazards and risks normally incidental to exploration, development and production of coal, such as unusual or unexpected formations, cave-ins or pollution, all of which could result in work stoppages, damage to property and possible environmental damage.

Mining Risks and Insurance - The business of exploring and mining for coal is generally subject to a number of risks and hazards including environmental hazards, industrial accidents, labour disputes, unusual or unexpected geological conditions, pressures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, blizzards and earthquakes. No assurance can be given that such insurance will continue to be available or that it will be available at economically feasible premiums. Mining operations will be subject to risks normally encountered in the mining business.

Environmental and Other Regulatory Requirements – Altitude's activities are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and Directors, Officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The exploration operations of Altitude and development and commencement of production on its properties require permits from various federal and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Altitude believes it is in substantial compliance with all material laws and regulations, which currently apply to its activities.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Competition - Significant and increasing competition exists for the limited number of coal acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than Altitude, Altitude may be unable to acquire additional attractive coal properties on terms it considers acceptable. Accordingly, there can be no assurance that Altitude's exploration and acquisition programs will yield any reserves or result in any commercial mining operation.

Stage of Development - Altitude is in the business of exploring for, with the ultimate goal of producing, coal from its coal exploration properties. None of the Altitude properties have commenced commercial production and Altitude has no history of earnings or cash flow from its operations. As a result of the foregoing, there can be no assurance that Altitude will be able to develop any of its properties profitably or that its activities will generate positive cash flow.

Altitude has not paid any dividends and it is unlikely to enjoy earnings or paying dividends in the immediate or foreseeable future. Altitude has not sufficiently diversified such that it can mitigate the risks associated with its planned activities. Altitude has limited cash and other assets.

A prospective investor in Altitude must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of Altitude's management in all aspects of the development and implementation of Altitude's business activities.

Fluctuations in Commodity Prices - The profitability, if any, in any mining operation in which Altitude has an interest is significantly affected by changes in the market price of coal which fluctuate on a short-term basis and are affected by numerous factors beyond Altitude's control.

Reliance on Key Individuals – Altitude's success depends to a certain degree upon certain key members of the management. These individuals are a significant factor in Altitude's growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on Altitude.

Corporate Governance

Altitude's Board of Directors follows corporate governance policies to ensure transparency and accountability to shareholders.

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14. FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements with respect to Altitude's expectations, estimates and projections regarding its business and the economic environment in which it operates. These forward-looking statements, by their nature, involve risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements, in particular, recent capital market declines and uncertainty. The Company has assumed that financing alternatives remain available, albeit upon terms that may not be as attractive as was the case prior to the capital market uncertainty which has now continued for some months The Company considers the assumptions on which these forward-looking statements are based to be reasonable at the time that they were prepared, but cautions the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect. Except as required by securities law, the Company does not intend, and assumes no obligation, to update the forward-looking statements contained herein.