Vibe Bioscience Ltd. (formerly Altitude Resources Inc.)

Management Discussion and Analysis

As at and for the Three Months Ended March 31, 2019

(In U.S. Dollars, Unless Otherwise Noted)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(All amounts are in U.S. dollars, unless otherwise noted)

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations is intended to help the reader understand the current and prospective financial position and operating results of Vibe Bioscience Ltd. (formerly Altitude Resources Inc.) (the "Company"). The MD&A discusses the operating and financial results for the three months ended March 31, 2019, is dated May 30, 2019, and takes into consideration information available up to that date. The MD&A is based on the unaudited interim consolidated financial statements of the Company for the three months ended March 31, 2019. The MD&A should be read in conjunction with the audited annual consolidated financial statements and related notes for the period from June 11, 2018 to December 31, 2018, prepared in accordance with International Financial Reporting Standards ("IFRS"), and the unaudited consolidated interim financial statements for the three months ended March 31, 2019, prepared in accordance with IFRS applicable to preparation of interim financial statements, including International Accounting Standard ("IAS") 34 - Interim Financial Reporting.

The MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators. Additional information is available on the Company's website (www.vibebioscience.ca) and all previous public filings are available through SEDAR (www.sedar.com). All amounts are denominated in U.S. dollars ("USD") unless otherwise noted.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

The MD&A contains certain forward-looking information relating to the Company's plans, strategies, objectives, expectations and intentions. The use of any of the words "expect", "intend", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "budget", "forecast", "should", "believe", "plans", "intends", "confident" and similar expressions are used to identify forward looking information. In particular, but without limiting the foregoing, the MD&A may contain forward-looking information pertaining to the following:

(i) Product sales expectations and corresponding forecasted increases in revenues.
(ii) Gross margin expectations and corresponding cost control and measurement.
(iii) Expectations regarding production capacity, costs, yields and cannabis prices.
(iv) Expectations regarding general and administrative cost levels.
(v) The completion of construction of production facilities, associated costs, and receipt of related licenses from associated regulatory authorities
(vi) The successful completion and integration of historical and in-process acquisitions into the Company's operations.
(vii) Strategic acquisition, investments and capital expenditures, and the related benefits.
(viii) Expectations regarding regulatory and legislative uncertainties and potential changes in tax laws.

The forward-looking information is based on information available as of the date of the MD&A and the Company is under no obligation, and specifically disclaims any intention or obligation to update or revise such forward-looking information because of new information, future events or otherwise, except as expressly required by applicable law. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking information throughout the MD&A. The forward-looking information included in the MD&A are not guarantees of future performance and should not be unduly relied upon. Forward-looking information is based on current expectations, estimates and projections that involve numerous risks and uncertainties which could cause actual results to differ materially from those anticipated and described in the forward-looking information.

NON-IFRS MEASURES

The MD&A contains references to certain financial measures and associated per share data that do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. The Company believes that these non-IFRS Measures are useful indicators of operating performance and are specifically used by management to assess the financial and operational performance of the Company. These financial measures are computed on a consistent basis for each reporting period and include the following:

(i) EBITDA (earnings before interest, taxes, depreciation, and amortization) is used by management to analyze the Company's profitability based on the Company's principal business activities prior to how these activities are financed, how assets are depreciated and amortized and how the results are taxed in various jurisdictions. The calculation of EBITDA is presented later in the MD&A.

(ii) EBITDA margin is calculated by EBITDA divided by revenue and is used by management to analyze the Company's profitability relative to its revenue generation.

(iii) Adjusted EBITDA is used to by management to measure the results of the Company's core cannabis business. Amounts are deducted from EBITDA to eliminate the impact of foreign exchange, share-based payment expense, impairment losses, gains or losses on the sale of property and equipment, listing and transaction expenses, fair value adjustments on financial assets and liabilities and any other expenses that management considers one-time in nature which are not related to operational performance. The calculation of EBITDA is presented later in the MD&A.

(iv) Adjusted EBITDA margin is calculated by dividing revenue by adjusted EBITDA and is used by management to analyze the profitability of the Company's core cannabis profitability relative to its revenue generation.

(v) Gross margin is used by management to determine the overall profitability of the cannabis product. Gross margin is calculated by subtracting cost of goods sold, including adjustments for biological assets, from revenue.

(vi) Gross margin percent is calculated as gross margin divided by revenue and is used by management to measure the Company's direct product profitability.

(vii) Gross margin before adjustments for biological assets is used by management to determine the actual cash profitability of the cannabis product and is calculated by excluding the change in the fair value related measures of biological assets as require by IFRS from cost of goods sold. Adjustments related to biological assets are incurred in cultivation operations only.

(viii) Gross margin percent before adjustments to biological assets is calculated as gross margin before adjustments to biological assets by revenue and is used by management to measure the Company's direct product profitability on a cash-basis.

(ix) Working capital or working capital deficit is used by management to analyze the operating liquidity available to the Company. Working capital consists of the Company's current assets, excluding cash less the Company's current liabilities, excluding current portion of debt and notes payable. The calculation of working capital is presented later in the MD&A.

(x) G&A or selling and marketing as a percent of revenue is used by management to measure the level of the Company's general and administrative costs ("G&A") and selling and marketing expenses relative to the revenue generated. G&A as a percent of revenue is calculated as G&A expense divided by revenue. Selling and marketing expense as a percent of revenue is calculated as selling and marketing expense divided by revenue.

Non-IFRS measures should be considered together with other data prepared accordance with IFRS to enable investors to evaluate the Company's operating results, underlying performance and prospects in a manner similar to the Company's management. Accordingly, these non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

COMPANY OVERVIEW

On March 25, 2019, Altitude Resources Inc. ("Altitude"), 2657152 Ontario Inc. ("Newco"), a wholly-owned subsidiary of Altitude and Vibe Bioscience Corporation ("Vibe") completed a three-cornered amalgamation whereby Vibe amalgamated with Newco and completed a reverse take-over of Altitude (the "Reverse Take-over"). The Reverse Take-over was completed by issuing 6.883 common shares of Altitude in exchange for each Class A common share of Vibe, resulting in Vibe becoming a wholly-owned subsidiary of Altitude with the former shareholders of Vibe acquiring a controlling interest in Altitude. In connection with the Reverse Take-over, Altitude delisted its shares on the TSX Venture Exchange, changed its name to Vibe Bioscience Ltd. (the "Company"), completed a listing on the Canadian Securities Exchange under the ticker symbol "VIBE" and consolidated all of its issued and outstanding common shares on a basis of 12 to 1.

Prior to the Reverse Take-over, Altitude did not operate an active business. The current operations of the Company are conducted through Vibe which was incorporated under the laws of the Province of Ontario on June 11, 2018; the date on which the Company's current operations began. On February 18, 2019, the Company completed the simultaneous acquisition of four California based entities under common control (the "U.S. Acquisition") for aggregate proceeds totaling $7,419,541 consisting of common shares of the Company with a calculated value of $4,234,037 and cash totaling $3,185,504 (after an estimated working capital adjustment favorable to the Company totaling $614,496).

The four entities included in the U.S. Acquisition consisted of (i) Port City Alternative of Stockton Inc. ("Port City"), (ii) 8130 Alpine LLC ("8130 Alpine"), (iii) Alpine CNAA LLC ("Alpine CNAA"), and (iv) Alpine Alternative Naturopathic ("Alpine Alternative"). The entities acquired in the U.S. Acquisition are collectively referred to as the "U.S. Targets". The operations of 8130 Alpine and Alpine CNAA were merged in connection with the U.S. Acquisition and the resulting entity is referred to as "Alpine Cultivation". Upon completion of the U.S. Acquisition the Company began operating its cannabis business on a combined basis.

The Company also entered into a purchase and sale agreement with NGEV, Inc. ("NGEV") whereby the Company was to acquire all of the issued and outstanding common shares of NGEV. However, the acquisition of NGEV was conditional upon NGEV obtaining a license from the State of California to operate as a cannabis cultivation facility (the "NGEV License"). The vendors have not yet obtained the NGEV License, and therefore, the acquisition of NGEV was not complete as of the date of the MD&A. Although the acquisition of NGEV is not yet complete, the Company has funded the overhead of the NGEV site since the date of the U.S. Acquisition with no obligation for repayment by NGEV. However, funding of the NGEV operations ceased on April 30, 2019. See additional information in subsequent events.

The Company's business is to evaluate, acquire and develop cannabis cultivation and manufacturing assets and retail cannabis dispensaries, predominantly in the U.S., in order to become a vertically integrated cannabis operator.

The Company's Canadian head office is located at #214, 2505 - 17 Ave SW Calgary, Alberta T3E 7V3 and its U.S. head office is located at 8112 Alpine Ave Sacramento, California 95826.

In addition to the 6.883 to 1 share exchange and 12 to 1 share consolidation related to the Altitude Reverse Take-over noted above, the Company completed a share split on a 1.511 to 1 basis in the three months ended March 31, 2019. All results presented as at and for the three months ended March 31, 2019, including comparative results, related to common share and per common share amounts and stock options and related exercise prices reflect the share exchange, consolidation and split.

FINANCIAL RESULTS

Financial and Operational Highlights

The Company completed several key transactions in the three months ended March 31, 2019 as follows:

(i) *Closed the U.S. Acquisition on February 18, 2019 for an aggregate purchase price totaling $7,419,541*. The U.S. Targets acquired in the U.S. Acquisition generated positive EBITDA from the date of acquisition on February 18, 2019 through March 31, 2019 totaling $163,870 and adjusted EBITDA of $330,870 on revenue of $1,313,726 (readers are cautioned that EBITDA and adjusted EBITDA do not have standardized meanings prescribed by IFRS – see discussion of non-IFRS Measures).

(ii) *Purchased land and buildings in Sacramento totaling $1,999,682 (the "U.S. Real Estate").* The purchased land is approximately two acres and the acquired buildings consist of three separate structures with a combined footprint of approximately 16,500 square feet. Consideration paid for the U.S. Real Estate consisted of cash totaling $800,000 (paid in December 2018) and the assumption of a note payable totaling $1,199,682. The Alpine Cultivation and Alpine Alternative operations are physically located on the U.S. Real Estate.

(iii) *Completed private placements in February and March 2019 for gross proceeds totaling $3,845,288.* The cash flow provided the Company with additional funds to finance current operations and integration costs associated with business acquisitions in addition to providing a level of flexibility for financing future acquisitions.

(iv) *Completed the Altitude Reverse Take-over on March 25, 2019.* The successful completion of the Altitude Reverse Take-over resulted in the public listing of the Company on the CSE on April 3, 2019.

(v) *Added key management personnel and Board members.* The Company added key management personnel to manage the day-to-day operations of the U.S. Targets. These individuals have experience and expertise in the cannabis market and bring a level of professionalism that the Company expects to leverage to integrate future U.S. acquisitions. The Company also added a number of outside individuals to the Board of Directors who have experience with capital markets and public company reporting and compliance.

Results of Operations

The Company was incorporated on June 11, 2018, and therefore, there are no comparative results for the three months ended March 31, 2018. Further, the Company's core cannabis business did not commence until the acquisition of the U.S. Targets on February 18, 2019. Consequently, revenue, gross margin before adjustments for biological assets, gross margin, G&A, selling and marketing expense, net loss, EBITDA and adjusted EBITDA amounts include results of (i) the U.S. Targets from February 18, 2019 to March 31, 2019, and (ii) the Company's head office for the entire three months ended March 31, 2019. The Company's key financial results are as follows:

As at and for the three months ended	**March 31, 2019**	**December 31, 2018**
Results of operations		
Revenue	$ 1,313,726	$ -
Gross margin before adjustments for biological assets [(a)]	568,385	-
Gross margin	583,307	-
Gross margin before adjustments for biological assets % [(a)]	*43.3*	-
Gross margin % [(a)]	*44.4*	-
G&A - U.S. Targets	167,754	-
G&A - Head office	285,277	1,041,899
G&A - total	453,031	1,041,899
Selling and marketing	97,770	4,063
G&A as a percent of revenue [(a)]	*34.5*	-
Selling and marketing as a percent of revenue [(a)]	*7.4*	-
Net loss	(2,221,971)	(3,172,980)
EBITDA [(a)]	(1,908,697)	(2,962,042)
Adjusted EBITDA [(a)]	59,336	(318,506)
EBITDA % [(a)]	*(145.3)*	-
Adjusted EBITDA % [(a)]	*4.5*	-
Financial position		
Total assets	18,341,474	6,744,863
Total liabilities	$ 5,380,681	$ 944,727
Common shares outstanding (#)	76,404,977	53,535,586
Fully diluted common shares outstanding (#) [(b)]	82,371,569	57,287,663

(a) Readers are cautioned that the amounts presented do not have standardized meanings prescribed by IFRS – see discussion of non-IFRS Measures.

(b) Fully diluted common shares outstanding include the total common shares outstanding at the period end plus all shares issuable upon exercise of outstanding warrants and stock options, both vested and unvested.

Revenue, gross margin and gross margin before adjustments to biological assets

During the three months ended March 31, 2019 the Company completed the U.S. Acquisition which consisted of the simultaneous acquisition of all of the outstanding securities of the U.S. Targets. The acquisition of Port City, located in Stockton, California and Alpine Alternative, located in Sacramento, California provide the Company with two existing cannabis dispensaries that generate positive cash flow and dispense a wide variety of high quality cannabis flowers, edibles and extracts.

Port City and Alpine Alternative have been operating since 2013 and 2015, respectively, when they commenced operations as medical use cannabis providers. Accordingly, by leveraging an existing medical customer base with established operations, both entities were positioned to provide adult-use cannabis upon legalization of recreational cannabis by the State of California in 2018. The entities began selling adult-use cannabis in October 2018 once all permits and licenses were approved.

The acquisition of Alpine Cultivation, located in Sacramento, California provides the Company with cannabis cultivation and manufacturing assets. Alpine Cultivation provides product for the Company's Port City and Alpine Alternative dispensaries.

Revenue and gross margin realized by the U.S. Targets for the period from the date of acquisition on February 18, 2019 to March 31, 2019 are as follows:

	Port City	Alpine Alternative	Total dispensaries	Alpine Cultivation	Total
Revenue	**$ 632,325**	**$ 553,771**	**$ 1,186,096**	**$ 127,630**	**$1,313,726**
Cost of good sold	330,086	268,832	598,918	146,423	745,341
Gross margin before adjustments for biological assets [(a)]	**302,239**	**284,939**	**587,178**	**(18,793)**	**568,385**
Net effect of adjustments for biological assets	-	-	-	(14,922)	(14,922)
Gross margin	**302,239**	**284,939**	**587,178**	**(3,871)**	**583,307**
Gross margin before adjustments for biological assets % [(a)]	*47.8*	*51.5*	*49.5*	*(14.7)*	*43.3*
Gross margin % [(a)]	*47.8*	*51.5*	*49.5*	*(3.0)*	*44.4*

(a) Readers are cautioned that the amounts presented do not have standardized meanings prescribed by IFRS – see discussion of non-IFRS Measures.

The Port City dispensary comprises approximately 2,500 square feet of retail space and generated revenue totaling $632,325 from the date of acquisition on February 18, 2019 to March 31, 2019 and gross margin totaling $302,239 (47.8%).

Alpine Alternative's dispensary comprises approximately 2,100 square feet of retail space located in a building acquired as part of the purchase of the U.S. Real Estate. Alpine Alternative generated revenue totaling $553,771 from the date of acquisition on February 18, 2019 to March 31, 2019 and gross margin totaling $284,939 (51.5%).

Over 80% of revenue at both Port City and Alpine Alternative consists of sales of dried cannabis, extracts and edibles. The cost of revenue associated with the dispensary operations consists of direct product costs with each product generating slightly different mark-ups. Accordingly, the difference in gross margin percent between Port City and Alpine Alternative is driven by product mix. The Company is also investing in updating the dispensary locations in an effort to improve the flow of foot traffic and efficiency and experience of the consumer purchase process.

The gross margin reported by Alpine Cultivation includes all direct growing costs and related supplies in addition to costs associated with cultivation and manufacturing personnel, distributor fees and facility utilities. The Alpine Cultivation operations are currently operating at a loss on a gross margin basis largely due to the existing scale of the operations and the quality of existing infrastructure. Currently, Alpine Cultivation has a nursery and cultivation and production site occupying two of the buildings acquired in the purchase of the U.S. Real Estate. The Company's current cultivation is housed in approximately 5,600 square feet of indoor space (including curing/drying and packaging operations). The Company is currently undertaking upgrades and improvements to the Alpine Cultivation facilities that management anticipates will increase annual cannabis production volumes and improve harvest yields.

G&A expenses

General and administrative expenses consist largely of employee related costs, professional fees, security costs for the dispensaries and rent and related utility costs. The following table presents the details of G&A expense for the three months ended March 31, 2019:

	U.S. Targets [a]	**Head office [a]**	**Total**
Salaries, benefits and other employee costs	$ 85,688	$ 177,020	$ 262,708
Professional and consulting fees	8,704	94,645	103,349
Security services	38,187	-	38,187
Rent and utilities	11,368	9,860	21,228
Other	23,807	3,752	27,559
	$ 167,754	**$ 285,277**	**$ 453,031**
As a percent of revenue [b]	*12.8*	*21.7*	*34.5*

(a) Amounts for the U.S. Targets consist of results from the date of acquisition on February 18, 2019 through March 31, 2019. Amounts for the head office consist of results for the entire three months ended March 31, 2019.

(b) Readers are cautioned that the amounts presented do not have standardized meanings prescribed by IFRS – see discussion of non-IFRS Measures.

Salaries, benefits and other employee costs ("Employee Costs") for the U.S. Target are comprised of costs associated with personnel located in California who oversee the day-to-day management of the dispensaries in addition to managing the accounting and finance functions of the U.S. operations. Subsequent to the U.S. Acquisition, the Company added a full-time employee with cannabis industry experience who is responsible for the general financial and operational management of the U.S. Targets and reports directly to the Company's Chief Financial Officer ("CFO"). Management continued to evaluate staffing needs for the U.S. operations and will add to the existing staffing mix as needs arise.

Head office Employee Costs currently consist of the executive management team located in the Calgary head office. The executive management team is responsible for managing the Company's capital requirements, corporate and business development, investor communications and financial and regulatory reporting and consists of the Chief Executive Officer ("CEO"), Chief Operating Officer ("COO"), CFO, Vice President – Finance and Vice President - Business Development. The staffing needs of the head office are continually evaluated by management and are augmented when needed, largely through the use of temporary or part-time consultants.

Professional and consulting fees largely consist of third party legal, tax and accounting and audit-related services. The Company also utilizes consultants on a part-time basis to assist with monthly and quarterly financial reporting requirements. Professional and consulting fees for the three months ended March 31, 2019 largely consist of recurring expenses as professional and consulting fees related to the U.S. Acquisition and the Altitude Reverse Take-over are included as separate transaction expenses in the three months ended March 31, 2019 (see calculation of adjusted EBITDA later in the MD&A).

Security services consist of security provided by third parties at the cultivation and dispensary locations. The Company utilizes the services of third-party security firms who provide security guards at each dispensary location during regular business hours in addition to the two hours before store opening and two hours after store close.

Rent and utilities largely consists of utility and maintenance costs associated with the dispensaries and rent and utilities at the Calgary head office. The Company's monthly rent expense is limited to the Calgary head office lease which has a six month term, and therefore is not capitalized under IFRS. The lease for Port City has been capitalized under IFRS and the related monthly lease payments are considered interest expense and principal repayments. The Alpine Cultivation facility and Alpine Alternative dispensary are owned by the Company, and therefore, there are no related rent payments.

Other G&A expenses largely consist of general insurance, office supplies and software licensing cost associated with the Company's point-of sale, accounting and cannabis seed-to-sale tracking software.

G&A expense for the three months ended December 31, 2018 totaled $1,041,899 and consisted largely of Employee Costs for the Canadian head office in addition to professional fees incurred in connection with the U.S. Acquisition and Reverse Take-over.

Selling and marketing expenses

The following table presents the details of selling and marketing expense for the three months ended March 31, 2019:

	U.S. Targets [a]	Head office [a]	Total
Salaries, benefits and other employee costs	$ 72,916	$ -	$ 72,916
Advertising and promotion	16,336	7,168	23,504
Other	1,350	-	1,350
	$ 90,602	**$ 7,168**	**$ 97,770**
As a percent of revenue [b]	*6.9*	*0.5*	*7.4*

(a) Amounts for the U.S. Targets consist of results from the date of acquisition on February 18, 2019 through March 31, 2019. Amounts for the head office consist of results for the entire three months ended March 31, 2019.

(b) Readers are cautioned that the amounts presented do not have standardized meanings prescribed by IFRS – see discussion of non-IFRS Measures.

Salaries, benefits and other employee costs largely relate to bud tenders at the dispensaries in addition to front desk and register staff. Currently the Company has six bud tenders and two front desk and register staff at the Alpine Alternative dispensary while the Port City dispensary has nine bud tenders who also staff the front desk and registers.

The Company also incurs costs related to media advertising both directly related to the dispensaries and for the "Vibe by California" brand in general. The Company has existing policies, procedures and approval processes in place to ensure that all media advertising complies with all existing regulatory requirements both in the U.S. and Canada.

Net loss

The Company incurred a net loss of $(2,221,971) for the three months ended March 31, 2019 due to a number of non-cash and non-recurring expenses associated with the Altitude Reverse Take-over, the U.S. Acquisition and funding the overhead of NGEV. The Company also incurs recurring stock-based compensation, depreciation and amortization, interest and income tax expense. Management analyzes EBITDA and adjusted EBITDA which eliminates the impact of these expenses – the calculations of EBITDA and adjusted EBITDA are provided later in the MD&A (readers are cautioned that EBITDA and adjusted EBITDA do not have standardized meanings prescribed by IFRS – see discussion of Non-IFRS Measures).

Included in net loss for the three months ended March 31, 2019 is income tax expense totaling $103,000 which consists of $138,000 of current income tax expense and a recovery of deferred income taxes of $35,000. Current income tax expense is measured as the amount expected to be recovered from or paid to the taxation authorities. Deferred income taxes are recognized for the income tax consequences attributable to differences between the carrying values of assets and liabilities and their respective income tax basis.

The current income tax expense for the three months ended March 31, 2019 is driven by the Port City and Alpine Alternative dispensaries as they currently have profitable operations. In addition, general and administrative and selling and marketing expenses incurred by the U.S. Targets are not deductible for U.S. federal tax purposes. Specifically, entities that operate in the cannabis industry are subject to the limits of U.S. Internal Revenue Code Section 280E under which only those expenses directly related to sales of cannabis can be deducted. Accordingly, each of the U.S. Targets are effectively taxed at the gross margin level for federal tax purposes.

The deferred income tax recovery realized in the three months ended March 31, 2019 largely relates to the difference in the accounting and tax basis of the intangible assets acquired in the acquisition of the U.S. Targets in February 2019.

The Company also realized tax losses in the three months ended March 31, 2019 and December 31, 2018, largely by incurring general and administrative expenses at the Calgary head office. Management is currently implementing tax structuring policies and procedures focused on optimizing the utilization of tax losses created by Canadian entities.

The Company incurred a net loss of $3,172,980 in the three months ended December 31, 2018 largely due to G&A expenses, stock-based compensation and amortization on existing intangible assets. The Company did not generate any revenue in the three months ended December 31, 2018.

EBITDA and adjusted EBITDA

Readers are cautioned that EBITDA and adjusted EBITDA (and related percent amounts) do not have standardized meanings prescribed by IFRS (see discussion of Non-IFRS Measures). EBITDA and adjusted EBITDA for the three months ended March 31, 2019 and December 31, 2018 are calculated as follows:

For the three months ended	**March 31, 2019**	**December 31, 2018**
Calculation of EBITDA		
Net loss	$ (2,221,971)	$ (3,172,980)
Add back:		
Interest expense (income)	15,643	(579)
Income taxes	103,000	-
Depreciation and amortization expense	194,631	211,517
EBITDA	**(1,908,697)**	**(2,962,042)**
Calculation of adjusted EBITDA		
Add back non-cash items:		
Listing fee	564,704	-
Stock-based compensation	423,497	1,944,469
Loss on investment	415,000	-
Unrealized foreign exchange loss	3,736	-
Unrealized gain on fair value of financial asset	(39,325)	-
Add back non-recurring expenses:		
Transaction expenses	414,267	699,067
NGEV funding	167,000	-
Other non-recurring expenses	19,154	-
Adjusted EBITDA	**$ 59,336**	**$ (318,506)**
EBITDA % [(a)]	*(145.3)*	-
Adjusted EBITDA % [(a)]	*4.5*	-

(a) EBITDA and adjusted EBITDA as a percent of revenue is calculated by dividing the respective amounts by total revenue in the period of $1,313,726.

The Company realized EBITDA of $(1,908,697) and $(2,962,042) in the three months ended March 31, 2019 and December 31, 2018, respectively. The negative EBITDA is due to a number of non-cash, non-operating and non-recurring transactions in the period. In addition, the results of the U.S. Targets are only included from the date of acquisition on February 18, 2019.

Adjusted EBITDA eliminates the impact of non-cash, non-operating and non-recurring transactions from EBITDA in order to provide an indication of the Company's ongoing profitability. Adjusted EBITDA for the three months ended March 31, 2019 totaled $59,336 (4.5%). Adjusted EBITDA for the three months ended December 31, 2018 totaled $(318,506) as the Company did not generate any revenue in the period. On a go forward basis, management expects the Company will benefit from the inclusion of the operating results of the U.S. Targets for full reporting periods.

The amounts added back in calculating adjusted EBITDA are as follows:

(i) Listing fee. This amount represents the difference between the fair value of the shares issued to complete the Altitude Reverse Take-over and the net assets acquired by the Company. The listing expense is both non-cash and non-recurring.

(ii) Stock-based compensation. The Company periodically issues stock options to employees, consultants and Board members as an additional method of compensation and the resulting expense is included in the determination of net income. However, stock-based compensation is non-cash, and therefore, it is added back in determining adjusted EBITDA.

(iii) Loss on investment. Prior to completing the U.S. Acquisition, the Company acquired a 20% non-controlling interest in Port City for which it paid cash totaling $800,000. The fair value of the 20% non-controlling interest was determined to be impaired for accounting purposes upon the acquisition of the remaining 80% of Port City and a loss totaling $415,000 was recorded in net income in the three months ended March 31, 2019. The loss on the original Port City investment is both non-cash and non-recurring.

(iv) Unrealized foreign exchange loss. The amount relates to the proceeds due on the sale of the certain shares arising from the Altitude Reverse Take-over. The receivable amount is denominated in Australian dollars. The receivable is translated into USD at each reporting date. An unrealized foreign currency exchange loss totaling $3,736 related to this receivable was recorded at March 31, 2019. The unrealized foreign exchange loss is non-cash.

(v) Unrealized gain on fair value of financial asset. The amount relates to the proceeds due on the sale of certain shares arising from the Altitude Reverse Take-over. The underlying shares are traded on the Australian Stock Exchange and are revalued at the share price at each reporting date. An unrealized gain on the change in the fair value of the underlying shares totaling $39,325 was recorded at March 31, 2019. The unrealized gain on the fair value of the receivable amount is non-cash.

(vi) Transaction expenses. The Company incurred legal, tax, accounting and other related professional and consulting fees in connection with the U.S. Acquisition and the Altitude Reverse Take-over totaling $414,267 and $699,067 in the three months ended March 31, 2019 and December 31, 2018, respectively. The transaction expenses do not relate to the on-going business of the Company, and therefore are considered non-operational.

(vii) NGEV funding. The Company funded NGEV's overhead totaling $167,000 from February 18, 2019 to March 31, 2019. Management believes the NGEV overhead funded by the Company in the three months ended March 31, 2019 are non-recurring as the Company currently has minimal influence over operations and related spending of NGEV.

(viii) Other non-recurring expenses. Other non-recurring expenses largely consist of professional and consulting fees incurred by the Company in the three months ended March 31, 2019 largely related to the integration of the U.S. Targets.

The Company's total adjusted EBITDA for the three months ended March 31, 2019 is largely driven by the profitability of the U.S. Targets as follows:

	U.S. Targets [a]	Head office [a]	Total
EBITDA	$ 163,870	$ (2,072,567)	$ (1,908,697)
Adjusted EBITDA	$ 330,870	$ (271,534)	$ 59,336
EBITDA %	*12.5*	*(157.8)*	*(145.3)*
Adjusted EBITDA %	*25.2*	*(20.7)*	*4.5*

(a) Amounts for the U.S. Targets consist of results from the date of acquisition of February 18, 2019 through March 31, 2019. Amounts for the head office consist of results for the entire three months ended March 31, 2019.

EBITDA and adjusted EBITDA of the U.S. Targets is included in the Company's consolidated results from the date of acquisition on February 18, 2019 to March 31, 2019. However, the profitability of the U.S. Targets provides sufficient EBITDA to more than offset the expenses incurred by the Calgary head office for the entire three months ended March 31, 2019. Management believes that the U.S. Targets will continue to generate positive EBITDA that will be used to fund additional acquisitions and improvements to existing locations.

Total assets

The Company's total assets increased $11,596,611 from $6,744,863 at December 31, 2018 to $18,341,474 at March 31, 2019 largely due to the acquisition of the U.S. Targets. The aggregate proceeds paid to acquire the U.S Targets totaled $7,419,541 consisting of cash of $3,185,504 (after considering working capital adjustments) and the Company's common shares with a calculated valued at $4,234,037. Of the total cash proceeds paid for the U.S. Acquisition, $550,000 was paid in the period ended December 31, 2018. The Company acquired intangible assets totaling $2,898,500 in the U.S. Acquisition which consist of cannabis cultivation and retail licenses as well as a trademark (see discussion of intangible assets in Liquidity and Capital Resources section of the MD&A). In addition, the Company acquired $431,694 and $769,397 in property and equipment and right-of-use assets, respectively, in the U.S. Acquisition in addition to accounts receivable, inventory, biological assets and prepaid expenses totaling $452,371. Aggregate goodwill associated with the U.S. Acquisition totaled $5,417,473; however, the initial 20% investment in Port City acquired prior to the U.S. Acquisition was deemed to be impaired at the February 19, 2019 acquisition date resulting in an impairment loss totaling $415,000 which was recorded against goodwill at March 31, 2019.

The Company also acquired buildings related to the U.S. Real Estate purchase totaling $1,199,682 in the three months ended March 31, 2019 which was financed through the assumption of a note payable. The value of the land included in the U.S. Real Estate purchase totaled $800,000 which was funded through a cash deposit paid by the Company in the three months ended December 31, 2018.

The Altitude Reverse Take-over also resulted in the Company acquiring approximately $629,858 in additional receivables at March 31, 2019.

Total liabilities
The Company's total liabilities increased $4,435,954 from $944,727 at December 31, 2018 to $5,380,681 at March 31, 2019 partially due to the assumption of current liabilities totaling $1,409,809 in connection with the U.S. Acquisition. In addition, the Company financed a portion of the U.S. Real Estate purchase through the issuance of a note payable totaling $1,199,682. The Company also assumed a lease obligation associated with the acquisition of Port City totaling $760,500 and recorded an additional lease obligation totaling $133,310 in connection with the initial adoption of IFRS 16 – Leases ("IFRS 16") on January 1, 2019. The Company's trade accounts payable also increased by $445,148 in the three months ended March 31, 2019 as a result of transaction expense related to the U.S. Acquisition and the Altitude Reverse Take-over.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents, cash flow balances other available capital as at and for the three months ended March 31, 2019 and December 31, 2018 are as follows:

	March 31, 2019	**December 31, 2018**
Cash and cash equivalents (including restricted cash)	$ 3,083,889	$ 2,680,962
Cash provided from financing activities	3,809,482	-
Cash used in operating activities	(672,090)	-
Cash used in investing activities	(2,379,709)	-
Working capital deficit [(a)]	(923,201)	(423,717)
Intangible assets and goodwill	10,347,569	2,542,826
Notes payable and lease obligations	2,079,370	-
Share capital	$ 17,514,285	$ 8,584,340

(a) Readers are cautioned that the amounts presented do not have standardized meanings prescribed by IFRS – see discussion of non-IFRS Measures. See below for the calculation of working capital deficit.

Cash and cash equivalents and cash flow amounts
The Company generated cash from financing activities in the three months ended March 31, 2019 totaling $3,809,482 largely due to completing a private placement for aggregate proceeds of $3,845,288, slightly offset by the repayment of notes payable and lease obligations. The private placement was completed in February and March 2019 and consisted of the issuance of 9,856,242 common shares of the Company at $0.39 per share. Of the total proceeds received in the private placement, $352,069 was received as a subscription in the three months ended December 31, 2018 and included as restricted cash at December 31, 2018. The restricted cash was released, and the common shares issued in February 2019.

The proceeds of the private placement were used to fund (i) the remaining cash portion of the U.S. Acquisition proceeds totaling $2,635,504, (ii) the purchase of property and equipment totaling $43,441, and (iii) the cash outflow from operations totaling $(672,090). The Company also repaid a total of $35,806 related to lease obligation and note payable principal in the three months ended March 31, 2019. The remaining proceeds from the private placement, net of the impact of foreign exchange on CAD denominated balances, are included in cash and cash equivalents at March 31, 2019. Accordingly, the Company's cash and cash equivalents, including restricted cash increased by $402,927 at March 31, 2019 compared to December 31, 2018.

Working capital deficit

Readers are cautioned that working capital deficit does not have standardized meanings prescribed by IFRS (see discussion of Non-IFRS Measures). The Company's working capital deficit at March 31, 2019 and December 31, 2018 is calculated as follows:

	March 31, 2019	December 31, 2018
Current assets		
Accounts receivable	$ 798,731	$ 20,155
Inventory	298,200	-
Biological assets	104,416	-
Other current assets	370,763	148,786
	1,572,110	168,941
Current liabilities		
Accounts payable and accrued liabilities	2,495,311	592,658
Working capital deficit	**$ (923,201)**	**$ (423,717)**

The majority of the Company's working capital balances were acquired through the U.S. Acquisition and the Altitude Reverse Take-over. The Company has minimal trade accounts receivable as retail sales of cannabis are on a cash basis. The accounts receivable balance at March 31, 2019 primarily consists of (i) $629,858 for proceeds due to the Company related to the Altitude reverse take-over, (ii) $124,509 due from the Company's wholesale cannabis distributor, and (iii) $48,069 in GST receivable.

The Company's other current asset balance also increased at March 31, 2019 compared to December 31, 2018 largely due to the prepayment of Directors and Officers insurance premium at March 31, 2019.

In addition to the amounts assumed in the U.S. Acquisition and the Altitude Reverse Take-over, accounts payable increased due to the legal and other professional fees incurred in connection with these transactions. The current liabilities assumed in the U.S. Acquisition are largely driven by income taxes payable which totaled $680,801 at the acquisition date. An additional income tax payable of $138,000 was recorded at March 31, 2019.

Intangible assets and goodwill

The U.S. Acquisition provided the Company with additional intangible assets related to the acquired retail licenses, cultivation license and trademark totaling $2,620,000, $200,000 and $78,500, respectively at the acquisition date, in addition to aggregate goodwill totaling $5,002,473 (net of the $415,000 impairment loss on the initial Port City investment). The trademark intangible asset related to the Hype Cannabis Co. ("Hype") brand that is produced by Alpine Cultivation and sold by Port City and Alpine Alternative. The Hype brand has a loyal local customer following in Stockton and Sacramento and accounts for approximately 10% of total Port City and Alpine Alternative retail cannabis sales.

Notes payable and lease obligations

The Company has a note payable outstanding related to the purchase of the U.S. Real Estate totaling $1,192,674 at March 31, 2019. The note bears interest at 6% per year, requires monthly payments of interest and principal of $9,314 and matures in April 2036.

The Company also has a note payable outstanding related to the acquisition of a delivery truck by Alpine Alternative totaling $18,772 at March 31, 2019. The note bears interest at 4.99% per year, requires monthly payments of principal and interest totaling $395 and matures in March 2023.

Lease obligations outstanding at March 31, 2019 total $867,924 and relate to the long-term lease of the dispensary in Port City ($736,671) and a warehouse facility in Beiseker, Alberta ($131,253). The Company also has right-of-use assets recorded at March 31, 2019 totaling $874,942 related to the leases.

The Company also has a lease for its head office in Calgary with monthly rent totaling $3,742, expiring in July 2019. The lease is not capitalized under IFRS 16 as the term is less than 12 months.

Share capital

The Company is authorized to issue an unlimited number of voting common shares. Holders of common shares are entitled to participate in dividends when declared by the Company. The common shares issued by the Company in the three months March 31, 2019 are as follows:

	Common shares	
	Number	**Amount**
Balance at December 31, 2018	**53,535,586**	**$ 8,584,340**
Issued in private placement	9,856,242	3,845,288
Issued in acquisition of U.S. Targets	10,815,157	4,234,037
Issued in Altitude Reverse Take-over	2,197,992	850,620
Balance at March 31, 2019	**76,404,977**	**$17,514,285**

In February and March 2019, the Company completed a private placement of 9,856,242 common shares at $0.39 for proceeds totaling $3,845,288 (of the total proceeds, $352,069 were received in the three months ended December 31, 2018 and included as restricted cash at December 31, 2018 - the shares were issued in February 2019).

The Company also issued 10,815,157 common shares to complete the acquisition of the U.S. Targets and 2,197,992 common shares to complete the Altitude Reverse Take-over. The fair value calculated for accounting purposes related to the shares issued in connection with the acquisition of the U.S. Targets and the Altitude reverse take-over totaled $0.39 per share, consistent with the issue price for the private placement.

The Company has an option plan that grants stock options to officers, employees, directors and certain consultants of the Company up to a maximum of 10% of the outstanding common shares of the Company. Stock options outstanding at March 31, 2019 totaled 5,840,669 (December 31, 2018 – 3,626,154) of which 3,045,238 are exercisable (December 31, 2018 – 998,600). The weighted average exercise price of the stock options outstanding and exercisable at March 31, 2019 is $0.58 and $0.63, respectively. The Company recognized stock-based compensation expense related to vested options totaling $423,497 and $1,944,469 in the three months ended March 31, 2019 and December 31, 2018, respectively.

The Company also has 125,810 warrants outstanding at March 31, 2019 and December 31, 2018 totaling $25,277. Each warrant is exercisable into one common share of the Company at an exercise price of $0.39.

The fully diluted common shares outstanding total 82,371,456 and 57,287,663 at March 31, 2019 and December 31, 2018, respectively. The fully diluted common shares outstanding at the date of the MD&A is 83,396,456.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements as at and for the three months ended March 31, 2019.

RELATED PARTY TRANSACTIONS

The Company did not have any transactions with related parties as defined by IFRS in the three months ended March 31, 2019 other than compensation paid to key management personnel. Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company incurred a total of salaries, wages and short-term benefits and stock-based compensation for key management personnel in the three months ended March 31, 2019 totaling $120,655 and $389,850, respectively.

SUBSEQUENT EVENTS

On April 3, 2019 the Company commenced trading on the Canadian Securities Exchange under the trading symbol VIBE.

On April 3, 2019, the Company entered into a purchase and sale agreement for a dispensary operation in Redding, California for total proceeds of $1,000,000 payable through the issuance of the Company’s common shares. The acquisition is expected to close in the second quarter of 2019. Once the acquisition is complete, the Company will commence the upgrades to the Redding dispensary described previously.

On April 4, 2019 the Company issued 500,000 stock options to non-executive members of the Board of Directors. The stock options have an exercise price of $0.64, vest equally on July 4, 2019, October 4, 2019, January 4, 2020 and April 4, 2020, and expire on April 4, 2021. On May 30, 2019 the Company granted 525,000 stock options to certain employees of the Company. The options have an exercise price equal to the greater of the closing market price of the common shares on May 29, May 30 or May 31, 2019 and are exercisable for a period of four years from the date of issuance and vest equally on May 30, 2020, 2021, and 2022.

In April and May 2019, the Company issued 207,951 common shares through the exercise of stock options with an exercise price of $0.004.

In May 2019, the Company signed an agreement with a third party to provide investor relations services from June 1, 2019 through September 30, 2019 for a total fee of $80,000 payable in monthly installments of $20,000.

On May 30, 2019, Vibe terminated the securities purchase agreement dated August 16, 2018 (the "NGEV SPA") whereby the Company was to acquire all the outstanding securities of NGEV Inc. ("NGEV"). The NGEV SPA was terminated due to the inability of the vendors of NGEV to fulfill certain conditions in favour of the Company set out in the NGEV SPA.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of consolidated financial statements requires management to make judgements and estimates that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The judgements and estimates applied are based on historical experience and various other factors and assumptions that are believed to be reasonable under the circumstances. However, actual experience may differ from the results achieved by applying significant judgements and estimates. Revisions to accounting estimates are recognized in the period in which the estimate is revised and applied on a prospective basis. The material judgements, estimates and assumptions used by management as at and for the three months ended March 31, 2019 are as follows:

(i) *Biological assets and harvested cannabis inventory.* Management is required to make estimates in calculating the fair value of biological assets and harvested cannabis inventory. These estimates include a number of assumptions, such as estimating the stages of growth or the cannabis, harvested costs, sales price and expected yields. Assumptions can change, resulting in change in associated estimates based on experience and market conditions.

(ii) *Depreciation and amortization.* Depreciation of items of property and equipment and amortization of intangible assets is dependent upon estimates of useful lives which are determined through management's judgment. Estimates of useful lives may change as more experience with the use of an asset is obtained or as general market conditions change, impacting the operation of the Company's property and equipment and utilization of its intangible assets.

(iii) *Impairment of non-financial assets.* The Company performs impairment tests on property and equipment and intangible assets when impairment indicators exist. In addition, the Company performs impairment tests on goodwill at least annually, regardless of whether impairment indicators exist. A non-financial asset is considered impaired and written down only when a test of impairment demonstrates that the asset's carrying value is not fully recoverable. The determination of the recoverable amounts on any given asset is based on fair value techniques that are subject to significant estimates regarding such issues as timing and magnitude of future cash flows and appropriate discount rates. The amount of impairments realized could materially change, or an asset's carrying value could shift from recoverable to not recoverable, if any of the assumptions and estimates used in assessing the recoverability were changed.

(iv) *Business combinations and asset acquisitions.* Classification of an acquisition as a business combination or an asset acquisition depends on whether the assets acquired constitute a business, which can be a complex judgment. Whether an acquisition is classified as a business combination or asset acquisition can have a significant impact on the entries made on and after acquisition.

In addition, regardless of whether an acquisition is a business combination or asset acquisition, all acquired assets and assumed liabilities are measured at their acquisition date fair value including the fair value of identifiable intangible assets. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

(v) *Income taxes.* The calculation of income taxes amounts includes estimates of the recoverability of deferred tax assets based on an assessment of the ability to use underlying future tax deductions against future taxable income before the deductions expire. The assessment is based upon existing tax laws and estimates of future taxable income. Further, there are many transactions and calculations for which the ultimate tax determination is uncertain. The Company maintains provisions for uncertain tax positions that it believes appropriately reflect its risks with respect to tax matters under active discussion, audit, dispute or appeal with tax authorities, or which are otherwise considered to involve uncertainty. These provisions are made using the best estimate of the amount expected to be paid based on quantitative and qualitative assessments all relevant factors. The Company analyzes the adequacy of these provisions at each reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect tax provisions in the period in which such determination is made.

(vi) *Stock-based compensation.* The fair value of stock-based compensation on options granted is estimated using the Black-Scholes option pricing model and relies on several estimates, such as the expected life of the option, the volatility of the underlying share price, the risk-free rate of return, and the estimated rate of forfeiture options granted.

CHANGES TO ACCOUNTING POLICIES AND NEW STANDARDS ADOPTED

Change in Presentation Currency

The audited consolidated financial statements for the period from June 11 to December 31, 2018 were presented in Canadian dollars ("CAD"). However, the comparative results presented in the MD&A and the unaudited interim consolidated financial statements are presented in USD. Assets and liabilities at December 31, 2018 that are denominated in CAD are translated into USD at $0.7330 which is the exchange rate in effect at December 31, 2018. Items of income and expense for the period from June 11 to December 31, 2018 that are denominated in CAD are translated into USD at $0.7609 which is the average exchange rate for the period. The resulting loss on translating CAD denominated balances into USD totals $206,680 and is included in accumulated other comprehensive loss in the consolidated statement of financial position at December 31, 2018.

Adoption of IFRS 16

Effective January 1, 2019, the Company adopted *IFRS 16* which replaces IAS 17 – *Leases ("IAS 17)* and related interpretations. The Company adopted IFRS 16 using the modified retrospective approach whereby comparative results for the period ended December 31, 2018 are not restated. Comparative results as at and for the period from June 11 to December 31, 2018 remain as previously reported under IAS 17 and related interpretations. On initial application of IFRS 16, the Company elected to record right-of-use assets based on the corresponding lease liability. A right-of-use asset and related lease obligation of $133,304 were recorded as of January 1, 2019, with no net impact on retained earnings. The impact of the adoption of IFRS 16 is further described in the unaudited interim consolidated financial statements as at and for the three months ended March 31, 2019.

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, loan receivable, accounts payable, subscriptions received in advance, lease obligations and notes payable.

All the Company's financial instruments are initially recognized at fair value. Fair value measurements are categorized based on the level of judgment associated with the inputs used to measure their fair value. The levels are based on the amount of subjectivity associated with the inputs in the fair value determination and are as follows:

Level I – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level II – Inputs (other than quoted prices included in Level I) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

Level III – Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date as observable market data is unavailable. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

The carrying value of cash and cash equivalents, accounts receivable, loan receivable, accounts payable and subscriptions received in advance approximately their value due to the short period to maturity of these instruments.

The fair value of lease obligations and notes payable is based on amounts owed to third parties and estimated internal borrowing rates (in the case of lease obligations) using current market price indicators which are considered Level 2 Inputs in the fair value measurement hierarchy.

The Company's financial instruments are subsequently measured at amortized costs except for the proceeds due on the sale of certain shares related to the Altitude Reverse Take-over which are included in accounts receivable. The proceeds due are measured at fair value with resulting gains or losses recognized in net income. The fair value of the proceeds due on the shares is calculated based Level 1 Inputs as the shares are publicly traded on the Australian Stock Exchange.

The Company is exposed in varying degrees to a variety of financial instrument related risk in the ordinary course of business as follows:

(i) *Interest rate risk (market 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 rates of interest. Cash and cash equivalents bear interest at market rates but are short term in nature. The Company's financial liabilities, largely notes payable and lease obligations, have fixed rates of interest. Accordingly, the Company has limited exposure to interest rate risk.

(ii) *Price risk (market risk).* Price risk is the risk of variability in fair value due to movements in equity or market prices. The Company has exposure to price risk in measuring the value of the proceeds due on the sale of certain shares related to the Altitude Reverse Take-over which is based on the publicly available share price. In addition, the Company's assessment of the fair value of biological assets is based on the estimated market price of cannabis which is based on management estimates and subject to fluctuation.

(iii) *Credit risk.* Credit risk is the risk of potential loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk largely through cash and cash equivalents held at financial institutions as the majority of the Company's sale are transacted in cash. Credit risk exposure on such cash and cash equivalents balances is managed by holding funds in established financial institutions. To the extent the Company does grant credit to customers, management has established credit evaluating and monitoring processes to mitigate credit risk.

(iv) Liquidity risk. Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities as they become due. The contractual obligations of the Company generally consist of accounts payable, lease obligations and notes payable. The remaining contractual maturities of the Company's financial obligations are as follows:

	Less than one year	Two to Three years	Four to Five years	Thereafter	Total
Financial liability					
Accounts payable	$ 2,495,311	$ -	$ -	$ -	$ 2,495,311
Notes payable	116,503	349,510	223,526	1,238,709	1,928,248
Lease obligations	264,694	694,082	49,388	10,289	1,018,453
Other lease	14,966	-	-	-	14,966
	$ 2,891,474	**$ 1,043,592**	**$ 272,914**	**$ 1,248,998**	**$ 5,456,978**

The Company actively manages its working capital requirements, cash commitments and credit availability to ensure that it can meets its financial obligations as they come due.

BUSINESS RISK FACTORS

The Company faces exposure to risk factors and uncertainties relating to its business that could significantly negatively impact the Company's operations and financial results. Additional risks and uncertainties not presently known to the Company or currently deemed immaterial by the Company may also impair the Company's operations. If any such risks actually occur, shareholders of the Company could lose all or part of their investment and the business, financial condition, liquidity, results of operations and prospects of the Company could also be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected. Significant business risk factors related to the business of the Company as at March 31, 2019 are consistent with the business risk factors described in detail in the Company's Listing Statement dated March 25, 2019 which is available on SEDAR (www.sedar.com).