PASCAL BIOSCIENCES INC.
Suite 1780 – 400 Burrard Street, Vancouver, BC, Canada

Form 51-102F1

Management's Discussion & Analysis of Financial Condition and Results of Operations for the Three Months Ended February 29, 2020

Date: April 28, 2020

Management's Discussion and Analysis

The following managements' discussion and analysis (MD&A) of the financial information of Pascal Biosciences Inc. (the "Company") and results of operations should be read in conjunction with the Company's condensed consolidated interim financial statements for the three months ended February 29, 2020 and the audited consolidated financial statements and accompanying notes for the year ended November 30, 2019. These documents are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include the operating results of the Company.

This MD&A was reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 28, 2020. The information contained within this MD&A is current to April 28, 2020.

The Company's critical accounting estimates, significant accounting policies and risk factors have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian Dollars unless noted otherwise.

Forward-Looking Statements

This MD&A contains forward-looking statements within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature are forward-looking, and the words "believe," "expect," "plan," "may," "will," "could," "leading," "intend," estimate," or words of a similar nature are generally intended to identify forward-looking statements. Forward-looking statements in this MD&A include, but are not limited to, statements with respect to the Company's:

- expected future loss and accumulated deficit levels;
- projected financial position and estimated cash burn rate;
- expectations about the timing of achieving milestones and the cost of development programs;
- requirements for, and the ability to obtain future funding on favourable terms or at all;
- projections for the development of our core technologies, particularly with respect to the timely and successful completion of trials and availability of results from such studies and efficacy;
- expectations about its product's safety and efficacy;
- expectations regarding the progress and the successful and timely completion of the various stages of regulatory processes;
- ability to secure strategic partnerships with larger pharmaceutical and biotechnology companies;

- expectations regarding the acceptance of our products and technologies by the market;

- ability to retain and access appropriate staff, management and expert advisors; and

- expectations with respect to existing and future corporate alliances and licensing transactions with third parties, and the receipt and timing of any payments to be made by the Company or to the Company in respect of such arrangements.

All forward-looking statements reflect the Company's beliefs and assumptions based on information available at the time the assumption was made. These forward-looking statements are not based on historical facts but rather on management's expectations regarding future activities, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities.

By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, known and unknown, that contribute to the possibility that the predictions, forecasts, projections or other forward-looking statements will not occur. In evaluating forward-looking statements, readers should specifically consider various factors, including the risks outlined under the heading "Risk Factors" in this MD&A. Some of these risks and assumptions include, among others:

• substantial fluctuation of losses from quarter to quarter and year to year due to numerous external risk factors, and anticipation that the Company will continue to incur significant losses in the future;

• uncertainty as to the Company's ability to raise additional funding to support operations;

• the Company's ability to generate product revenue to maintain our operations without additional funding;

• the risks associated with the development of the Company's product candidates which are at early stages of development;

• reliance on third parties to plan, conduct and monitor our pre-clinical studies and clinical trials;

• the Company's product candidates may fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or may not otherwise produce positive results;

• risks related to filing Investigational New Drug applications (INDs), to commence clinical trials and to continue clinical trials if approved;

• the risks of delays and inability to complete clinical trials due to difficulties involved in enrolling patients;

• competition from other biotechnology and pharmaceutical companies;

• the Company's reliance on the capabilities and experience of its key executives and scientists and the resulting loss of any of these individuals;

• the Company's ability to adequately protect trade secrets;

• the Company's ability to source and maintain licenses from third-party owners; and

• the risk of patent-related litigation.

Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, we cannot assure readers that actual results will be consistent with these forward-looking statements. Any forward-looking statements represent estimates only as of the date of this MD&A and should not be relied upon as representing estimates as of any subsequent date. The Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as may be required by securities legislation.

Overview

The Company was incorporated on January 28, 2011 pursuant to the *Business Corporations Act* (British Columbia). On May 24, 2013, the Company acquired all of the issued and outstanding shares of bioMmune Advanced Technologies Inc. ("BAT"), a private company (incorporated on July 5, 2012) formed to commercially exploit a number of patents and patent applications that surround three technologies. On March 27, 2017, the Company incorporated a wholly owned subsidiary in Seattle, Washington, named Pascal Biosciences US, Inc. ("Pascal (US)"). The Company is a Tier 2 Biotechnology Issuer engaged in the research and development of products for the treatment of cancers and for modulation of the immune system, trading on the TSXV Exchange under the trading symbol "PAS".

Additional information relating to the Company can be found on the SEDAR website at www.sedar.com.

Overall Performance

Research and Development

In March 2017, Pascal Biosciences (US), Inc. began operating a research lab in Seattle, Washington. The Company currently has five full-time employees conducting research and drug development and one full-time employee in business development.

On March 10, 2020, the Company announced that it has entered into a non-binding term sheet (the "Term Sheet") with SōRSE Technology Corporation ("SōRSE"), pursuant to which it has agreed to exclusively negotiate a potential transaction (the "Potential Transaction") with SōRSE. In exchange for the exclusive right to negotiate a definitive agreement, SōRSE purchased 3,793,548 Units of Pascal at a price of $0.09 per Unit for gross proceeds of $341,419 (US$250,000) on a private placement basis (the "Private Placement"), which was announced on March 10th and March 13th 2020, and closed on March 24, 2020. Each Unit consists one Common Share and one Warrant. Each Warrant will entitle SōRSE to purchase one additional Common Share at a price of $0.15 for 18 months following the date which is six months after March 24, 2020.

Pursuant to the Term Sheet, Pascal has agreed to exclusively negotiate the terms of the Potential Transaction with SōRSE until May 27, 2020. Although Pascal and SōRSE have not yet finalized the binding terms of the Potential Transaction, Pascal expects that:

- SōRSE will purchase Pascal's cannabinoid programs in exchange for common shares of SōRSE valued at US $9.5 million.
- Upon closing of the Potential Transaction, Pascal will hold at least 15.8% of the outstanding shares of SōRSE.
- The Potential Transaction will be structured as a share purchase agreement whereby SōRSE will purchase all of the shares of Pascal (US) which, in addition to other assets, holds all of Pascal's cannabinoid assets and employs certain personnel responsible for researching and advancing Pascal's scientific programs.
- Upon closing of the Potential Transaction, Pascal will focus on the advancement of its leukemia program which will not be transferred to SōRSE as part of the Potential Transaction.
- As additional consideration for the sale of the cannabinoid assets, SōRSE will permit US SubCo's employees to support Pascal's retained intellectual property and scientific programs at no additional cost to Pascal, in accordance with a work program to be determined in the definitive agreement.
- Upon closing of the Potential Transaction, SōRSE will invest an additional US $250,000 in Pascal on a private placement basis.

A binding commitment with respect to the Potential Transaction will result in an enforceable agreement only if Pascal and SoRSE negotiate and execute terms and conditions of a definitive agreement prior to the expiry of the exclusivity period, which is May 27, 2020. If entered into, the definitive agreement and any ancillary transaction agreements, will contain representations and warranties, conditions relating to regulatory approvals, TSX Venture Exchange approvals and any required shareholder approvals, and other terms as are customary in comparable transactions of this nature. In addition, if the Potential Transaction results in the sale of more than 50% of Pascal's assets, business or undertaking, as an additional condition to closing of the Potential Transaction, Pascal will be required to obtain approval of the Potential Transaction from its shareholders in accordance with Policy 5.3 of the TSX Venture Exchange. If a definitive agreement is not entered into and the Potential Transaction is not completed, Pascal will retain ownership of Pascal (US) and all rights to its cannabinoid assets.

Management determined that the operations for Pascal (US) meet the definition of assets held for sale and not discontinued operations in accordance with IFRS 5, *Non-current Assets Held for Sale*. Consequently, assets and liabilities of Pascal (US) were classified as held for sale on the condensed consolidated interim statement of financial position as at February 29, 2020.

Please refer to "*Core Technologies*" below for updates on the Company's research and development.

Share Capital

On January 14, 2019, 3,095,000 warrants, exercisable at a price of $0.60 per warrant, were cancelled.

On May 28, 2019, the Company granted 198,000 stock options to consultants of the Company. The stock options are exercisable at a price of $0.195 per optioned share for a period of three years, vesting quarterly over three years.

On June 12, 2019, 10,774,600 warrants expired, unexercised.

On March 24, 2020, the Company closed a private placement, whereby SōRSE purchased 3,793,548 units of the Company at a price of $0.09 per unit for gross proceeds of $341,419 (US $250,000). Each unit will consist of one common share of Pascal and one common share purchase warrant, which will entitle SōRSE to purchase one additional common share of the Company at a price of $0.15 for 18 months following the date which is six months after the closing of the private placement. All securities issued pursuant to the private placement will be subject to a statutory four month hold period.

During the three months ended February 29, 2020, 100,000 stock options, exercisable at a price of $0.31 per share, were cancelled.

Management

On April 1, 2019, the Company announced the appointment of Carl Weissman as Acting President. On July 4, 2019, the Company announced that Mr. Weissman stepped down from the position of Acting President.

On May 8, 2019, the Company announced the formation of a clinical advisory board of preeminent neuro-oncology experts to guide the PAS-403 therapeutic program. Members include:

- Chair: Dr. Darell Bigner – E.L. and Lucille F. Jones Cancer Research Professor, Duke University School of Medicine

  Dr. Bigner is founding Director of the Preston Robert Tisch Brain Tumour Center. His research has involved the investigation of the causes, mechanism of transformation, altered growth control, and development of new methods of therapy for primary brain tumours and those metastasizing to the brain. Dr. Bigner has over 600 scientific publications and received the Lifetime Achievement Award from the Society of Neuro-Oncology in 2014.

- Dr. Mitchell Berger – Professor and Chair, Neurological Surgery, University of California, San Francisco

  Dr. Berger is an internationally recognized expert in treating brain and spinal cord tumours in adults and children. He is co-director of the Adult Brain Tumour Surgery Program, director of the Brain Tumour Research Center and director of the Center for Neurological Injury and Repair. Dr. Berger is a past-president of the Society for Neuro-Oncology (1997-1999), has received the Victor Levin Award in Neuro-oncology Research from the Society for NeuroOncology in 2015, was named on the Blue Ribbon Panel of scientific experts for the National Cancer Moonshot Initiative, and has also served as president of the American Association of Neurological Surgeons.

- Dr. Timothy Cloughesy – Professor of Neurology, University of California, Los Angeles

  Dr. Cloughesy is Director of the UCLA Neuro-Oncology program. Dr. Cloughesy's research focuses on clinical trials in brain cancer using targeted molecular therapies with novel clinical trial design. He has developed a brain cancer bioinformatics database which combines clinical outcomes, imaging and molecular analysis to enhance translational research. For more than a decade, he has been recognized as both a Top Doctor and Top Doctor for Cancer by U.S. News.

- Dr. Patrick Wen – Professor of Neurology, Harvard Medical School

  Dr. Wen is Director of the Center for Neuro-Oncology, Dana Farber Cancer Research Institute and Director of the Division of Cancer Neurology at Brigham and Women's Hospital. Dr. Wen's research is focused on novel treatments of brain tumours, especially targeted molecular agents, and optimizing response assessment and clinical trial endpoints in neuro-oncology. He currently serves as President of the Society for NeuroOncology, the premier North American organization for health care professionals focusing on central nervous system tumours in children and adults.

- Dr. Andrew Sloan – Professor, Departments of Neurological Surgery and of Pathology, School of Medicine, Case Western Reserve University

  Dr. Sloan serves as Director of the Brain Tumour and Neuro-Oncology Center at the Seidman Cancer Center and is also Vice Chairman of Neurosurgery at University Hospitals Cleveland Medical Center. His clinical and research interests focus on the biology and treatment of tumours of the brain and spine. He has been recognized by his peers as one of the "Best Doctors in America" since 2003, and as one of the "Top Surgeons in America" since 2007. In 2014, he was elected President of the Ohio State Neurosurgical Society.

Financial Position

The condensed consolidated interim statement of financial position as of February 29, 2020 indicates a cash position of $11,096 (November 30, 2019: $361,385). Other current assets are comprised of prepaid expenses of $29,770 (November 30, 2019: $27,531), accounts receivable of $24,405 (November 30, 2019: $14,307) and assets held for sale of $26,425 (November 30, 2019: $45,312) (refer to "*Overall Performance*" above). Non-current assets at February 29, 2020 are comprised of computer and lab equipment of $5,847 (November 30, 2019: $6,946).

Current liabilities at February 29, 2020 total $246,625 (November 30, 2019: $111,445). Accounts payable and accrued liabilities totalling $122,863 are comprised of amounts due to related parties of $58,036 (November 30, 2019: $8,906), accounting and audit fees of $30,000 (November 30, 2019: $30,000), research and development fees of $7,715 (November 30, 2019: $nil), legal fees of $11,316 (November 30, 2019: $14,110), transfer agent, filing and listing fees of $6,551 (November 30, 2019: $1,257), marketing of $9,000 (November 30, 2019: $nil) and general administrative expenses of $245 (November 30, 2019: $1,063). Liabilities held for sale of $123,761 (November 30, 2019: $51,099) are comprised of amounts due to related parties of $80,014 (November 30, 2019: $nil), research and development of $35,689 (November 30, 2019: $48,501) and consulting fees of $8,058 (November 30, 2019: $2,598).

Shareholders' equity is comprised of share capital of $11,805,621 (November 30, 2019: $11,805,621).

As at February 29, 2020, the Company had a working capital deficit of $154,929 (November 30, 2019: working capital of $337,090).

The weighted average number of common shares outstanding, basic and diluted, as at February 29, 2020 was 52,647,396 (November 30, 2019: 52,647,396).

Core Technologies

1. **Novel natural compounds** that are able to increase antigen expression on the surface of tumour cells, making them more visible to the immune system. These molecules will be useful as cancer therapeutics by increasing the killing of cancer cells by the immune system.

   Many cancer cells, including those that are metastatic, escape immune recognition and elimination after selection by immune editing whereby tumour antigens are not properly displayed on the cell surface. These escape variants do not express sufficient Major Histocompatibility Complex I ("MHC-I") molecules and their associated tumour antigen peptides at the cell surface. Thus, these tumour cells evade recognition by host immune surveillance mechanisms, making them resistant to most immunotherapeutic approaches for elimination of cancer. In February 2014, the Company entered into an agreement with UBC whereby UBC conducted research to identify compounds that increase the expression of the Transporter of Antigen Processing ("TAP1") protein, a part of the APP critical for MHC-I expression. The research revealed that several identified compounds restored the presentation of tumour antigens at the cancer cell surface. By developing a high-throughput screening assay applied to extracts from deep-sea sponges, the Company identified several unique molecules that induce antigen presentation in metastatic prostate and lung carcinomas.

   From these extracts, new chemical structures that exhibit efficient restoration MHC-I expression were identified. Subsequently, screening of additional extracts and purified compounds was performed and several more active compounds were identified. One compound, curcuphenol, was initially identified.

   Searching of the chemical structure of curcuphenol against large chemical databases revealed that some structural elements of curcuphenol are found in certain cannabinoids, compounds found in extracts of the *Cannabis sativa* plant. 400 cannabinoids have been tested for their ability to induce MHC-I expression in human cancer cell lines. Several distinct cannabinoids registered positive in this assay, with the best inducing MHC-I expression levels to approximately half of the levels induced by interferon gamma, a natural powerful physiologic inducer of MHC-1. Pascal has identified a natural

cannabinoid with good potency and pharmacologic properties. Pascal intends to develop this cannabinoid as a therapeutic compound that will render cancer cells more visible to immune surveillance. Such a molecule has the potential to increase cancer cell recognition thus dramatically increasing the efficacy of checkpoint inhibitors (therapeutic monoclonal antibodies), which release the cancer killing effects of cytolytic T cells.

2. **Cannabinoid-based therapeutic for glioblastoma:** Glioblastoma is a devastating disease due to its high rate of recurrence, limited treatment options and aggressive nature. Glioblastoma strikes approximately 15,000 patients each year in North America and the median survival time is only 14 months. Therapies for glioblastoma are limited to surgery, radiation, and the chemotherapeutic temozolomide. The first cannabinoid molecule identified by the Company, PAS-403 is a mitosis inhibitor that blocks cell division. Several mitotic inhibitors approved for cancer treatment show substantial benefit in reducing solid tumours when combined with other chemotherapeutics. However, unlike PAS-403, none of these drugs cross the blood-brain barrier, and therefore have no activity on glioblastoma. PAS-403 kills cultured glioblastoma cells from patients and is very effective in a mouse model of glioblastoma. Since temozolomide has a different mechanism of action compared to PAS-403, the two drugs should synergize with each other and will possibly provide a superior method of treatment.

3. **Monoclonal antibody regulation of selected calcium channel activity:** Application to regulation of immune system activity involved in allergy, autoimmunity and cancer. In January 2014, the Company entered into an agreement with UBC whereby UBC conducted research to derive monoclonal antibodies ("mAbs") that modulate the activation of specific calcium channels which are associated with the proliferation and induction of cells of the immune system. These antibodies were selected for their ability to modulate the function of specialized white blood cells (lymphocytes) that are involved in a variety of human autoimmune diseases, cancer and in transplantation of tissues and organs. The calcium channels on lymphocytes are a multi-member family comprised of more than 10 different proteins. The activity of these channels is regulated to control intracellular concentrations of calcium which determines the proliferation and activity of cells involved in immune responses. Antibodies generated against different forms of the calcium channels may act as new calcium channel regulators and, in some cases, have been shown to inhibit the proliferation and functional differentiation of lymphocytes. Such antibodies may allow modulation of the immune system to combat cancers and infections and to control autoimmune diseases, allergy and transplantation responses. The Company (through UBC) derived a large number of mAbs against specific external domains of voltage-dependent calcium channel isoforms Cav1-1, Cav1-2, Cav1-3, and Cav1-4. These mAbs were evaluated for binding to human T lymphocyte leukemia ("Jurkat") cells and several were found to inhibit Jurkat cell growth *in vitro*. Our early studies showed that one of the Cav1-4 antibodies slows growth of murine P388 cells in a mouse model of leukemia.

4. **VpreB antibody for the treatment of acute lymphoblastic leukemia and other leukemias and lymphomas:**
In September 2017, the Company executed an exclusive, worldwide license option agreement with STC.UNM ("STC"), the University of New Mexico's ("UNM") technology transfer and economic development organization, to acquire a therapeutic monoclonal antibody for potential treatment of Acute Lymphoblastic Leukemia ("ALL").

   ALL is the most common childhood cancer, with the incidence peaking at approximately two to five years of age. In addition, ALL also affects some older individuals, and about 45% of ALL patients are above age twenty. On an annual basis, more than 6,500 people in North America, and approximately 40 cases per 1,000,000 people worldwide present with the disease. Current treatment practices utilize harsh chemotherapy regimens. While effective in many patients, the near and long-term consequences of chemotherapy can be disabling. Therefore, there is a need for new strategies to address relapsed disease and ultimately replace chemotherapy as a frontline treatment.

   ALL is caused by genetic lesions that arise during the earliest stages of B lymphocyte development. Pascal has derived and selected monoclonal antibodies that are specific to these stages and not expressed during subsequent stages of B cell development. Therefore, Pascal's antibodies against VpreB should only deplete the earliest stages of the developing B cell, leaving the more mature B cells available to combat infection by secretion of antibodies.

   Careful examination of large gene expression databases and the scientific literature revealed the unexpected expression of VpreB mRNA by tumour cells of subsets of acute myelogenous leukemia ("AML") and non-Hodgkin lymphoma ("NHL") patients. Experiments to screen cancer cells from large panels of these patients by immunocytochemistry using the VpreB antibody are planned. If the molecular data are confirmed at the protein level, a VpreB biomarker assay will be developed for identifying AML and NHL patients that may also benefit from VpreB antibody treatment. In February, 2019, the license agreement with UNM was cancelled and the Company is now developing its own antibodies specific for VpreB.

Patents

Intellectual property and other proprietary rights are essential to the Company's business model. The Company has filed patent applications to protect technology, inventions and improvements of inventions that are important for the development of the business. In June 2016, the Company was awarded its first patent for the use of "Monoclonal antibodies that modulate voltage gated calcium channels in immune cells", from China for a period of 20 years, with expiry in 2036. In March 2018, the Company was awarded its second patent: "Compositions and methods of modulating an immune response", from Australia for a period of 20 years from filing, with expiry in 2032.

In January 2018, the Company filed a provisional patent application, "Cannabinoids and derivatives for promoting immunogenicity of tumour and other infected cells", covering cannabinoid-like compounds that restore immune recognition of cancer cells and increasing their subsequent destruction. The non-provisional application was filed January 21, 2019 and the Company is continuing to pursue the application.

Pursuant to the terms of the license agreement with the University of Washington in October 2018, the Company has retained the patent portfolio to develop a cannabinoid-based product for the treatment of glioblastoma multiforme and brain metastases. The patent “Composition and methods for treating glioblastoma” filed in August 2011 by the University of Washington was granted by the United States Patent and Trademark Office in May 2015 with expiry in November 2031.

In August 2018, the University of Washington filed a provisional patent titled “Modified Carbazoles Destabilize Microtubules and Kill Glioblastoma Multiforme Cells and BRAF Mutant Cancers,” covering the cannabinoid-based compounds in glioblastoma and brain metastases. In August, 2019, the Company filed a regular non-provisional patent application for patent protection.

In November 2019, the Company returned the patent family entitled “Antibodies to L-type Voltage Gated Channels and Related Methods” to UBC.

Results of Operations

During the three months ended February 29, 2020, the Company reported a net loss and comprehensive loss of $501,386 ($0.01 basic and diluted loss per share) compared to a net loss and comprehensive loss of $1,257,146 ($0.02 basic and diluted loss per share) for three months ended February 28, 2019.

Summary of Quarterly Results

The following table presents selected quarterly financial information of the Company for the eight most recently completed quarters of operation prepared in accordance with IFRS and expressed in Canadian Dollars.

	2020	***2019***				***2018***		
	Q1	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenue	-	-	-	-	-	-	-	-
Net and comprehensive loss	501,386	519,223	699,881	937,058	1,256,014	1,794,306	568,773	473,537
Basic and diluted Loss per share	0.01	0.01	0.02	0.02	0.04	0.01	0.01	0.01

Share-based payments impacts expenses and net and comprehensive loss as follows: Q1 2020: $8,268, Q4 2019: $11,890, Q3 2019: $27,670, Q2 2019: $45,437, Q1 2019: $79,826, Q4 2018: $272,177, Q3 2018: $19,967, and Q2 2018: $70,660. Q1 2019 loss resulted from higher foreign exchange costs associated primarily with higher research and development costs during the period. Q1 2019 also included salaries for three new employees in Pascal (US). During Q4 2018, share-based compensation included an additional $138,005 for stock options granted in August 2018, vesting during the quarter. Also, during Q4 of 2018, the Company recognized an impairment loss of $698,853.

The Company’s significant accounting policies are set out in Note 3 of the audited annual consolidated financial statements as at and for the year ended November 30, 2019.

Analysis of Quarterly Results

For the three months ended:		February 29, 2020	February 28, 2019
		$	$
Accounting and audit fees	a)	-	9,690
Administrative and general office	b)	18,814	26,750
Amortization	c)	1,099	3,333
Bank charges and interest		2,176	3,205
Consulting fees	d)	101,415	78,366
Salaries and benefits	e)	309,107	401,148
Foreign exchange	f)	11,743	138,642
Insurance		16,712	15,407
Investor relations and marketing		9,000	13,184
Legal fees	g)	633	20,180
Research and development	h)	14,981	441,561
Share-based payments	i)	8,268	79,826
Transfer agent, listing and filing fees		7,991	6,569
Travel and entertainment		160	19,285

a) Accounting and audit fees:
F2019 reflects auditor fees to review the Company's short-form shelf prospectus.

b) Administrative and general office:
F2020 reflects a decrease in Pascal US office activities.

c) Amortization:
During F2020, assets held for sale are not amortized.

d) Consulting fees:
Year over year increase was a result of consulting fees paid to a director of the Company for financial consulting and an increase in CFO consulting fees, effective December 1, 2019 (see "*Commitments*" below).

e) Salaries and benefits:
During F2020, executive salaries were reduced by 35% over the same period in F2019.

f) Foreign exchange:
Due to market currency fluctuations and reduction in research and development expenditures.

g) Legal fees:
F2019 legal fees were incurred for general legal matters and the review of a letter of intent.

h) Research and development:
F2020: Research and development has been reduced due to a lack of funding.

i) Share-based payments:
The decrease year over year is due to fewer stock options vesting during the current year.

j) Travel and entertainment:
F2020 had no scheduled travel to conferences.

Liquidity & Capital Resources

The Company has financed its operations to date through the issuance of common shares.

	November 30, 2019	November 30, 2019
Working capital	$ (154,929)	$ 337,090
Deficit	$ 13,078,091	$ 12,575,705

During the three months ended February 29, 2020, net cash used in operating activities was $350,289 (2019: $1,216,661), comprised of a loss of $501,386 (2019: $1,256,014) net of amortization expense of $1,099 (2019: $3,333) and share-based payments of $8,268 (2019: $79,826), an increase in prepaid expenses of $2,239 (2019: a decrease of $31,649), an increase in accounts receivable of $10,098 (2019: an increase of $4,055), an increase in accounts payable and accrued liabilities of $135,180 (2019: a decrease of $71,400), and a decrease in assets held for sale of $18,887 (2019: $nil).

Cash used in investing activities was $nil (2019: $2,157).

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

Related Party Transactions

The following is a summary of related party transactions that occurred during the three months ended February 29, 2020 and February 28, 2019.

		2020	2019
		$	$
Key management salaries	a)	101,510	108,433
Director and consultant salaries	b)	240,041	227,824
Share-based payments		-	76,805
Benefits		34,484	39,563
		376,034	452,625

Related parties include:

a) Key management salaries include amounts paid to the CEO, the CFO, and the former acting president of the Company.

b) Director and consultant salaries include amounts paid to the Vice President of Research, the Vice President of Therapeutic Development, the Vice President of Business Development, and a director providing corporate financial services to the Company.

Included in accounts payable and accrued liabilities is $138,050 (2019: $8,906) payable to directors and officers of the Company.

Commitments

Commitments over the next five fiscal years are as follows:

a) Consulting agreement with Judi Dalling, CFO of the Company, to provide financial and administrative services to the Company for an annual fee of $102,000. The contract became effective December 1, 2019, and will be renewed annually (note 8(a)); and

b) Consulting agreement with Mo Mousa to provide bookkeeping services to Pascal (US) for an annual fee of USD $24,000.

The Company has also entered into the following agreements:

a) University of Washington: On October 9, 2018, the Company entered into an exclusive license agreement with the University of Washington ("UW") to develop a cannabinoid-based product for the treatment of glioblastoma multiforme and brain metastases. Under the terms of the agreement, the Company will pay annual fees (US Dollars) as follow:

October 9, 2020	$ 5,000
October 9, 2021	$ 10,000
Every year thereafter until first sale	$ 25,000

b) Lease agreement between the Company and University of Washington Co-Motion Labs, for a period of one year at an annual rate of USD $49,500. The contract became effective July 1, 2019 and will be renewed annually.

Financial Instruments & Other Instruments

(a) Fair value

Financial instruments recognized at fair value on the consolidated statements of financial position must be classified in one of the following three fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability; or

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

As at February 29, 2020 and February 28, 2019, the Company's financial instruments are comprised of cash and cash equivalents, receivables, and accounts payable and accrued liabilities. The carrying amounts reported in the consolidated statements of financial position for cash and cash equivalents, receivables, and accounts payable and accrued liabilities approximate fair values due to the short-term maturities of these financial instruments.

(b) Credit risk

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

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

At February 29, 2020, the Company had cash and cash equivalents of $11,096 (November 30, 2019: $361,385) available to apply against short-term business requirements and current liabilities of $246,625 (November 30, 2019: $111,445). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of February 29, 2020.

(d) Currency risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar. The Company does not manage currency risks through hedging or other currency management tools.
As at February 29, 2020 and February 28, 2019, the Company's net exposure to foreign currency risk is as follows:

US dollars	**2020**	**2019**
	$	**$**
Cash	(3,843)	288,324
Accounts payable	(133,652)	(72,615)
Net exposure to foreign currency risk	(137,495)	215,709
Canadian dollar equivalent	(184,642)	284,067

Based on the above net foreign currency exposure, and assuming all other variables remain constant, a 7% weakening or strengthening of the Canadian dollar against the US dollar would not have a material effect on the Company's net loss and comprehensive loss.

(d) Other price risk

Other price risk is the risk that future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

Changes in Accounting Policies

New standards, amendments and interpretations not yet effective:

A new accounting standard has been issued. This standard has been assessed to not have a significant impact on the Company's financial statements:

(a) IFRS 16, *Leases*

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as required by IAS 17 and instead introduces a single lessee accounting model. The standard is effective for years beginning on or after January 1, 2019.

The Company has initially assessed that there will be no material reporting changes as a result of adopting the above new standard; however, enhanced disclosure requirements are expected.

The Company has elected not to apply IFRS 16 for short-term leases that have a lease term of twelve months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Risks and Uncertainties

Overview

An investment the Company's shares should be considered highly speculative due to the nature of the the Company's business and the present stage of its development. In evaluating the company and its business, shareholders should carefully consider, in addition to the other information contained in this management discussion and analysis, the following risk factors. These risk factors are not a definitive list of all risk factors associated with the Company. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Investors should not rely upon forward-looking statements as a prediction of future results.

Competition
The market for the Company's technology is highly competitive. The Company competes with other research teams who are also examining potential therapeutics with regards to cancer, autoimmune diseases and other disorders. Many of its competitors have greater financial and operational resources and more experience in research and development than the Company. These and other companies may have developed or could in the future develop new technologies that compete with the Company's technologies or even render its technologies obsolete.

Competition in the Company's markets is primarily driven by:

- timing of technological introductions;
- ability to develop, maintain and protect proprietary products and technologies; and
- expertise of research and development team.

Litigation to Protect Company's Intellectual Property
The Company's future success and competitive position depends in part upon its ability to maintain its intellectual property portfolio. There can be no assurance that any patents will be issued on any existing or future patent applications. Even if such patents are issued, there can be no assurance that any patents issued or licensed to the Company will not be challenged. The Company's ability to establish and maintain a competitive position may be achieved in part by prosecuting claims against others who it believes to be infringing its rights. In addition, enforcement of the Company's patents in foreign jurisdictions will depend on the legal procedures in those jurisdictions. Even if such claims are found to be invalid, the Company's involvement in intellectual property litigation could have a material adverse effect on its ability to distribute any products that are the subject of such litigation. In addition, the Company's involvement in intellectual property litigation could result in significant expense, which could materially adversely affect the use responsibilities, whether or not such litigation is resolved in the Company's favour.

Clinical testing and Regulatory approval
Since the Company's success is dependent on the successful completion of a third party pre-clinical trials, regulatory approval and introduction of its technology into the market and since the Company has completed none of the tasks at this time, the Company does not know if it will be able to complete them.

The timing of these events can vary dramatically due to factors such as delays or failures in the Company's clinical trials and the uncertainties inherent in the regulatory approval process. The Company might not be able to obtain the necessary results from its pre-clinical trials or to gain regulatory approval necessary for licensing its technology. The Company's failure to achieve these objectives will mean that an investor will not be able to recoup their investment or to receive a profit on their investment.

Intellectual Property
The Company's success depends to a significant degree upon its ability to develop, maintain and protect proprietary products and technologies. The Company files patent applications in the United States, Canada, Europe, and selectively in other foreign countries as part of its strategy to protect its proprietary products and technologies. However, patents provide only limited protection of the Company's intellectual property. The assertion of patent protection involves complex legal and factual determinations and is therefore uncertain and expensive. The Company cannot provide assurances that patents will be granted with respect to any of its pending patent applications, that the scope of any of its patents will be sufficiently broad to offer meaningful protection, or that it will develop additional proprietary technologies that are patentable. The Company's current patents could be successfully challenged, invalidated or circumvented. This could result in the Company's patent rights failing to create an effective competitive barrier. Losing a significant patent or failing to get a patent to issue from a pending patent application that the Company considers significant could have a material adverse effect on its business. The laws governing the scope of patent coverage in various countries continue to evolve. The laws of some foreign countries may not protect the Company's intellectual property rights to the same extent as the laws of Canada and the United States. The Company holds patents only in selected countries. Therefore, third parties may be able to replicate technologies covered by the Company's patents in countries in which it does not have patent protection.

Legal Proceedings
In the course of the Company's business, the Company may from time to time have access to confidential or proprietary information of third parties, and these parties could bring a claim against the Company asserting that it has misappropriated their technologies and had improperly incorporated such technologies into its products. Due to these factors, there remains a constant risk of intellectual property litigation affecting the Company's business. In the future, the Company may be made a party to litigation involving intellectual property matters and such actions, if determined adversely, could have a material adverse effect on the Company.

Dependence upon Management

Although the Company Issuer is expected to have experienced senior management and personnel, it will be substantially dependent upon the services of a few key personnel, particularly Dr. Patrick Gray for the successful operation of its business. The loss of the services of any of these personnel could have a material adverse effect on the business of the Company. The Company may not be able to attract and retain personnel on acceptable terms given the intense competition for such personnel among high technology enterprises, including biotechnology, and healthcare companies, universities and non-profit research institutions. If it loses any of these persons, or is unable to attract and retain qualified personnel, its business, financial condition and results of operations may be materially and adversely affected.

Going Concern

The ability of the Company to continue as a going concern is dependent on its ability to generate future profitable operations and to obtain additional debt or equity financing. There can be no assurance that the Company's operations will achieve profitability in the future or that the the Company will be able to successfully obtain financing on commercially reasonable terms or at all.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the Company's research and development programs will be required. No assurances can be given that the the Company will be able to raise the additional funding that may be required for such activities. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, or even cease its operations.

Reliance on Third Parties

The Company is relying on a third party to assist it in conducting both pre-clinical and clinical trials. If this third party does not successfully carry out their contractual duties or meet expected deadlines, the Company may not be able to obtain regulatory approval for or commercialize its technology.

Unproven market

The Company believes that there will be many different applications for its technologies and that the anticipated market for these technologies will continue to expand. However, no assurance can be given that these beliefs will be correct owing, in particular, to competition from existing technologies or new technologies and the yet to be established replication of the Company's pre-clinical results.

Limited Operating History

The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to pay dividends or enjoy earnings in the immediate or foreseeable future.

Conflicts of Interest

Certain of the directors and officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including research and development companies) and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest. The *Business Corporations Act*, (British Columbia) ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to an issuer, 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, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Market risk

The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market

prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Global Uncertainty

The Company's business could be adversely affected by the effects of health epidemics and pandemics, including the global COVID-19 pandemic. In December 2019, a novel strain of COVID-19 was reported in China. Since then, COVID-19 has spread globally, to include Canada, the United States, several European countries, Asia, Australia and New Zealand and Africa. The spread of COVID-19 from China to other countries has resulted in the World Health Organization (WHO) declaring the outbreak of COVID-19 as a "pandemic," or a worldwide spread of a new disease, on March 11, 2020. Many countries around the world, including Canada, have imposed quarantines and restrictions on travel and mass gatherings to slow the spread of the virus, and have closed non-essential businesses.

The spread of COVID-19, which has caused a broad impact globally, may materially affect the Company economically. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic has resulted in significant disruption of global financial markets, reducing the Company's ability to access capital, which could in the future negatively affect the Company's liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect the Company's business and the value of the Company's common shares.

The continued spread of COVID-19 globally could also adversely affect the Company's planned clinical trial operations, including its ability to initiate the trials on the expected timelines and recruit and retain patients and principal investigators and site staff who, as healthcare providers, may have heightened exposure to COVID-19 if an outbreak occurs in their geographic areas. Further, the COVID-19 outbreak could result in delays in clinical trials due to prioritization of hospital resources toward the outbreak, restrictions in travel, potential unwillingness of patients to enrol in trials at this time, or the inability of patients to comply with clinical trial protocols if quarantines or travel restrictions impede patient movement or interrupt healthcare services. In addition, the Company relies on independent clinical investigators, contract research organizations and other third-party service providers to assist in managing, monitoring and otherwise carrying out preclinical studies and clinical trials, and the outbreak may affect their ability to devote sufficient time and resources to the Company's programs or to travel to sites to perform work for us.

The global outbreak of COVID-19 continues to rapidly evolve. The extent to which COVID-19 may impact the Company's business, operations and clinical trials will depend on future developments, including the duration of the outbreak, travel restrictions and social distancing in Canada and other countries, the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease and whether Canada and other countries are required to move to complete lock-down status. The ultimate long-term impact of COVID-19 is highly uncertain and cannot be predicted with confidence.

Other MD&A requirements

Information available on SEDAR

As specified by National Instrument 51-102, the Company advises readers of this MD&A that important additional information about the Company is available on the SEDAR website – www.sedar.com.

Disclosure by venture issuer

An analysis of the material components of the Company's general and administrative expenses is disclosed in the audited consolidated financial statements to which this MD&A relates.

Outstanding share data

Common shares issued and outstanding as at November 30, 2019 are described in detail in Note 6 to the audited consolidated financial statements for the years ended November 30, 2019 and 2018.

As at the date of this document, April 28, 2020, the Company had the following number of securities outstanding:

Number of shares Issued and outstanding	$	Number of options	Exercise price	Expiry date
56,440,944	12,147,040			
		550,000	$0.31	August 4. 2020
		820,000	$0.35	April 1, 2021
		392,000	$0.72	October 3, 2021
		640,000	$0.33	June 26, 2022
		250,000	$0.29	January 28, 2023
		625,000	$0.35	August 2, 2021
		1,475,000	$0.35	August 2, 2023
		198,000	$0.20	May 28, 2022
		Number of share purchase warrants		
		387,594	$0.40	June 12, 2020
		3,798,548	$0.15	March 24, 2022