Cannabix Technologies Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED JANUARY 31, 2016

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited financial statements and notes thereto for the period ended January 31, 2016 of Cannabix Technologies Inc. (the "Company"). Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

DATE

This MD&A is prepared as of March 23, 2016.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to marijuana breathalyzer technology development and future mineral property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about its marijuana breathalyzer technology development, mineral property interests, the global economic environment, the market for marijuana breathalysers and demand for commodities and our ability to manage our technology development, property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) inability to develop an effective marijuana breathalyzer (3) delays in technology development (4) industry competition (5) the uncertainty of government regulation, no guarantee of patent acceptance by regulator authorities (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, (7) inability to finance (8) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the province of British Columbia on April 5, 2011. As of June 5th, 2014 the Company's primary business is the development of marijuana breathalyzer technology. The Company also held ownership in one mineral exploration property located in Quebec, Canada. The Company completed an initial public offering to list on the TSX Venture Exchange on December 16, 2013 under the symbol "WPO". Effective June 26, 2014, the Company delisted from the TSXV and listed on the Canadian Securities Exchange ("CSE") under the symbol BLO. On August 12, 2014, the Company completed a name change from West Point Resources Inc. to Cannabix Technologies Inc. For further details, please see the Amended and Restated Final Prospectus of the Company dated September 26, 2013 which is available on SEDAR at www.sedar.com

TECHNOLOGY DEVELOPMENT

MARIJUANA BREATHALZYER DEVELOPMENT

On June 5, 2014, the Company and Cannabix Breathalyzer Inc (a private company) entered into a definitive licensing agreement for marijuana breath detection technology (also known as "Cannabix Marijuana Breathalyzer"). The definitive licensing agreement ("Definitive Agreement") provides the Company (the "Licensee") exclusive right, title, and interest in United States Patent Application Serial No. 61/981,650No. 1 ("Licensed Patent") from Cannabix Breathalyzer Inc. (the licensor). The territory covered in the agreement is the United States and its territories and possessions, and all other countries that are deemed to constitute the North American Continent (the "Territory"). In consideration for the Licensed Patent, the Company issued 7,500,000 common shares to current shareholders of Cannabix Breathalyzer Inc. and issued 7,500,000 warrants exercisable at $0.075 (fully exercised by the expiry date on June 26, 2015) to Cannabix Breathalyzer Inc. Additional milestone share payments are required by the Definitive Agreement.

Additional milestone payments

The Definitive Agreement outlines share payments upon reaching the following milestones: The issuance of 7,500,000 of common shares of the Company within 14 business days of prototype delivery to the Company and this prototype was received and shares were issued on April 9, 2015. Furthermore, upon the future receipt of the final patent, the company will issue 5,000,000 common shares of the Company. There is no assurance that a final patent will be issued by regulatory authorities.

Royalty on Licensed Patent

The Licensee shall pay Licensor a royalty of three percent (3%) of Licensee's selling price for each Licensed Product manufactured, used, or sold by Licensee in the Territory or imported by Licensee into the Territory.

UNIVERSITY OF FLORIDA RESEARCH AND PATENT OPTION AGREEMENT

On August 6, 2015, the Company entered into research and patent option agreements with Yost Research Group at the University of Florida to develop a marijuana breath detection device based upon high-field ion mobility (FAIMS) and mass spectrometry (MS). The research and patent option agreements allow Cannabix to jointly develop technology with the Yost Research Group using the FAIMS-MS system. The agreement provides Cannabix the option to acquire an exclusive worldwide license to University of Florida US Patent 8,237,118, entitled "Partial Ovoidal FAIMS Electrode", Patent filed on August 21, 2008, invented by Richard A. Yost, Todd A. Prox, Marilyn Prieto and Jennifer G. Bryant (known as the "Patent Rights"), in the area of breath analysis of controlled substances. The option period expires on July 31, 2016. During the option period, the Company shall have the right to use the Patent Rights for research and evaluation purposes. If the Company decides to exercise its option within the option period, the parties will have 90 days to negotiate license terms in good faith.

ARRANGEMENT AGREEMENT AND DISTRIBUTION OF ASSETS

On January 5, 2015 the Company entered into an arrangement agreement with Torino Ventures Inc. ("Spinco"), a private B.C. company and wholly-owned subsidiary of the Company. Pursuant to the arrangement agreement, the Company has agreed to transfer 100% of the Monster Lake South Gold Property (also known as the "Hazeur Property") and $10,000 cash to Spinco in consideration for the issuance of 7,999,984 common shares of Spinco (or 100 per cent) and to distribute these common shares to the Company's shareholders on a pro rata basis pursuant to a plan of arrangement under the Business Corporations Act (British Columbia). Shareholder and final court approval for the Arrangement were obtained on February 17, 2015 and February 26, 2015, respectively, and the effective date of the Arrangement was March 12, 2015. Refer to the Company's Information Circular dated January 14, 2015, for additional information concerning the Arrangement.

OVERALL PERFORMANCE

The Company was incorporated on April 5, 2011. As an early stage technology development company, the Company has not generated revenues to date from the development its marijuana breathalyzer technology and anticipates that it will continue to require equity financing to fund operations until such time a commercial product is developed and generates revenues on a profitable basis. The Company is focussed on technology development and management anticipates that expenses will increase during the foreseeable future as the Company carries out prototype development of its marijuana breathalyzer and eventually initiates third party research and testing studies on such a product. The Company has incurred costs in connection with the technology development business, as well as exploration programs related to its past mineral exploration projects. Net loss for the period ended January 31, 2016 was $218,986 compared to $273,028 for the period January 31, 2015.

RESULTS OF OPERATIONS

Quarter ended January 31, 2016

During the quarter ended January 31, 2016, the Company incurred expenses of $218,986, primarily of research and development costs of $90,256, investor relations costs of $33,349, consulting fees of $42,000, professional fees (legal & Accounting) of $9,200, Office and miscellaneous of $4,519, transfer agent fees of $2,724, exchange and filing fees of $2,000, stock-based compensation of $24,086, insurance costs of $10,620, and travel related expenses of $232. Net loss for the period ended January 31, 2016 was $218,986.

The Company has research and patent option agreements with the University of Florida to develop a marijuana breath detection device based upon high-field ion mobility (FAIMS) and mass spectrometry. In addition, the Company has the exclusive North American license for the Cannabix Marijuana Breathalyzer, a drug-impairment recognition system.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Quarter Ended January 31 2016 $	**Quarter Ended October 31 2015 $**	**Quarter Ended July 31 2015 $**	**Quarter Ended April 30 2015 $**	**Quarter Ended January 31 2015 $**	**Quarter Ended October 31 2014 $**	**Quarter Ended July 31 2014 $**	**Quarter Ended April 30 2014 $**
	01/31/2016	10/31/2015	07/31/2015	04/30/2015	01/31/2015	10/31/2014	07/31/2014	04/30/2014
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(218,986)	(200,172)	(179,664)	(646,679)	(273,028)	(190,034)	(659,231)	(308,949)
Loss per share, basic and diluted	Nil	Nil	Nil	(0.02)	(0.01)	(0.01)	(0.03)	(0.01)

On a quarter-by-quarter basis the loss can fluctuate significantly due to research & development costs, exploration activities during the period, and the timing of stock option grants.

During the period ended January 31, 2016, the Company incurred expenses of $218,986 compared to $273,028 for the period ended January 31, 2015. Expenses were comprised of primarily research and development costs of $90,256 compared to $111,896 for the period ended January 31, 2015, investor relations of $33,349 compared to $62,800 in 2015, which were lower due to less advertising and promotion, consulting fees of $42,000 compared to $54,000 in 2015, which were lower due to consulting being allocated to R & D. Professional fees (legal & Accounting) for the period ending January 31, 2016, were $9,200 compared to $2,305 for the period ending January 31, 2015, legal fees were higher in 2016 due to fees related to patent filings, Office and miscellaneous of $4,519 compared to $10,233 for the period ended January 31, 2015, transfer agent fees of $2,724 compared to $6,183 in 2015, exchange and filing fees of $2,000 which were similar compared to $2,095 for the period ended January 31, 2015, and travel related expenses of $232 compared to $7,911 in 2015. Net loss for the period ended January 31, 2016 was $218,986 compared to a net loss of $273,028 for the period ended January 31, 2015.

An analysis of the quarterly results over the last eight quarters shows significant changes in financial performance during the three quarters ended April 30, 2014, July 31, 2014, and April 30, 2015 in comparison to the other quarters. There is a significant increase in expenditures and net loss for the Company during these quarters due to the Company incurring costs related to its change of business, change of securities exchanges, exploration property impairment, exploration expenditures, research and development, and stock-based compensation. During the quarters ended October 31, 2014 and January 31, 2015, the Company incurred expenses related to exploration costs on the Monster Lake South Property. Exploration expenditures for the quarter ended January 31, 2015 was $15,606. During the quarter ended January 31, 2015, the Company incurred product development expenditures of $111,895. During the period ended January 31, 2014 the Company has incurred legal expenses primarily from the preparation for the Company's IPO. During the quarter ended April 30, 2014, the Company incurred costs related to mineral property impairment and termination of the Ruby Range property option agreement of $131,855. During the quarter ended October 31, 2014, the Company incurred costs related to stock-based compensation of 194,344. During the six quarters ended July 31, 2014, October 31, 2014, January 31, 2015, April 30, 2015, July 31, 2015, and January 31, 2016, the Company had research and development expenditures related to the development of the Cannabix Breathalyzer. During the period ended January 31, 2016, the Company incurred research and development expenses of $90,256. Management anticipates expenditures to increase or remain similar to the last three quarters. Research & development costs and consulting fees will increase, and investor communications fees may increase slightly. Stock-based compensation is expected to decrease over the next few quarters. Other expenditures should remain relatively stable going forward as management does not anticipate additional costs related to the Company's activities. General and administrative expenses incurred during last three quarters have increased slightly due to investor communications fees, and advertising and promotion related to the marijuana breathalyzer business and financing activities of the Company. Management expects general and administrative expenses to increase slightly over the next few quarters.

LIQUIDITY

The Company has not begun commercial sales of any of its technology holdings and nor has production occurred form activities on its resource properties and accordingly, the Company does not generate cash from operations. The Company finances technology development and exploration activities by raising capital from equity markets. The Company may encounter difficulty sourcing future financing in light of the recent economic downturn.

The Company had cash of $382,370, at January 31, 2016 and $266,575 at January 31, 2015, and the Company had working capital of $925,787 at January 31, 2016 and working capital of $697,962 at January 31, 2015. The Company had $517,250 in short-term investments at January 31, 2016 and $517,250 at January 31, 2015.

During the period ended January 31, 2016, the Company issued 3,035,000 common shares in relation to exercise of warrants.

During the period ended January 31, 2015, the Company issued 7,385,000 common shares in relation to exercise of warrants.

During the year ended April 30, 2015, the Company issued 13,578,500 common shares in relation to exercise of warrants.

During the year ended April 30, 2015, the Company issued 664,000 common shares in relation to exercise of options.

On June 30, 2014, the Company closed a non-brokered private placement for gross proceeds of $787,992 through the sale of 15,759,841 units. Each unit was priced at $0.05 and comprised of one common share and one-half of one non-transferrable common share purchase warrant exercisable at $0.10 per common share for a period of 12 months from the date of closing. All warrants are subject to an early acceleration provision which provides for the mandatory exercise or expiry of the warrants in the event the Company's shares close at $0.13 or higher for at least 10 consecutive trading days. In such event, the warrants will accelerate and expire 30 days after the company has given notice of the accelerated conversion to the warrant holders. In connection with the private placement, the Company paid finders' fees of $25,375 in cash and issued 564,900 common shares of the Company.

On December 16, 2013, the Company completed its Initial Public Offering ("IPO") for listing on the TSX Venture Exchange. The IPO consisted of issuing 6,628,100 units of the company at a price of 10 cents per unit and 859,000 flow-through units of the company at a price of 15 cents per FT unit for gross proceeds of $791,660. Each unit consists of one common share and one-half of one non-transferable common share purchase warrant exercisable at 20 cents per common share for a period of 60 months from the closing date of the IPO. Each FT unit consists of one common share and one-half of one non-transferable common share purchase warrant exercisable at 25 cents per common share for a period of 60 months from the closing date of the IPO.

On December 16, 2013, the Company issued 798,710 agent's shares to agents pursuant to the IPO.

On February 13, 2013 the Company issued 148,227 shares at $0.15 per share for gross proceeds of $22,234.

On December 31, 2012, the Company issued 126,000 flow-through shares at $0.25 per share for gross proceeds of $31,500.

On January 4, 2012, the Company issued 687,500 shares at $0.20 per share for gross proceeds of $137,200.

On December 30, 2011, the Company issued 452,000 flow-through shares at $0.25 per share for gross proceeds of $113,000. The Company paid finder's fees and commission of $18,897.

On July 4, 2011, the Company issued 3,000,000 founders' shares at $0.0084 per share for proceeds of $25,200.

On April 5, 2011, the Company issued 200 shares to Directors of the Company at $0.01 per share, these were subsequently returned to treasury on July 4, 2011.

On April 5, 2011, the Company issued and returned to treasury, one incorporation share.

If additional funds are required, the Company plans to raise additional capital primarily through the private placement of its equity securities. Under such circumstances, there is no assurance that the Company will be able to obtain further funds required for the Company's continued working capital requirements. Due to the recovery from the global financial crisis, the Company may find it increasingly difficult to raise the funds required to continue the Company's operations. Share prices have undergone significant decreases and any issuance of the Company's equity securities in the near future may result in substantial dilution to the Company's existing shareholders.

CAPITAL RESOURCES

The Company has no work commitments.

Operating Activities

The Company used net cash of $197,654 in operating activities during the period ended January 31, 2016 compared to $223,101 during the period ended January 31, 2015.

Financing Activities

The Company received net cash of $100 from financing activities during the period ended January 31, 2016 compared to $323,500 during the period ended January 31, 2015.

Investing Activities

The Company used cash of $nil in investing activities during the periods ended January 31, 2016 and 2015.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

(a) During the period ended January 31, 2016, the amount of $72,000 (2015 – $54,000) was paid in consulting fees to the Directors or Officers of the Company.

(b) At January 31, 2016, $12,300 was included in accounts payable and is owed to Directors and Officers of the Company.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

SUBSEQUENT EVENTS

On February 1, 2016, the Company entered into a term sheet to exercise its option to license University of Florida US Patent 8,237,118 (“the Patent”) in the area of breath analysis of controlled substances. The term sheet is to be replaced by a definitive license agreement.

On February 1, 2016, the Company renewed its research agreement with the University of Florida to continue development of its marijuana breathalyzer technology. The research agreement will expire on January 15, 2017.

On March 14, 2016, the Company closed a non-brokered private placement for gross proceeds of $2,082,004 through the sale of 13,880,025 Units. Each Unit is comprised of one common share ("Common Share") at $0.15 cents, and one non-transferable common share purchase warrant ("Warrant") exercisable at $0.25 cents per common share for a period of 24 months from the date of closing. All warrants are subject to an early acceleration provision which provides for the mandatory exercise or expiry of the Warrants in the event Cannabix’s shares close at $0.30 or higher for at least 10 consecutive trading days. In such event, the Warrants will accelerate and expire 30 days after the Company has given notice of the accelerated conversion to the Warrant holders. All of the securities issued in the private placement will be subject to a securities law hold period of 4 months and a day. In connection with the private placement, the Company paid a cash or shares finder's fee of up to 8% and 8% broker warrants which are exercisable at $0.25 cents per common share for a period of 24 months from the date of closing.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended January 31, 2016, and have not been applied in preparing these financial statements.

New standards:
IFRS 9, “Financial Instruments”
IFRS 15, “Revenue from Contracts with Customers”
IAS 1, “Presentation of Financial Statements”
IAS 16, “Plant and Equipment”
IAS 38, “Intangible Assets”
IFRIC 21, “Levies”

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.
Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company’s financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, and due to related parties. Unless otherwise noted, it is management’s opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the periods ended January 31, 2016 and 2015, the Company incurred the following expenses:

	Quarter Ended January 31, 2016	**Quarter Ended January 31, 2015**
Research & Development	$90,256	$111,895

General and administrative costs	$128,730	$161,133

An analysis of material components of the Company's general and administrative expenses is disclosed in the unaudited financial statements for the period ended January 31, 2016 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

The Company's common shares are not listed on any exchange. The Company's authorized share capital consists of an unlimited number of common shares without par value. As at January 31, 2016 the Company had 63,174,778 common shares issued and outstanding.

Share Purchase Warrants

As at January 31, 2016, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
2,442,050	0.20	December 16, 2018
313,000	0.25	December 16, 2018
105,250	0.25	January 27, 2017
2,860,300		

Stock Options

The Company had 3,911,000 stock options outstanding as at January 31, 2016 which had the following characteristics:

Number of Options	Exercise Price	Expiry Date
961,000	$0.10	April 3, 2019
2,600,000	$0.125	October 22, 2019
100,000	$0.50	April 27, 2017
250,000	$0.20	December 21, 2018
3,911,000		

RISK FACTORS

Much of the information included in this report includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company's business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. In evaluating the Company, its business and any investment in its business, readers should carefully consider the following factors:

Risks Related to the Company's Business

Because of the unique difficulties and uncertainties inherent in ***early stage technology development****, the Company faces a high risk of business failure.*

Risks and Uncertainties

An investment in the Company involves significant risks and must be considered speculative due to the nature of the Company's business. Investors should carefully consider the risks and uncertainties described below. This list of risks and uncertainties below is not exhaustive. Furthermore, additional risks and uncertainties not presently known to the Company or that the Company believes to be immaterial may also adversely affect Cannabix Technologies' business.

Risks Related to the Company's Business

The Company has a history of operating losses and may never achieve profitability in the future. The Company is an early stage technology development company; accordingly, it has not generated any business income.

The Company expects to be involved in research and development to first develop a prototype marijuana breathalyzer and then performing extensive trial testing with such a device prior to determine its commercial viability. This process may take several years and require significant financial resources without income. The Company expects these expenses to result in continuing operating losses for the foreseeable future.

The Company's ability to generate future revenue or achieve profitable operations is largely dependent on its ability to attract the experienced management and know-how to develop a trial tested device and to (perhaps) partner with larger, more established companies in the industry to successfully commercialize a marijuana breathalyzer. Successfully developing a marijuana breathalyzer into marketable device may take several years and significant financial resources and the Company cannot assure that it can achieve these objectives.

The Company will primarily be in a developing industry and will be subject to all associated regulatory risks.

As a result, the Company's business must be evaluated in light of the problems, delays, uncertainties and complications encountered in connection with establishing a marijuana breathalyzer and related business.

There is a possibility that the Company's marijuana breathalyzer, currently under development, will be found to be ineffective, that it will be unable to receive necessary regulatory approvals in order to commercialize a device, or that it will obtain regulatory approvals that are too narrow to be commercially viable.

Any failure to successfully develop and obtain regulatory approval for products would have a material adverse effect on the Company's business, financial condition and results of operations.

Trial testing for potential marijuana breathalyzer will be expensive and time consuming, and their outcome uncertain.

Before the Company can obtain regulatory approval for the commercial sale of any marijuana breathalyzer, it will be required to complete extensive trial testing to demonstrate safety and efficacy. Depending on the exact nature of trial testing, such trials can be expensive and are difficult to design and implement. The testing process is also time-consuming and can often be subject to unexpected delays.

The timing and completion of trial testing may be subject to significant delays relating to various causes, including: inability to manufacture or obtain sufficient quantities of materials and or test subjects for use in trial testing; delays arising from collaborative partnerships; delays in obtaining regulatory approvals to commence a study, or government intervention to suspend or terminate a study; delays, suspensions or termination of trial testing due to the applicable institutional review board or independent ethics board responsible for overseeing the study to protect research subjects; delays in identifying and reaching agreement on acceptable terms with prospective trial testing sites and subjects; variability in the number and types of subjects available for each study and resulting difficulties in identifying and enrolling subjects who meet trial eligibility criteria; scheduling conflicts; difficulty in maintaining contact with subjects after testing, resulting in incomplete data; unforeseen safety issues or side effects; lack of efficacy during trial testing; reliance on research organizations to conduct trial testing, which may not conduct such trials with good laboratory practices; or other regulatory delays.

Protection of proprietary technology can be unpredictable and costly.

The Company's success will depend in part upon its Licensor's (Cannabix Breathalyzer Inc) ability to obtain a patent for its technology. Obtaining such patent protection can be costly and the outcome of any application for such can be unpredictable. In addition, any breach of confidentiality by a third party by premature disclosure may preclude the obtainment of appropriate patent protection, thereby affecting the development and commercial value of the Company's technology and products.

Competition

The planned business to be carried out by the Company will be highly competitive and involve a high degree of risk. There can be no assurance that Cannabix will be the only marijuana breathalyzer developer in North America or globally. In its efforts to achieve its objectives, the Company will compete with other companies that may have greater resources, many of which will not only develop technology but also manufacture and sell similar products on a worldwide basis.

Uninsured or Uninsurable Risk

The Company may become subject to risks against which it cannot insure or against which it may elect not to insure. Settling related liabilities would reduce funds available for core business activities. Settlement of uninsured liabilities could have a material adverse effect on our financial position.

Conflicts of Interest

The Company's directors and officers may currently be involved, or become involved, in other business ventures that compete with our platform and services. Business opportunities for the Company may create circumstances in which outside interests of our directors and officers conflict with the interests of the Company. Directors and officers are required to act in good faith and in a manner that benefits the Company.

It is possible, however, that our directors and officers may owe similar consideration to another organization(s). It is possible that these and other conflicts of interest are resolved in a way that has a material adverse impact on the Company.

Dependence on Key Personnel

The Company depends on support from existing directors and officers and its ability to attract, and retain, new directors, officers and other personnel with appropriate skill sets. Inability to retain key team members or find new professionals to serve in important roles could have a material adverse effect on the Company's business. There can be no assurance that we will be able to attract or retain the quality of personnel required in the future.

Patent & IP

The Company through its Licence Agreement with Cannabix Breathalyzer Inc. holds certain rights to patent pending technology but cannot guarantee their final patent approval or commercial viability.

Financial Liquidity

The Company has not yet generated meaningful revenue and will likely operate at a loss as it develops its first device. We may require additional financing in order to execute our business plan. Our ability to secure required financing will depend in part upon on investor perception of our ability to create a successful business. Capital market conditions and other factors beyond our control may also play important roles in our ability to raise capital. The Company can offer no assurance that it will be able to successfully obtain additional financing, or that future financing occurs on terms satisfactory to our management and/or shareholders. If funds are unavailable in the future, or unavailable in the amounts that we feel the business requires, or unavailable on acceptable terms, we may be required to cease operating or modify our business plans in a manner that undermines our ability to achieve our business objectives.

Financial Statements Prepared on Going Concern Basis

The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the successful completion of financing and the creation of operations deemed successful according to the standards of our industry. The Company cannot guarantee that it will be successful in obtaining financing in the future or in achieving business objective set forth internally or externally. Our consolidated financial statements may not contain the adjustments relating to carrying values and classification of assets and/or liabilities that would be necessary should the Company be unable to continue as a going concern.

Costs of Maintaining a Public Listing

As a result of obtaining a public listing, the Company will incur greater legal, accounting and other expenses related to regulatory compliance than it would have had it remained a private entity. The Company may also elect to devote greater resources than it otherwise would have on communication and other activities typically considered important by publicly traded companies.

Share Price Volatility and Speculative Nature of Share Ownership

The Company is listed for trading on the CSE, resulting in many legacy shareholders being able to freely trade their shares. Factors both internal and external to the Company may significantly influence the price at which our shares trade, and the volatility of our share price. Quarterly operating results and material developments reported by the Company can, and likely will, influence the price of our shares.

Sentiment toward technology stocks, as well as toward the stock market in general, is among the many external factors that may have a significant impact on the price of the Company's shares. The Company is a relatively young company that is not generating revenue and does not possess significant cash reserves. As such, it should be considered a speculative investment. There is no guarantee that a liquid market will be developed or maintained for the Company's shares.

Risks Relating to the Company's Common Stock

A decline in the price of the Company's common stock could affect its ability to raise further working capital and adversely impact its ability to continue operations.

A prolonged decline in the price of the Company's common stock could result in a reduction in the liquidity of its common stock and a reduction in its ability to raise capital. Because a significant portion of the Company's operations have been and will be financed through the sale of equity securities, a decline in the price of its common stock could be especially detrimental to the Company's liquidity and its operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on the Company's business plan and operations, including its ability to develop new products and continue its current operations. If the Company's stock price declines, it can offer no assurance that the Company will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Company is unable to raise sufficient capital in the future, the Company may not be able to have the resources to continue its normal operations.

ADDITIONAL INFORMATION

Additional information about the Company is available on SEDAR at http://www.sedar.com.

BOARD APPROVAL

The board of directors of the Company has approved this MD&A.