Cannabix Technologies Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the financial year ended April 30, 2016

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements and notes thereto for the financial year ended April 30, 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 August 26, 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. 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. Previously, the Company was in the mineral acquisition and exploration business and held ownership in one mineral exploration property located in Quebec, Canada. Currently, the Company's primary business is the development of marijuana breathalyzer technology. 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. 61/981,650 No. 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 LICENCE 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). On July 25, 2016 completed a definitive license and equity agreement with the University of Florida Research Foundation (UFRF) for 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, in the area of breath analysis of controlled substances. The agreement provides Cannabix exclusive worldwide rights in the area of breath analysis of controlled substances.

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 8,000,000 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 focused on technology development and management anticipates that expenses will increase during the foreseeable future as the Company carries out prototype development of the Cannabix marijuana breathalyzer and eventually initiates 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 year ended April 30, 2016 was $916,835 compared to $1,768,972 for the year ended April 30, 2015.

SELECTED ANNUAL INFORMATION

The following information sets out the Company's audited selected annual information for the years ended April 30 2016, 2015, 2014 and 2013:

	Year Ended April 30, 2016	**Year Ended April 30, 2015**	**Year Ended April 30, 2014**
	($)	**($)**	**($)**
Net Loss	(916,835)	(1,768,972)	(503,407)
Basic and Diluted Loss Per Share	(0.01)	(0.04)	(0.06)
Total Assets	6,421,260	5,049,932	306,786

As an early stage technology development company, the Company has not generated revenues to date from the development of its marijuana breathalyzer technology. The Company incurred a net loss of $916,835 during the year ended April 30, 2016 largely as a result of technology research and development and administrative costs for operating the Company. During the years ended April 30, 2015 and 2014, the Company incurred significant expenses related to its initial public offering, arrangement and distribution of assets agreement, and all general and administrative costs.

During the year ended April 30, 2016, the Company incurred significant costs related to technology development. The majority of the expenses were similar or lower than the previous year during the company's regular operations from decreased expenditures on advertising and promotion, a decrease in share-based payments, reduced transfer agent and filing fees, and no costs related to the plan of arrangement. The Company anticipates that expenses will continue to rise in connection with the Company's focus on the identification and development of its technology business. See the discussion under the headings "Liquidity" and "Capital Resources" for more information.

RESULTS OF OPERATIONS

Year ended April 30, 2016 compared to April 30, 2015

The Company had a net loss of $916,835 for the year ended April 30, 2016, compared to a net loss of $1,768,972 for the previous year.

During the year ended April 30, 2016, the Company incurred expenses of $968,795 (2015 - $1,695,858), primarily on research and development costs of $437,983 (2015 -$305,700), which increased due to the continuous development of the marijuana breathalyzer, advertising and promotion costs of $127,627 (2015 -$285,917), consulting fees of $278,017 (2015 - $287,160), share-based payments of $32,706 (2015 - $623,909), which was a reduction due to less options being granted, professional fees (accounting and legal) of $32,526 (2015 - $40,735), transfer agent and filing fees of $19,593 (2015 - $68,962), lower due to the additional costs related to initial listing in 2015, and costs related to the plan of arrangement of $nil (2015 - $46,980). Net loss for the year ended April 30, 2016 was $916,835 (2015 - $1,768,972).

Corporate, general and administration expenses decreased from $1,390,158 for the year ended April 30, 2015 to $530,812 for the current year. Advertising and promotion, and consulting fees were $127,627 and $278,017 respectively, during the current year compared to $285,917 and $287,160, respectively, in the previous year. Transfer agent and filing fees decreased from $68,962 for the year ended April 30, 2015 to $19,593 for the current year primarily due to, in the previous year, the Company listing on the Canadian Securities Exchange, the completion of a private placement, issuing shares pursuant to the UFRF agreement, and warrants being exercised. Share-based payments decreased from $623,909 for the year ended April 30, 2015 to $32,706 for the current year due to the granting of a lower amount of stock options. .

In the year ended April 30, 2015, the Company incurred one-time expenses related to the plan of arrangement of $46,980.

Stock-based compensation expense of $32,706 (2015 - $623,909) is the valuation of the stock options granted to directors, officers, and consultants, which were fully vested at the time of issuance. The Company is an early stage technology development company focussed on developing marijuana breathalyzer products, also described under the heading “Description of Business”.

During the year ended April 30, 2015, the Company incurred $129,430 in exploration costs, offset by a recovery of flow-through premium liability resulting in a net amount of $76,395 listed as discontinued operations. During the year ended April 30, 2016, the Company received a Quebec Resource Tax Credit of $47,802, which was listed as discontinued operations and offset some of the losses for the current year.

SUMMARY OF QUARTERLY RESULTS

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

	Quarter Ended April 30, 2016 $	**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 $**
	04/30/2016	01/31/2016	10/31/2015	07/31/2015	04/30/2015	01/31/2015	10/31/2014	07/31/2014
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(318,013)	(218,986)	(200,172)	(179,664)	(646,679)	(273,028)	(190,034)	(659,231)
Loss per share, basic and diluted	Nil	Nil	Nil	Nil	(0.02)	(0.01)	(0.01)	(0.03)

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

During the twelve month period ended April 30, 2016, the Company incurred expenses of $968,795 primarily on research and development costs of $437,983, advertising and promotion costs of $127,627, consulting fees of $278,017, share-based payments of $32,706, professional fees (accounting and legal) of $32,526, transfer agent and filing fees of $19,593, travel costs of $33,772, office and miscellaneous costs of $19,499, foreign exchange gain of $12,928, and all offset by the Quebec Resource Tax Credit of $47,802 recorded in discontinued operations and interest income of $4,158. Net loss for the year ended April 30, 2016 was $916,835.

An analysis of the quarterly results over the last eight quarters shows significant changes in financial performance during the four quarters ended July 31, 2014, January 31, 2015, April 30, 2015, and April 30, 2016, with the remaining four quarter being similar. There is a significant increase in expenditures and net loss for the Company during these quarters due to the Company incurring costs related to share-based payments during the quarters ended July 31, 2014, April 30, 2015, and April 30, 2016, slightly higher R & D expenses during the quarters ended January 31, 2015 and April 30, 2016, and increased consulting fees during the quarter ended April 30, 2016. During the quarters ended October 31, 2014 and January 31, 2015, the Company incurred 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 quarter ended July 31, 2014, the Company incurred costs related to share-based payments of $507,027. During the three month period ended April 30, 2015, the Company incurred share-based payments of $429,565. During the quarter ended April 30, 2016, the Company incurred costs related to research and development of $159,579, and share-based payments of $8,620. Management anticipates expenditures to increase slightly or remain similar to the last four quarters. Research & development costs and consulting fees will increase, and investor communications fees may increase slightly. Share-based payments are 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 four quarters have remained relatively stable may increase slightly. Advertising and promotion and research and development related to the marijuana breathalyzer may 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 and cash equivalents of $2,623,711, at April 30, 2016 and $1,277,160 at April 30, 2015, and the Company had working capital of $2,655,658 at April 30, 2016 and working capital of $1,220,023 at April 30, 2015.

During the year ended April 30, 2016, the Company issued 3,035,000 (2015 – 13,578,500) common shares in relation to exercise of warrants.

During the year ended April 30, 2016, the Company issued nil (2015 – 664,000) common shares in relation to exercise of options.

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 at $0.15 cents, and one non-transferable common share purchase 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. In connection with the private placement, the Company paid finders' fees of $32,740 in cash, issued 152,267 common shares valued at $22,840, and issued 370,534 broker warrants valued at $70,403, which are exercisable at $0.25 cents per common share for a period of 24 months from the date of closing.

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.

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 continues to utilize its cash resources to fund its administrative requirements and product development. As the Company does not currently generate revenue, cash balances will continue to decline as funds are utilized to conduct its operations, unless replenished by capital fundraising. In order to fund the Company's ongoing operational needs, the Company will need funding through equity or debt financing. The Company's operations to date have been financed by the issuance of its common shares. The Company continues to seek capital through various means including the issuance of equity and debt. While the Company has been successful in raising funds in the past, there is no assurance that it will continue to do so in the future or that it will be available on a timely basis or on terms acceptable to the Company.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. If the Company is unable to obtain sufficient funding, the ability of the Company to meet its obligations as they come due and, accordingly, the ability of the Company to continue as a going concern will be in significant doubt. The Company has incurred $3,520,378 in losses from inception including a net loss of $916,835 for the year ended April 30, 2016 (2015 - $1,768,972), and has a working capital of $2,655,658 as at April 30, 2016 (2015 –$1,220,023).

Operating Activities

The Company used net cash of $950,373 in operating activities during the period ended April 30, 2016 compared to $997,913 during the period ended April 30, 2015.

Financing Activities

The Company received net cash of $2,296,924 in financing activities during the year ended April 30, 2016 primarily through the exercise of warrants and issuance of units pursuant to a private placement. The Company received net cash of $2,162,792 from financing activities during the year ended April 30, 2015.

Investing Activities

The Company used cash of $nil in investing activities during the years ended April 30, 2016 and 2015.

Discontinued Operations

The Company used $nil in discontinued operations during the year ended April 30, 2016 compared to $128,980 during the year ended April 30, 2015.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

Key management consists of directors and officers of the Company. Key management compensation is summarized as follows:

(a) During the year ended April 30, 2016, the Company incurred consulting fees of $73,500 (2015 - $63,000) to the Chief Executive Officer of the Company.

(b) During the year ended April 30, 2016, the Company incurred consulting fees of $72,000 (2015 - $63,000) to the Chief Financial Officer of the Company.

(c) During the year ended April 30, 2016, the Company incurred consulting fees of $34,000 (2015 - $63,000) and research and development costs of $48,000 (2015 - $nil) to the President of the Company.

(d) During the year ended April 30, 2016, the Company incurred consulting fees of $14,000 (2015 - $nil) to a company controlled by the President of the Company.

(e) During the year ended April 30, 2016, the Company incurred research and development costs of $72,000 (2015 - $58,200) to a director of the Company.

(f) During the year ended April 30, 2016, the Company issued 500,000 common shares to officers and directors of the Company for proceeds of $50,000 pursuant to the exercise of share purchase warrants.

(g) During the year ended April 30, 2015, the Company granted 1,910,000 stock options with a fair value of $581,171) to officers and directors of the Company.

At April 30, 2016, $nil (2015 - $30,814) owing to directors and officers of the Company was included in accounts payable and accrued liabilities.

PROPOSED TRANSACTIONS

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

SUBSEQUENT EVENTS

(a) Subsequent to April 30, 2016, the Company issued 51,500 common shares for proceeds of $10,300 pursuant to the exercise of share purchase warrants.

(b) On May 12, 2016, the Company granted 2,725,000 stock options exercisable at $0.35 per common share for a period of five years to officers, directors, and consultants of the Company.

(c) On June 8, 2016, the Company received $10,000 of the share subscriptions receivable as at April 30, 2016.

(d) On July 25, 2016, the Company entered into an exclusive worldwide license agreement for intellectual property relating to breath diagnostic applications of controlled substances with the University of Florida Research Foundation, Incorporated ("UFRF"). As consideration, the Company issued 603,870 common shares to UFRF on August 8, 2016.

(e) On July 28, 2016, Cannabix Breathalyzer Inc. assigned its right, title, and interest in and to certain US and Canadian patent applications to the Company

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended April 30, 2016, and have not been applied in preparing these financial statements:

IAS 1 – *Presentation of Financial Statements*
IFRS 9 – *Financial Instruments*

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 and cash equivalents, amounts receivable, and accounts payable and accrued liabilities. 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 years ended April 30, 2016 and 2015, the Company incurred the following expenses:

	Year Ended April 30, 2016	**Year Ended April 30, 2015**
Discontinued operations	$(47,802)	$76,395
Research and development costs	$437,983	$305,700
General and administrative costs	$530,812	$1,390,158

An analysis of material components of the Company's general and administrative expenses is disclosed in the audited financial statements for the year ended April 30, 2016 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

At April 30, 2016, the Company's common shares were listed on the Canadian Securities Exchange. The Company's authorized share capital consists of an unlimited number of common shares without par value. As at April 30, 2016, the Company had 77,207,072 common shares issued and outstanding. As at August 26, 2016, the Company had 77,862,442 common shares outstanding.

Share Purchase Warrants

As at August 26, 2016, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
2,390,550	0.20	December 16, 2018
313,000	0.25	December 16, 2018
105,250	0.25	January 27, 2017
13,880,027	0.25	March 14, 2018*
16,688,827		

* The Company has the option to reduce the exercise period to 30 days after the Company gives notice of the accelerated conversion in the event that the trading price of the common shares of the Company is $0.30 or more for a period of ten consecutive trading days.

Stock Options

The Company had 6,636,000 stock options outstanding as at August 26, 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
2,725,000	$0.35	May 12, 2021
6,636,000		

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.