Cannabix Technologies Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED OCTOBER 31, 2017

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 October 31, 2017 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 December 29, 2017.

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 5, 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

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. Pursuant to the terms of the licence agreement, the company has been granted the licence for a period of 10 years after the first commercial sale of a licensed product. As consideration for the patent licence, the company has issued UFRF 603,870 common shares of the company. In addition, the company will pay an annual licence maintenance fee and will make payments upon meeting certain development, regulatory and commercialization milestones. Upon commencement of commercial production, the company will pay a royalty on all net sales.

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. US non-provisional patent application no. 14/689,434 was filed April 17, 2015 claiming priority from the prior provisional application, and naming the same inventors Attariwala and Malhi. An Information Disclosure Statement was filed May 14, 2015, and the application was recorded in the US Patent Office as complete on July 20, 2015. The application was published on October 29, 2015. Assignment of the application from the inventors to Cannabix Breathalyzer was recorded in the US Patent Office on June 4, 2015. Assignment of the application from Cannabix Breathalyzer Inc. to Cannabix Technologies Inc. was recorded in the US Patent Office on August 23, 2016. As of June 30, 2017, the Company has received first office actions and comments from the US Patent Office and is preparing responses for further review and comment. There is no assurance that a final patent will be accepted and 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.

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. Net loss for the period ended October 31, 2017 was $357,394 compared to $226,955 for the period October 31, 2016.

RESULTS OF OPERATIONS

Quarter ended October 31, 2017

During the quarter ended October 31, 2017, the Company incurred expenses of $360,682, primarily research and development costs of $229,450, advertising and promotion costs of $12,089, consulting fees of $82,500, professional fees (legal & Accounting) of $16,924, office and miscellaneous of $1,788, transfer agent and filing fees of $14,049, and travel related expenses of $3,882. The Company earned interest income of $3,288 during the quarter ended October 31, 2017. Net loss for the period ended October 31, 2017 was $357,394.

The Company has a licence agreement 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 October 31, 2017 $	**Quarter Ended July 31, 2017 $**	**Quarter Ended April 30, 2017 $**	**Quarter Ended January 31 2017 $**	**Quarter Ended October 31 2016 $**	**Quarter Ended July 31 2016 $**	**Quarter Ended April 30, 2016 $**	**Quarter Ended January 31, 2016 $**
	10/31/2017	07/31/2017	04/30/2017	01/31/2017	10/31/2016	07/31/2016	04/30/2016	01/31/2016
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(357,394)	(296,670)	(1,210,131)	(1,499,042)	(226,955)	(796,067)	(318,013)	(218,986)
Loss per share, basic and diluted	Nil	Nil	(0.02)	(0.02)	Nil	(0.01)	Nil	Nil

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

An analysis of the quarterly results over the last eight quarters shows significant changes in financial performance during the quarters ended April 30, 2017, January 31, 2017, and July 31, 2016, with the remaining five quarters being relatively 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 April 30, 2017, January 31, 2017, and July 31, 2016, slightly higher research and development expenses during the same quarters, and increased consulting fees during the quarters ended January 31, 2017 and July 31, 2016. During the quarter ended January 31, 2017, the Company incurred research and development expenditures of $198,301 and share-based payment expenses of $1,140,840. During the quarter ended July 31, 2016, the Company incurred costs related to share-based payments of $570,842 and research and development costs of $106,406. During the quarter ended April 30, 2017, the Company incurred an adjustment to share-based payments of $1,351,098. Management anticipates expenditures to increase slightly or remain similar to the last four quarters, with exception of the share-based compensation expenses. Research and 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.

During the period ended October 31, 2017, the Company incurred expenses of $360,682 compared to $227,943 for the period ended October 31, 2016. Expenses were comprised of primarily research and development costs of $229,450 compared to $61,882 for the period ended October 31, 2016, which were significantly higher due to an increase in independent contractor costs, materials, and testing all related to the technology development, advertising and promotion expenses were $12,089 compared to $43,318 in 2016, which was slightly higher in 2016 due to additional advertising campaigns, consulting fees of $82,500 during the periods ended October 31, 2017 and 2016. Professional fees (legal & Accounting) for the period ending October 31, 2017, were $16,924, compared to $9,250 for the period ending October 31, 2016, which were higher in 2017 due to legal fees related to patent filings. Office and miscellaneous of $1,788 compared to $2,570 for the period ended October 31, 2016, transfer agent and filing fees of $14,049 compared to $6,567 for the period ended October 31, 2016, which was higher in 2017 due to additional shareholder communication expenses, and travel related expenses of $3,882 compared to $11,872 in 2016. Share-based compensation from the grant of stock options was $nil during the three-month periods ended October 31, 2017 and 2016, but was $570,842 for the six-month period ended October 31, 2016. This was due to stock options being issued Directors, management, and consultants during the six-period period ended October 31, 2016. Interest income was $3,288 for the period ended October 31, 2017 compared to $988 for the period ended October 31, 2016, an increase due to a larger amount of capital being held in GICs. Net loss for the period ended October 31, 2017 was $357,394, compared to a net loss of $226,955 for the period ended October 31, 2016.

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 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 $2,748,200, at October 31, 2017 and $2,973,779 at October 31, 2016, and the Company had working capital of $2,731,575 at October 31, 2017 and working capital of $2,897,382 at October 31, 2016. The Company had $2,517,250 in short-term investments at October 31, 2017 and $1,717,250 at October 31, 2016.

During the six-month period ended October 31, 2017, the Company issued 37,000 common shares for proceeds of $9,150 pursuant to the exercise of share purchase warrants.

During the year ended April 30, 2017, the Company issued 8,235,711 common shares for proceeds of $2,037,853 pursuant to the exercise of share purchase warrants. The fair value of the share purchase warrants exercised of $12,236 was reallocated from contributed surplus to share capital.

During the year ended April 30, 2017, the Company issued 380,000 common shares for proceeds of $81,750 pursuant to the exercise of stock options. The fair value of the stock options exercised of $60,611 was reallocated from contributed surplus to share capital.

During the year, the Company issued 3,035,000 common shares for proceeds of $280,500 pursuant to the exercise of share purchase warrants of $280,500. The fair value of the share purchase warrants exercised of $15,392 was reallocated from contributed surplus to share capital.

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 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.

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.

Operating Activities

The Company used net cash of $395,634 in operating activities during the period ended October 31, 2017 compared to $179,903 during the period ended October 31, 2016.

Financing Activities

The Company received net cash of $400 from financing activities during the period ended October 31, 2017 compared to $717,825 during the period ended October 31, 2016.

Investing Activities

The Company used cash of $nil in investing activities during the period ended October 31, 2017 compared to $44,220 during the period ended October 31, 2016.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

(a) As at October 31, 2017, the Company owed $24,000 (2016 - $64,000) to officers and directors of the Company which was included in accounts payable and accrued liabilities.

(b) During the period ended October 31, 2017, the Company incurred consulting fees of $22,500 (2016 - $22,500) to the Chief Executive Officer of the Company.

(c) During the period ended October 31, 2017, the Company incurred consulting fees of $18,000 (2016 - $18,000) to the Chief Financial Officer of the Company.

(d) During the period ended October 31, 2017, the Company incurred consulting fees of $42,000 (2016 - $42,000) to a company controlled by the President of the Company.

(e) During the period ended October 31, 2017, the Company incurred research and development costs of $18,000 (2016 - $18,000) to a director of the Company.

PROPOSED TRANSACTIONS

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

SUBSEQUENT EVENTS

On December 7, 2016, the Company closed a non-brokered private placement for gross proceeds of $977,500 through the sale of 850,000 units. Each unit is comprised of one common share at $1.15 and one non-transferable common share purchase warrant exercisable at $1.60 cents per common share for a period of 36 months from the date of closing. In addition, the Company closed a brokered private placement for gross proceeds of $4,600,000 through the sale of 4,000,000 units. Each unit is comprised of one common share at $1.15 and one non-transferable common share purchase warrant exercisable at $1.60 cents per common share for a period of 36 months from the date of closing. In connection with the brokered private placement the Agent received a cash commission of $276,000 and 240,000 broker warrants (the “Broker Warrants”), each Broker Warrant entitling the holder to purchase one Unit at the Offering Price for a period of two years following closing.

Subsequent to the period ended October 31, 2017, 1,350,000 stock options were exercised.

Subsequent to the period ended October 31, 2017, 1,946,500 share purchase warrants were exercised.

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 October 31, 2017, and have not been applied in preparing these financial statements.

New standards:
IFRS 9, “Financial Instruments”
IAS 1, “Presentation of Financial Statements”

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 October 31, 2017 and 2016, the Company incurred the following expenses:

	Quarter Ended October 31, 2017	Quarter Ended October 31, 2016
Research & Development	$229,450	$61,882
General and administrative costs	$131,232	$166,061

An analysis of material components of the Company's general and administrative expenses is disclosed in the unaudited financial statements for the period ended October 31, 2017 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

The Company's common shares are 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 October 31, 2017 the Company had 86,463,653 common shares issued and outstanding.

Share Purchase Warrants

As at October 31, 2017, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
2,018,552	0.20	December 16, 2018
313,000	0.25	December 16, 2018
6,120,214	0.25	March 14, 2018*
8,451,766		

* 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 8,456,000 stock options outstanding as at October 31, 2017 which had the following characteristics:

Number of Options	Exercise Price	Expiry Date
756,000	$0.10	April 3, 2019
2,600,000	$0.125	October 22, 2019
250,000	$0.20	December 21, 2018
2,550,000	$0.35	May 12, 2021
2,300,000	$0.85	January 24, 2022

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.