BIOME GROW INC.

("Biome" or the "Company")
Yearly Report
Year Ended December 31, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

1.1 Date of Report: April 30, 2019

The following management's discussion and analysis ("MD&A") has been prepared as of April 30, 2019 and should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2018, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

This MD&A includes certain statements that may be deemed "forward-looking statements". Such statements include, but are not limited to, statements regarding the expected performance of the Company's business and operations; the Company's expectations regarding revenues, expenses and anticipated cash needs; the intention to grow the Company's business and operations; the respective costs and timing associated therewith. Such statements include, but are not limited to, statements with respect to expectations, projections, or other characterizations of future events or circumstances, and our objectives, goals, strategies, beliefs, intentions, plans, estimates, projections and outlook, including statements relating to our expectation with respect to our expansion projects.

Often, but not always, forward-looking statements and information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "aims", "anticipates", "will", "projects", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events, results or conditions "may", "could", "would", "might" or "will" be taken, occur or be achieved. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements, by their very nature, are subject to numerous risks and uncertainties, some of which are beyond the Company's control, and are not guarantees of future performance. Forward-looking statements and information are based on the opinions and estimates of management at the date the statements are made, as well as a number of assumptions made by, and information currently available to, the Company concerning, among other things, anticipated market demand for cannabis, the availability of additional capital to finance growth and future research and development, anticipated revenue and cash flow from the sale of cannabis products, the Company's ability to obtain necessary governmental permits and approvals in a timely manner and on commercially reasonable terms, access to and availability of components (including personnel) to develop the Company's operations, all of which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and information.

These statements are subject to certain risks, assumptions and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements. The words "believe", "plan", "intend", "estimate", "expect", or "anticipate", and similar expressions, as well as future or conditional verbs such as "will", "should", "would", and "could" often identify forward-looking statements. We have based these forward-looking statements on our current views with respect to future *events and financial performance. With respect to forward looking statements contained in this MD&A, the Company has made assumptions and applied certain factors regarding, among other things: future cannabis pricing; cannabis production yields; costs of inputs; its ability to market products successfully to its anticipated clients; reliance on key personnel; the regulatory requirements; the application of federal and provincial environmental laws; and the impact of increasing competition. In particular, expected future production capacity and increased production capacity discussed herein are based on the current production data at the Company's existing operating facility, assuming the new facility will perform similarly, adjusted to reflect the designed capacity increase of the larger facility factoring in plant designs and other factors. The anticipated design capacity takes into consideration the Company's historical experience and takes into consideration the current plans. However, as the Company's historical experience evolves and obtains greater experience, if any changes are made to the design of the building and related infrastructure, it may impact the capacity of these new facilities.*

Factors that could cause actual results to differ materially from those in forward-looking statements include risks related to the Company's limited operating history, general business, economic, competitive, political and social uncertainties, uncertain and volatile equity and capital markets, lack of available capital, future demand for cannabis, lack of market acceptance or demand for the Company's products, the need for significant additional capital, changes in government legislation, environmental risks and hazards, infrastructure and/or operating costs, labor and employment matters, inability to secure necessary permits and approvals on a timely basis or at all, uncertainties involved in interpreting marketing and sales data, defects in the Company's title to its intellectual property, third party infringement claims, cost increases, exchange rate fluctuations, the Company's dependence on key personnel, as well as those factors discussed in the Company's Listing Statement available for review on SEDAR. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

To the extent any forward-looking information in this MD&A constitutes future-oriented financial information or financial outlook, within the meaning of applicable securities laws, such information is being provided to demonstrate the potential of the Company and readers are cautioned that this information may not be appropriate for any other purpose. The Company undertakes no obligation to update or revise these forward-looking statements to reflect new information, future events or circumstances.

1.2 Nature of Business

Biome Grow Inc. (the "Company") was incorporated under the laws of the Province of Ontario on November 22, 2016. The head office and principle business of the Company is 1401 - 480 University Avenue, Toronto, Ontario.

The Company is in the cannabis industry. On May 19, 2017, the Company acquired 100% interest in Highland Grow Inc. ("HGI") (formerly THC Dispensaries Canada Inc.). HGI obtained a cultivation license on December 1, 2017 and it plans to cultivate and produce cannabis at its facility located in the province of Nova Scotia. HGI obtained its authorization to sell cannabis on December 16, 2018.

1.3 Overall Performance

The Company has maintained its focus on providing quality products produced in a cost-effective manner. Net losses for the year ended December 31, 2018 and 2017 reflect the steady increase in operational activities consistent with a company on a steep growth curve. From an expense perspective the increases in cultivation related costs, the hiring and contracting of more experts and experienced personnel, increases in business development activities and increased corporate activity have increased during the year. Net loss was offset by the fair value adjustment on growth of biological assets which were $197,163 and $nil for the year ended December 31, 2018, and 2017 respectively. The increase in net loss is mainly due to the fact that during the year ended December 31, 2018, the Company recorded a listing expense of $3,920,923. During the year ended December 31, 2018, the Company focused its efforts and operational spending on the following:

- Hiring of senior growing, and management resources;
- Optimizing and increasing production to meet the anticipated increase in product demand;
- Continued expansion of production facilities;
- Product formulations;
- Financing the Company;
- Growing increased market awareness of the Company and its products and approach;
- International expansion and business opportunities; and
- Corporate activities associated with investor relations and public relations

Announcements and Highlights during the year:

- During the prior year, the Company entered into a Letter of Intent ("LOI") with Orca Touchscreen Technologies Ltd. ("Orca"), a company listed on the Canadian Stock Exchange under the symbol of "CSE: OAA".
- On March 2, 2018, the Company executed a share purchase agreement with the shareholders of P 209 Inc. ("P 209") whereby the Company acquired 100% of the issued and outstanding shares of P 209 in exchange for an aggregate purchase price of $3,500,000. As consideration, the Company issued common shares with a fair value of $750,000 and has committed to issue common shares with a fair value of $2,750,000 contingent upon future events.
- On April 25, 2018, the Company acquired 100% of the issued and outstanding common shares of The Back Home Medical Cannabis Corporation ("Back Home") pursuant to a share purchase agreement. Back Home is a Newfoundland based ACMPR applicant. As consideration, the Company issued common shares with a fair value of $150,000. In addition to the consideration paid, the Company has also committed to issue common shares valued at $2,350,000 upon satisfaction of various conditions related to the licensing process as detailed in the share purchase agreement.
- During the year ended the Company completed the common share private placements of $ $7,167,080.
- On October 3, 2018 the Company completed its previously announced amalgamation transaction pursuant to which 1151856 B.C. Ltd., a wholly owned subsidiary of the Company, acquired all of the issued and outstanding securities of Cultivator Catalyst Corp. by way of a three-cornered amalgamation under the Business Corporations Act (British Columbia) (the Transaction). In connection with the Transaction, the Company changed its name to "Biome Grow Inc." effective

October 3, 2018. On August 27, 2018, the Company announced it received conditional approval from the Canadian Securities Exchange (the CSE) to list its common shares (Common Shares). Further to that announcement, on October 4, 2018, the Company confirmed that trading of the Common Shares was to commence on the CSE under the new symbol “BIO” at the open of the market on October 9, 2018.

- On October 3, 2018, the Company announced the completion of its previously announced three cornered amalgamation transaction (the “Transaction”) with Cultivator Catalyst Corp.(“CCC”) and 1151856 B.C. Ltd. (“Orca Sub”). Pursuant to the amalgamation agreement dated April 25, 2018 among the Company, CCC and Orca Sub (“Amalgamation Agreement”), the Company indirectly acquired all of the issued and outstanding securities of CCC in exchange for securities in the capital of the Company, constituting a “fundamental change” of the Company within the meaning of the policies of the Canadian Securities Exchange (the “Exchange”). In connection with the Transaction, the Company changed its name to “Biome Grow Inc.” and consolidated its common shares (“Common Shares”) on the basis of one post consolidation Common Share for each 50 pre-consolidation Common Shares, together with a corresponding and equal consolidation of the Company's issued and outstanding common share purchase warrants. The Exchange issued its conditional approval of the Transaction on August 22, 2018. The Company’s Common Shares resumed trading on the Exchange under the new symbol “BIO” on Tuesday, October 9, 2018, after the Exchange’s conditions for listing were satisfied and the Exchange issued its final bulletin confirming completion of the Transaction.
- On October 9, 2018, the Company announced that it began trading on the Canadian Securities Exchange (“CSE”) at market open under the trading symbol “BIO”.
- On October 16, 2018, the Company announced that it is focusing on the Atlantic Canada region and investing in building strong Atlantic Canadian roots ahead of industry legalization on October 17, 2018. With up to 390,000 square feet of production capacity in operation or under development primarily across Atlantic Canada, Biome is preparing to meet the high demand that is expected to exist in the region.
- On October 18, 2018, the Company announced that the Company’s common shares have been listed on the Frankfurt Stock Exchange under the trading symbol “6OTA”. The Company’s common shares continue to be listed on the Canadian Securities Exchange (“CSE”) under the trading symbol “BIO”.
- On October 19, 2018, the Company introduced its fifth subsidiary company and brand, Red Sands Craft Cannabis Co. (“Red Sands”). Red Sands is located in Prince Edward Island (PEI) and will service both the local and tourist markets in that province with locally produced and regionally grown cannabis products.
- On October 19, 2018, the Company announced that it has issued an aggregate of 400,000 options, each option exercisable for a common share in the capital of the Company (Common Share) at an exercise price of $1.60 per Common Share, vesting on October 19, 2018 date and expiring on October 19, 2021, all such options issued under the Company’s stock option plan approved by shareholders of the Company on June 27, 2018. Of the aggregate 400,000 options, 100,000 options were granted to each of the non-management directors of Biome, constituting Brett James, George Smitherman, J. Mark Lievonen and Steven Poirier.
- On October 25, 2018, the Company) introduced its Ontario based subsidiary and brand, Great Lakes Cannabis Co. (“Great Lakes Cannabis”). Located in Norwich, Ontario, Great Lakes Cannabis will serve Biome’s national and international markets with Canadian grown cannabis.
- On November 2, 2018, the Company announced that its Newfoundland and Labrador brand, Back

Home Medical Cannabis Corporation ("Back Home") has entered into a 24,000 kg three-year production and supply agreement (the "Supply Agreement") with the Province of Newfoundland and Labrador (the "Transaction"). That announcement is the largest cannabis supply agreement in Atlantic Canada and one of the top five largest deals of its kind in the Canadian cannabis market by quantity. The Company expects that the Supply Agreement will represent close to $100 million in revenue per annum beginning in 2020. This deal and others like it allow the company to access innovative and comparatively less dilutive pools of debt and equity capital in 2019 and in subsequent years.

- On November 14, 2018, the Company announced its Nova Scotia-based subsidiary, Highland Grow Inc. ("Highland Grow"), has received its license to sell to other licensed producers from Health Canada in accordance with subsection 11(5) of the Cannabis Regulations.
- On December 13, 2018, the Company announced that it had secured The Depository Trust Company ("DTC") eligibility for its shares traded in the United States under the symbol ORTFF The Company's common shares traded on the OTC Market in the United States, under the symbol "ORTFF" are DTC eligible, effective December 13th, 2018. The "DTC" will facilitate electronic settlement of transfers of its common shares in the United States. This electronic method of clearing securities speeds up the receipt of stock and cash, and thus accelerates the settlement process for certain investors.
- On December 16, 2018, the Company announced its Nova Scotia based subsidiary, Highland Grow Inc. ("Highland Grow"), has received its sales authorization via an amendment to its existing license from Health Canada under the Cannabis Act. This authorization allows Highland Grow to sell cannabis products to end consumers through appropriate medical and recreational cannabis channels, dramatically increasing product availability. The sales authorization positions Biome Grow to serve the rapidly growing domestic and international cannabis markets.
- Management continued to actively focus on capital raising to support the company's business, marketing initiatives and general working capital.

1.4 Selected Annual Information and Results of Operations

	December 31, 2018 $	December 31, 2017 $	December 31, 2016 $
Net loss	(8,861,927)	(827,596)	(6)
Basic and diluted loss per share	(0.09)	(0.05)	Nil
Cash	1,859,505	3,071,290	Nil
Total Assets	15,662,909	10,207,998	Nil
Non-Current Liabilities	Nil	Nil	Nil

<u>Year ended December 31, 2018 and 2017</u>

During the year ended December 31, 2018, the Company incurred net loss of $8,861,927 (December 31, 2017- $827,596). As at December 31, 2018 the Company had a positive working capital of $3,202,443 (December 31, 2017 - $3,025,731) and an accumulated deficit of $9,689,529 (December 31, 2017 -

$827,602)

Significant changes in the year ended are as follows:

- The Company incurred corporate and professional fees of $654,336 compared to $416,348 during the prior year due to increased third party consulting services and operational activities of the Company. The professional fees include a one- time fees of acquisitions and RTO and related expense.
- The Company incurred salaries and wages of $995,647 due to operational activities during the year as compared to a $279,329 for the year ended December 31, 2018. This is due to an increase in number of employees on salaries and wages and more operational activities.
- Consulting fees increased to $1,897,156 compared to December 31, 2017 of $nil mainly due to more third-party expertise needed for the operation during the year.
- The total website development for the year is $107,128 compared to $nil in 2017 year. This is mainly due to a new location is needed for operation. There is $44,361 for the insurance during the year.
- The Company incurred office and miscellaneous expenses of $278,909 compared to the last year of $68,221 due to the business and commencement of operational activities. The increase in office and administration can be generally attributed to an increase in office-related costs and costs incurred at new and/or expanded facilities including incremental employment levels to support the growth in the business with operations.
- The total utilities fee for the year is $149,558 compared to the last year of $3,248 for the operational activities.
- Advertising and promotion increased to $810,554 compared to December 31, 2017 of $nil mainly due to more marketing and promotional efforts and actively promoting its business and market awareness during the year. Some of fees include one-time fees related to advertising and marketing.
- During the year ended December 31, 2018, the Company incurred travel expense in the amount of $24,853 compared to the last year of $4,375 related extensive trips to visit the sites.
- The Company incurred transfer fees in the amount of $71,267 mainly due to RTO and exercise of warrants in the year.

1.5 Summary of Quarterly Results

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

	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	Dec. 31,	Sept 30,	June 30,	March 30,	Dec. 31,	Sept 30,	June 30,	March 30,
	2018	2018	2018	2018	2017	2017	2017	2017
	$	$	$	$	$	$	$	$
Total revenues	-	-	5,310	-	-	-	-	-
Loss before other items:	3,158,182	1,669,215	687,133	382,013	615,485	63,688	72,786	90,983
Total	3,158,182	1,669,215	681,823	382,013	615,485	63,688	72,786	90,983
Net Loss and Comprehensive Loss:	6,128,876	1,669,215	681,823	382,013	600,139	63,688	72,786	90,983
Total	6,128,876	1,669,215	681,823	382,013	600,139	63,688	72,786	90,983
Basic and diluted loss per share	0.09	0.09	0.03	0.02	0.01	0.10	0.01	0.01

Significant factors and trends that have impacted the Company’s results during the years presented above include the following:

- The listing expense of $3,920,923 incurred in the fourth quarter of 2018 due to the reverse acquisition transaction was a one-time expense;

- The unrealized gain on change in fair value of biological assets in the total amount of $841,852 incurred in the four quarter of 2018 was a one-time expense;

- The Company incurred significant amount in advertising and promotion in the first two quarters of 2018 due to the reverse acquisition which was a one-time event;

1.6 Liquidity and Capital Resources

As at December 31, 2018, the Company has total assets of $15,662,909 and a positive working capital of $3,202,443.

At December 31, 2018, the Company had cash of $1,859,505 (December 31, 2017- $3,071,290) a positive working capital of $3,202,443 (December 31, 2017 - $3,025,731). As of December 31, 2018, the Company had prepaid expenses of $34,878, inventory of $644,689 and biological assets to commence operations.

Cash utilized in operating activities during the year ended December 31, 2018 was $(4,620,775) (December 31, 2017 – ($1,226,567)).

During the year ended December 31, 2018, the Company spent $3,411,205 primarily on adding property and equipment for continuing operations, compared to $1,618,950 in the year ended December 31, 2017.

At December 31, 2018, share capital was $22,702,283 comprising 110,128,609 issued and outstanding common shares. There was an increase in the share capital for the year ended December 31, 2018 due to the private placements.

During the year, the Company received cash in the amount of $7,167,080 from private placements and warrants.

At present, the Company's operations generate minimal cash inflows and its financial success after December 31, 2017 is dependent on management's ability to continue to obtain sufficient funding to sustain operations through the development.

The Company may not be able to generate sufficient cash flows from its operations in the foreseeable future to support its working capital needs. As a result, the Company will have to rely on funding through future equity issuances and through short term borrowing in order to finance ongoing operations and the construction. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

1.7 Share Capital

The following table summarizes the Company's outstanding share capital:

	As at December 31, 2018	**As at the date of this MD&A**
Common Shares	110,128,609	110,281,815
Special Class C Shares	1	1
Options to purchase Common Shares(1)	400,000	400,000
Common Share Purchase Warrants	1,984,636	1,864,216
Common Shares held in escrow	45,069,375	45,069,375

Note:

(1) The numerical figures provided do not include the options to acquire Common Shares with an aggregate value of $200,000 pursuant to the Francis MacMaster Employment Agreement (as further described in the Company's Form 2A Listing Statement dated October 3, 2018).

1.8 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed. The Company is not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Company's financial condition, changes in financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

1.9 Transactions with Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer. During the years ended December 31, 2018 and 2017, key management compensation consisted of the following:

	2018	2017
	$	$
Professional and consulting fees	250,160	-
Salaries and wages	20,833	99,335
Share based compensation	421,366	-
	692,359	99,335

As at December 31, 2018, the Company had $Nil (2017 - $167,448) payable to related parties. The amounts are due on demand, non-interest bearing, unsecured, and have no fixed terms of repayment.

During the year ended December 31, 2017, the Company also paid $50,852 in rent expense to a former related party.

1.10 Subsequent Events

- On January 2, 2019, the Company announced that it will commence trading on the OTCQB® from January 2, 2019. OTC Markets Group has also approved Biome's stock to trade under the new stock symbol BIOIF.

- On January 10, 2019, the Company announced its Nova Scotia based subsidiary Highland Grow Inc. ("Highland Grow"), secured its first purchase order with the Nova Scotia Liquor Corporation ("NSLC"). The first shipment of finished product grown and packaged specifically for consumers in Nova Scotia was received by the NSLC later on January 10, 2019.

- On January 16, 2019, the Company and its Nova Scotia based brand Highland Grow Inc. ("Highland Grow") secured a second purchase order with the Nova Scotia Liquor Corporation ("NSLC").

- On February 8, 2019, the Company announced it had released its first shipments of finished product to Newfoundland and Labrador. Products were delivered directly to retail locations across Newfoundland and Labrador and accessible to consumers that week. A second shipment of finished product was also sent later that month with an emphasis on independent retail locations.

- On February 12, 2019, the Company announced a Memorandum of Understanding ("MOU" or the "Agreement") providing Biome with preferential access to a high quality and low-cost supply of Cannabidiol ("CBD") concentrate from CBD Acres Manufacturer Inc. ("CBD Acres"). Management believes this represents one of the largest supply agreements in the history of the industry to date.

- On March 8, 2019, the Company announced that after an overwhelming demand for its products in its home province Biome Grow's Nova Scotia based brand, Highland Grow, will be dramatically increasing its operations. This is further validation of Biome's localized approach to building a locally owned and operated brand that offers high quality products specifically created for the local consumer.

- On March 15, 2019, the Company announced that Mr. George Smitherman has joined Biome Grow's executive management as Senior Vice President of Corporate Affairs. In this role, George will be leveraging his experience and knowledge in the Canadian health care sector to accelerate Biome's growth in new operating verticals. His portfolio of responsibilities will include clinical infrastructure in Canada and international markets, domestic retail operations, and international regulatory development work in jurisdictions that are looking to launch medical cannabis programs.

1.11 Changes in Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements of the Company as at December 31, 2018. The audited condensed consolidated financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2018.

During the year ended December 31, 2018, the Company did not adopt any new standards and amendments which had a significant impact on the Company's financial statements.

<u>Accounting standards issued but not yet applied</u>

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the financial statements upon adoption of this new and revised accounting pronouncement.

Effective for annual year beginning on or after January 1, 2019:

- IFRS 16 - Leases specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The extent of the impact of adoption has not yet been determined.

The Company has not adopted these standards, amendments and interpretations early and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company.

1.12 Financial Instruments and Other Instruments

As at December 31, 2018, the Company's financial instruments consist of cash, accounts payable, and due to related parties.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge any obligations. The Company's cash and receivables are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness.

Fair value

The carrying value of cash, due from a related party approximated their fair value because of the relatively short-term nature of these instruments.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Financial assets and liabilities measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of accounts receivables, advances, accounts payable and accrued liabilities, due to related party and due from related parties approximates fair value due to the short term nature of the financial instruments. Cash is classified as fair value through profit or loss and is measured using level 1 inputs of the fair value hierarchy.

1.13 Risk Factors

The Company is focused on more select market introduction and development. The failure to generate future sales in the Company's main products could have a significant and adverse effect on the Company.

The Company success will depend in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse effect on the Company. The Company does not anticipate having key person insurance in effect for management.. In addition, there can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

The Company has incurred a net loss for the year ended December 31, 2018 of $8,861,927 and has a deficit of $9,689,529. Management is continuing efforts to attract additional equity and capital investors and implement cost control measures to maintain adequate levels of working capital. Nevertheless, there can be no assurance provided with respect to the successful outcome of these ongoing actions. If the Company is unable to obtain additional financing on reasonable terms, the Company may be required to curtail or reduce its operations to continue as a going concern.

In addition, the Company's limited working capital could affect the Company's ability to seize upon opportunities requiring investment, or to reinvest in its products in a timely manner.

1.14 Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.