COGNETIVITY NEUROSCIENCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the Year ended January 31, 2019

GENERAL

This Management's Discussion and Analysis ("MD&A") has been prepared by management as of May 29, 2019, and it presents an analysis of the consolidated financial position of Cognetivity Neurosciences Ltd. (the "Company") for the year ended January 31, 2019. The following information should be read in conjunction with the audited consolidated financial statements of the Corporation for the year ended January 31, 2019, including the notes contained therein. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

Unless otherwise indicated, references to $ or "dollars' are to Canadian dollars.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, regulatory compliance, sufficiency of working capital, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

BUSINESS OVERVIEW

Cognetivity Neurosciences Ltd. (the "Company") was incorporated on December 11, 2015 under the laws of British Columbia, Canada. Its head office is located at 1980-1075 W. Georgia St., Vancouver BC V6E 3C9, Canada and registered office is located at 1500-1055 W. Georgia St., Vancouver, BC, V6E 4N7, Canada. The Company is a technology company developing a cognitive testing platform, the Integrated Cognitive Assessment (ICA), for use in medical and commercial environments for potentially allowing early diagnosis of dementia.

The Company's common shares commenced trading on the Canadian Securities Exchange (the "CSE") on March 19, 2018 under the stock symbol "CGN". The Company also commenced trading on the Frankfurt Stock Exchange in Germany under the stock symbol "IUB" and the OTCQB in USA under the stock symbol "CGNSF" on May 3, 2018 and September 4, 2018 respectively.

SIGNIFICANT EVENTS AND MILESTONES

On October 23, 2017, the Company signed a share exchange agreement with Cognetivity Ltd. ("CGN"), whereby the Company acquires 100% of the issued and outstanding common shares of CGN, a company registered in England and Wales on April 10, 2013, for an aggregate of 19,999,998 common shares of the Company and 10,000,002 of Class B Shares of the Company (the "Transaction"). CGN is in the business of developing a platform technology comprising of a visual stimulus based diagnostic test and artificial intelligence tools to support the early detection and monitoring of Cognitive impairment in neurodegenerative diseases, with initial emphasis on dementia in Alzheimer's Disease and Mild Cognitive Impairment, a difficult-to-diagnose, "pre-dementia" condition.

On October 26, 2017, the Company completed a non-brokered private placement of a gross proceeds of $4,167,500, which consist of 16,670,000 of Special Warrants (each a "Special Warrant") whereby each Special Warrant will automatically convert into one (1) Unit immediately prior to receiving the final receipt of a non-offering prospectus by the British Columbia Securities Commission. Each Unit will consist of one (1) common share and one-half of one (½) common share purchase warrant (each a "Warrant"). Each whole Warrant will entitle the holder to purchase one (1) additional common share from the issuer at an intended exercise price of C$0.35 per share for a period of two (2) years. The Company paid $247,300 and issued 988,400 broker's warrants with the same terms as the Warrant as finders' fees. The Special Warrants were converted on March 2, 2018.

On December 21, 2017, pursuant to the Transaction, the Company acquired 100% of the issued and outstanding common shares of CGN, the Company issued 19,999,998 common shares and 10,000,002 Class B shares both at a deemed price of $0.25 per share to shareholders of CGN. In connection with the Transaction, 800,000 Common Shares were issued as finder's fee at a fair value of $0.21.

On March 19, 2018, the Company commenced trading on CSE under the ticker symbol "CGN". Upon listing on the CSE, 10,879,121 common shares and 5,439,560 Class B shares were held in escrow.

The Company commenced trading on Frankfurt Stock Exchange under the ticker symbol "IUB" and the OTCQB in USA under the stock symbol "CGNSF" on May 3, 2018 and September 4, 2018 respectively.

On September 17, 2018, the Company announced that it has received two key patent application approvals from the European and United States Patent Offices.

On November 16, 2018, the Company announced that it has signed a commercial agreement with Dacadoo, a fast-growing global provider of digital health platforms, to provide a first-of-its-kind cognitive assessment tool for Dacadoo's client base of major life and health insurance providers.

On January 24, 2019, the Company announced that it has signed a commercial agreement with Dementias Platform UK (DPUK) to become its ninth industry partner. Cognetivity will join forces with DPUK's existing partnership which includes many highly notable researchers from both academia and industry combining groundbreaking approaches from some of the world's best research universities with the R&D skills and knowledge of world-leading pharmaceuticals companies in strategic partnership initiatives.

Currently, Cognetivity pursues its growth strategy by:

1. Carrying out a validation trial for the ICA which is specifically designed to provide data to allow regulatory approval as a Class 2 medical device in the USA, Europe and Canada to allow its use in clinical environments in these markets.
2. Continuously developing the ICA platform's technical capability to allow its distribution on other platforms, and its integration with a wide range of healthcare data providers, Electronic Health Record (EHR) system providers and 3rd party digital healthcare platforms.

3. Developing strategic partnerships with targeted healthcare service providers for the use of the ICA as a screening tool in primary healthcare, including the NHS in the UK, healthcare providers and clinics in the USA and Canada.
4. Developing strategic partnerships with large health insurers, particularly in the USA, with the aim of including the ICA in mandated regular health checks and to be used for the early screening for dementias in affiliated clinics and health centers, leading to reduced costs of treatment for payers.
5. Publishing trial results in internationally recognised peer reviewed journals and presenting results at international scientific and healthcare conferences
6. Developing the ICA for home use, for the remote monitoring of patient's progress under treatment regimens and for general home healthcare check-ups.
7. Upon completion of regulatory approval, hiring and training business development and sales staff to sell the ICA in targeted markets.
8. Hiring and training customer support representatives as required providing technical support for the Company's customers.

OVERALL PERFORMANCE

The consolidated statements of financial position as of January 31, 2019 indicates a cash balance of $250,746 (January 31, 2018 – $138,797) and total current assets of $690,375 (January 31, 2018 – $3,743,987).

Current liabilities at January 31, 2019 total $236,911 (January 31, 2018 - $366,046). Shareholders' equity of $479,410 (January 31, 2018 – 3,388,357) is comprised of common shares of $5,180,324 (January 31, 2018 - $1,519,911), reserves of $1,562,099 (January 31, 2018 - $80,060), special warrants of $nil (January 31, 2018 - $3,840,140), accumulated deficit of $6,264,320 (January 31, 2018 - $2,071,702), and accumulative other comprehensive loss of $1,307 (accumulated other comprehensive income at January 31, 2018 - $19,948).

As at January 31, 2019, the working capital is $453,464 (January 31, 2018 – $3,377,941).

DISCUSSION OF OPERATIONS

The Company incurred $4,192,618 of net loss for the year ended January 31, 2019 (2018 – $1,495,804) as the Company had not commenced many activities yet. The Company's operations are in their early stages and no comparative or trend discussion is relevant.

Comparison of Results of Operations

Current Quarter

During the quarter ended January 31, 2019, the Company reported a net loss of $923,885 (January 31, 2018 - $893,624), and a net comprehensive loss of $918,263 (January 31, 2018 - $888,671). The increased losses during the period were mainly due to the increase in consulting fees, marketing and advertising, and professional fees.

During the quarter ended January 31, 2019, the Company recorded operating expenses of $924,899 (January 31, 2018 - $1,064,931). The largest factors contributing to the operating expenses were consulting fees, marketing and advertising, professional fees, and share-based payment. Consulting fees of $265,300 (January 31, 2018 - $129,826) were due to the Company has engaged consultants for providing clinical testing for the cognitive testing platform, the integrated Cognitive Assessment (ICA). Marketing and advertising expenses of $232,833 (January 31, 2018 - $5,508) were due to the Company's marketing, promotion, and advertising as a public company in European market. Professional fees of $108,235 (January 31, 2018 - $71,796) were related to the year-end audit and legal services. Share-based payment of $73,505 (January 31, 2018 - $nil.) were related to 100,000 incentive stock options granted to an employee and 150,000 incentive stock options granted to a consultant of the Company on December 11, 2018.

Year-to-date

During the year ended January 31, 2019, the Company reported a net loss of $4,192,618 ($0.10 basic and diluted loss per share) and $1,495,804 ($0.05 basic and diluted loss per share) for the year ended January 31, 2018. The increase in loss is due to the fact that the Company was a private company in the prior year and during the year the Company incurred $868,561 of share-based payment, which is a non-cash expense relating to the issuance of stock options. In additions, the Company largely increased its advertising and promotion in European capital market, increased its number of employees and management's salaries, and increased its research on developing an Artificial Intelligence-driven platform for detection of cognitive performance in Alzheimer's and pre-Alzheimer's patients.

As the Company's current operations is not generating revenue yet, it will continue to rely on equity and debt financing in order to meet its ongoing day-to-day operating requirements. There can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required at any particular time, or, if available, that it can be obtained on terms satisfactory to the Company.

SELECTED ANNUAL INFORMATION

The following table sets out selected financial information derived from the Company's audited consolidated financial statements for the three most recently completed financial years. These financial data are prepared in accordance with IFRS.

	For the years ended		
	January 31, 2019	**January 31, 2018**	**January 31, 2017**
	$	**$**	**$**
OPERATIONS			
Revenue	-	-	-
Net Loss	4,192,618	1,495,804	458,844
Other comprehensive (income) loss	18,641	(3,440)	(22,043)
Basic and diluted loss per share	0.10	0.05	0.02
BALANCE SHEET			
Working capital (deficiency)	453,464	3,377,941	(102,237)
Total assets	716,321	3,754,403	68,473
Total non-current liabilities	-	-	-
Cash dividends declared	-	-	-

During the year ended January 31, 2019 the Company incurred a net loss of $4,192,618, which mainly consisted of consulting fees, marketing and advertising, research and development, salaries and benefits, and share-based payment.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of the Company. This information is derived from unaudited quarterly consolidated financial statements prepared by management. These financial data are prepared in accordance with IFRS.

	Qtr 4 January 31, 2019 $	Qtr 3 October 31, 2018 $	Qtr 2 July 31, 2018 $	Qtr 1 April 30, 2018 $	Qtr 4 January 31, 2018 $	Qtr 3 October 31, 2017 $	Qtr 2 July 31, 2017 $	Qtr 1 April 30, 2017 $
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Loss	923,885	964,906	660,185	1,643,642	893,624	342,607	174,062	85,511

Basic and diluted loss per share	0.02	0.02	0.02	0.05	0.03	0.01	0.01	0.00
Total assets	716,321	1,138,896	2,106,080	3,018,637	3,754,403	234,415	151,409	187,030
Working Capital (deficiency)	453,464	1,003,024	1,954,540	2,481,324	3,377,941	(484,316)	(296,652)	(203,961)

Three Months Ended January 31, 2019

During the quarter ended January 31, 2019, the Company reported a net loss of $923,885 (January 31, 2018 - $893,624 which derived from mainly consulting fees, marketing and advertising, professional fees, salaries and benefits, and share-based payment.

LIQUIDITY AND CAPITAL RESOURCES

At January 31, 2019, the Company had a working capital of $453,464, having cash of $250,746, short term investment of $128,000, and accounts payable and accrued liabilities of $217,810.

A summary of the Company's contractual obligations at January 31, 2019 is detailed in the table below.

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 Year	1 – 3 Years	4 – 5 Years	After 5 Years
Accounts payable and accrued liabilities	$ 217,810	$ 217,810	N/A	N/A	N/A
Due to related parties	19,101	19,101	N/A	N/A	N/A
Total	$ 236,911	$ 236,911	N/A	N/A	N/A

COMMITMENT

On January 21, 2019, the Company signed a commercial agreement with Dementias Platform UK (DPUK). The Company will supply the use of its cognitive testing platform and associated hardware of up to $431,000 (£250,000) to DPUK on an as-needed basis. The Company can terminate the agreement at any time without any penalty.

LICENSE AGREEMENT

There are no license agreements.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this management discussion and analysis, the Company does not have any off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

TRANSACTIONS BETWEEN RELATED PARTIES

During the years ended January 31, 2019 and 2018, the Company incurred the following expenses to related parties:

	2019	2018
Consulting fees – CEO and a director	$ 207,564	$ 136,908
Salaries and wages – CMO and a director	62,269	47,876
Salaries and wages – CSO	62,269	47,876
Consulting fees – CCO and a director	62,269	45,356
Consulting fees – COO	74,377	57,955
Share-based payments – directors and officers	624,300	-
	$ 1,093,048	$ 335,971

As at January 31, 2019 and 2018, the Company has the following balance owing to (due from) related parties:

	January 31, 2019	January 31, 2018
CEO and a director	$ 4,151	$ 4,207
CMO and a director	2,380	-
CSO	(13)	10,460
CCO and a director	7,410	13,075
COO	5,173	10,460
	$ 19,101	$ 38,202

Due to/from related parties are unsecured, non-interest bearing, and due on demand with no specific terms of repayment.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Adoption of new accounting standards

Commencing February 1, 2018, the Company adopted IFRS 9. The adoption of this new accounting standard did not have material impact to the Company's consolidated financial statements.

IFRS 9 addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 Financial Instruments. The new standard contains three classifications for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit and loss ("FVTPL"). The new standard eliminates the previous IAS 39 categories of held to maturity, loan and receivables, and available for sale.

Recognition and Measurement for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. Requirements for financial liabilities are largely carried forward from the existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income.

Following is the new accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL.

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets	**Classification under IAS 39**	**Classification under IFRS 9**
Cash	FVTPL	Amortized cost
Short term investment	FVTPL	Amortized cost
Interest receivable	Loans and receivable	Amortized cost

Financial liabilities	**Classification under IAS 39**	**Classification under IFRS 9**
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Due to related parties	Other financial liabilities	Amortized cost

There were no adjustments to the carrying amounts of financial instruments as a result of the change in classification from IAS39 to IFRS 9.

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

(iii) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in the Consolidated Statements of Operations and Comprehensive Loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Accounting standards issued but not yet adopted

The IASB has replaced IAS 17, Leases in its entirety with IFRS 16, Leases, which will require lessees to recognize nearly all leases on the balance sheet to reflect their right to use an asset for a period of time and the associated lease liability. IFRS 16 is effective for annual periods commencing on or after January 1, 2019. The Company does not expect the adoption of this standard will have a material impact to the Company's consolidated financial statements.

FINANCIAL INSTRUMENTS

Fair value of financial instruments

Financial instruments of the Company carried on the Consolidated Statements of Financial Position are all carried at amortized cost. There are no significant differences between the carrying value of these financial instruments carried at amortized cost and their estimated fair values as at January 31, 2019 and 2018 due to the short term nature of the instruments.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash and short term investment. Risk associated with cash and short term investment is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company aims to ensure that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash and short term investment. The Company believes that the capital sources will be sufficient to cover the expected short and long-term cash requirements by obtaining financing through the issuance of debt or common shares.

Interest rate risk

The Company has cash balances and short term investment. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company is not currently exposed to interest rate risk.

CAPITAL MANAGEMENT

The Company considers its cash and share capital as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company is not subject to any externally imposed capital restructure. There was no change in the Company's approach to capital management during the year ended January 31, 2019.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company's issued and outstanding share capital as at the date of this report is as follows:
(1) Authorized: Unlimited common shares and unlimited Class B Share without par value.
(2) As at the date of this MD&A, the Company has 45,727,093 common shares, 10,000,002 Class B Shares, 4,000,000 stock options, 9,023,679 warrants, 1,073,160 finders' warrants issued and outstanding.

ADDITIONAL DISCLOSURE FOR JUNIOR ISSUERS

The Company has expensed the following material cost components:

	For the years ended	
	January 31, 2019	January 31, 2018
Consulting fees	$ 807,728	$ 251,406
Marketing and advertising	855,933	8,369
Professional fees	176,091	148,410
Research and development	732,366	82,141
Salaries and benefits	325,413	193,756
Share-based payment	868,561	-

Consulting fees were related to the Company engaged an advisor for capital market from February to July 2018. The Company has also engaged consultants for providing clinical testing for the cognitive testing platform, the integrated Cognitive Assessment (ICA).

The marketing and advertising expenses were related to new marketing strategies being developed and increased promotion in European market. In additions, the Company engaged an advertising company for creating and optimizing the advertisement starting in August 2018.

Professional fees were related to the year-end audit and legal services.

Research and Development were related to the Company increased its research on developing an Artificial Intelligence-driven platform for detection of cognitive performance in Alzheimer's and pre-Alzheimer's patients.

Salaries and benefits were related to the increase in employees and the salaries paid to officers and directors.

Share-based payment is a non-cash expense that relates to stock options granted to a director, employees and consultants of the Company on March 19, June 22, September 25, 2018, and December 11, 2018. In fiscal year 2018, there were no share-based payments due to no stock options granted during the year.

SUBSEQUENT EVENTS

On March 19, 2019, the Company completed a non-brokered private placement of 3,084,500 units (the "Units") at a price of $0.38 per Unit for gross proceeds of $1,172,110. Each Unit consist of one common share (a "Share") and one-half common share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder to purchase an additional Share at a price of $0.55 for a period of 18 months from closing, subject to acceleration.

The Company paid $48,169 and issued 126,760 finder's warrants with the same terms as the Warrant as finders' fees.

On April 5, 2019, 42,000 warrants were exercised at $0.35 per warrant for a total of $14,700.

RISK FACTORS

Market Risk for Securities
We are a reporting issuer company whose common shares are not listed for trading on a stock exchange. There can be no assurance that an active trading market for our common shares will be established and sustained. Upon a listing, the market price for our common shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of our securities. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Uninsured or Uninsurable Risk
We may become subject to liability for risks against which we cannot insure or against which we may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for our usual business activities. Payment of liabilities for which we do not carry insurance may have a material adverse effect on our financial position and operations.

Conflicts of Interest Risk
Certain of our directors and officers are also directors and operators in other companies. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from our interests. In accordance with the BCBCA, directors who have a material interest in any person

who is a party to a material contract or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to our best interests. However, in conflict of interest situations, our directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to us.

Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to us.

Key Personnel Risk
Our success will depend on our directors and officers to develop our business and manage our operations, and on our ability to attract and retain key quality assurance, scientific, sales, public relations and marketing staff or consultants once operations begin. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on our business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that we will be able to attract or retain key personnel in the future, which may adversely impact our operations.

No Established Market for Shares Risk
There is currently no established trading market through which common shares in our authorized capital may be sold. Even if a trading market develops, there can be no assurance that such market will continue in the future. You may lose your entire investment.

Going-Concern Risk
The consolidated financial statements of the Company 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. Our future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that we will be successful in completing equity or debt financing or in achieving profitability. The consolidated financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should we be unable to continue as a going concern.

Global Economy Risk
The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. We will be dependent upon the capital markets to raise additional financing in the future, while we establish a client base for our product. Access to financing has been negatively impacted by the ongoing global economic downturn. As such, we are subject to liquidity risks in meeting our development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact our ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to us and our management. If uncertain market conditions persist, our ability to raise capital could be jeopardized, which could have an adverse impact on our operations and the trading price of our Common Shares on the Exchange.

Share Price Volatility Risk
It is anticipated that our common shares will be listed for trading on the Exchange. As such, external factors outside of our control such as announcements of quarterly variations in operating results, revenues and costs, and sentiments toward the medical marijuana sector stocks may have a significant impact on the market price of our common shares. Global stock markets, including the Exchange, have from time to time experienced extreme price and volume fluctuations that have often been unrelated to the operations of particular companies. There can be no assurance that an active or liquid market will develop or be sustained for the common shares.