

CABBAY HOLDINGS CORP.

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

For the Year Ended December 31, 2019

Overview

This MD&A has been prepared as of June 15, 2020 and the following information should be read in conjunction with the Issuer's audited financial statements for the year ended December 31, 2019 and the years ended December 31, 2018 and December 31, 2017 together with the notes thereto. The Issuer's financial statements for the year have been prepared in accordance with International Financial Reporting Standards (IFRS).

This discussion contains forward-looking statements that involve certain risks and uncertainties. Statements regarding future events, expectations and beliefs of management and other statements that do not express historical facts are forward-looking statements. In this discussion, the words "believe", "may", "will", "estimate", "continue", "anticipate", "intend", "expect", "plan", "predict", "potential" and similar expressions, as they relate to the Issuer, its business and management, are intended to identify forward looking statements. The Issuer has based these forward-looking statements largely on its current expectations and projections about future events and financial trends affecting the financial condition of the business. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements.

Except as may be required by applicable law or regulation, the Issuer undertakes no obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements. If the Issuer updates one or more forward-looking statements, no inference should be drawn that additional updates will be made with respect to those or other forward-looking statements. Additional information relating to the Issuer, is available by accessing the SEDAR website at www.sedar.com.

Business Overview and Strategy

Cabbay Holdings Corp. (the "Issuer" or "Company" or "Cabbay") was incorporated as a wholly owned subsidiary of Tower One Wireless Corp. ("Tower One") in order to facilitate a plan of arrangement with Tower One, a public company whose common shares trade on the CSE. As part of the Plan of Arrangement which closed on October 3, 2016, Tower One transferred its interest in the ForwoRx Agreement and \$1,000 to the Issuer. As a result of the Plan of Arrangement, the Issuer became a reporting issuer in British Columbia. In connection with the Plan of Arrangement, \$435,360 of indebtedness was assigned to and assumed by the Issuer. The Issuer recorded a financing fee of \$435,359 as a result of the transaction. Also, in connection with the Arrangement during the fiscal year ended December 31, 2017 \$5,929 of indebtedness was assigned to and assumed by the Issuer and fiscal year ended December 31, 2018 \$4,179 of indebtedness was assigned to and assumed by the Issuer. During the year ended December 31, 2019 no indebtedness was assigned to or assumed by the Issuer.

On closing of the Plan of Arrangement, the Issuer was a holding company with major holding being an asset purchase agreement with ForwoRx Therapeutics Inc. (the “**ForwoRx Agreement**”) regarding the purchase of therapies to treat fibrosis, erectile dysfunction and pulmonary arterial hypertension. The ForwoRx Agreement covers the lead compound for Fibrosis, PTL-202, a combination of already approved drugs which have well established safety profiles. PTL-202 has completed a phase 1 drug/ drug interaction clinical trial. In addition, the agreement covers the purchase of a sublingual formulation of sildenafil citrate for use as a treatment for erectile dysfunction and pulmonary arterial hypertension. Neither of these programs is currently being funded.

The ForwoRx Agreement was originally entered into between Tower One Wireless Corp. (formerly Pacific Therapeutics Ltd.) and ForwoRx (formerly Forge Therapeutics Inc.) on July 23, 2015 pursuant to which Tower One agreed to sell certain of its technology assets (the “**Assets**”) to ForwoRx. In consideration, ForwoRx agreed to issue to Tower One 15,000,000 of ForwoRx shares (the “**ForwoRx Shares**”). Pursuant to the terms of the ForwoRx Agreement, subject to certain conditions, between the closing of the asset sale, which occurred on September 18, 2015, and the issuance of the ForwoRx Shares, ForwoRx is to pay to Tower One an annual maintenance fee of \$50,000 until the ForwoRx Shares have been issued. Currently ForwoRx is in arrears \$200,000 of these maintenance fees. If the ForwoRx Shares are not issued before September 18, 2018, Tower One may at any time prior to September 18, 2020 [the fifth anniversary of the Closing Date], provide notice to ForwoRx of its election to trigger the issuance of the ForwoRx Shares (in whole and not in part), in which case ForwoRx will issue the ForwoRx Shares to the Vendor within 10 business days of receipt of such notice. If ForwoRx has not issued the ForwoRx Shares to Tower One on or before September 18, 2020 [the fifth anniversary of the Closing Date], and Tower One has not earlier provided notice of its election to receive the ForwoRx Shares, ForwoRx is required to promptly transfer and assign the Assets back to Tower One, free and clear of all encumbrances other than permitted encumbrances. As at the date of this MD&A, the Issuer has not received any ForwoRx Shares.

ForwoRx has not made the necessary maintenance payments to the United States Patent and Trademark Office, therefore the United States patent covering the technology in PTL-202 has lapsed.

From the completion of the Plan of Arrangement the Issuer has been engaged in improving its balance sheet and seeking additional business opportunities, primarily related to transitioning into a vertically integrated corporation cultivating cannabis, manufacturing concentrates and manufacturing cannabis infused edibles and other products for medical and recreational use. Given current market conditions the Issuer has abandoned its pursuits in the cannabis industry and is seeking alternative business.

On March 26, 2018, the Issuer incorporated a British Columbia corporation Alta-Sun Samson Holdings Corp. (Alta-Sun). Alta-Sun has no business operations.

Overall Performance

The Issuer had been focused on Cannabis production in Alberta, Canada in partnership with First Nations leaders and communities and the development of cannabis infused products. These partnerships have lapsed and the Issuer is pursuing alternative business.

Corporate Highlights

During the year ended, December 31, 2019 the Issuer accomplished the following:

- On April 26, 2019 the Company Issued 1,284,000 shares at a price of \$0.25 per share. 238,000 of these shares were issued to settle \$59,500 owed to directors and officers.
- On May 30, 2019 Company issued the issue 252,000 common shares, at a price of \$0.25 per share for total proceeds of \$63,000.
- On June 28, 2019 the Issuer filed a Preliminary Prospectus with the British Columbia Securities Commission
- On July 3, 2019 the Company closed a private placement and issued 160,000 shares at \$0.25 per share for gross proceeds of \$40,000.
- On August 14, 2019 the Company announced that Mr. Tom Neumann had joined the board of directors.
- On August the 23, 2019 the Company's announced the issue of 20,000 options to purchase common shares to its newest director Mr. Tom Neumann. Each option may be issued for \$0.25 to purchase a common share for up to 5 years.
- The Issuer accepted the resignation of director Mark van der Horst for personal reasons as of August 22, 2019.
- On August 23, 2019 the Issuer filed an amended and restated preliminary non-offering prospectus restating the preliminary non-offering prospectus dated June 28, 2019
- On September 16, 2019 the Company issued 100,000 options to purchase common shares to directors and consultants of the Company. Each option may be issued for \$0.25 to purchase a common share for up to 5 years.

Selected Financial Information

The financial information reported here has been prepared in accordance with IFRS. The Issuer uses the Canadian dollar (CDN) as its reporting currency. Selected audited financial data for the annual operations of the Issuer for the year ended December 31, 2019, for the year ended December 31, 2018 and for the year ended December 31, 2017:

Selected Statement of Operations Data

Year ended	Year Ended December, 31 2019	Year Ended December, 31 2018	Year Ended December, 31 2017
Total revenues	\$Nil	\$Nil	\$Nil
Expenses	(474,739)	(433,353)	(\$222,304)
Net Income / (Loss)	(558,629)	(484,063)	(\$217,483)
Basic and Diluted loss per share (Audited)	(0.05)	(0.05)	(\$0.05)
Weighted average shares	12,190,087	10,187,460	4,782,894

Selected Balance Sheet Data

Year ended	December 31, 2019	December 31, 2018	December 31, 2017
Cash & Equivalents	53	40,250	49,752
Current Assets	96,657	94,183	53,005
Total Assets	334,557	364,074	54,414
Current liabilities	123,190	167,932	65,838
Non-Current liabilities	112,148	\$Nil	151,203
Total liabilities	235,338	167,932	217,041
Working Capital	(25,533)	(73,749)	(12,833)

Revenues

The Issuer had no revenues for the year ended December 31, 2019, or for the years ended December 31, 2018 and December 31, 2017. The Issuer does not expect any revenues during the next fiscal year.

The Issuer is a development stage company and holds an agreement with ForwoRx Therapeutics Inc. for further commercialization of technology focused on repurposing and reformulating existing approved drugs as well as developing proprietary drug technologies from late stage pre-clinical testing thru phase 2 clinical trials. A condition of the agreement is that ForwoRX will pay to the Company an annual maintenance fee of \$50,000. As of December 31, 2019, \$200,000 of maintenance fees were due. In the Company's judgment, no portion of this amount will be recognized until collection can be assured.

Research & Development Expense

The company does not conduct any research or development. Any research or development on the therapeutics technology is to be conducted by ForwoRx.

General and Administrative Expenses

General and administrative costs consist primarily of accounting costs and other professional and administrative costs associated with general corporate activities.

The General and administrative costs for the year ended December 31, 2019 were \$474,739 and for the year ended December 31, 2018 were \$433,353 and for the year ended December 31, 2017 were \$222,304. Expenses increased in all categories from 2016 to 2019 as the Issuer developed from having a single holding, the ForwoRx Agreement to actively seeking additional business opportunities.

The increase in expenses for the year ended December 31, 2019 from the year ended December 31, 2018 was due to a financing fee of \$125,000. On March 15, 2019 the Company entered into agreements to access lines of credit of up to \$1.2 million with a maturity date of March 31, 2022. Any amount borrowed on the lines of credit is subject to interest at 12% annually. Interest is payable quarterly beginning 365 days from the date the Company receives a standard cultivation license from Health Canada to grow Cannabis. Interest may be paid in cash or shares at the lender's discretion. Any amount in default will be subject to interest at 18% annually. Advances are available to the Company until March 31, 2022.

An administrative fee of 500,000 common shares valued at \$125,000 was paid to the lenders. Of this amount \$31,250 was paid to a director of the Company. The shares were issued on April 26, 2019.

As at December 31, 2019 the Company has borrowed \$Nil on the lines of credit.

Intellectual Property and Intangible Assets

The company has no costs associated with the maintenance of patents or intellectual property under the ForwoRx Agreement. ForwoRx has not made the necessary maintenance payments to the United States Patent and Trademark Office, therefore the United States patent covering the technology in PTL-202 has lapsed.

Interest Expense/(Income) and Bank Charges

The interest expense and bank charges for the year ended December 31, 2019 was \$12,331 and for the year ended December 31, 2018 was \$11,701 for the year ended December 31, 2017 was \$4,778. This increase was due to interest accrued on the loan from an arms length party of \$56,000.

Profits

At this time, the Issuer is not anticipating profit from operations. The Issuer will report an annual deficit and quarterly deficit and will rely on its ability to obtain equity/or debt financing and maintenance fees from the ForwoRx Agreement to fund on-going operations. For information concerning the business of the Issuer, please see “*Business Overview and Strategy*”.

Stock Based Compensation

For the year ended December 31, 2019 stock-based compensation was \$26,134 and for the year ended December 31, 2018 stock-based compensation was \$60,152, for the year ended December 31, 2017 stock-based compensation was \$27,817. The decrease in stock- based compensation from the year ended 2019 compared to the year ended 2018 was due to the issuance of only 120,000 options to purchase common shares to directors and consultants of the Company in 2019 vs 320,000 in 2018. The options were assigned a value of \$26,134 using the Black-Scholes pricing model.

The increase in stock- based compensation from the year ended 2018 compared to the year ended 2017 was due to the issuance of 320,000 options to purchase common shares to directors and consultants of the Company. The options have an exercise price of \$0.25 per share and are exercisable for a period of five years from the date of grant with immediate vesting. The options were assigned a value of \$60,152 using the Black-Scholes pricing model.

Selected Quarterly Information

	Three Months Ended December 31, 2019	Three Months Ended September 30, 2019	Three Months Ended June 30, 2019	Three Months Ended March 31, 2019	Three Months Ended December 31, 2018	Three Months Ended September 30, 2018	Three Months Ended June 30, 2018	Three Months Ended March 31, 2018
	\$	\$	\$	\$	\$		\$	\$
Total Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income (Loss)	(152,085)	(119,390)	(103,922)	(183,233)	(138,160)	(106,306)	(164,588)	(83,193)
Income (Loss) per Share basic and diluted	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)	(0.02)	(0.01)
Cash	53	9,414	14,056	6,999	40,250	234,471	383,172	119,806
Total Assets	334,557	482,629	521,099	367,833	364,074	456,384	503,290	147,574
Non-Current Liabilities	112,148	109,476	Nil	Nil	Nil	Nil	56,000	154,059

Liquidity and Capital Resources

At December 31, 2019, the Issuer had cash and cash equivalents of \$53 (December 31, 2018 – \$40,250, December 31, 2017 – \$49,752). At December 31, 2019, the Issuer had a working capital deficit of \$25,553 (December 31, 2018 – \$73,749, December 31, 2017 – 12,833) Working capital is defined as current assets less current liabilities. For the year ended 2019 compared to the year ended 2018 the decrease in the working capital deficiency was due to a decrease in current liabilities as \$112,148 of short-term debt was converted to long term debt. For the year ended 2018 compared to the year ended 2017 the increase in the working capital deficiency was due to an increase in Operating expenses from \$193,953 to \$372,133. For 2017 the improvement in working capital over the year was due to the Issuer's cash flows from financing activities during the period ended December 31, 2017 consisting of issuance of common shares of \$218,510, assumption of loans payable \$2,039 and advances from related parties \$12,902 for a total of \$233,451 resulting in an increase of cash of \$49,664.

Cash utilized in operating activities during the period ended December 31, 2019 was \$219,539 (December 31, 2018 – \$407,941, December 31, 2017, \$181,845, December 31, 2016 - \$435,702. The decrease in cash utilization in 2019 was mainly due to an increase in accounts payable. The increase in cash utilization in 2018 was mainly due to an increase in administrative expenses.

At December 31, 2019 share capital was \$1,608,675 comprising of 12,779,34 issued and outstanding Common Shares (December 31, 2019 - \$1,184,675 – 11,083,340 common shares, December 31, 2017 – \$442,041 – 7,854,624 common shares).

Warrant and Option Reserves at December 31, 2019 was \$180,250 (December 31, 2018 - \$154,116, December 31, 2107 - \$54,918). The increase in option reserves in 2019 was due to an increase in options to consultants and directors of 120,000 options to purchase common shares. The increase in option reserves in 2018 was due to an increase in options to consultants and directors of 320,000 options to purchase common shares.

As a result of the expenses for the year ended December 31, 2019 of \$474,739 and the loss on the termination of the land lease of \$9,500 and loss on write off of licensing cost of \$74,390 deficit at December 31, 2019 increased to \$1,702,278 from \$1,143,649 for the period ended December 31, 2018.

As a result of the expenses for the period ended December 31, 2018 of \$433,353 and the assumption of debt of \$4,179 and loss on conversion of long-term debt of \$17,268 and loss on repayment of long-term debt of \$4,063, the write-off of deposit of \$25,000 and write-off of expenses advances of \$200 the deficit at December 31, 2018 increased to \$1,143,649 from \$659,586 for the period ended December 31, 2017.

At present, the Issuer's operations do not generate cash inflows and its financial success after December 31, 2019 is dependent on the asset purchase agreement with ForwoRx Therapeutics Inc. The research and development process can take many years and is subject to factors that are beyond the Issuer's control.

In order to finance the Issuer's future development, administrative and overhead expenses in the coming years the Issuer may raise money through equity sales. Many factors influence the Issuer's ability to raise funds, including the Issuer's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of research activities at ForwoRx Therapeutics Inc. and progress in the development of the Issuers cannabis cultivation operations. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control. Should those risks fully materialize, it may not be able to raise adequate funds to continue its operations.

Off Balance Sheet Arrangements

There are currently no off-balance sheet arrangements which could have an effect on current or future results or operations or the financial condition of the Company.

Transactions with Related Parties

Transactions with related parties and key management compensation are as follows:

	December 31, 2019	December 31, 2018
Accounting fees to a Company controlled by a director	\$ 21,125	\$ 17,000
Consulting fees to a Company controlled by a director	10,000	8,000
Consulting fees to a director	2,000	-
Consulting fees to a Company controlled by a former director	40,000	73,674
Management fees to the CEO and director	72,000	94,850
Wages to the CEO and director	22,500	18,750
Finance fee to a director (Note 14)	31,250	-
Share-based compensation	14,914	56,393
Research and development fees to a director (Note 7)	10,000	-
	\$ 223,789	\$ 268,667

Fourth Quarter

The table below sets out the unaudited quarterly results for the fourth quarter ending December 31, 2018, December 31, 2017, and December 31, 2016.

Unaudited	Three Months Ended December 31, 2019	Three Months Ended December 31, 2018	Three Months Ended December 31, 2017
		\$	\$
Total Revenues	Nil	Nil	Nil
Net Income (Loss)	(152,085)	(138,160)	(85,462)
Income (Loss) per Share basic and diluted	\$(0.01)	\$(0.01)	\$(0.01)
Cash	53	40,250	49,752
Total Assets	334,557	364,074	54,414
Current Liabilities	123,190	167,932	65,838

The net loss in the fourth quarter of \$152,085 in 2019 increased compared to the net loss in the fourth quarter of \$138,160 in 2018. The increase was mainly due to a write-down of capitalized license costs on termination of the Enoch Cree Nation Lands lease. The net loss in the fourth quarter of \$138,160 in 2018 increased compared to the net loss in the fourth quarter of \$85,462 in 2017. The increase was mainly due to share-based compensation issued in October of 2018. The Issuer does not anticipate earning any revenue in the foreseeable future. Net loss, quarter over quarter is influenced by a number of factors including the scope and stage of project development. Consequently, expenses may vary from quarter to quarter. General and administrative expenses are dependent on the infrastructure required to support the business development activities of the Issuer. A decrease in general and administrative costs is anticipated over the short term, as the Issuer's business development costs are expected to decrease. During the fourth quarter the Issuer issued Nil common shares for total proceeds of \$Nil (Q4, 2018 - \$Nil, Q4 2017 - \$Nil).

During the fourth quarter there were no dispositions of business segments, in addition the Issuer's business is not influenced by seasonal fluctuations as the business is developing.

Other MD&A Requirements

Additional Information relating to the Issuer may be found in the Issuer's audited financial statements for the fiscal year ended December 31, 2019, fiscal year ended December 31, 2018, the fiscal year ended December 31, 2017.

Additional Disclosure for Venture Issuers Without Significant Revenue

The following table sets forth material cost for the Issuer, which has been derived from the Issuer's financial statements for the year ended December 31, 2019 for the year ended December 31, 2018, for the year ended December 31, 2017. This summary should be read in conjunction with the Issuer's audited financial statements for the years ended December 31, 2019, December 31, 2018 and December 31, 2017:

Material Costs	Year Ended December 31 2019	Year Ended December 31 2018	Year ended December 31, 2017
Consulting fees	147,238	\$151,174	\$58,050
Legal fees	100	16,953	29,014
Management fees	72,000	94,850	47,250
Share-based compensation	26,134	60,152	27,817
Total Expenses	474,739	433,353	(222,304)
financing fee	125,000	Nil	Nil
Net loss and comprehensive loss for the year	(558,629)	(484,063)	\$(217,483)

Subsequent Events

There are no subsequent events to the date of this Management Discussion and Analysis, other than:

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an

economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID- 19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

Subject to regulatory approval, the Company has amended the terms of its 1,614,358 warrants by extending by 3 years the expiry date to April 12, 2023 and the exercise price from \$0.35 per share to \$0.10 per share.

The Company has agreed to convert a debt of \$10,000 for 40,000 shares at \$0.25 per share.

Proposed Transactions

As at the date of this Management Discussion and Analysis there are no transactions currently contemplated by the Issuer.

Financial Instruments and Other Instruments

The Issuer's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities and amounts due to shareholders. Unless otherwise noted, it is management's opinion that the Issuer is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair value of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities approximates their carrying value due to their short-term maturity or capacity for prompt liquidation.

Disclosure of Outstanding Share Data

As at December 31, 2019, the Issuer had an unlimited number of authorized common shares with 12,779,340 common shares issued and outstanding (December 31, 2018 – 11,803,304 December 31, 2017 – 7,854,887).

As at December 31, 2019 the issuer had 995,000 options outstanding (December 31, 2019 – 1,005,000, December 31, 2017 – 685,000).

As at December 31, 2019 the Company had 1,976,691 warrants outstanding. As at December 31, 2018 the Company had 1,976,691 warrants outstanding. December 31, 2017 and December 31, 2016 the Issuer had 362,333 warrants outstanding.

The following table shows the details for the outstanding warrants and options:

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Warrants 1 whole warrant exercisable at \$3.00 up until October 8, 2019	72,000	72,000
Warrants 1 whole warrant exercisable at \$3.00 up until October 18, 2019	66,000	66,000
Warrants 1 whole warrant exercisable at \$3.00 up until November 5, 2019	224,333	224,333
Warrants 1 whole warrant exercisable at \$0.35 up until April 12, 2020	1,614,358	1,614,358
Options expiring October 31, 2021 with an exercise price of \$0.10	100,000	100,000
Options expiring January 18, 2022 with an exercise price of \$0.10	25,000	25,000
Options expiring July 10, 2022 with an exercise price of \$0.10	280,000	280,000
Options expiring September 21, 2022 with an exercise price of \$0.10	170,000	170,000
Options expiring October 18, 2023 with an exercise price of \$0.25	300,000	300,000
Options expiring August 23, 2024 with an exercise price of \$0.25	20,000	20,000
Options expiring September 16, 2024 with an exercise price of \$0.25	100,000	100,000