THE YIELD GROWTH CORP.

Management's Discussion & Analysis

For the Three and Six Ended May 31, 2019 and 2018

This Management's Discussion and Analysis ("MD&A") relates to the consolidated financial position and financial performance of The Yield Growth Corp. (formerly Cannapay Financial Inc.) ("Yield Growth"), our 100% owned subsidiary Urban Juve Provisions Inc. (formerly Juve Wellness Inc.) ("Urban Juve"), our 100% owned subsidiary Wright & Well Essentials Inc. (formerly UJ Topicals Inc.) ("Wright & Well"), our 100% owned subsidiary UJ Beverages Inc. ("UJ Beverages"), our 100% owned subsidiary Yield Botanicals Inc. (formerly UJ Edibles Inc.) ("Yield Botanicals"), its 100% owned subsidiary Thrive Activations Inc. (formerly Super Dope Solutions Inc.) ("Thrive"), our 100% owned subsidiary W&W Manufacturing Inc. (formerly Mad Wallaby Distribution Inc.) ("W&W Manufacturing"), and our 100% owned subsidiary UJ Asia Limited ("UJ Asia") for the periods ended May 31, 2019 and 2018. Collectively, Yield Growth, Urban Juve, Wright & Well, UJ Beverages, Yield Botanicals, Thrive, W&W Manufacturing and UJ Asia are referred to as the "Company". All references to "us" "we" and "our" refer to the Company. All intercompany balances and transactions have been eliminated.

Except where otherwise indicated, the financial information contained in this MD&A was prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and six months ended May 31, 2019 and 2018, and the audited annual consolidated financial statements for the years ended November 30, 2018 and 2017 (collectively referred to as the "Financial Statements").

Financial information contained in this MD&A has been prepared on the basis that we will continue as a going concern, which assumes that we will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon our ability to continue as a going concern.

We incurred a net loss of $7,935,952, has used $6,242,634 of cash for operating activities during the six months ended May 31, 2019 and has incurred an accumulated deficit of $18,874,138 as at May 31, 2019. Our continued operations are dependent on future profitable operations, management's ability to manage costs and the future availability of equity or debt financing. Whether and when we can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due is uncertain. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption be inappropriate. These adjustments could be material.

Except where otherwise indicated, all financial information is expressed in Canadian dollars.

CORPORATE OVERVIEW

We develop, manufacture, license and distribute cannabis and hemp infused luxury products and we have a catalogue of over 200 beverages, edibles, wellness and beauty products at various stages of commercialization. Our management team, directors and advisors bring into the cannabis industry experience from roles in international multi-billion-dollar brands including M.A.C. Cosmetics, Johnson & Johnson, Procter & Gamble, Artizia, Skechers, Best Buy, Pepsi and Coca-cola. We have multiple revenue streams including licensing, services and product sales.

Our flagship consumer brand, Urban Juve serves mainstream luxury consumers who seek sophisticated wellness products. We have proprietary, patent-pending hemp root oil extraction technology and formulas. We sell our products internationally through a custom-built e-commerce platform and we use integrated strategies to market our products which include social media, influencers, SEO driven content creation, a podcast, programmatic digital advertising, QR codes and pop-up shops and events. Over 130 retail locations in North America have agreed to carry our products and our products are currently available in over 90 retail locations.

The Yield Growth Corp.
CSE: BOSS

UJ Asia	Urban Juve	Wright & Well	UJ Beverages	Yield Botanicals	Thrive Activations	W & W Manufacturing
100%	100%	100%	100%	100%	100%	100%

Urban Juve™ owns skincare products with proprietary formulations containing cannabis sativa hemp seed oil and cannabis sativa hemp root extract and high-quality essential oils, available across Canada, the US and other international regions.

Wright & Well™ owns THC and CBD infused topicals brand Wright & Well™ and has an agreement to sell through a distribution network of 400 cannabis retail stores throughout the State of Oregon through Nova Paths LLC, an Oregon Liquor Control Commission approved and licensed manufacturer and distributor of cannabis products in Oregon.

UJ Beverages owns a line of wellness beverage formulas and teas designed to be infused with Cannabidiol ("CBD") and THC, and one capsule product.

Yield Botanicals is a vehicle for acquiring farming and botanical assets and developing extraction technology and facilities to provide our key ingredients supply.

Thrive is structured to provide executive and technology development services to businesses and our licensee partners.

W&W Manufacturing (California) was established in California, USA, to manage our distribution in the California and launch several lines of CBD infused topical products in USA.

UJ Asia was established in Hong Kong, China, to explore retail and distribution opportunities in the Asian markets. Currently the subsidiary remains inactive.

UPDATE ON PRODUCTS AND SERVICES

Currently we own 100% of the following brands:

Urban Juve™

This is our flagship brand, a unisex skin and personal care line with hemp root oil as its unique ingredient. We currently have 11 products on the market, being sold internationally through e-commerce and retail channels. Over 130 retail stores in Canada have agreed to carry the line and our products are currently available in 90 retails locations. Urban Juve has been well received by the press since its launch in January, with positive write ups in Elle Canada Magazine, Zoomer and The Growth Op. Our product will appear in this year's September, October and November issues of British Vogue. Our Anti-aging Serum was included as a gift into this year's pre-Oscar event bags.

In addition to acquiring wellness formulas for body care, facial care and therapeutic products, we have also developed products through our in-house research and development team

As the Company's flagship, Urban Juve is a bold brand rooted in the synthesis of ancient knowledge and modern technology to create exceptional beauty and wellness solutions. It only uses pure, safe and natural ingredients, including our exclusively derived Hemp Root Oil, as well as Hemp Seed Oil and over 40 essential oils and botanical extracts.

In April 2019, the Company announced Urban Juve hemp beauty products were available for sale through China's most popular messaging app, WeChat, and to launch a marketing campaign with a pop-up kiosk to rotate through luxury shopping malls and other major locations in Hong Kong for three months. Initial results from the pop-up kiosks were not satisfactory and the Company has put the pop-up kiosks on hold. However, the Company's products are still available to the Chinese consumers through WeChat listing.

Wright & Well™

Wright & Well is a cannabis wellness brand of which we own 100% that will be launching in Oregon, United States in the second half of 2019 through a licensing agreement with a licensed Cannabis manufacturer. The products are primarily intended to help relieve pain. The initial nine products include THC and CBD oils, analgesic topical gel with tetrahydrocannabinol ("THC") and CBD, pain balm with THC and CBD, massage oil with THC and CBD, and three types of capsules containing THC and Ayurvedic herbal formulations, blended with ingredients that have historically been used to treat arthritis and chronic pain.

Wright & Well branded products will be launching in the legal cannabis market in Oregon and will serve the growing number of wellness-minded people seeking new ways to take control of their health. Sophisticated, familiar and intelligent, the new brand aims to demystify the world of cannabis and make it more accessible for a wider audience.

We intend to license our brand and provide our formulas and packaging, as well as point of sales materials, to licensed cannabis manufacturers, distributors and retailers in various jurisdictions. We currently are in discussions with cannabis licensed manufacturers in California, the United States of America, Canada and other countries. Our plan is to roll out our brand one territory at a time.

W & W Manufacturing

We are developing a line of products for CBD infusion with the primary target market being the United States. With the adoption of the Farm Bill into law in late 2018, topical products containing cannabidiol are now federally legal in the United States, subject to state law and compliance with the FDA. We have engaged New York marketing agency The Design Spot to create a brand identity and initial packaging design for this CBD product line. The Design Spot is a design and branding company located in the heart of New York City with a team of award-winning designers and with a portfolio that includes L'Oreal, Estée Lauder Companies (Origins) and Dove. W&W Manufacturing has been set up as a California corporation and our intention is to use it to distribute our brands in the US.

The Company intends to launch its CBD infused products in the US market in the fourth quarter of 2019. The initial launch will have 8 products including 2 CBD tinctures, analgesic pain gel, pain balm, massage oil, body exfoliant, face serum, and hydrating face oil.

UJ Beverages

We have developed a line of 8 fruit beverages and 10 teas. The fruit beverage formulations were developed in India and are based on Ayurvedic medicine using botanicals, fruit extracts and natural botanical extracts, including hemp extracts. The main beverages are good on their own and can also be infused with cannabinoids such as CBD and THC. The formulas have been developed to offer various health benefits, including an energy boost, hangover treatment, brain function boost, anxiety reduction, improved immunity, toxin removal and reduced inflammation.

We have completed the taste profiling on the 8 fruit beverages and we are now in negotiations with several beverage manufacturers to complete stability testing and manufacture the drinks.

LICENSING ACTIVITIES

We currently have a catalogue of more than 200 proprietary formulas that we have acquired or developed in house through our product development team. We now have formulas for edibles, beverages, skin care and other beauty products, personal care products and therapeutic products, which are at various stages of commercialization and all of which include a part of the cannabis plant as an ingredient or are designed to be infused with cannabinoids.

Most of our formulas have been created based on the Ayurvedic system of medicine. We never use artificial ingredients and we never test our products on animals. We are dedicated to creating formulas for products that can be incorporated into daily rituals for health and beauty. In addition to launching products through our own in-house brands, we are developing relationships to license our formulas to third parties who can launch other brands using our formulas. To date we have been successful in generating substantial revenues from licensing.

On June 11, 2018, we entered into a license and distribution agreement with CROP Infrastructure Corp. ("CROP"), whereby we granted an exclusive right to sell our proprietary Urban Juve wellness products in Italy, and a license to use certain related trademarks and other intellectual property owned by us, for a term of three years. In consideration for the license and distribution rights, CROP paid an initial fee of $1,000,000 in 2,500,000 equity units, with each unit consisting of one common share of CROP and one-half of one share purchase warrant. Each share purchase warrant is exercisable into one common share of CROP at an exercise price of $0.55 per share for a period of eighteen months. The proceeds of $1,000,000 received from the transaction is being recognized as revenue over the three-year term of the agreement.

On May 28, 2019, we entered into a license agreement with Antler Retail Holdings Inc. ("Antler Holdings"), whereby the Company granted a perpetual non-exclusive license for 56 product formulas for THC and CBD infusion to Antler Holdings for sale in the United States. Pursuant to the license agreement, we received 5,000,000 common shares of Antler Retail Inc. ("Antler Retail"), the parent company of Antler Holdings, with a fair value of $1,000,000. We have a right of first refusal to act as distributor, to supply CBD and to act as the manufacturer on all CBD products developed by Antler Holdings using the licensed formulas.

OVERALL PERFORMANCE

We grew our total assets by 131% to $6.0 million from November 30, 2018 to May 31, 2019. This included an increase in marketable securities as proceeds from licensing and consulting revenues, additions of intangible assets in product formulas and technology, and certain working capital assets including prepayments and inventory to be deployed in the operations of our growing business.

Revenues were from services offered through Thrive, licensing of our formulas and brands and Urban Juve product sales. We realized revenue of $1,176,629 and $1,977,128 for the three and six months ended May 31, 2019 as compared to $190,116 and $1,998,929 for the same periods of the prior year. Our revenues in Q2 2019 increased by 47% from Q1 2019 and increased by 519% over the same period from the previous year.

Consulting revenue was $71,133 and $780,372 for the three and six months ended May 31, 2019 as compared to $190,116 and $198,929 respectively for the same periods of the prior year. Fluctuation in the consulting revenue was caused by timing of projects. An app development service provided to a client was highly contracted in the first fiscal quarter of 2019 and the development was significantly completed in the second fiscal quarter. We expect to continue to generate revenues for the app development in Q3 and Q4 of Fiscal 2019.

Licensing revenues are primarily driven by licensing contracts which do not have a pattern in timing. We expect to continue to generate licensing revenues for years to come but the timing of the licensing revenue is mainly determined by timing of such contracts. During the three months ended May 31, 2019, the Company signed and delivered a licensing agreement with Antler Retail which generated revenue of $1,000,000 for the three months ended May 31, 2019. Licensing revenue of $1,800,000 for the six months ended May 31, 2018 was related a licensing agreement with a third party to grant them manufacturing and distribution rights for certain formulas of Urban Juve.

Licensing and product sales revenue also included sales of products on the Company's ecommerce website and through retail locations in Canada. As we continue to develop our Urban Juve product distribution internationally, we anticipate to fulfill the following orders in the next six months:

- Initial order for Urban Juve products for distribution in Greece and Cypress of approximately $50,000 once our products are registered for sale in the European Union

- We have received one order from a U.S. company for approximately $150k worth of product which we expect to fulfill in Q4 2019

- We are in the process of creating secondary packaging to meet Quebec additional French language requirements we can deliver products to several Canadian retail chains we are working with

- we are in negotiations to sign distribution agreements for territories in South America, Asia and Europe, which, if signed, could result in significant orders over the next six months

We incurred a net loss of $4,146,172 and $7,935,952, respectively, for the three and six months ended May 31, 2019 as compared to $2,813,669 and $3,452,017 for the same periods of the prior year. The increase in loss was primarily driven by fees related to the Company's IPO, the launch of its Urban Juve products and related marketing and advertising expenses, development of the products, marketing and launch for the Wright & Well brand.

We spent a large part of our expenses on advertising, marketing and media, and marketing and packaging design for our in-house brands with over 200 products in development, new websites, new formula acquisition, stability testing and product registration. We also invested in trademark and patent registrations.

ADJUSTED EBITDA

Adjusted EBITDA, a measure used by management to indicate operating performance, is defined as earnings before interest, taxes, depreciation and amortization, excluding certain non-operating amounts as shown below. Adjusted EBITDA is not a recognized term under IFRS and is not intended to be an alternative either to gross profit or income before taxes as a measure of operating performance or to cash flows from operating activities as a measure of liquidity.

Additionally, Adjusted EBITDA is not intended to be a measure of free cash flow available for discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. The Company uses Adjusted EBITDA to supplement IFRS results to provide a more complete understanding of the factors and trends affecting the business than IFRS results alone. Because not all companies use identical calculations, the presentation of Adjusted EBITDA may not be comparable to other similarly titled measurements used by other companies. Readers should not consider Adjusted EBITDA in isolation or as a substitute for profit (loss) for the period as determined by IFRS, or as a substitute for an analysis of our Financial Statements.

Reconciliation of Adjusted EBITDA for the three-month and six-month periods ended May 31,

	Three months ended May 31,		Six months ended May 31,	
	2019	2018	2019	2018
Net loss for the period	$ (4,146,172)	$ (2,813,669)	$ (7,935,952)	$ (3,452,017)
Add:				
Depreciation & Amortization	14,165	5,506	23,322	7,202
Interest	-	-	-	-
Taxes	-	-	-	-
Adjustments:				
Share-based compensation	1,455,649	1,209,796	1,864,576	2,525,944
Impairment on loan receivable	-	15,000	-	15,000
Loss from investment in associate	-	332,870	-	389,095
Loss on settlement of accounts payable	272,817	-	338,025	-
Loss (gain) on sale of marketable securities	-	-	238,985	(71,412)
Unrealized loss on marketable securities	135,636	-	180,660	-
Adjusted EBITDA	$ (2,267,905)	$ (1,250,497)	$ (5,290,384)	$ (586,188)

As aforementioned, the Company incurred expenses in IPO activities, the launch of its Urban Juve product line, and advertising, marketing and media spend related to the launch during the six months ended May 31, 2019. The negative EBITDA was primarily driven by these expenses.

DISCUSSION ON OPERATIONS

Revenues

Revenues were from services offered through Thrive, licensing of our formulas and brands, Urban Juve and skin care product sales.

We realized revenue of $1,176,629 and $1,977,128 for the three and six months ended May 31, 2019 as compared to $190,116 and $1,998,929 for the same periods of the prior year. Our revenues in Q2 2019 increased by 47% from Q1 2019 and increased by 519% over the same period from the previous year.

Consulting revenue was $71,133 and $780,372 for the three and six months ended May 31, 2019 as compared to $190,116 and $198,929 respectively for the same periods of the prior year. Fluctuation in the consulting revenue was caused by timing of projects. An app development service provided to a related party client was highly contracted in the first fiscal quarter of 2019 and the development was significantly completed in the second fiscal quarter. We expect to continue to generate revenues for the app development in Q3 and Q4 of Fiscal 2019.

Licensing and product sales revenue also included sales of products on the Company's ecommerce website and through retail locations in Canada.

Licensing revenues are primarily driven by licensing contracts which do not have a pattern in timing. We expect to continue to generate licensing revenues for years to come but the timing of the licensing revenue is mainly determined by timing of such contracts. During the three months ended May 31, 2019, the Company signed and delivered a licensing agreement with Antler Retail Inc. which generated revenue of $1,000,000 for the three months ended May 31, 2019. Licensing revenue of $1,800,000 for the six months ended May 31, 2018 was related a licensing agreement with a third party to grant them manufacturing and distribution rights of our products and formulas.

Advertising, Marketing and Media

Advertising, marketing and media expenses are related to our activities in promoting our corporate brand name, our wellness line of products, Urban Juve, and our ecommerce website. For the three and six months ended May 31, 2019, the Company incurred $1,710,653 and $3,565,271 in advertising, marketing and media expenses as compared to $226,169 and $377,365 for the same periods of the prior year. The increased spending was targeted at promoting our corporate identity after our IPO, the launch of our wellness product line of Urban Juve and driving traffic to our new ecommerce website Urbanjuve.com, which launched in May 2019. These expenses included market studies, brand design, labelling artwork, primary packaging design, social media launch and maintenance, and creatives and contents of the website.

Breakdown of advertising, marketing and media is as follows:

	Three months ended May 31,		Six months ended May 31,	
	2019	2018	2019	2018
Promotions & Events	$ 149,960	$2,917	$ 170,567	$12,476
Marketing Expenses	204,839	201,926	250,515	329,808
Marketing Materials	34,260	-	49,730	-
Public Relations	18,752	-	49,439	-
Media	1,276,275	-	2,950,140	-
Meals & Entertainment	20,467	20,120	40,598	32,875
Product Samples	6,100	1,206	54,282	2,206
Total advertising, marketing and media	1,710,653	226,169	3,565,271	377,365

Consulting Fees

We are an emerging business which engages consultants regularly to obtain expertise in various business areas including but not limited to marketing, technology, finance and accounting. For the three and six months ended May 31, 2019, we incurred consulting expenses of $273,468 and $752,530 as compared to $108,843 and $570,982 for the same periods of the prior year. Consulting fees increased due to IPO activities, Urban Juve product launch efforts, and the development of new product lines.

Consulting services provided consisted primarily of corporate finance, CFO services, director services, and regulatory advisory services.

Depreciation & Amortization

Depreciation and amortization is related to computer equipment, furniture, telephone equipment and website development costs. For the three and six months ended May 31, 2019, we incurred depreciation and amortization expenses of $14,165 and $23,322 as compared to $5,506 and $7,202 for the same periods of the prior year. The increase in depreciation expenses was driven by expanded office and staffing, and the development of an e-commerce website.

Distribution Fees

Distribution fees were related to distribution rights to various plant-based product formulations from a third party for the Canadian market in December 30, 2017. We paid distribution fees of $30,000 as progressive payment stated in the contract during the period ended February 28, 2019 as compared to $50,000 for the same period of the prior year. Distribution fees required under this contract was concluded as at the period ended February 28, 2019.

Information Systems

We incurred expenses on Information Systems, primarily to establish its ERP system and its ecommerce website and related backend transaction processing and support systems, as well as supporting its consulting services provided to third parties. During the three and six months ended May 31, 2019, we incurred expenses in information systems of $252,675 and $465,950 as compared to $194,512 and $202,846 for the same periods of the prior year. The increase in information systems expenses was primarily related to the continued integration of our ERP system, the development and maintenance of the Company’s custom-built e-commerce website.

Investor Relations

Investor relations expenses were incurred to enhance the Company's investor relations program, and included IR consulting services and fees paid for news releases. For the three and six months ended May 31, 2019, the Company incurred $102,256 and $160,353 as compared to $Nil and $Nil for the same periods of the prior year. Investor relations expenses increased to support ongoing efforts to expand visibility within the North American and European investment community after the Company was listed on the Canadian Securities Exchange, the OTCQB Venture Market in the United States and The Frankfurt Stock exchange in Germany during the six months ended May 31, 2019. Such activities did not exist for the same period of the prior year.

Licensing Fees

For the three and six months ended May 31, 2019, we incurred licensing fees of $Nil and $Nil as compared to $228,747 and $452,500 for the same period of the prior year. Licensing fees for the prior year was related to a mobile payment technology license which was fully amortized at the quarter ended February 28, 2019.

Office and Administrative Expenses

For the three and six months ended May 31, 2019, we incurred office expenses of $248,280 and $444,413 as compared to $137,320 and $211,769 for the same periods of the prior year. The increase in office expenses was driven by expanded staffing and increased activities to support our initial public offering and the launch of Urban Juve products. Insurance expenses increased significantly due to the addition of a Directors and Officers Liability insurance coverage.

Breakdown of office and administrative expenses is as follows:

	Three months ended May 31,		Six months ended May 31,	
	2019	2018	2019	2018
Insurance	$ 71,973	$ 4,898	$ 129,134	$ 6,963
Travel	61,490	44,618	114,504	93,498
Rent	27,900	27,900	47,196	32,400
Office expenses	18,625	28,424	41,330	39,192
Telephone	14,075	10,480	22,553	11,239
Other expenses	54,217	21,000	89,696	28,477
Total office and administrative	$ 248,280	$ 137,320	$ 444,413	$ 211,769

Professional Fees

Professional fees are primarily related to legal, accounting, recruiting and audit services. For the three and six months ended May 31, 2019, we incurred professional fees of $182,342 and $302,230 as compared to $266,647 and $328,615 for the same periods of the prior year. The decrease in professional fees was primarily due to the decrease in recruiting fees compared to the prior year, as the company was expanding its team in the prior year.

Product Development, Research and Registration

Product development, research and registration expenses are related to product testing, research and regulatory registrations. For the three and six months ended May 31, 2019, we incurred product testing costs of $161,875 and $251,866 as compared to $52,993 and $65,693 for the same period of the prior year. The increase in product development, research and registration was driven by our product launch and development of new products including skincare products, wellness products, wellness products edibles.

Share-based Compensation

Share-based compensation is related to stock options granted to directors, officers, employees and consultants of the Company. For the three and six months ended May 31, 2019, the Company incurred share-based compensation expense of $1,455,649 and $1,864,576 as compared to $1,209,796 and $2,525,944 for the same periods of the prior year. The overall decrease in share-based compensation expenses was driven by the vesting schedule of underlying stock options as certain options granted at the beginning of the Company's active business in 2017 and 2018 were fully vested during this period of the prior year.

Wages

We primarily utilized consulting arrangements with its personnel in conducting business and incurred limited wage costs. Wages expenses for the three and six months ended May 31, 2019 was $414,787 and $724,030 as compared to $225,382 and $325,347 for the same periods of the prior year. As we increase our activities in the licensing business and Urban Juve wellness products sales and distribution, wages and salary expense is expected to increase significantly.

Listing fees

We incurred listing fees of $26,352 for the three months ended May 31, 2019 as security listing costs to maintain our ongoing listing status and $165,152 for the six months ended May 31, 2019 which included one-time listing expense during our initial public offering in December 2018. We did not incur such expenses for the same period of the prior year.

(Loss) gain on sale of marketable securities

The Company disposed of its holding of Crop shares during the six months ended May 31, 2019, and incurred a loss of $238,985 as compared to gain of $71,412 for the same period of the prior year. On November 2, 2018, we exercised 1,250,000 warrants pursuant to a warrant incentive program undertaken by CROP and received an additional 1,250,000 warrants, which are exercisable at $0.50 per share until November 2, 2020.

Loss from investment in associate

On October 30, 2018, we entered into a Termination and Release Agreement with Loop Insights Inc. ("Loop") Insights Inc. ("Loop"), whereby its investment was reduced from 11,900,000 common shares to 1,500,000 common shares of Loop. As a result of the reduced share ownership, the investment in Loop was no longer considered an associate and was reclassified to marketable securities. During the six months ended May 31, 2019, we did not have any investments in associates and did not have any gain or loss from such investments. We incurred a loss from investment in associate of $332,870 and $389,095 for the same periods of the prior year for our investment in Loop.

Loss from settlement of accounts payable

We settled certain accounts payable with shares and units during the three and six months ended May 31, 2019 and incurred a loss of $272,817 and $338,025 respectively. However, we consider it beneficial to settle debts with shares as it reserves cash resources to develop our business. We did not incur such expenses for the same period of the prior year.

Net Loss

We incurred a net loss of $4,146,172 and $7,935,952 for the three and six months ended May 31, 2019 as compared to $2,813,669 and $3,452,017 for the same period of the prior year. The increase in loss was primarily driven by an increase in costs related to advertising and promotions of our corporate profile and the Urban Juve brand. We also incurred increased consulting fees and cost of information technologies related to the launch our Urban Juve product line and e-commerce website.

Realized Gain (Loss) on Marketable Securities

During the six months ended May 31, 2019, the Company disposed of some of its holding of CROP shares from its licensing agreement, which resulted in a reclassification of a realized loss of $222,483 from accumulated other comprehensive income. We did not incur such reclassification for the same period of the prior year.

Unrealized Gain (loss) on Marketable Securities

During the six months ended May 31, 2019, the fair value of our investment in shares of Active Pay Distribution Inc. increased, resulting in an unrealized gain of $75,000 as compared to an unrealized loss of $589,030 for the same period of the prior year which was derived from the Company's holding of in Glance Technologies Inc. in Glance Technologies Inc.

Comprehensive Loss

For the three and six months ended May 31, 2019, the Company had a comprehensive loss of $4,146,388 and $7,638,685 as compared to $2,813,669 and $4,041,047 for the same periods of the prior year.

Dividends

No dividends were declared or paid for the years ended November 30, 2018 and 2017.

SUMMARY OF QUARTERLY RESULTS

Since inception we have generated revenues of $5,033,000. Our revenue in Q2 2019 increased by 47% from Q1 2019 and increased by 519% over the same period from the previous year.

	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Revenue	$ 1,176,629	$ 800,714	$ 639,863	$ 416,650
Net loss	$ 4,146,172	$ 3,789,780	$ 2,518,900	$ 3,737,120
Basic loss per share	$ 0.05	$ 0.04	$ 0.03	$ 0.05
Diluted loss per share	$ 0.05	$ 0.04	$ 0.03	$ 0.05

	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Revenue	$ 190,116	$ 1,808,813	$ -	$ -
Net loss	$2,813,669	$ 638,347	$ 703,787	$ 398,365
Basic loss per share	$ 0.04	$ 0.02	$ 0.03	$ 0.02
Diluted loss per share	$ 0.04	$ 0.02	$ 0.03	$ 0.02

LIQUIDITY

	May 31, 2019	November 30, 2018
Current ratio(1)	4.09	3.31
Cash	$ 1,132,393	$ 36,211
Working capital (2)	$ 4,157,426	$ 1,789,550
Debt(3)	$ 787	$ 59,554
Equity	$ 4,406,071	$ 1,329,204

(1) Current ratio is current assets divided by current liabilities.
(2) Working capital is current assets minus current liabilities
(3) Debt is defined as short-term loans and amounts due to related parties.

Cash Position

As at May 31, 2019, the Company had $1,132,393 of cash as compared to $36,211 at November 30, 2018. For the six months ended May 31, 2019, cash used in operating activities was $6,242,634, consisting of operating expenditures during the year to support the Company's listing procedures and launch of its Urban Juve wellness product line, and development of other product lines and formulas, and development of other product lines and formulas, as compared to cash used in operating activities of $1,873,958 for the same period of the prior year which was driven by operating expenses and increase in due to related parties. Cash provided by investing activities was $50,798 for the six months ended May 31, 2019, driven by proceeds from the sale of marketable securities and offset by the purchase of equipment and intangible assets and website development costs as compared to cash provided by investing activities of $64,187 for the same period of the prior year driven by the same. Cash provided by financing activities was $7,288,234 for the six months ended May 31, 2019, which was primarily from proceeds received from the issuance of common shares through IPO and exercise of warrants options by investors as compared to $1,026,445 for the same period of the prior year, consisting of proceeds from the issuance of common shares through private placement.

Working Capital

The Company had working capital of $4,157,426 as at May 31, 2019 as compared to a working capital of $1,789,550 as at November 30, 2018. The increase in the working capital was primarily due to an increase in cash from IPO, accounts receivable and inventory, offset by an increase in accounts payable.

CAPITAL RESOURCES AND MANAGEMENT

As at May 31, 2019, the Company had cash of $1.1 million.

The Company is authorized to issue an unlimited number of common shares. As at May 31, 2019, there were 89,863,443 common shares issued and outstanding. The Company also had 29,657,279 share purchase warrants with weighted average exercise price of $1.97 and 13,330,828 stock options with weighted average exercise price of $0.47.

The Company's objective is to maintain a strong capital base to support the development of the business including the commercialization of over 200 formulas for cannabis infused beverages, topicals, edibles and wellness products, including launching products through our own brands of commercialization of over 200 formulas for cannabis infused beverages, topicals, edibles and wellness products, including launching products through our own brands of and Wright & Well,

OFF-BALANCE SHEET ARRANGEMENTS

As at May 31, 2019 and November 30, 2018, the Company had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the three and six months ended May 31, 2019, and 2018, compensation of key management personnel and related parties were as follows:

	Three months ended May 31, 2019	Three months ended May 31, 2018	Six months ended May 31, 2019	Six months ended May 31, 2018
Consulting fees	$ 57,500	$ 213,050	$ 169,000	$ 647,650
Wages	157,600	53,424	263,720	77,424
Rent expense	–	–	-	4,500
Share-based compensation	662,455	409,158	863,498	1,423,980
	$ 877,555	$ 675,632	$ 1,296,218	$ 2,153,554

As at May 31, 2019, the Company was owed $207 (November 30, 2018 – owed $5,424) by the President and CEO of the Company as the remaining balance of an advance for business expenses, which is unsecured, non-interest bearing, and due on demand.

As at May 31, 2019, the Company owed $18,119 (November 30, 2018 - $22,925) to the Chief Financial Officer ("CFO") of the Company and a company controlled by the CFO of the Company, which is included in accounts payable and accrued liabilities, and is unsecured, non-interest bearing, and due on demand.

As at May 31, 2019, the Company owed $4,330 (November 30, 2018 - $580) to KP Capital Inc., a company controlled by a director of the Company, Krystal Pineo, which is unsecured, non-interest bearing, and due on demand.

During the six months ended May 31, 2019, the Company recognized licensing revenue of $1,000,000 (2018 - $nil) from Antler Retail Inc., a company of which the President and CEO of the Company and another director of the Company, Krystal Pineo, are directors and significant shareholders (Note 8). As at May 31, 2019, the Company was owed $12,067 (November 30, 2018 - $nil) from the related company, which is included in accounts receivable, and held a retainer of $6,525 (November 30, 2018 - $6,525) from the related company, which is included in deferred revenue.

During the six months ended May 31, 2019, the Company recognized consulting revenue of $780,372 (2018 - $nil) from HeyBryan Media Inc., a company with common directors and officers and which the President and CEO of the Company is a significant shareholder. As at May 31, 2019, the Company was owed $209,456 (November 30, 2018 - $61,739) from the related company, which is included in accounts receivable, and the Company held a deposit of $10,000 (November 30, 2018 - $10,000) from the related company, which is included in deferred revenue.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the collectability of accounts receivable and loan receivable, the impairment of inventory, the useful life and carrying value of equipment, the carrying value of intangible assets, impairment of marketable securities, fair value of share-based compensation, and measurement of unrecognized deferred income tax assets.

Judgments made by management in the application of IFRS that have a significant effect on the condensed interim consolidated financial statements include the factors that are used in determining the application of the going concern assumption which requires management to consider all the available information about the future, which is at least but not limited to, 12 months from the year end of the reporting period.

Accounting Standards Issued but Not Yet Effective

Certain pronouncements have been issued by the IASB, or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after January 1, 2019, or later years.

New standard IFRS 16, "Leases"

The Company has not early adopted this new standard and does not believe the adoption of this standard will have a material impact on the Company's consolidated financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's condensed interim consolidated financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at May 31, 2019, as follows:

The fair values of other financial instruments, including amounts receivables, accounts payable and accrued liabilities, and amounts due from and to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance May 31, 2019
Cash	$ 1,132,393	–	$ –	$ 1,132,393
Marketable securities	-	2,595,673	–	2,595,673
Total assets	$ 1,132,393	$ 2,595,673	$ –	$ 3,728,066

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada. Amounts receivable is primarily comprised of amounts due from one related party as consulting services fees and GST receivable due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there are sufficient funds to meet short-term and specific obligations.

Price Risk

The Company is exposed to price risk with respect to its marketable securities, which consists of common shares and warrants held in publicly-traded and privately held companies and profitability depend upon the market price or the fair value of the common shares for those companies. The market price or the fair value of the common shares of those companies can fluctuate significantly, and there is no assurance that the future market price or the fair value of those companies will not decrease significantly.

Commitments

The Company has entered into multiple non-cancellable binding purchase orders for operational items that have yet to be fulfilled as of May 31, 2019, as well as various agreements for warehousing, marketing & investor relations, and consulting. The Company's annual contractual commitments for the next five years related to these items are as follows:

	Payments Due by Period				
	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years	Total
Purchase Commitments	$ 240,702	$ -	$ -	$ -	$ 240,702
Warehousing	5,500	14,000	-	-	19,500
Marketing & IR Contracts	442,958	42,800	-	-	485,758
Consulting Agreements	20,000	10,000	-	-	30,000
Rental Lease	66,467	28,486	-	-	94,953
	$ 775,627	$ 95,286	$ -	$ -	$ 870,913

Other Commitments:

On September 2, 2017, the Company's wholly-owned subsidiary, Urban Juve, entered into an Asset Purchase and Distribution Agreement whereby Urban Juve was granted exclusive and international distribution rights to various plant and root-based products developed by a supplier. The term of the agreement is for twenty years and will be automatically renewed for twenty additional years unless terminated by the parties. As consideration for the distribution rights, the Company issued 3,600,000 common shares with a fair value of $180,000, paid an initial payment of $6,000 on the effective date of the agreement, and paid a second payment of $30,000 upon completion of the initial public offering by the Company. Urban Juve will also pay a royalty fee of 10% of the net revenues from the sale of any products under the agreement.

On September 2, 2017, in conjunction with the Asset Purchase and Distribution Agreement, Urban Juve entered into a consulting agreement with the same supplier whereby the supplier would create new products specifically for Urban Juve and provide consulting services on an ongoing basis. The term of the agreement is two years and will be automatically renewed for one additional year unless terminated by the parties. In consideration for the consulting services, Urban Juve will pay consulting fees of $5,000 per month, which will increase to $10,000 per month upon Urban Juve achieving $40,000 in monthly net revenues on the sale of the products.

On October 10, 2017, Urban Juve entered into an agreement to acquire certain ayurvedic and plant-based ingredients recipes along with any formulas, technology or intellectual property related to the recipes. As consideration for the assets, the Company issued 400,000 units with a fair value of $20,000. Also, in conjunction with the agreement, the vendor will provide employment services to Urban Juve as an employee of the Company. The vendor is set to receive cash bonuses of $20,000 and $100,000 upon the products generating $100,000 and $1,000,000 in net revenues, respectively.

On December 30, 2017, Urban Juve, entered into an Asset Purchase and Distribution Agreement whereby Urban Juve would be granted exclusive Canadian distribution rights to various plant and root-based products developed by a supplier. The term of the agreement is for twenty years and will be automatically renewed for twenty additional years unless terminated by the parties. As consideration for the distribution rights, the Company paid $50,000 on the effective date of the agreement. Urban Juve will also pay a royalty fee of 10% of the net revenues (as defined in the agreement) from the sale of any products under the agreement.

On December 19, 2018, the Company, through its wholly-owned subsidiary UJ Topicals Inc., entered into a Product Distribution Agreement and Master Services Agreement with Nova Paths LLC ("Nova Paths") to manufacture and distribute its THC and CBD infused line of topical products through the state of Oregon. Pursuant to the agreements, the Company granted Nova Paths a non-exclusive license to its brand and proprietary product formulations for pain balm, analgesic pain gel, a pain patch, massage oil, capsules, and other products ("UJ Topicals Line"). In addition, the Company appointed Nova Paths as its exclusive distributor for the UJ Topicals Line in Oregon. Under the terms of the agreements, Nova Paths will retain a fee of 25% of the wholesale revenues from sales of UJ Topicals Inc. and pay the balance of wholesale revenue, less certain expenses, to UJ Topicals Inc.

On May 3, 2019, the Company's wholly-owned subsidiary, Urban Juve, entered into a Payment Merchant Agreement for payment services on WeChat Online and Alipay Online. The term of the agreement is three years and will be automatically renewed annually unless terminated by the parties. As consideration, the Company will pay a fee of 2.40% on the total of each purchase transaction by a consumer using WeChat or Alipay.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all material information related to the Company, including its consolidated subsidiaries, is made known to senior management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") on a timely basis so that appropriate decisions can be made regarding public disclosure.

Internal Control over Financial Reporting ("ICOFR")

The Company's management, with the participation of its CEO and CFO, are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the CEO and CFO, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual or interim financial statements.

Limitations on the Effectiveness of Disclosure Controls and the Design of ICOFR

The Company's management, including the CEO and CFO, do not expect that the Company's disclosure controls and procedures and ICFR will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable assurance that the control system objectives will be met. The likelihood of achievement is affected by limitations inherent in all internal control systems. These inherent limitations include the realities that judgments or decision making can be faulty, and that breakdowns occur because of simple errors or mistakes. Controls can also be circumvented in numerous ways including collusion, overrides and deception. In addition to the inherent limitations, the design of a control system must reflect that there are resource constraints, and the expected benefit of controls must be considered relative to the expected costs. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Further, no evaluation of controls can provide absolute assurance that all control issues within a company will be detected.

SUBSEQUENT EVENTS

On June 7, 2019, we entered into debt conversion agreements to settle a total of $32,839 in exchange for 91,219 units. Each unit consisted of one common share and one share purchase warrant which is exercisable at $0.40 per share for a period of 12 months.

On June 21, 2019, we granted 70,000 stock options exercisable at $0.335 per share for a period of 5 years.

On July 9, 2019, we cancelled 3,000,000 warrants with an exercise price of $3 per share.

On July 10, 2019, we entered into debt conversion agreements to settle a total of $19,999 in exchange for 52,628 units. Each unit consisted of one common share and one share purchase warrant which is exercisable at $0.40 per share for a period of 12 months.

On July 10, 2019, we entered into a Distribution Agreement with Melorganics Hellas for distribution of the Company's Urban Juve products in Greece and Cyprus. Pursuant to the Distribution Agreement, Melorganics Hellas will act as the exclusive retail distributor and non-exclusive e-commerce distributor for Urban Juve products in Greece and Cyprus. To maintain exclusivity in the territory, Melorganics must purchase a minimum amount of Urban Juve products of $300,000 in Year 1 and $500,000 in each subsequent year. The initial term of the agreement is three years from the date of first delivery, subject to one-year renewal terms if the distributor meets its minimum purchase requirements.

On July 17, 2019, we granted a total of 620,000 stock options, which are exercisable at $0.38 per share until July 17, 2024. The stock options vest every 3 months over a 3-year period in 12 equal tranches.

Subsequent to the year ended May 31, 2019, we sold a total of 763,500 shares of Loop Insights Inc. for total proceeds of $424,538.