THE YIELD GROWTH CORP.

Management's Discussion & Analysis

For the Three and Nine Months Ended August 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. ("Yield Growth"), our 100% owned subsidiary Urban Juve™ Provisions Inc. ("Urban Juve™"), our 100% owned subsidiary Wright & Well™ Essentials Inc. ("Wright & Well™"), our 100% owned subsidiary UJ Beverages Inc. ("UJ Beverages"), our 100% owned subsidiary Yield Botanicals Inc. ("Yield Botanicals"), our 100% owned subsidiary Thrive Activations Inc. ("Thrive"), and our 100% owned subsidiary W&W Manufacturing Inc. ("W&W Manufacturing") for the periods ended August 31, 2019 and 2018. Collectively, Yield Growth, Urban Juve™, Wright & Well™, UJ Beverages, Yield Botanicals, Thrive, and W&W Manufacturing 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 nine months ended August 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 our assets and satisfy our 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 $9,805,599, and used $9,376,312 of cash for operating activities during the nine months ended August 31, 2019 and has incurred an accumulated deficit of $20,743,785 as at August 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 our expenditures and settle our 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, license and distribute cannabis, hemp and mushroom infused products and we have a catalogue of over 200 beverages, edibles, wellness and beauty products at various stages of development and 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.

The Yield Growth Corp.
CSE: BOSS

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

Urban Juve™

Urban Juve™ is our flagship brand which 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. We currently have 11 products on the market, being sold internationally through e-commerce and retail channels. In addition to acquiring wellness formulas for body care and facial care products, we have also developed products through our in-house research and development team.

Urban Juve™ has been well-received by the press since its launch in December 2018, with positive write-ups in Elle Canada Magazine, Zoomer and The Growth Op. Our products appeared in this year's September, October and November issues of British Vogue. Our Anti-aging Serum was included as a gift in this year's pre-Oscar event bags.

As our 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.

As at the date of the MD&A, all the eleven Urban Juve™ products are for retail sale in Canada, US and have received compliance certificates for the European Union.

Wright & Well™

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. 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. The first 8 Wright & Well™ products are currently in production and are ready to launch in the 4th quarter of 2019.

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 in the US, Canada and other countries. Our plan is to roll out our brand one territory at a time.

UJ Beverages

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

Yield Botanicals

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

Yield Botanicals is positioned to capitalize on the substantial growth in the CBD market with a patent-pending proprietary technology for extracting key chemical compounds from hemp root. The technology shows early promise of significantly increasing the yield of valuable chemical compounds per kilogram of hemp root input during the extraction process, as tested by an independent lab. Yield Botanicals intends to use the same technology as part of the CBD extraction process to increase the yield of CBD per kilogram of industrial hemp input. Yield Botanicals will supply the corporate's umbrella of brands with high-quality full-spectrum and terpene rich CBD distillate apart from supplying other third-party brands. Yield Botanicals will set up a CBD extraction facility in USA, where we have existing partnerships and a distribution network.

Thrive

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

W&W Manufacturing

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

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 intend to launch CBD infused products in the US market in the fourth quarter of 2019 or first quarter of 2020.

Flourish Labs

On September 18, 2019, a new wholly-owned subsidiary, Flourish Mushroom Labs Inc. ("Flourish Labs"), was incorporated in the province of British Columbia, Canada to develop and hold intangible assets and know-how to create ready to eat packaged food products or packaged food products that may be mixed with mushroom varietals of the consumer's choice.

Flourish Labs purchased 9 recipes which include edible mushrooms as a key ingredient from a consortium of creators of the formulas, including a chemical engineer, a holistic health coach and food chemist, and a chef (the "Consortium").

The formulas and know-how acquired relate to formulations that may be used to create ready-to-eat packaged food products or packaged food products that may be mixed with mushroom varietals of the consumer's choice. The formulations are:

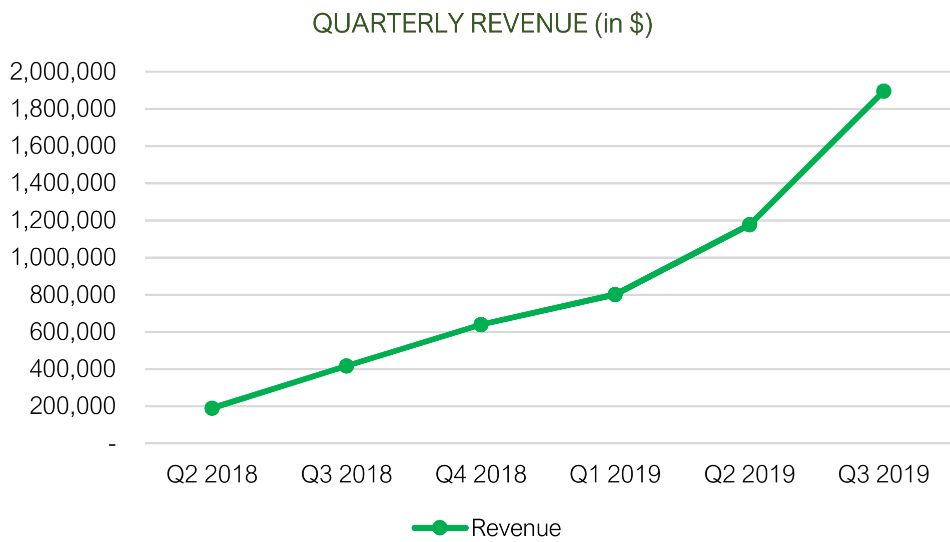
- Chai latte green tea flavor mushroom tea;
- Lemon grass, lemon and hibiscus lemon mushroom tea,
- Veggie mix for mushroom soup;
- Miso dehydrated seaweed mix for mushroom soup;
- Hot cocoa, coconut sugar and vanilla flavoured mushroom elixir;
- Pumpkin spice mushroom elixir;
- White chocolate truffle relaxing formula;
- Dark chocolate truffle energy formula; and
- Wild mushroom bliss ball with coco and dried fruits

FINANCIAL HIGHLIGHTS

We refer the reader to the sections entitled "Overall Performance", "Discussion on Operations" and "Summary of Quarterly Results" of the MD&A for details on the items discussed below.

Select financial highlights for Q3 2019 include the following:

- Beginning in Q2 2018, we have achieved steady growth in revenues over the past 6 quarters to date.



- Revenue increased by 61% to $1.9 million in Q3 2019 compared to $1.2 million in Q2 2019, and increased by 355% compared to $0.4 million in Q3 2018.

- Net losses decreased by 55% to $1.9 million in Q3 2019 compared to $4.1 million in Q2 2019, and decreased by 50% compared to $3.7 million in Q3 2018.

- Total assets increased by 149% to $6.5 million from $2.6 million at 2018 year-end.

- Net assets increased by 250% to $4.7 million from $1.3 million at 2018 year-end.

- Working capital increased by 91% to $3.4 million from $1.8 million at 2018 year-end.

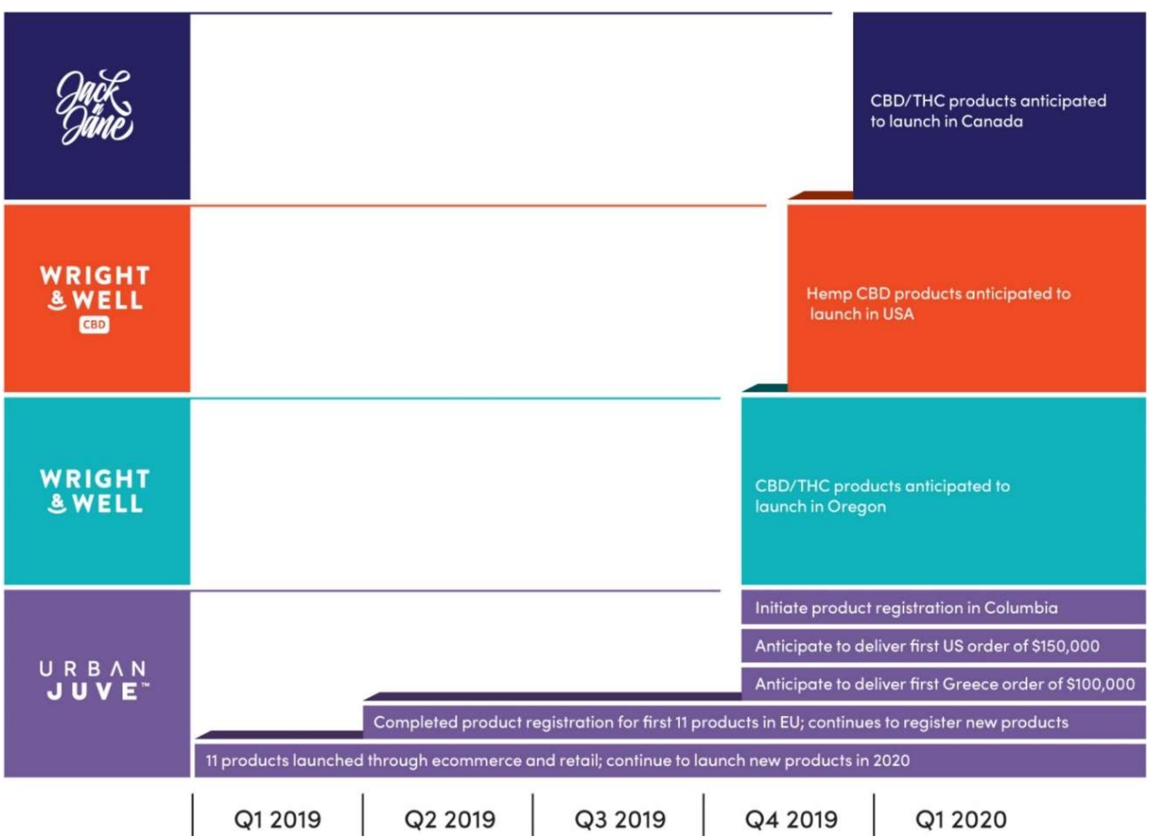
- We have no commercial debt, including short-term loans, long-term loans or convertible debentures.

- Basic and diluted loss per share decreased to $0.02 per share compared to $0.05 in Q2 2019 and Q3 2018.

STRATEGIC ACCOMPLISHMENTS

Strategic accomplishments in Q3 2019 include the following:

- We attained Oregon Liquor Control Commission (OLCC) final approval for 9 Wright & Well™ products, allowing our products to be sold through cannabis retailers in Oregon of the United States;
- We obtained Compliance Certificates for registration in the European Union for various Urban Juve™ products, allowing our products to be sold and distributed in the European market, in addition to Canada and US;
- We expanded market reach by entering into multiple license and distribution agreements for our products to be distributed worldwide, including Canada, US, Greece, Cyprus, Brazil and Colombia;
- We enhanced our marketing strategy to boost brand awareness, including our products being featured on Leafly, one of the largest cannabis websites in the world, and in high-profile magazines, British Vogue, Vanity Fair UK, and Elle Canada;
- We increased our market presence by having products available for sale on Shopper, an exclusive ecommerce marketplace by IPSY, beauty box subscription giant;
- We progressed with the development of our product line expansion through the completion of stability and preservative challenge tests for 9 new hemp products;
- We expanded our product distribution network and expect to deliver next quarter approximately $150,000 of Urban Juve™ products to a US company and $100,000 of Urban Juve™ products for distribution in Greece;
- We achieved various milestones in brand building and commercialization of our branded products as illustrated below:



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 many 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. Our recent licensing agreements include the following:

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

(b) On May 28, 2019, we entered into a license agreement with Antler Retail Holdings Inc. ("Antler Holdings"), whereby we 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.

(c) On July 10, 2019, we entered into a distribution agreement with 2699598 Ontario Corp. DBA Melorganics Hellas ("Melorganics"), whereby we granted Melorganics the right to distribute the Urban Juve™ line of cosmetic products in Greece and Cyprus. Pursuant to the distribution agreement, Melorganics is required to make the following annual minimum purchases from us: $300,000 in the first full contract year, $500,000 in the second full contract year and $500,000 in the third full contract year.

(d) On July 31, 2019, we entered into a license agreement with Antler Retail, whereby we granted an indefinite non-exclusive license for 8 product formulas to Antler Retail for sale world-wide excluding only the United States. Pursuant to the license agreement, we received 4,000,000 common shares of Antler Retail, with a fair value of $800,000. 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 Retail using the licensed formulas.

(e) On August 14, 2019, we entered into a distribution agreement with Antler Retail whereby we were granted a non-exclusive right to distribute Antler Real Men products worldwide to retailers and distribution companies for a term of 10 years. Pursuant to the distribution agreement, we shall receive a fee of 10% of revenues received by Antler from third-party distribution agreements and retail agreements for the sale of the products.

(f) On August 25, 2019, we entered into a license & distribution agreement with Melorganics, whereby we granted a non-exclusive license for 6 formulas, and know how to manufacture products based on those formulas, to Melorganics for sale worldwide. Pursuant to this license, we received 9,000,000 units of Melorganics, with a fair value of $900,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.40 per share for a period of two years. As of August 31, 2019, $90,000 (November 30, 2018 – $nil) of the fee was allocated to know how and was included in deferred revenue to be recognized over one year.

In the same agreement with Melorganics, there was a short form distribution agreement, which was superseded by a long form distribution agreement on September 25, 2019, whereby we granted Melorganics the exclusive right to distribute the Wright & Well™ brand of CBD products in Greece and Cyprus for a term of three years. Pursuant to the distribution agreement, the term of the agreement shall commence once at least 3 Wright & Well™ products are registered for sale within the European Union, after which $100,000 will be payable in cash or in units of Melorganics to us.

(g) On August 27, 2019, we entered into a distribution agreement with Organic Medical Growth OMG3 Inc. ("OMG3 Inc."), whereby we granted OMG3 Inc. the exclusive right to distribute the Urban Juve™ line of cosmetic products in Colombia and Brazil for 5 years. Pursuant to the distribution agreement, OMG3 Inc. is required to make the following annual minimum purchases from us: $500,000 in the first contract year, $1,000,000 in the second full contract year, $2,000,000 in the third full contract year, and the annual minimum purchase requirements shall increase by 5% each subsequent year.

OVERALL PERFORMANCE

We grew our total assets by 149% to $6.5 million from November 30, 2018 to August 31, 2019. This included an increase in cash, marketable securities as proceeds from licensing and consulting revenues, additions of intangible assets in product formulas and technology, and certain working capital assets including inventory to be deployed in the operations of our growing business.

Our revenue model currently includes the following sources of revenues:

- Licensing of our formulas and brands
- Urban Juve™ product sales
- Consulting services offered through Thrive

We realized revenue of $1,895,751 and $3,872,879, respectively, for the three and nine months ended August 31, 2019 as compared to $416,650 and $2,415,579, respectively, for the same periods of the prior year. Our revenues in Q3 2019 increased by 61% from Q2 2019 and increased by 355% over the same period from the previous year.

- All 11 Phase I Urban Juve™ products are registered for sale in the European Union, in addition to Canada and US. As we continue to develop our Urban Juve™ product distribution internationally, we anticipate fulfilling the following orders in the next three months:

    - We have received an initial order for the eleven Urban Juve™ products currently in the market in the amount of $101,620 for distribution in Greece, which we expect to fulfil in Q4 2019; and

    - We have received one order from a U.S. company for approximately $150,000 worth of product which we expect to fulfill in Q4 2019;

Our net losses decreased by 55% this quarter from last quarter, mainly due to an increase in revenue. We incurred a net loss of $1,869,647 and $9,805,599, respectively, for the three and nine months ended August 31, 2019 as compared to $3,737,120 and $7,189,137 for the same periods of the prior year. The decrease in loss during the three months ended August 31, 2019 compared to the same period of the prior year was mainly due to increased revenue from licensing and product sales. The increase in loss during the nine months ended August 31, 2019 compared to the same period of the prior year was primarily driven by fees related to our IPO, the launch of 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. We use 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 nine-month periods ended August 31,

	Three months ended August 31,		Nine months ended August 31,	
	2019	2018	2019	2018
Net loss for the period	$ (1,869,647)	$ (3,737,120)	$ (9,805,599)	$ (7,189,137)
Add:				
Depreciation & Amortization	33,829	8,006	57,151	15,208
Interest	-	-	-	-
Taxes	-	-	-	-
Adjustments:				
Share-based compensation	744,692	892,355	2,609,268	3,418,299
Impairment on loan receivable	-	-	-	15,000
Loss from investment in associate	-	1,694,605	-	2,083,700
Loss on settlement of accounts payable	-	-	338,025	-
Loss (gain) on sale of marketable securities	(427,134)	-	(188,149)	(71,412)
Unrealized loss on marketable securities	97,730	79,503	278,390	79,503
Adjusted EBITDA	$ (1,420,530)	$ (1,062,651)	$ (6,710,914)	$ (1,648,839)

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

DISCUSSION ON OPERATIONS

Revenues

We realized revenue of $1,895,751 and $3,872,879, respectively, for the three and nine months ended August 31, 2019 as compared to $416,650 and $2,415,579, respectively, for the same periods of the prior year. Our revenues in Q3 2019 increased by 61% from Q2 2019 and increased by 355% over the same period from the previous year.

- For the three months ended August 31, 2019, we signed and delivered a licensing agreement with Antler Retail which generated revenue of $800,000, and a distribution agreement with 2699598 Ontario Corp. DBA Melorganics Hellas ("Melorganics") which generated revenue of $810,000. Licensing revenue of $1,873,973 for the nine months ended August 31, 2018 was related a licensing agreement with a third party to grant them manufacturing and distribution rights for certain formulas of Urban Juve™. 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.

- All the eleven Phase I Urban Juve™ products are registered for sale in the European Union in addition to Canada and US. As we continue to develop our Urban Juve™ product distribution internationally, we anticipate fulfilling the following orders in the next three months:
    - o We have received an initial order of Urban Juve™ products for distribution in Greece in the amount of $101,620 for the eleven Urban Juve™ products currently in the market, which we expect to fulfil in Q4 2019.
    - o We have received one order from a U.S. company for approximately $150,000 worth of product which we expect to fulfill in Q4 2019.

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 nine months ended August 31, 2019, we incurred $1,535,383 and $5,100,654 in advertising, marketing and media expenses as compared to $200,129 and $577,494 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 developing brand awareness for our new product lines. These expenses included market studies, brand design, labelling artwork, primary packaging design, social media launch and maintenance, and creatives and contents for the website.

Breakdown of advertising, marketing and media is as follows:

	Three months ended August 31,		Nine months ended August 31,	
	2019	2018	2019	2018
Promotions & Events	$ 74,860	$ 28,497	$ 245,427	$ 40,973
Marketing Expenses	276,134	108,216	526,649	438,024
Marketing Materials	20,695	-	70,425	-
Public Relations	21,092	13,252	70,531	13,252
Media	1,116,401	32,265	4,066,541	32,265
Meals & Entertainment	11,443	15,981	52,041	48,856
Product Samples	14,758	1,918	69,040	4,124
Total advertising, marketing and media	$ 1,535,383	$ 200,129	$ 5,100,654	$ 577,494

Amortization & Depreciation

Depreciation and amortization are related to computer equipment, furniture, telephone equipment and website development costs. For the three and nine months ended August 31, 2019, we incurred depreciation and amortization expenses of $33,829 and $57,151 as compared to $8,006 and $15,208 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.

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 nine months ended August 31, 2019, we incurred consulting expenses of $408,236 and $1,160,766 as compared to $363,495 and $934,477 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.

Distribution & Licensing 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.

For the three and nine months ended August 31, 2019, we incurred licensing fees of $Nil and $Nil as compared to $10,000 and $462,500 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.

Information Systems

We incurred expenses on Information Systems, primarily to establish our ERP system and ecommerce website and related backend transaction processing and support systems, as well as supporting our consulting services provided to third parties. During the three and nine months ended August 31, 2019, we incurred expenses in information systems of $161,300 and $627,250 as compared to $308,897 and $511,743 for the same periods of the prior year. The decrease in information systems expenses during the three months ended August 31, 2019 compared to the same period of the prior year was due to one-time costs incurred in setting up information systems in the prior year, which were not required in the current year. The increase in information systems expenses during the nine months ended August 31, 2019 compared to the same period of the prior year was primarily related to the continued integration of our ERP system, the maintenance of our custom-built e-commerce website.

Investor Relations

Investor relations expenses were incurred to enhance our investor relations program, and included investor relations consulting services and fees paid for news releases. For the three and nine months ended August 31, 2019, we incurred $148,078 and $308,431 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 we were listed on the Canadian Securities Exchange, the OTCQB Venture Market in the United States and The Frankfurt Stock exchange in Germany during the nine months ended August 31, 2019. Such activities did not exist for the same period of the prior year.

Listing fees

We incurred listing fees of $1,901 for the three months ended August 31, 2019 as security listing costs to maintain our ongoing listing status and $167,053 for the nine months ended August 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.

Office and Administrative Expenses

For the three and nine months ended August 31, 2019, we incurred office expenses of $213,224, and $657,637 as compared to $122,510 and $334,279 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 August 31,		Nine months ended August 31,	
	2019	2018	2019	2018
Insurance	$ 72,357	$ 12,250	$ 201,491	$ 19,213
Travel	8 702	24,598	123,206	118,096
Office rent	27,967	27,901	75,163	60,301
Office expenses	10,542	22,612	51,872	61,804
Telephone	7,503	10,484	30,056	21,723
Other expenses	86,153	24,665	175,849	53,142
Total office and administrative	$ 213,224	$ 122,510	$ 657,637	$ 334,279

Product Development, Research and Registration

Product development, research and registration expenses are related to product testing, research and regulatory registrations. For the three and nine months ended August 31, 2019, we incurred product testing costs of $153,305 and $405,171 as compared to $75,885 and $141,578 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 and wellness products edibles.

Professional Fees

Professional fees are primarily related to legal, accounting, recruiting and audit services. For the three and nine months ended August 31, 2019, we incurred professional fees of $146,524 and $448,754 as compared to $133,987 and $462,602 for the same periods of the prior year. Professional fees were generally consistent with the prior year.

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 nine months ended August 31, 2019, we incurred share-based compensation expense of $744,692 and $2,609,268 as compared to $892,355 and $3,418,299 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 our active business in 2017 and 2018 were fully vested during this period of the prior year.

Wages

Wages expenses for the three and nine months ended August 31, 2019 was $443,116 and $1,167,146 as compared to $264,195 and $589,542 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, wage expenses are expected to increase significantly.

(Loss) gain on sale of marketable securities

We disposed of our holding of Crop shares and a portion of our Loop Insights Inc. (“Loop”) shares during the nine months ended August 31, 2019 and incurred a gain of $188,149 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, whereby our 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 three and nine months ended August 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 $1,694,605 and $2,083,700 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 nine months ended August 31, 2019 and incurred a loss of $Nil 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 $1,869,647 and $9,805,599 for the three and nine months ended August 31, 2019 as compared to $3,737,120 and $7,189,137 for the same period of the prior year. The decrease in loss during the three months ended August 31, 2019 compared to the same period of the prior year was mainly due to increased revenue from licensing and product sales. The increase in loss during the nine months ended August 31, 2019 compared to the same period of the prior year was primarily driven by fees related to our IPO, the launch of Urban Juve™ products and related marketing and advertising expenses, and product development and marketing for the Wright & Well™ 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 nine months ended August 31, 2019, we disposed of some of our holding of CROP shares and Loop shares, which resulted in a realized loss of $399,274 from accumulated other comprehensive income, as compared to $589,030 for the same period of the prior year which was derived from the sale of shares of Glance Technologies Inc.

Unrealized Gain (loss) on Marketable Securities

During the nine months ended August 31, 2019, fair value of our investment in shares of Active Pay Distribution Inc. increased, resulting in an unrealized gain of $75,000, fair value of our investment in shares of HeyBryan Media Inc. ("HeyBryan") increased, resulting in an unrealized gain of $50,000, and fair value of our investment in shares of Loop decreased, resulting in an unrealized loss of $294,262. The net unrealized loss through accumulated other comprehensive income was $169,262, as compared to an unrealized loss of $28,967 for the same period of the prior year due to the decrease in fair value of our holdings of CROP shares.

Comprehensive Loss

For the three and nine months ended August 31, 2019, we had a comprehensive loss of $2,736,095 and $10,374,780 as compared to $3,766,087 and $7,807,134 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 $6,929,000. Our revenues in Q3 2019 increased by 61% from Q2 2019 and increased by 355% over the same period from the previous year.

	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Revenue	$ 1,895,751	$ 1,176,629	$ 800,714	$ 639,863
Net loss	$ 1,869,647	$ 4,146,172	$ 3,789,780	$ 2,518,900
Basic loss per share	$ 0.02	$ 0.05	$ 0.04	$ 0.03
Diluted loss per share	$ 0.02	$ 0.05	$ 0.04	$ 0.03

	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Revenue	$ 416,650	$ 190,116	$ 1,808,813	$ -
Net loss	$ 3,737,120	$ 2,813,669	$ 638,347	$ 703,787
Basic loss per share	$ 0.05	$ 0.04	$ 0.02	$ 0.03
Diluted loss per share	$ 0.05	$ 0.04	$ 0.02	$ 0.03

LIQUIDITY

	August 31, 2019	November 30, 2018
Current ratio[1]	3.16	3.31
Cash	$ 613,540	$ 36,211
Working capital [2]	$ 3,422,424	$ 1,789,550
Debt[3]	$ -	$ -
Equity	$ 4,658,832	$ 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 any commercial debt.

<u>Cash Position</u>

As at August 31, 2019, we had $613,540 of cash as compared to $36,211 at November 30, 2018. For the nine months ended August 31, 2019, cash used in operating activities was $9,376,312, consisting of operating expenditures during the year to support our listing procedures and launch of our Urban Juve™ wellness product line, and development of other product lines and formulas, as compared to cash used in operating activities of $2,847,209 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 $479,890 for the nine months ended August 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 $48,223 for the same period of the prior year driven by the same. Cash provided by financing activities was $9,474,396 for the nine months ended August 31, 2019, which was primarily from proceeds received from the issuance of common shares through IPO and issuance of special warrants through private placements, as well as the exercise of warrants and options by investors, as compared to $1,876,096 for the same period of the prior year, consisting mainly of proceeds from the issuance of common shares through private placement.

<u>Working Capital</u>

We had working capital of $3,422,424 as at August 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 and special warrant subscriptions, increase in marketable securities pursuant to licensing agreements, increase in accounts receivable and inventory, offset by an increase in accounts payable and deferred revenue.

CAPITAL RESOURCES AND MANAGEMENT

As at August 31, 2019, we had cash of $613,540.

We are authorized to issue an unlimited number of common shares. As at August 31, 2019, there were 95,922,223 common shares issued and outstanding. We also had 32,641,121 share purchase warrants with weighted average exercise price of $1.58 and 13,368,328 stock options with weighted average exercise price of $0.46.

Our 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 Urban Juve™ and Wright & Well™.

OFF-BALANCE SHEET ARRANGEMENTS

As at August 31, 2019 and November 30, 2018, we had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

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

	Three months ended August 31,		Nine months ended August 31,	
	2019	2018	2019	2018
Consulting fees	$ 102,500	$ 298,056	$ 271,500	$ 945,706
Wages	223,364	86,000	487,084	163,424
Rent expense	–	–	–	4,500
Share-based compensation	365,843	311,394	1,229,341	1,735,374
	$ 691,707	$ 695,450	$ 1,987,925	$ 2,849,004

As at August 31, 2019, we owed $548 (November 30, 2018 – $5,424) to the President and CEO of the Company, which is included in due to related parties, and is unsecured, non-interest bearing, and due on demand.

As at August 31, 2019, we owed $16,625 (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 August 31, 2019, we owed $3,080 (November 30, 2018 - $580), of which $2,500 (November 30, 2018 - $nil) is included in accounts payable and accrued liabilities, to a company controlled by a director of the Company, which is unsecured, non-interest bearing, and due on demand.

During the nine months ended August 31, 2019, we recognized licensing revenue of $1,800,000 (2018 - $nil) from a company of which the President and CEO of the Company and another director of the Company are directors and significant shareholders. As at August 31, 2019, we were owed $40,000 (November 30, 2018 - $nil) in GST from the related company pursuant to a License Agreement, which is included in accounts receivable, and held a deposit of $42,000 (November 30, 2018 - $nil) for the purchase of products and a retainer of $6,525 (November 30, 2018 - $6,525) from the related company, which is included in deferred revenue.

During the nine months ended August 31, 2019, we recognized consulting revenue of $957,750 (2018 - $762,742) from a company with common directors and officers and which the President and CEO of the Company is a significant shareholder. As at August 31, 2019, we were owed $393,700 (November 30, 2018 - $61,739) from the related company, which was subsequently repaid on October 2, 2019, and we 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, the impairment of inventory, the useful life and carrying value of equipment and intangible assets, impairment of marketable securities, deferred revenue, fair value of share-based compensation, and measurement of unrecognized deferred income tax assets.

The portion of deferred revenue that requires the use of estimates relates to a licensing and distribution agreement Melorganics, whereby management used its best estimate to allocate a portion of the revenue to providing Melorganics with know how to manufacture.

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.

Significant areas requiring the use of judgments made by management also include website development costs which related to the development of e-commerce websites for Urban Juve™ and Wright & Well™. Management's judgment is that the websites will realize significant economic benefit to justify the capitalization of all costs relating to their development. All operational website costs incurred after their launch will be expensed as incurred. Urban Juve™ website costs are being amortized on a straight-line basis over an estimated useful life of 3 years. Website costs for the Wright & Well™ website are not being amortized as it is not yet ready for use. Amortization will commence once the website launches.

Application of New and Revised Accounting Standards

(a) *IFRS 9 - Financial Instruments* ("IFRS 9")

The Company adopted all the requirements of IFRS 9 on December 1, 2018. IFRS 9 replaces *IAS 39, Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking "expected loss" impairment model.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI), and fair value through profit and loss (FVTPL). Under IFRS 9, we have irrevocably elected to present subsequent changes in the fair value of our equity investments that are neither held-for-trading nor contingent consideration arising from a business combination in other comprehensive income with no reclassification of net gains and losses to net income. For these equity investments, any impairment on the instrument will be recorded in other comprehensive income, and cumulative gains or losses in other comprehensive income will not be reclassified into net income, including upon disposal.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

Classification and subsequent measurement

The Company completed a detailed assessment of its financial assets and liabilities as at December 1, 2018. The following table shows the original classification under *IAS 39* and the new classification under IFRS 9:

Financial instrument	Original Classification IAS 39	New Classification IFRS 9
Cash & cash equivalents	FVTPL	Amortized cost
Amounts receivable	Loans & receivables	Amortized cost
Marketable securities (shares)	Available-for-sale	FVTOCI[1]
Marketable securities (warrants)	Held-for-trading	FVTPL
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Due to related parties	Other financial liabilities	Amortized cost

[1] Subsequently measured at fair value. Dividends, if any, will be recognized as income in the statement of loss and comprehensive loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to the statement of loss and comprehensive loss.

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on December 1, 2018.

(b) IFRS 15 - Revenue from Contracts with Customers ("IFRS 15")

On December 1, 2018, the Company adopted the requirements of IFRS 15. IFRS 15 covers principles that an entity shall apply to report useful information to users of the financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. The Company elected to apply IFRS 15 using a full retrospective approach. The company has completed its assessment and there was no significant impact on the recognition or measurement of the Company's revenue from customers.

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.

IFRS 16 - Leases ("IFRS 16")

We have not early adopted this new standard and does not believe the adoption of this standard will have a material impact on our 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 our 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 our statement of financial position as at August 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 August 31, 2019
Cash	$ 613,540	$ –	$ –	$ 613,540
Marketable securities	–	3,293,306	–	3,293,306
Total assets	$ 613,540	$ 3,293,306	$ –	$ 3,906,846

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. We minimize our credit risk associated with our 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

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates. We are exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in US dollars:

	August 31, 2019	November 30, 2018
	USD	USD
Cash	$ 6,700	$ 6,681
Accounts payable and accrued liabilities	(134,669)	(22,785)
Net exposure	$ (127,969)	$ (16,104)
Canadian dollar equivalent	$ (170,135)	$ (21,420)

We are not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting financial obligations due to shortage of funds. We manage liquidity risk by maintaining sufficient cash balances and adjusting our 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

We are exposed to price risk with respect to our 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

We have entered into multiple non-cancellable binding purchase orders for operational items that have yet to be fulfilled as of August 31, 2019, as well as various agreements for warehousing, marketing & investor relations, and consulting. Our 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	406,208	-	-	-	406,208
Warehousing	4,000	14,000	-	-	18,000
Marketing & IR Contracts	105,490	-	-	-	105,490
Consulting Agreements	10,000	10,000	-	-	20,000
Rental Lease	38,513	29,150	-	-	67,663
	564,211	53,150	-	-	617,361

Other Commitments:

On September 2, 2017, our 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, we 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 our initial public offering. 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, we 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, we 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.

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 our 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")

Our management, with the participation of our CEO and CFO, are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the CEO and CFO, our 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. Our 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 our receipts and expenditures are made only in accordance with authorization of management and our directors; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our 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

Our management, including the CEO and CFO, do not expect that our 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 September 9, 2019, our wholly-owned subsidiary, Urban Juve™, entered into a license agreement with another of our wholly-owned subsidiaries, Yield Botanicals Inc., for the license of extraction technology for a one-time non-refundable fee of $800,000, payable in 40 million common shares of Yield Botanicals, at $0.02 per share. Urban Juve™ will also grant a license to a white-label version of 16 of its product formulations for a fee of $400,000 consisting of $200,000 cash and $200,000 payable in 10 million common shares of Yield Botanicals.

On September 9, 2019, we entered into a Distribution Agreement with Peak Performance Products Inc. for the distribution of Urban Juve™ products in Canada for a term of 2 years.

On September 12, 2019, we granted 40,000 stock options to a consultant, which are exercisable at $0.27 per share until September 12, 2024. The stock options will be fully vested 4 months after the grant date.

On September 13, 2019, we issued 1,400,000 special warrants at a price of $0.25 per special warrant for aggregate proceeds of $350,000. Each special warrant is exercisable without payment of additional consideration for one unit of the Company, each unit consisting of one common share in the capital of the Company and one share purchase warrant exercisable at $0.37 for a period of two years from the date of issuance for an additional common share in the capital of the Company. These units were qualified for distribution upon the deemed exercise of the special warrants on September 20, 2019.

On September 18, 2019, a new wholly-owned subsidiary, Flourish Mushroom Labs Inc. ("Flourish Labs"), was incorporated in the province of British Columbia, Canada.

On September 24, 2019, Yield Growth and Flourish Labs entered into an acquisition agreement with third parties for the purchase of mushroom formulations and know-how and data related to the formulations for 120,000 common shares of Yield Growth. The acquisition was completed on October 3, 2019.

On October 7, 2019, we issued 2,090,500 special warrants at a price of $0.25 per special warrant for aggregate proceeds of $522,625. Each special warrant is exercisable without payment of additional consideration for one unit of the Company, each unit consisting of one common share in the capital of the Company and one share purchase warrant exercisable at $0.30 for a period of two years from the date of issuance for an additional common share in the capital of the Company. These units were qualified for distribution upon the deemed exercise of the special warrants on October 11, 2019.

On October 10, 2019, we granted 148,000 stock options to an employee and a consultant, which are exercisable at $0.25 per share until October 10, 2024. The stock options vest every 3 months over a 3-year period in 12 equal tranches.

On October 21, 2019, we granted 500,000 stock options to a new employee, which are exercisable at $0.34 per share until October 21, 2024. The stock options vest every 3 months over a 3-year period in 12 equal tranches.

On October 21, 2019, we granted 100,000 stock options to a consultant, which are exercisable at $0.34 per share until October 21, 2024. The stock options vest immediately upon grant.

Subsequent to the period ended August 31, 2019, the Company issued 382,560 shares pursuant to the exercise of options and warrants for total proceeds of $89,268.