CANNAONE TECHNOLOGIES INC.

Management Discussion and Analysis
For the years ended October 31, 2018 and 2017
Prepared as of February 28, 2019.

BACKGROUND

This discussion and analysis of financial position and results of operations is prepared as at February 28, 2019 and should be read in conjunction with the audited financial statements for the year ended October 31, 2018, of CannaOne Technologies Inc. ("CannaOne" or the "Company"). The audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

The Company's trading symbol on the Canadian Securities Exchange is "CNNA". The content of this MD&A has been approved by the board of directors of the Company (the "Board" or "Board of Directors"), on the recommendation of its Audit Committee.

CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION

This Management's Discussion and Analysis may include forward-looking statements with respect to business plans, activities, prospects, opportunities and events anticipated or being pursued by the Company and the Company's future results. Although the Company believes the assumptions underlying such statements to be reasonable, any of the assumptions may prove to be incorrect. The anticipated results or events upon which current expectations are based may differ materially from actual results or events. Therefore, undue reliance should not be placed on such forward-looking information. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions in North America and internationally, (2) the uncertainty as to product development and commercialization milestones, (3) the uncertainty as to regulatory conditions and developments in the cannabis industry, (4) the risk that the Company does not execute its business plan, (5) inability to retain key employees, (6) inability to finance operations and growth, and (7) other factors beyond the Company's control.

Forward-looking statements speak only as of the date of this MD&A and actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based may not occur. The Company does not assume responsibility for the accuracy and completeness of the forward-looking statements set out in this MD&A and, subject to applicable securities laws, does not undertake any obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances. The forward-looking statements contained herein are expressly qualified by this cautionary statement

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Corporate Overview

The Company was incorporated on October 19, 2016 under the Business Corporations Act (British Columbia) to engage in the business of developing and marketing a software technology platform for use by the cannabis industry in Canada. The head office of the Company is located at Suite 413 – 375 Water Street, Vancouver, British Columbia V6S 5C6. The registered and records office of the Company is located at Suite 409 – 221 W. Esplanade, North Vancouver, British Columbia V7M 3J3. The Company has no subsidiaries.

Business Overview

The Company's flagship product, known as BloomKit, which is undergoing testing and ongoing development, is a comprehensive web-based software-as-a-service ("SaaS") for the cannabis vendors and producers designed as an integrated business management, marketing, and sales tools. BloomKit incorporates themed online storefronts, automated customer acquisition tools, and production, inventory, shipping, logistics, payment, marketing, and website management features, among others. As the Company commercializes BloomKit, its associated data engine will collect, store and sort all the data created by BloomKit users, and through intelligent machine learning will provide BloomKit users with detailed industry business intelligence and, ultimately, predictive analytics.

Period from October 19, 2016 to October 31, 2016

Subsequent to incorporation on October 19, 2016 through October 31, 2016, CannaOne's operations focused on team building, product planning and concept design. Activities included an evaluation of available technologies and formats for the construction of BloomKit, and a survey and analysis of cannabis industry trends and regulation with an emphasis on the evolving Canadian marketplace.

In October 2016, CannaOne entered into term sheets to retain certain officers, directors and key employees. The term sheets are a provisional understanding regarding compensation for the applicable individuals during the first 36 months of the Company's development. Each term sheet provides for the accrual of annual compensation at a fixed, minimum rate for the period from October 27, 2016 to October 27, 2019. Each term sheet also provides that accrued salary will be recorded (and not paid) until such time as the Company is in a financial position to pay, that compensation shall be reviewed and adjusted annually, if, deemed appropriate, and that each employee will be eligible to receive an annual bonus, or to participate in the Company's stock option plan when such plan is implemented. Compensation accruing pursuant to the term sheets is as follows:

- Carlos Plashchinski (Social Media Specialist)—$18,000 per annum,
- Dominic Stann (Director of Marketing)—$30,000 per annum,
- James Petry (Marketing Analyst)—$6,000 per annum;
- Scott Williamson (Lead Developer)—$6,000 per annum;
- Erynn Tomlison (Independent Director)—$12,000 per annum, and
- Solomon Riby-Williams (President, CEO & Director)—$30,000 per annum.

Subsequently, with effect from August 31, 2018, CannaOne entered into a memorandum of agreement with certain of its officers, directors, employees and consultants (including Domenic Stann (Chief Operating Officer) Carlos Plaschinski (Social Media Specialist), Erynn Tomlinson (Director), and Scott Williamson (Chief Technology Officer and Lead Developer) pursuant to which those parties agreed to defer payment of accruing compensation payable by the Company until April 30, 2020. The agreement further provides that re-payment of accrued salaries may be made, at CannaOne's discretion, in cash, by the issuance of common shares of CannaOne, or by any combination of cash or shares. Payment made in common shares will be calculated based on a 20% discount to the then prevailing market price at that time and, if the common shares are publicly traded at the time of conversion, based on a 5 day VWAP from the 5 trading days prior to conversion, but not less than $0.05 per share pursuant to the requirements of the Exchange.

The Company expects to re-evaluate compensation and to enter into formal compensation arrangements with its officers, directors and key employees following the commercial launch of BloomKit.

Period from November 1, 2016 to October 31, 2017

In November, 2016 CannaOne began an ongoing search engine optimization (SEO) program in anticipation of its eventual product launch. SEO serves to ensure that internet users searching for key phrases related to CannaOne's business are led to the Company's website.

On November 10, 2016 CannaOne entered into a consulting agreement with Inspired Networks Inc. a company owned by Scott Williamson, CannaOne's lead software developer. Pursuant to that agreement, CannaOne agreed to pay an aggregate of $75,000 + GST to Inspired Networks for development services related to the construction of CannaOne's primary website and dashboard interface for BloomKit. As at October 31, 2017, CannaOne had paid $50,025 to Inspired Networks, which amounts have been recognized as development costs for CannaOne's new consumer website. During the year ended October 31, 2018, the final payment of $25,000 was made and additional payment of $25,000. The agreement provides that all work product shall be the exclusive property of the Company. The agreement also imposes a perpetual obligation of confidentiality on Inspired Networks regarding the subject matter of the agreement and related services, and a six month obligation following termination not to solicit or hire any employee or consultant of the Company who has been in the employ of the Company within the previous six months. The agreement may be terminated by Inspired Networks or by the Company with 10 working days' notice, or without notice by the Company in the event of serious misconduct or material breach by Inspired Networks.

On December 1, 2016 CannaOne entered into a Technology Sale Agreement with Fountain Drive Limited, Campanula Advisory Limited, and Morpheus Financial Corporation Limited (the "Sellers") to acquire the Sellers' proprietary data management software solution. The platform, which incorporates data privacy and security features for safeguarding medical information, has since been enhanced and integrated into CannaOne's BloomKit product. Pursuant to the Technology Sale Agreement, CannaOne acquired 100% of all right and title in and to the technology, and all associated know-how and intellectual property of the Sellers. The acquisition also included $50,200 of computer equipment, system servers and overall hardware infrastructure. In consideration for the assets acquired, CannaOne issued to the sellers 5,416,667 common Shares, reflecting a purchase price of $325,000 or $0.06 per share. At the time of the acquisition, the Sellers estimated their development costs were $326,590. There are no family or other relationships between the Sellers and any of the directors or officers of CannaOne.

On March 20, 2017 CannaOne entered into a licensing agreement with VMoney, Inc. regarding VMoney' proprietary software platform, which facilitates financial transactions between merchants and VMoney customers. VMoney is a privately controlled, Philippines based company. Its software is currently used by a range of retailers and institutions located in Asia, Australia and North America. The licensing agreement enables CannaOne to personalize the VMoney platform (known as white labeling) to provide transaction processing services within BloomKit. The agreement also appoints CannaOne as VMoney's exclusive partner in Canada for the medicinal and recreational marijuana industry. In consideration for the license and exclusive rights to the VMoney platform in Canada, CannaOne issued to VMoney 250,000 common shares value at $50,000 and must pay to VMoney a royalty of 2.5% of its gross income, net of taxes. Upon implementation of the VMoney platform CannaOne will also pay a one-time installation, set-up, and white-label fee of US$10,500, and a licensing fee of US$10,000 per month. The Company anticipates that it will implement the VMoney platform in January, 2019. The agreement is for a term of three years commencing upon commercial operations and renewable with automatic one year renewals thereafter.

In addition to the exclusive right to use the VMoney platform in Canada in the marijuana industry, CannaOne has the non-exclusive right to use the platform in all other areas of the world, and the right of first refusal to acquire exclusive rights for any territory for which VMoney offers exclusivity. There are no family or other relationships between VMoney and any officer or director of CannaOne.

In August, 2017, CannaOne engaged its former auditors, Jackson & Company.

During the year ended October 31, 2017 CannaOne completed two rounds of private seed capital equity financing, raising an aggregate of $446,100. These funds have been and continue to be used for ongoing business development and marketing, software development and testing, and general working capital.

CannaOne achieved the following BloomKit development milestones during the year ended October 31, 2017:

- dashboard build out for the BloomKit website (completed March, 2017);
- construction of front-end interface (UI) (completed June 2017);
- user experience (UX) development to ensure user flow, allow creation of user profiles, enable product tracking and referencing, integrate review/rating system (completed July 2017);
- integrate client custom web building tools (completed August 2017);

- enable inventory classification and tracking by product type (completed September, 2017); and
- enable predictive data logging (completed October, 2017).

Period from November 1, 2017 to February 28, 2019

Since November 1, 2017, CannaOne has continued ongoing development and testing of BloomKit. Notable development milestones achieved during the first quarter of 2018 include the creation of back-end web design tools, enabling keyword and category product searching, enabling the tracking of user preferences, and completion of BloomKit's first user template designed for online dispensary customers.

Also in November 2017, CannaOne engaged its transfer agent, National Issuer Services Ltd.

Subsequent to October 31, 2018, the Company issued, pursuant to its initial public offering, 1,250,000 shares of common stock for gross proceeds of $500,000 less issuance costs of $49,961. In addition, the Company issued its agent for the offering 100,000 warrants, exercisable at $0.40 per share until November 20, 2020.

On October 21, 2018, the Company's common shares began trading on the Canadian Securities Exchange under the symbol "CNNA".

Effective January 8, 2018, the Company's common shares became listed on the Frankfurt Stock Exchange under the trading symbol 3CT.

On February 13, 2019 CannaOne launched www.itsprimo.com ("itsprimo.com"), owned by Primo Networks. This new offering presented by Primo Networks, is a unique branding and online marketplace experience powered exclusively by CannaOne's BloomKit product. Core features of itsprimo.com, include a dispensary directory, brand pages, visual product attributes and multi-varied cannabis centric reviews. It is expected that the ecommerce component of the itsprimo.com site will be fully operational prior to the end of February 2019.

Effective February 20, 2019, Jackson & Company Chartered Accountants was asked to resign as auditor of the Company to facilitate the appointment of Dale Matheson Carr-Hilton LaBonte LLP Chartered Professional Accountants of Suite 1500 – 1140 West Pender Street, Vancouver, B.C. V6E 4G1;

Overall Performance and Outlook

Outlook

As at October 31, 2018, the Company had one customer and cumulative revenues of $14,286. Revenues consisted of initial set-up fees covering the wire framing layout and user interface development to integrate the customer into BloomKit and two months of subscription revenues.

The Company's immediate objective is to raise adequate capital and to strengthen its operational capabilities by adding technical staff and infrastructure, and allocating a marketing budget in order to expand and refine BloomKit functionality and gain clients.

While the Company seeks to manage the level of risk associated with its business, many of the factors affecting these risks are beyond the Company's control. There can be no assurance that additional capital or other types of financing will be available to the Company if needed or that, if available, the terms of such financing will be on terms favourable to the Company.

Going Concern

The Company's operations to date have been financed by issuing common shares and special warrants. The Company's ability to continue as a going concern is dependent upon its ability to commence profitable operations, generate funds therefrom and raise additional financing in order to meet current and future obligations. The Company has not yet achieved profitable operations, has incurred significant operating losses and negative cash flows from operations, and has been reliant on equity financing. As at October 31, 2018, the Company has accumulated losses of $704,869 since inception. There is no assurance that the Company will be successful in generating and maintaining profitable operations, or able to secure future debt or equity financing for its working capital and development activities. If the Company is unable to obtain sufficient funding in this fashion, the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of the going concern assumption will be in significant doubt. These factors indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

SUMMARY OF ANNUAL INFORMATION

The following table sets forth selected financial information of the Company for the last two fiscal years, and for the period from October 19, 2016 (date of incorporation) to October 31, 2016). This financial information is derived from the audited financial statements of the Company:

	Year Ended October 31, 2018 (audited))	**Year Ended October 31, 2017 (audited)**	**October 19, 2016 (date of incorporation) to October 31, 2016 (audited)**
Statement of Net Loss, Comprehensive Loss and Deficit			
Revenue	$14,286	Nil	Nil
Expenses	$437,479	$ 254,842	$4,500
Net Loss from Operations and Comprehensive Loss	$445,527	$254,842	$4,500
Net Loss per Share	$0.024	$0.015	$0.012

	Year Ended October 31, 2018 (audited))	As At October 31, 2017 (audited)	As At October 31, 2016 (audited)
Balance Sheet			
Current Assets	$84,451	$260,342	$1
Total Assets	$538,631	$672,910	$1
Liabilities	$250,386	$91,424	$4,500
Share Capital	$840,828	$840,828	$25,001
Deficit	$704,869	$259,342	$4,500

The large increase in loss from continuing operations and net loss during the year ended October 31, 2018 as compared to the year ended October 31, 2017, was mainly attributable to an increase in legal, accounting and audit fees of $86,229 relating to our initial public offering, as well as an increase in general and administrative expense of $44,885, and stock based compensation of $63,086. The decrease in total assets was a result of a decrease in cash and equipment, offset by an increase in intangible assets.

The significant increase in loss from continuing operations and net loss during the year ended October 31, 2017 as compared to the period from October 19, 2016 (date of incorporation) to October 31, 2016, was mainly attributable to an increase in management fees of $101,00, legal, accounting and audit fees of $57,385, general and administrative expenses of $34,941, rent of $31,531, and depreciation of $16,219, among other nominal expenses incurred during the initial establishment of the Company's operations. The increase in total assets was a result of an investment in intangible assets of $374,825 and $250,742 in cash raised during the year ended October 31, 2017.

SUMMARY OF QUARTERLY RESULTS

The following is selected financial information from the Company's fiscal quarters ended July 31, 2018 and July 31, 2017. The Company became a reporting Company on October 20, 2018 and has not prepared quarterly financial information prior to the nine months ended July 31, 2018.

	4th Qtr. Ended July 31, 2018	**4th Qtr. Ended July 31, 2017**
Total Revenues	$14,286	Nil
Loss from Operations and Comprehensive Loss	$320,252	$165,174
Total Net Income (Loss) Per Share	($0.018)	($0.010)

Fourth Quarter Results

During the three months ended July 31, 2017, the Company recorded an loss from operations and comprehensive loss of $320,252 (July 31, 2017--$165,174) and a net loss per share of $0.018 (July 31, 2017--$165,174). The increase in loss during the most recent fourth quarter resulted from an overall increase in business activities.

LIQUIDITY AND CAPITAL RESOURCES

CannaOne has financed its operations to date through the issuance of common shares and special warrants. The Company continues to seek capital through various means including the issuance of equity and/or debt. The Company maintained cash at October 31, 2018 in the amount of $46,043, in order to meet short-term business requirements. As at October 31, 2018, the Company had current liabilities for the amount $86,512. CannaOne's continuation as a going concern is dependent upon the successful development and commercialization of its software product, and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements that would require disclosure.

MANAGEMENT AND RELATED PARTY TRANSACTIONS

The Company's Board of Directors consists of Solomon Riby-Williams, Robert Chisholm Erynn Tomlinson, and Adrian Lamoureux. Mr. Riby-Williams acts as President and Chief Executive Officer, Mr. Chisholm acts as Chief Financial Officer.

Included in the Loss from Operations and Comprehensive Loss for the years ended October 31, 2018 and 2017, are the following amounts, which arose due to transactions with related parties:

	October 31, 2018	October 31, 2017
	$	$
Management fees from directors and key management	102,000	102,000
	102,000	**102,000**

The Company had the following outstanding amounts as at October 31, 2018 and 2017 due to related parties:

	October 31, 2018	October 31, 2017
	$	$
Due to directors for management fees	40,526	8,406
Due to key management personnel for management fees	104,500	54,500
Principal	**145,026**	**62,906**
Debt discount reserve	(39,000)	-
Accretion interest expense	4,000	-
Total	**110,026**	**62,906**
Carrying value – short term	**-**	**62,906**
Carrying value – long term	**110,026**	**-**

Amounts due to directors and key management personnel are unsecured without interest and due on demand.

The Company also has a loan from a related party with a carrying value of $53,848 as at October 31, 2018

As at October 31, 2018, CannaOne owed $110,026 (October 31, 2017 - $62,906, October 31, 2016 - $1,000) to a Director (Solomon Riby-Williams) and key management personnel (including Dominic

Stann, Carlos Plaschinski, Erynn Tomlinson, Scott Williamson and James Petry) for management fees. As at October 31, 2018 the amounts owing are unsecured without interest and due on demand. August 31, 2018, CannaOne entered into a memorandum of agreement with certain of its officers, directors, employees and consultants (including Domenic Stann (Chief Operating Officer) Carlos Plaschinski (Social Media Specialist), Erynn Tomlinson (Director), and Scott Williamson (Chief Technology Officer and Lead Developer) pursuant to which those parties agreed to defer payment of accruing compensation payable by the Company until April 30, 2021. The agreement further provides that re-payment of accrued salaries may be made, at CannaOne's discretion, in cash, by the issuance of common shares of CannaOne, or by any combination of cash or shares. Payment made in common shares will be calculated based on a 20% discount to the then prevailing market price at that time and, if the common shares are publicly traded at the time of conversion, based on a 5 day VWAP from the 5 trading days prior to conversion, but not less than $0.05 per share pursuant to the requirements of the Exchange.

On June 1, 2018, the Company entered into an agreement with 0714556 BC Limited, a shareholder of the Company, for a loan of $100,000. The loan is unsecured, non-interest bearing until July 31, 2021 after which interest of 0.5% per month is to be accrued and paid, together with the outstanding principal, at the loan maturity date of July 31, 2023. Paul Guterres has voting and dispositive control over securities held by 0714556 BC Ltd.

During the year ended October 31, 2018 the Company granted 250,000 options to its Chief Financial Officer and director, Robert Chisholm, in partial consideration for executive services rendered during the period from March 1, 2018 through February 28, 2018. The options are exercisable at $0.40 per share, fully vested and expire February 28, 2021. No other stock options have been granted to the executive officers or directors of the Company as at the date of the Prospectus.

SHARE DATA

Authorized share capital consists of unlimited number of common shares without par value.
As at the date of this MD&A, the Company had 19,562,168 common shares issued and outstanding.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with International Financial Reporting Standards and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility. Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

INDUSTRY CONDITIONS AND RISKS

The Company has identified certain risks and uncertainties that may have a material adverse effect on its business, results of operations, or financial condition. In any such case, the market price of its common shares could decline, and investors may lose all or part of their investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company.

The following list of risk factors is not exhaustive. Investors should carefully consider these and other risks, one or all of which may be material, before purchasing securities of the Company. The Company will, on occasion, make forward looking statements about its expectations, its business and industry, and operations. These forward-looking statements are made at a point in time, based on certain assumptions. They are subject to change without notice as a result of the risks described herein and other risks. Investors or potential investors in the Company should not rely on forward-looking statements or the Company's historical operating performance as a prediction of actual results, and the Company undertakes no obligation to update forward looking information. In addition, the Company operates in a rapidly changing business, economic and regulated environment, and new potentially material risk factors emerge from time to time.

Operations Dependent on Revenues and Financing

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the shares purchased would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continued fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

Dividend Record and Policy

The Company has not paid any dividends since incorporation and does not anticipate declaring any dividends on the Common Shares in the foreseeable future. The directors of the Company will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time.

Risk Factors Associated with CannaOne's Business

Limited Operating History

CannaOne has limited operating history. The Company and its business prospects must be viewed against the background of the risks, expenses and problems frequently encountered by companies in the early stages of their development, particularly companies in new and rapidly evolving markets such as the market for software related to cannabis retail industry. There is no certainty that the Company will operate profitably.

No Profits to Date

CannaOne has not made profits since its incorporation and it is expected that it will not be profitable for next foreseeable future. Its future profitability will, in particular, depend upon its success in developing and commercializing its BloomKit software as a service platform, and the extent to which BloomKit is able to generate significant revenues. Because of the limited operating history, and the uncertainties regarding the development of the retail cannabis market, management does not believe that the operating results to date should be regarded as indicators for CannaOne's future performance.

Additional Requirements for Capital

Substantial additional financing may be required for the Company successfully develop its software business. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Negative Operating Cash Flow

The Company has not generated operating revenue and has incurred negative cash flow from operating activities. It is anticipated that the Company will continue to have negative cash flow in the foreseeable future. Continued losses may have the following consequences:

(a) increasing the Company's vulnerability to general adverse economic and industry conditions;
(b) limiting the Company's ability to obtain additional financing to fund future working capital, capital expenditures, operating costs and other general corporate requirements; and
(c) limiting the Company's flexibility in planning for, or reacting to, changes in its business and industry.

Expenses May Not Align With Revenues

Unexpected events may materially harm the Company's ability to align incurred expenses with recognized revenues. The Company incurs operating expenses based upon anticipated revenue trends. Since a high percentage of these expenses may be relatively fixed, a delay in recognizing revenues from transactions related to these expenses (such a delay may be due to the factors described elsewhere in this risk factor section or it may be due to other factors) could cause significant variations in operating results from quarter to quarter, and such a delay could materially reduce operating income. If these expenses are not subsequently matched by revenues, the Company's business, financial condition, or results of operations could be materially and adversely affected.

Market Acceptance

If CannaOne's BloomKit software service does not gain market acceptance, its operating results may be negatively affected. The Company intends to complete development of, and market and sell, BloomKit. If the markets for BloomKit fails to develop, develop more slowly than expected, or become subject to increased competition, the Company's business may suffer. As a result, the Company may be unable to successfully market BloomKit or to develop new products and services. If CannaOne's BloomKit platform is not accepted by its customers or by other businesses in the marketplace, CannaOne's business, operating results and financial condition will be materially affected.

Vulnerability to Negative Publicity or Consumer Perception

The licensing of software such as BloomKit to manage marijuana related businesses and transactions is part of a new and rapidly evolving industry that is subject to a high degree of consumer and media scrutiny stemming, in part, from regulatory uncertainty, and from public uncertainty and speculation regarding the ethical, social, and health related impacts of newly sanctioned and developing commerce in marijuana. In this climate of uncertainty and public scrutiny, CannaOne (and other participants in the marijuana industry) are notably vulnerable to negative consumer sentiment, and negative media coverage or publicity. The occurrence of such negative sentiment, coverage, or publicity may adversely impact CannaOne's business in a number ways, such as discouraging use of its products & services, impairing goodwill attributed to its brand, impeding its ability to raise additional financing, or compromising its ability to attract and retain qualified employees, among others.

Management Experience and Dependence on Key Personnel and Employees

The Company's success is currently largely dependent on the performance of its directors and officers. Certain members of the Company's management team have experience in the software development and information technology industries, while others have experience in areas including financial management, corporate finance and sales and marketing. The experience of these individuals is a factor which will contribute to the Company's continued success and growth. The Company will initially be relying on its board members, as well as on independent consultants, for certain aspects of its business. The amount of time and expertise expended on the Company's affairs by each of the Company's management team and the Company's directors will vary according to the Company's needs. The Company does not intend to acquire any key man insurance policies and there is therefore a risk that the death or departure of any member of management, the Company's board, or any key employee or consultant, could have a material adverse effect on the Company's performance, including the continuity or quality of its business. Investors who are not prepared to rely on the Company's management team should not invest in the Company's securities.

Limited Intellectual Property Protection.

CannaOne intends to rely in part on technological barriers, and on the protections afforded by copyright and common law trademark rights to reduce potential duplication or imitation of its products and services by future competitors. As its business and products develop, CannaOne may seek additional protection of its intellectual property assets through the registration of trademarks or, if warranted by unanticipated product innovations, the prosecution of patents. However, even if CannaOne is successful in obtaining such protections, which is not guaranteed, those protections alone will be insufficient to prevent copying or passing off by third parties of similar products and services. CannaOne may be unable to devote sufficient legal resources to the enforcement of any intellectual property rights it may hold from time to time, and may therefore lose market share to competitors who may produce similar or identical products at a lower cost. If CannaOne is in unable to protect its intellectual property, its vulnerability to third party imitators will increase significantly, which would make its business uncompetitive.

Risks Associated with VMoney.

On March 20, 2017 CannaOne entered into a licensing agreement with VMoney, Inc. to license VMoney's proprietary software platform, which facilitates financial transactions between merchants and customers. The license will allow CannaOne to provide transaction processing services within BloomKit. Once the VMoney financial transaction platform is incorporated by CannaOne into BloomKit, the unmitigated loss or disruption of the VMoney service may cause CannaOne to incur significant replacement costs, loss of revenue or customers, or reputational damage.

Although VMoney's software is currently used by a range of retailers and institutions located in Asia, Australia and North America, in the event VMoney does not perform under the license agreement, it may be difficult for CannaOne to obtain legal remedies against VMoney because the license agreement is governed by, and subject to, the laws and jurisdiction of the Republic of the Philippines. Although the Republic of the Philippines possesses a developed legal system and codified civil laws, the enforcement of contractual rights in the Philippines is, by reputation, procedurally onerous, requiring an average of 2.3 years to obtain and enforce civil judgments. Accordingly, CannaOne may be unable to enforce its contractual rights in relation to the VMoney agreement, in a timely, meaningful, or economical way.

Regulatory Risks

Changes in or more aggressive enforcement of laws and regulations related to the businesses of prospective customers of the Company could adversely impact its business. Regulatory uncertainty in the recreational and medical marijuana industries could have a material adverse effect on the operations or operational requirements of prospective customers of the Company, which may in turn constrain the market for the Company's products, or require un-anticipated investment by the Company to ensure compliance of its products with regulatory regimes. Accordingly, changes in government, regulations and regulatory policies or practices could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

The legal status and regulation of marijuana varies substantially from country to country, state to state, and province to province, and is still undefined and changing in many of them. While some jurisdictions have explicitly allowed its use and trade, others have banned or restricted it. Likewise, various government agencies, departments, and courts have imposed varying operational requirements and restrictions on marijuana commerce, all of which are subject to change.

Risk of Security Weaknesses in the BloomKit or VMoney Network Core Infrastructure Software

The BloomKit and VMoney network software consists of open source software that is itself based on open source software. There is a risk that the developers of BloomKit or VMoney, or other third parties may intentionally or unintentionally introduce weaknesses or bugs into the core infrastructural elements of the network software interfering with the use of or causing the loss of customer information, transaction information, or other data.

General Cyber Security Risk,

CannaOne's dependence on information technology systems to deliver the BloomKit service, and to otherwise administer its business, places it at significant risk for cyber security breaches, either directly or through its third party service providers (such as VMoney, internet service providers, or data storage providers). Hackers or other groups or organizations may attempt to interfere with the BloomKit network software or its availability any number of ways, including but not limited to denial of service attacks (flooding the bandwidth or resources of a web server, triggering a system crash), spoofing (masquerading as another by falsifying data for the purposes of theft or disruption), malware attacks (the introduction of software intended to damage or disable computers and computer systems), or consensus- based attacks (the injection of random false data into the communication links so as to degrade the network performance). While CannaOne intends to employ customary measures to maintain the security of its networks (including, without limitation, the use access controls, firewalls, intrusion detection products, regular security audits, and security updates), there is no guarantee that it will not suffer incidence of cyber security interference. Incidence of such interference may result in a number of adverse impacts to CannaOne's business including but not limited to:

- the misuse, theft, corruption or loss of confidential customer or employee information, or other data;
- lost revenues due to a disruption of activities;
- incurring unanticipated remediation costs;
- litigation, fines and liability for failure to comply with privacy and information security laws;
- reputational harm affecting customer and investor confidence; and
- diminished competitive advantage and negative impacts on future opportunities.

Competition

The market for software solutions for the marijuana retail industry may become highly competitive on both a national and international level. The Company believes that the primary competitive factors in this market are: •(i) product features, (ii) functionality and ease of use; (iii) ongoing product enhancements; (iv) price; (v) quality service and support; and (vi) reputation and stability of the vendor. Additionally, the marijuana retail industry is at a very early stage, and the ultimate demand for industry related software solutions is uncertain. Accordingly, there are no assurances that that the Company will successfully compete with new and existing competitors, which may have greater financial, technical, and marketing resources than does the Company. The Company's competitors may also have a larger installed base of users, longer operating histories or greater name recognition than will the Company. There can be no assurance that the Company will successfully differentiate its BloomKit platform from the products of its competitors, or that the marketplace will consider the Company's platform to be superior to competing products.

Dependence on Third Party Relationships.

The Company is highly dependent on a number of third party relationships to develop its products and implement its business plan, and it cannot be assured that all such relationships will be successful, advantageous or optimal. In addition, there is no guarantee that relevant third parties will fulfill their contractual obligations or, in the event of contractual breach, that the Company may legally compel performance of such agreements, or identify or secure alternative assistance.

Absence of Non-Compete and Confidentiality Agreements with Directors, Officers, Employees, and Consultants

The directors, executive officers, and consultants of the Company have not entered into non-competition or non-disclosure agreements with the Company, and they are not expected to be a party to any such agreement upon completion of the Offering. Accordingly, the Company may have limited recourse (such as the inability to seek injunctive relief) to prevent its directors, officers, employees or consultants from entering into competition with the Company, or from misappropriating or otherwise utilizing information related to the Company's business or technology in a manner detrimental to the Company.

RECENT ACCOUNTING PRONOUNCEMENTS

At the date of authorization of this MD&A, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been early-adopted by the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued, but are not expected to have an impact on the Company's financial statements.

IFRS 9 Financial Instruments

FRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and IFRIC 9 Reassessment of Embedded Derivatives. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9. However, for annual periods beginning before January 1, 2018, an entity may elect to apply those earlier versions instead of applying the final version of this new standard if its initial application date is before February 1, 2015.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- Classification and measurement of financial assets:

Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income".

- Classification and measurement of financial liabilities:

When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.

- Impairment of financial assets:

An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.

- Hedge accounting:

Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue to applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

The Company is currently evaluating the impact of the final standard and amendments on its financial statements.

IFRS 16 Leases

IFRS 16, Leases ("IFRS 16") In January 2016, the IASB issued IFRS 16 - Leases which replaces IAS 17 - Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. The Company is currently assessing the impact of IFRS 16.

IFRS 15 Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers ("IFRS 15") In May 2014, the IASB and the Financial Accounting Standards Board ("FASB") completed its joint project to clarify the principles for recognizing revenue and to develop a common revenue standard for IFRS and US GAAP. As a result of the joint project, the IASB issued IFRS 15, Revenue from Contracts with Customers, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 establishes principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard is effective for annual periods beginning on or after January 1, 2018. The adoption of IFRS 15 is not expected to have a significant impact on the financial statements of the Company as the Company has minimal revenues as of the date of these financial statements.

CRITICAL ACCOUNTING ESTIMATES

The financial statements of the Company for the year ended October 31, 2018, were prepared in accordance with IFRS applicable to a going concern which assumes that the Company will realize its assets and discharge its liabilities and meet its future obligations in the normal course of business. Accordingly, the financial statements do not include any adjustments for the recoverability and reclassification of recorded assets, or the amounts or classification of liabilities, that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material. However, there is significant doubt as to the appropriateness of the going concern presumption. There is no assurance that the Company's funding initiatives will continue to be successful.

The critical sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Fair Value of Financial Instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Share-Based Payment Transactions

The Company measures the cost of share-based payment transactions with employees by reference to the fair value of the equity instruments. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield and forfeiture rate of the share option. The assumptions and models used for estimating fair value for share-based payment transactions are determined at the time of the granting of such share-based compensation.

Income Taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determinations are made.

INVESTOR RELATIONS

On January 21, 2019, the Company entered into a consulting agreement with Oak Hill Financial for the provision of investor relation services. The consultant will initiate and maintain contact with the financial community, shareholders, investors and other stakeholders for the purpose of increasing awareness of CannaOne and its activities. The agreement is for a 12 month term.

ADDITIONAL INFORMATION

Additional information relating to CannaOne Technologies Inc. is located at www.sedar.com.