ASIA CANNABIS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the period from incorporation on December 19, 2017 to December 31, 2018

MANAGEMENT'S DISCUSSION & ANALYSIS

The following management's discussion and analysis ("MD&A") should be read in conjunction with Asia Cannabis Corp's ("Asia Cannabis" or the "Corporation") audited financial statements for the period from December 19, 2017 (date of incorporation) to December 31, 2018 and the notes thereto. Those financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The MD&A is dated April 29, 2019. The reader should be aware that historical results are not necessarily indicative of future performance.

Additional information about the Corporation, filed with the Canadian securities commissions, including periodic yearly and quarterly reports, is available online at www.sedar.com.

Asia Cannabis Corp. was incorporated by Certificate of Incorporation pursuant to the provisions of Alberta, Canada on December 19, 2017. During the period ended December 31, 2018, the Corporation initiated a process to become a publicly-listed entity on the Canadian Securities Exchange ("CSE"); on January 24, 2019, the Corporation successfully listed on the CSE under the symbol "ASIA".

FORWARD-LOOKING STATEMENTS

This MD&A may contain forward-looking or outlook information which reflects management's expectations regarding the Corporation's growth, results of operations, performance and business prospects and opportunities. The use of words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "outlook", "forecast" and similar expressions are intended to identify forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results of events to differ materially from those anticipated in these forward-looking statements. Although management believes the expectations reflected in these forward-looking statements are reasonable, there can be no assurance that actual results will be consistent with these forward-looking statements. Readers should not put undue reliance on forward-looking information. These statements are made as of the date hereof and management assumes no obligation to update or revise these statements to reflect new events or circumstances, except as required by securities legislation.

OUTLOOK AND NATURE OF ORGANIZATION AND CONTINUANCE OF OPERATIONS

Asia Cannabis is an international agri-technology company that will specialize in growing and processing proprietary strains of hemp and bulk cannabidiol in Cambodia and elsewhere in South East Asia with the ultimate aim to export to the large markets across Asia. The Company's initial focus will be on research and development, along with evaluation and testing of specialized strains using Cambodia as primary venue to conduct this process.

The address of the registered office of the Corporation is Suite 730, 1015 – 4th Street S.W., Calgary, Alberta, T2R 1J4.

HIGHLIGHTS

During the period ended December 31, 2018, the Corporation initiated a process to become a publicly-listed entity on the Canadian Securities Exchange ("CSE"). The costs associated with the issuance of new equity were recorded as deferred financing costs, which at December 31, 2018 totalled $19,962, whereas costs associated with the listing were expensed as transaction costs, which during the period ended December 31, 2018 totalled $133,123.

On January 11, 2019, ACC completed its initial public offering of 5,047,000 common shares at the price of $0.25 per common share pursuant to a Prospectus dated October 29, 2018 for gross proceeds of $1,261,750 (the "Offering"). ACC incurred further share issue cost approximately $63,000 and listing expenses approximately $3,100 in fiscal 2019. With the completion of that Offering, the Company satisfied the conditions necessary to complete its listing on the CSE. On January 24, 2019, the Corporation successfully listed on the CSE and commenced trading under the symbol "ASIA".

INTELLECTUAL PROPERTY

On February 2, 2018, the Corporation entered into an assignment and assumption agreement (the "Agreement") with Implanta Biotechnology Inc. ("Implanta") and SHM Grow Corp. ("SHM") with respect to the assignment to the Corporation of all rights, title and interest in a letter of intent. Pursuant to the Agreement the Corporation issued 2,000,000 common shares to the shareholders of Implanta on February 23, 2018 at a fair value price of $0.02 per common share, for aggregate consideration of $40,000.

On March 7, 2018, the Corporation entered into a license agreement (the "License Agreement") with Implanta wherein Implanta granted the Corporation the exclusive license to use a proprietary organic hybridization technology for planting, growth and harvesting of new and valuable hemp strains and related crops in commercial quantities. The Corporation intends to apply the technology to hemp industry in the entirety of Asia, including India, Thailand, Cambodia, Vietnam, Korea, Malaysia, Indonesia, Japan, Singapore, China, Miramar, Laos, and the Philippines.

In return for the grant of license to the Corporation, the Corporation will pay royalties on the sale of seed and related by-products on a sliding scale basis. In addition, the Corporation has agreed to complete a test program in the subject territory to demonstrate the application of the licensed technology with a budget of not less than $1.0 million and to pay a retainer of $5,000 per month commencing January 10, 2019 to the licensor for completion of related laboratory work and analysis.

In line with the requirements of IFRS, the Corporation carried out an impairment test of the intellectual property as it was not available for use. Management determined that the recoverable amount exceeded the carrying value of the intellectual property. Accordingly, no impairment was recorded.

SELECTED FINANCIAL INFORMATION ($)

	Period Ended Dec. 31, 2018
Revenue	-
Net loss and comprehensive loss	(921,579)
per share (basic and fully diluted)	(0.06)
Total assets	554,115

PERIOD DATA ($)

Period ended	Revenue	Expenses	Net Loss	Basic and Fully Diluted	Total Assets
December 31, 2018	-	(187,383)	(187,383)	(0.01)	554,115
September 30, 2018	-	(734,196)	(734,196)	0.03	641,255

SUMMARY OF RESULTS ($)

	Three Months Ended Dec. 31 2018	Period Ended Dec. 31 2018
Revenue	-	-
Expenses		
General and administrative expenses:	(54,260)	(78,270)
Share-based compensation	-	(710,186)
Transaction costs	(133,123)	(133,123)
Net loss and comprehensive loss	(187,383)	(921,579)
Loss per share – basic and diluted	(0.01)	(0.06)
Net cash used in operating activities	(72,590)	(81,386)
Net cash from financing activities	20,935	565,539
Total assets	554,115	554,115
Working capital (1)	384,108	384,108

(1) Working capital is calculated as current assets less current liabilities. This is a non-IFRS measure.

GENERAL AND ADMINISTRATIVE ("G&A") EXPENSES ($)

	Three Months Ended Dec. 31 2018	Period Ended Dec. 31 2018
G&A expenses	54,260	78,270

G&A expenses for the period from incorporation on December 19, 2017 to December 31, 2018 totalled $78,270 (three-month period ended December 31, 2018 - $54,260).

The following table breaks down G&A expenses by category ($):

	Three Months Ended Dec. 31 2018	Period Ended Dec. 31 2018
Advertising and promotion	5,250	5,250
Consulting fees	3,960	20,228
Travel expense	40,732	40,732
Legal	2,437	2,437
Filing and registration fees	1,801	4,647
Other	80	4,976
	54,260	**78,270**

DEFERRED FINANCING COSTS AND TRANSACTION COSTS

During the period ended December 31, 2018, the Corporation initiated a process to become a publicly-listed entity on the CSE. The costs associated with the issuance of new equity were recorded as deferred financing costs, which at December 31, 2018 totalled $19,962, whereas costs associated with the listing were expensed as transaction costs, which during the period ended December 31, 2018 totalled $133,123.

SHARE CAPITAL

a) Authorized

Unlimited number of voting common shares, without par value.

Unlimited number of preferred shares issuable in series, as determined by the directors.

b) Issued

Common shares	**Number of Shares**	**Amount**
Incorporation (i)	100	1
Issuance of shares for cash (ii)	29,200,000	600,000
Issuance of shares to acquire intellectual property	2,000,000	40,000
Share issue costs (iii)	-	(4,500)
Balance at December 31, 2018	**31,200,100**	**635,501**

(i) On December 19, 2017, the Corporation issued 100 common shares of the Corporation at an issue price of $0.01 per common share, for aggregate gross proceeds of $1.00.

(ii) On February 22, 2018, the Corporation issued 28,800,000 common shares of the Corporation at an issue price of $0.02 per common share, for aggregate gross proceeds of $576,000. On February 24, 2018, the Corporation issued 400,000 common shares of the Corporation at an issue price of $0.06 per common share, for aggregate gross proceeds of $24,000.

(iii) In connection with the closing of the private placements above, the Corporation incurred $4,500 in share issue costs.

c) Options

On March 1, 2018, the Corporation granted 3,120,010 share options to directors and officers pursuant to its stock option plan to purchase common shares at an exercise price of $0.25 per common share, exercisable for a period of five years from the date of grant.

The Corporation calculated the fair value of options granted in 2018 using the Black-Scholes option pricing model using the following weighted average assumptions:

	2018
Share-price	$0.25
Risk-free interest rate	1.75%
Expected volatility	150%
Dividend yield	0%
Expected life of each option granted	5 years
Estimated forfeiture rate	0%
Weighted average fair value per option	$0.23

The fair value of the 3,120,010 fully vested options granted on March 1, 2018 was $710,186, with a corresponding credit to contributed surplus.

d) Escrow shares

Pursuant to the terms of an escrow agreement dated April 25, 2018, a total of 14,953,933 common shares issued to the directors and officers of the Corporation will be held in escrow. Under the escrow agreement, 10% of the escrowed common shares will be released upon the listing date and an additional 15% will be released therefrom every 6-month interval thereafter, over a period of 36 months. These escrow shares, which are considered contingently issuable, are excluded from loss per share calculations.

NET LOSS AND COMPREHENSIVE LOSS, AND CASH FLOWS FROM OPERATING ACTIVITIES ($)

	Three Months Ended Dec. 31 2018	**Period Ended Dec. 31 2018**
Net loss and comprehensive loss	(133,393)	(921,579)
Per share – basic and diluted	(0.00)	(0.06)
Net cash used in operating activities	(72,590)	(81,386)
Net cash from financing activities	20,935	565,539

During the period from incorporation on December 19, 2017 to December 31, 2018, the Corporation recorded a net loss and comprehensive loss of $867,589 (three months ended December 31, 2018 - $133,393). On a per share basis, this loss equates to $0.03 per share (three months ended December 31, 2018 - $0.00 per share).

SUPPLEMENT TO THE FINANCIAL STATEMENTS

The outstanding common shares and share options are summarized below (also see note 8 the audited financial statements for the period from incorporation on December 19, 2017 to December 31, 2018):

	Apr. 29, 2019	**Dec.31, 2018**
Common shares	36,247,100	31,200,100
Share options	3,120,010	3,120,010

Subsequent to December 31, 2018, the Corporation completed its initial public offering of 5,047,000 common shares at the price of $0.25 per common share pursuant to a Prospectus dated October 29, 2018 for gross proceeds of $1,261,750.

After closing the Offering, the Corporation has: (i) 36,247,100 common shares issued and outstanding (14,953,933 of which are subject to escrow restrictions); (ii) 403,760 common shares reserved for issuance upon the exercise of the common share purchase warrants granted to the Agent upon completion of the IPO (the "Agent's Warrants"), which Agent's Warrants are exercisable at a price of $0.25 per common share until January 10, 2021; and (iii) 3,120,010 common shares reserved for issuance upon the exercise of stock options, exercisable until March 1, 2023 at a price of $0.25 per common share.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2018, the Corporation had a working capital surplus of $384,108, which included cash of $484,153.

MATERIAL TRANSACTIONS

On January 11, 2019, the Corporation completed its initial public offering of 5,047,000 common shares at the price of $0.25 per common share pursuant to a Prospectus dated October 29, 2018 for gross proceeds of $1,261,750 (the "Offering" or the "IPO"). The Corporation has been listed as a hemp research and development company on the CSE. The common shares of the Corporation commenced trading on the CSE under the trading symbol "ASIA" on January 24, 2019.

After closing the Offering, the Corporation has: (i) 36,247,100 common shares issued and outstanding (14,953,933 of which are subject to escrow restrictions); (ii) 403,760 common shares reserved for issuance upon the exercise of the common share purchase warrants granted to the Agent upon completion of the IPO (the "Agent's Warrants"); these Agent's Warrants are exercisable at a price of $0.25 per common share until January 10, 2021; and (iii) 3,120,010 common shares reserved for issuance upon the exercise of stock options, exercisable until March 1, 2023 at a price of $0.25 per common share.

In addition, the Agent received an aggregate total cash commission of $61,940 in connection with Offering, representing an 8% commission on the total "non-President's List" proceeds from the Offering in the amount of $611,750 and a 2% commission on the proceeds from the Offering arising from a "President's List" of subscribers in the amount of $650,000. Additionally, the Agent was paid an administration fee and granted the Agent's Warrants.

On February 20, 2019, the Corporation entered into a share purchase agreement with the shareholders for the purchase of all issued and outstanding common or voting shares of Asia Cannabis Industry Co. Ltd. ("ACI"), a company incorporated under the laws of the Kingdom of Cambodia. The purchase price of shares shall be $1.00. The transaction includes the purchaser ACI is indebted to various creditors in the aggregate amount of not more than US$180,000.

On February 27, 2019, the Corporation granted an aggregate of 550,000 stock options (each, an "Option") to a director of the Corporation in accordance with the Corporation's stock option plan, which vested immediately. Each Option is exercisable into one common share in the capital of the Corporation (each, a "Share") at a price of $0.25 per share for a period of five years from the date of grant.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

CONTRACTUAL OBLIGATIONS AND CAPITAL COMMITMENTS

There are no contractual obligations or capital commitments.

FINANCIAL INSTRUMENTS

Financial assets

Recognition and initial measurement

The Corporation recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

Classification and subsequent measurement

Subsequent to initial recognition, all financial assets are classified and subsequently measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost are comprised of cash.

Reclassifications

The Corporation reclassifies debt instruments only when its business model for managing those financial assets has changed. Reclassifications are applied prospectively from the reclassification date and any previously recognized gains, losses or interest are not restated.

Impairment

The Corporation recognizes a loss allowance for the expected credit losses associated with its financial assets, other than debt instruments measured at fair value through profit or loss and equity investments. Expected credit losses are measured to reflect a probability weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

Financial assets are written off when the Corporation has no reasonable expectations of recovering all or any portion thereof.

Derecognition of financial assets

The Corporation derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

Financial liabilities

Recognition and initial measurement

The Corporation recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Corporation measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount. Transaction costs of equity transactions are treated as a deduction from equity.

Classification and subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability or a component classified as a financial liability are recognized in profit or loss.

Derecognition of financial liabilities

The Corporation derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

ACCOUNTING PRONOUNCEMENTS EARLY ADOPTED

IFRS 9, *Financial Instruments* replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. The new standard includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018 with early adoption permitted; therefore, the Corporation has adopted it effective December 19, 2017 (date of incorporation).

IFRS 15, *Revenue from Contracts with Customers* establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 requires additional disclosures to disclose disaggregated revenue by product type. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2018 with early adoption permitted; therefore, the Corporation has adopted it effective December 19, 2017 (date of incorporation). The Corporation does not have any Revenue from Contracts with Customers during the period.

FUTURE ACCOUNTING PROCOUNCEMENT

The IASB has issued the following new standard that will be relevant to the Corporation in preparing its financial statements in the future periods:

IFRS 16, *Leases* sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer (“lessee”) and the supplier (“lessor”) and replaces the previous leases standard, IAS 17 Leases. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. The Corporation is in the early stages of evaluating the impact of IFRS 16 on its financial statements and the extent of the impact has not yet been determined.

CRITICAL ACCOUNTING ESTIMATES

Taxes

The Corporation files corporate income tax, goods and service tax and other tax returns with various provincial and federal taxation authorities in Canada. There can be differing interpretations of applicable tax laws and regulations. The resolution of any differing tax positions through negotiations or litigation with tax authorities can take several years to complete. The Corporation does not anticipate that there will be any material impact upon the results of its operations, financial position or liquidity.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods.

Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain.

Estimates of future taxable income are based on forecasted funds from operations. During the period ended December 31, 2018, the Corporation has not recorded any deferred tax assets or liabilities due to the uncertainty of future taxable profits

Share options and warrants

The amounts recorded relating to the fair value of share options and warrants issued are based on estimates of the volatility using historical volatilities of peer companies that are publicly traded, market price of the Corporation's shares at the grant date, expected lives of the options and warrants, risk-free interest rate, forfeiture rate, expected dividends and other relevant assumptions.

The Corporation adopted a share option plan, which allows the Corporation to issue options to the directors and officers of the Corporation to purchase ordinary shares of the Corporation at a stipulated price. The option grants will not exceed 10% of the issued and outstanding ordinary shares of the Corporation. The Corporation measures these amounts at fair value at the grant date using the Black-Scholes option pricing model and compensation expense is recognized over the vesting period