ASIA GREEN BIOTECHNOLOGY CORP.

(Formerly Asia Cannabis Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

MANAGEMENT'S DISCUSSION & ANALYSIS

The following management's discussion and analysis ("MD&A") should be read in conjunction with Asia Green Biotechnology Corp.'s ("AGBC" or the "Corporation") unaudited condensed interim financial statements as at and for the three and nine months ended September 30, 2020 and 2019 ("the interim financial statements"), and the audited annual financial statements for the period from incorporation on December 19, 2017 to December 31, 2018 and year ended December 31, 2019. The financial data presented herein, including comparative periods, have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". Accordingly, certain information and disclosure normally included in audited annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed.

The MD&A is dated **November 27, 2020.** 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".

On April 16, 2020, the Corporation changed its name to Asia Green Biotechnology Corp. by Certificate of Amendment pursuant to the provisions of Alberta, Canada.

The address of the registered office of the Corporation is Suite 1150, 707 – 7th Avenue S.W., Calgary, Alberta, T2P 3H6.

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.

BUSINESS PLAN

Asia Green Biotechnology Corp. is focused on hemp research and development. The Corporation is in the process of establishing and implementing research and development programs in Cambodia and Thailand and continues to evaluate the potential to expand its business operations to other countries in the region.

As an early-stage international agro-technology company, the Corporation is creating a business focused on the development, evaluation, testing, application and, ultimately, supply to the market of proprietary organic hybridization technology and certain products derived from that technology (the "Technology").

The core approach of the business is centered on the planting, growth and harvesting of new and valuable strains of hemp and related crops in commercial quantities under the terms of the license agreement with

InPlanta Biotechnology Inc. (“InPlanta”), an Alberta company controlled by 2 directors of the Corporation, and the evaluation and development of medicinal and related cannabinoidal extracts under the terms of license agreements with Swysh Inc. (“Swysh”), an Alberta company controlled by a director of the Corporation, and Pathway Rx Inc. (“Pathway Rx”), an Alberta company controlled by a director of the Corporation.

See also Note 7 to the Interim Financial Statements.

Activities Derived from InPlanta License Agreement

In its prospectus dated October 29, 2018, the Corporation provided detailed disclosure of its business plan for the implementation of research, development and general business expansion activities in the territory accessible to it in Asia (the “Territory”) pursuant to the terms of the license agreement executed between it and InPlanta (the “License”). The License provides the Corporation with the exclusive right to grow trial varieties in the Territory, for a period of up to 20 growing seasons (years) in order to evaluate the hybridized material owned and provided by InPlanta. The Corporation shall and has been endeavoring to, in relation to each of the trial varieties, carry out the necessary trials to determine whether they are suitable for use in the Territory. InPlanta provides the Corporation with sufficient seed to carry out trials, and supplies such technical and other relevant information in its possession as will assist the Corporation to effectively to evaluate the Trial Varieties. The Corporation pays InPlanta a fee of $5,000 per month during the term of the agreement for completion of mandated laboratory work and technical support to the Corporation.

Management of the Corporation has also been sourcing exclusive relationships established by the provision of and transfer of that intellectual property to other industry partners as may exist in South East Asia. The Corporation utilizes well-characterized hemp strains developed by InPlanta and, with the assistance of InPlanta, either integrates this material into strains grown in the licensed territories or arrange for its direct introduction into the growing environments of those locales. It is the Corporation’s business plan to use the Technology to develop specialized genetic varieties of hemp plants which will, initially, produce superior agricultural products relative to any specific region in the licensed territory and, secondly, to focus attention on those strains which offer potential for development of new products with applications in a broad range of areas. The range of product applications contemplated includes a number of core strains which have been the focus of the work hitherto undertaken by InPlanta personnel. These strains have been engineered to provide a discernable benefit around the food, fuel, fibre and foundation pillars of the hemp industry as presently exist in the licensed region and will be used to support and stimulate local hemp industry accordingly.

In executing these plans, the Corporation has explored potential activities independently or with potential partners in a number of Asian countries including Cambodia, Thailand, South Korea, Malaysia, Indonesia and India. The following key developments have occurred:

Thailand

The first such formal relationship was established between the Corporation and the Thai-based AmeriSeed Group (“AmeriSeed”). The purpose of this agreement is to allow AGBC and AmeriSeed to collaborate in the pursuit and execution of a business development plan tied to the evaluation and implementation of seed and plant production techniques relating to hemp and other plants with medicinal, practical or other benefits. The parties are now actively engaged in the joint provision of managerial input, equipment, intellectual property and material to facilitate the operational needs of such a project in Thailand or wherever the parties determine is a viable venue for such an operation. In particular, testing activity has commenced using the partner’s facilities. As an adjunct to this, the parties have entered into a Memorandum of Understanding with Maejo University in Chiang Mai, Thailand, to conduct similar hemp-based trials using the University’s facilities and in accordance with the regulatory licenses held by that institution.

Cambodia

Management had determined that the initial focus of the business would be in the country of Cambodia, a small South-East Asian nation located in a tropical belt near the equator. Certain members of the Board have extensive business experience in Cambodia and are therefore familiar with the cultural, geo-political and climatic factors likely to be encountered while operating in that country. In consultation with InPlanta, initial assessments have determined that Cambodia features a variety of elements conducive to the commencement of viable, if not strong, hemp production utilizing certain of the genetic strains already available to the Corporation under the License Agreement.

The Corporation immediately commenced the process of liaising with Cambodian government bodies and agencies to ensure that the basic business model contemplated in the business plan was feasible. The commercial potential of hemp production in Cambodia has long been recognized by government and the Corporation's limited focus on hemp, coupled with the encouraging prospects for maximum growth potential with the introduction of the InPlanta Technology, have produced a number of positive responses from Cambodian authorities. In particular, the Cambodian government has activity engaged with the Corporation's representatives to develop and formulate amendments to existing laws governing the growing and use of hemp in the country. InPlanta representatives and members of the Corporation's management and its agents in county have all played active roles in this liaison and consultative process which, to a large degree, had not precedent in terms of policy formulation and application. To date, the Corporation has actively worked with the Ministry of Health and the Ministry of Justice to advise as the country moves to the establishment of policies and procedures designed to promote the safe and equitable adoption of hemp as an alternative commercial crop.

These activities are regarded by management as a significant element in the fulfillment of a social mandate to provide and encourage development of a local hemp industry and, as such, will support micro-business initiatives providing value-added products complimenting the Corporation's growth. It is expected that this can be achieved by contracting with local land owners currently farming rice, which is grown in most rural areas in Cambodia.

Hemp Production as an Industry

While hemp is a variety of cannabis sativa, one of the three main subtypes of the cannabis plant, it is different from marijuana in a number of ways. Hemp contains negligible amounts of tetrahydrocannabinol (THC) and also contains more CBD, a non-intoxicating compound with medical applications, than marijuana. Hemp was selectively bred for a range of consumer and industrial uses and has been grown in Asia for centuries. The fibers from the stalk can be used to make rope, clothes and other textiles, and as an organic construction material. The seeds are also edible and provide the source ingredients for a wide variety of medicinal products. The biological robustness of hemp plants, coupled with the broad range of applications developed for its products and by-products over years of use in Asia, make it a viable choice as a focus for new business development, particularly in an environment where the negative stigmas associated with hemp have been or are being eliminated.

It was originally anticipated that the Corporation's business development in Cambodia would include a particular focus on the potential medical benefits which might be derived from the specialized application of the proprietary organic hybridization technology to be accessed by the InPlanta agreement. The potential medical benefits provided by hemp are leading to the de-stigmatization of this crop and related cannabinoids acceptance and such will continue to grow and present significant opportunities in South East Asia, a region much more accustomed to non-traditional medical practices and where herbs, hemp and their many derivatives play significant current and historical roles in both the practice of medicine and various other conventional industries. The Corporation has been exploiting this experience as it moves forward and, as a consequence, has successfully expanded its ability to participate in this industry by entering into agreements with companies specializing in research of particular strains and elements of hemp-derived cannabinoids for the treatment of significant medical conditions and ailments.

Medicinal By-product Research and Development Participation

As management continued with the development of its business plan, it became clear that a number of derivative opportunities were available to it based on its participation in research into potential applications of cannabinoidal elements derived from certain hemp strains and its maturing relationships with both business partners and regulatory bodies in countries forming the licensed territory.

In that vein, the following material developments have occurred:

In March, 2020, the Corporation entered an agreement with Swysh and focused on the conduct of specific cannabinoid-based research and development activities and that owns proprietary technology and related intellectual property aimed at providing the basis for creation of topical treatments for a variety of external and internal conditions and ailments, including a number of anti-viral and preventative health-care applications. This agreement grants a license to the Corporation to deploy the technology for the purpose of completing further research, development, testing and additional validation and establishment of practical applications with a view to commercialization of those technologies in the greater region of Asia.

In August, 2020, the Corporation entered an agreement with Pathway pursuant to which the Corporation is granted an exclusive license to clinically develop and commercialize the Cannabis sativa varieties to which Pathway owns the rights for prevention and for treatment of COVID-19 and other infectious diseases. Both companies wish to see those varieties, and possibly other versions of the strains, studied for their efficacy in humans and eventually approved and applied as new drugs and as over-the-counter health products. This agreement grants a license to the Corporation to deploy the technology for the purpose of completing further research, development, testing and additional validation and establishment of practical applications with a view to commercialization of the technology in the greater region of Asia.

These agreements function in part as a supplement to and expansion of the activities commenced by the Corporation developed through its license agreement with InPlanta. The Swysh agreement provides, among other things, that the Corporation will participate in research and development activities based on Swysh's intellectual property and associated rights and will ultimately be in a position to control and market health, skin care and a variety of other products successfully derived from those activities. In so doing, the Corporation has committed to a budget of $100,000 to affect research activities directed by Swysh, and will pay Swysh a royalty based on actual sales of products derived from that research. In addition, the Corporation has agreed to pay monthly consulting fees of $5,000 per month commencing April 2020 to Swysh.

Cambodia/Asian Market

The Corporation has, with the assistance of InPlanta, evaluated Asian market data and established viable strategies to execute its business model with a starting point in Cambodia. While varying Asian influences such as tastes, culture, and geographical factors will present challenges to the Corporation's growth, the Corporation's early-entry status is serving as an advantage which will allow it to seek strategic partnerships with consumer product producers in Asia. The potential for future expansion and development in Cambodia and surrounding areas is and is expected to grow once the Corporation has established operations in Cambodia and/or the SE Asian region. The Cambodian government has historically made significant efforts to foster wide-spread adoption of hemp as a cash crop and has promoted the crop to small-scale farmers to grow the plant for personal, medicinal and nutritional consumption. In-country presence and the relationship with InPlanta has led management of the Corporation to focus all of its efforts on the evaluation, development and implementation of commercial growing and production strategies based solely on the use of the various hemp strains sourced from InPlanta.

The Corporation has determined that the market potential of the South East Asian region is significant for a variety of products on a variety of levels, including, but not limited to:

- hemp-derived CBD sales in bulk liquid, gels, pills, foods, tinctures and beverages;
- infused food products and beverages;
- integration of traditional health and consumer products into legalized medical formats;
- integrating new and traditional extract production with existing distribution channels and complimentary product lines;
- adapting traditional fibre production to new strains and developing new primary and secondary markets for fibre;
- processing of waste products into fuel pellets to reduce local deforestation; and
- identifying uses for waste products in shelter construction.

In order to execute the Corporation's business plan, it intends to apply to the appropriate institutions and regulatory authorities in Cambodia for research accreditation and permits to support and permit importation of Canadian-developed hemp strains specifically tailored to meet international standards for CBD import/export markets, and to address the product varieties and uses therefore outlined above. In concert therewith, the Corporation will seek alliances with local partners to affect the introduction of seed and/or genetic material to allow cross-pollination of identified strains with demonstrated economically viable traits.

With strong genetic strains identified, the Corporation will then move to expand and encourage integration of hemp farming into the local and regional economy in a responsible manner, approaching growth and expectations of the local community in a reasonable way as dictated by demand. In this context, the Corporation will seek to identify and establish partnerships with local industry players including those with production, processing and distribution capabilities.

As the Corporation intends to become a participant in all facets of a revised and revitalized segment of significant hemp agricultural industry in the region, the Corporation anticipates that it will have an early opportunity to source revenue from each level of that activity. In particular, the Corporation intends to develop novel and adaptable strains of hemp to be used for production of hemp hearts, hemp seed oil, CBD oil and hemp fibre for local and international markets, and expects to be well-placed to take advantage of the integration of the technology sourced through its relationship with InPlanta with the natural potential of the hemp plant in the region.

RISK FACTORS

Despite the significant inroads the Corporation has established in developing its business in Asia, and despite the potential expansion of its business model facilitated by the Swysh and Pathway Rx agreements, the future success of the Corporation remains at risk on a variety of levels:

Risks Relating to the Industry

The Corporation faces intense competition in the market from larger, more established companies in the hemp technology industry that offer a wider array of products. These competitors will make it difficult for the Corporation to offer competing products and grow its business.

The Corporation will be competing with the producers of other products and competition in the hemp technology industries will limit the availability of channels required for the successful distribution of the Corporation's products. The Corporation may not be able to compete successfully against its future competitors and competition could have a material adverse effect on its business, results of operations and financial condition. The Corporation's potential competitors may develop superior technology and services that achieve greater market acceptance than the Corporation’s. Accordingly, failure of the Corporation's marketing campaign can result in the failure of the business.

Industry changes may have a negative impact on the Corporation's operations.

The Corporation’s success is dependent on foreign markets.

Foreign and ancillary markets are expected to become increasingly important in the hemp industry. As such, the Corporation may rely on foreign and ancillary markets for its revenue, particularly in Asia, where it has the exclusive license to deploy the Technology. Neither foreign nor ancillary markets provide a guarantee of revenue. Also, licensing in other foreign markets may be dependent upon performance in certain markets and if the Technology is not successful or if, for any reason, it is not well-received by the public, it may be a financial failure which would result in the operational and financial hardship of the Corporation.

Foreign rules and regulations may have an adverse impact on the Corporation's operations.

Some foreign countries may impose government regulations on the distribution of the Corporation's products which may affect demand for the Technology.

The Corporation's business is dependent on applicable regulatory licensing in the jurisdictions in which it plans to operate.

Successful execution of the Corporation's strategy is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all the requisite licenses, permits and other regulatory approvals. Although the Corporation believes it will be able to qualify for the Regulatory Approvals and meet requirements thereof, there can be no guarantee that the relevant regulators will accept the Corporation's applications for the Regulatory Approvals or, if they do, whether such regulators will continue to be satisfied with the Corporation's maintenance of the Regulatory Approvals.

The commercial hemp industry is an evolving industry and the Corporation cannot predict the impact of the compliance regimes in Cambodia, Canada or elsewhere. Similarly, the Corporation cannot predict the time required to secure all appropriate Regulatory Approvals for its products, or the extent of testing and documentation that may be required by the relevant governmental and regulatory authorities. The impact of the applicable compliance regimes, and any delays in obtaining, or failure to obtain, Regulatory Approvals, may significantly delay or impact the development of markets, products and sales initiatives, and could have a material adverse effect on the business, financial condition and operating results of the Corporation. The Corporation cannot predict the time required to secure all appropriate Regulatory Approvals for its products, or the extent of testing and documentation that may be required by governmental and regulatory authorities. Any delays in obtaining, or failure to obtain, necessary Regulatory Approvals will significantly delay the development of markets and products, and could have a material adverse effect on the business, results of operations and financial condition of the Corporation.

The Corporation will be subject to risks associated with agricultural operations.

Since the Corporation's business will revolve mainly around the growth of industrial hemp, an agricultural product, the risks inherent with agricultural businesses will apply. Such risks may include disease and insect pests, among others. There are no guarantees that changes in outside weather and climate will not adversely affect production.

The hemp industry is subject to inherent risk relating to fluctuating prices of raw materials.

The Corporation's revenues, if any, are expected to be in large part derived from the production, sale and distribution of hemp. The Corporation will not be insulated from the price variation of raw material to produce, sale of hemp hearts, hemp seed oil, CBD oil, biofuel and hemp fibre for local and international markets and the price of raw material may increase as a result of competition for the same raw materials. The effect of these factors on the price of product produced by the Corporation and, therefore, the economic viability of any of the Corporation's business, cannot accurately be predicted at this time.

GENERAL RISK FACTORS

The Corporation has a limited history of operations and unless it is able to successfully execute its business plan, its business and operating results will suffer, possibly resulting in the failure of its business.

The Corporation's operations are at an early stage and therefore remain subject to all of the risks inherent in the establishment of a new business. The likelihood of the Corporation's success must be considered in light of the risks, problems, expenses and delays frequently encountered in connection with the formation of a new business in general, as well as the highly competitive environment in which the business is operating.

The Corporation's auditor has disclosed that the Corporation will require additional funding to continue as a going concern.

The Corporation will incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could negatively impact the Corporation's operating results.

To date, the Corporation has not generated revenues from operations and the Corporation may have additional capital requirements to continue its operations. Additional funding may not be available to the Corporation on favorable terms or at all, and if unavailable, its ability to run its business will be impaired.

The Corporation's business strategy is entirely dependent on the Technology.

To date, the Corporation's activities and resources have been primarily focused on securing and planning the utilization of the Technology. The Corporation expects to continue to be focused on operations that are, and will, be wholly dependent upon the use of the Technology for the foreseeable future. Adverse changes or developments affecting the Technology could have a material and adverse effect on the business, financial condition and prospects of the Corporation.

The Corporation's products may not be accepted by the market and its business may fail as a direct result of such lack of market acceptance.

Cost overruns will affect the Corporation's results of operations and may cause the failure of its business.

The costs of developing/marketing/selling the Technology may be increased by factors beyond the Corporation's control. Such factors may include weather conditions, pandemics, taxation, labor disputes, governmental regulations, equipment breakdowns and other production disruptions. While the Corporation intends to engage qualified personnel, the risk of running over-budget is always significant and may have a substantial adverse impact on the Corporation's profitability.

The Corporation is currently dependent on its officers and directors for its success and its future operations may require that the Corporation can attract and retain qualified employees, which it may not be able to do.

The Corporation will rely on consultants and employees and if it is unable to retain these or other similarly qualified individuals, the Corporation may not be able to carry out its business operations.

There is no guarantee that the Corporation will be able to sell enough, or any, of the Technology to generate a profit and failure to become profitable may result in the failure of its business.

The market for the Technology is limited in scope and there is no assurance that the Corporation's products will generate market acceptance and result in sales. The inability to sell and deploy the Technology may result in the failure of the Corporation's business.

The Corporation does not have a patent and only holds a license to the Technology. The Technology may infringe on other patented, trademarked or copyrighted concepts. Litigation arising out of infringement or other commercial disputes could cause the Corporation to incur expenses and impair its competitive advantage.

The Corporation is subject to certain uninsured or uninsurable risks.

The Corporation must comply with various environmental and employee health and safety regulations.

The Corporation's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land; the handling and disposal of hazardous and nonhazardous materials and wastes, and employee health and safety. The Corporation will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters.

The Corporation's operations in Asia will be subject to political and economic instability.

INTELLECTUAL PROPERTY

On March 7, 2018, the Corporation entered into a license agreement (the "License Agreement") with InPlanta Biotechnology Inc. ("InPlanta"), an Alberta company controlled by 2 directors of the Corporation, wherein InPlanta 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. Pursuant to the Agreement, the Corporation issued 2,000,000 common shares to the shareholders of InPlanta on February 23, 2018 for aggregate consideration of $40,000, which was determined using the share price of $0.02 per common share representing the fair value of shares issued in proximity to this transaction.

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 and to pay monthly consulting fees of $5,000 per month commencing January 2019 to the licensor for completion of related laboratory work and analysis. During the year ended December 31, 2019, the Corporation paid $79,226 in relation to this agreement, of which, $20,000 remained in prepaids as at December 31, 2019.

In May 2019, the Corporation prepaid InPlanta its monthly consulting fees up to and including April 30, 2020. As at September 30, 2020, $Nil remains in prepaids.

In line with the requirements of IFRS, as at December 31, 2019, the Corporation carried out an impairment test of the intellectual property as it was not available for use as at the reporting date. Management determined that indications existed that the carrying amount may not be recoverable. The Corporation has concluded that the specific Hemp strains that were purchased are not readily able to be sold and therefore, fair market value is not easily determined. In addition, the Corporation's future cash flows are not easily determined at this time, and therefore, the value of the intellectual property is deemed to be Nil. Accordingly, impairment of $40,000 was recorded, and is included in the statement of loss and comprehensive loss during the year ended December 31, 2019.

In March 2020, the Corporation entered into an agreement with Swysh Inc. ("Swysh"), an Alberta company controlled by a director of the Corporation, focused on the conduct of specific cannabinoid-based research and development activities and that owns proprietary technology and related intellectual property aimed at providing the basis for creation of topical treatments for a variety of external and internal conditions and ailments, including a number of anti-viral and preventative health-care applications. This agreement grants a license to AGBC to deploy the technology for the purpose of completing further research, development, testing and additional validation and establishment of practical applications with a view to commercialization of the technology in the greater region of Asia.

The agreement with Swysh functions in part as a supplement and expansion of the activities commenced by the Corporation developed through its license agreement with InPlanta Biotechnology Inc. under which AGBC has begun the development, evaluation, testing, application and, ultimately, supply to the market of hemp-oriented proprietary organic hybridization technology and certain products derived from that technology. The Swysh agreement provides, among other things, that AGBC will participate in research and development activities based on Swysh's intellectual property and associated rights and will ultimately be in a position to control and market health, skin care and a variety of other products successfully derived from those activities.

In August 2020, the Corporation entered into an agreement with Pathway Rx Inc. ("Pathway Rx"), an Alberta company controlled by a director of the Corporation, pursuant to which the Corporation is granted an exclusive license to clinically develop and commercialize the Cannabis sativa varieties to which Pathway Rx owns the rights for prevention and for treatment of COVID-19 and other infectious diseases. Both companies wish to see those varieties, and possibly other versions of the strains, studied for their efficacy in humans and eventually approved and applied as new drugs and as over-the-counter health products. This agreement grants a license to the Corporation to deploy the technology for the purpose of completing further research, development, testing and additional validation and establishment of practical applications with a view to commercialization of the technology in the greater region of Asia.

In September 2020, the Corporation announced that it has entered into an agreement with Pathway Rx and PNW Biosciences Inc. ("PNW") in which the three companies have determined to act collaboratively to affect the clinical development and commercialization of the Cannabis sativa varieties for prevention and for treatment of COVID-19 and other infectious diseases to which Pathway Rx Inc. owns the rights. Both AGBC and PNW have previously entered licensing agreements with Pathway Rx to assist Pathway Rx in studying those varieties and possibly other versions of the strains for their efficacy in humans and to eventually seek approval of these products as new drugs and as over-the-counter health products. Under the terms of their prior agreements with Pathway Rx, each of AGBC (in respect of the Asian territory) and PNW (in respect of the balance of global territories) had independently agreed to fund and cooperate with Pathway Rx to deploy the technology for the purpose of completing further research, development, testing and additional validation and establishment of practical applications with a view to commercialization of the technology in those territories. The new agreement among all three parties establishes a plan to allow the joint development of that technology with a mutual level of participation in the potential rewards that these activities may create. For further information, please visit www.sedar.com.

SELECTED FINANCIAL INFORMATION ($)

	December 31, 2019	December 31, 2018
Revenue		-
Net loss and comprehensive loss	(767,180)	(921,579)
per share (basic and fully diluted)	(0.03)	(0.06)
Total assets	1,054,830	554,115

QUARTERLY DATA ($)

Period ended	Revenue	Expenses	Net Loss	Basic and Fully Diluted	Total Assets
September 30, 2020	-	(83,125)	(83,125)	(0.00)	551,531
June 30, 2020	-	(178,563)	(178,563)	(0.01)	721,064
March 31, 2020	-	(180,564)	(180,564)	(0.01)	821,888
December 31, 2019	-	(156,849)	(156,849)	(0.01)	1,054,830
September 30, 2019	-	(103,453)	(103,453)	(0.00)	1,189,359
June 30, 2019	-	(181,512)	(181,512)	(0.01)	1,291,986
March 31, 2019	-	(325,366)	(325,366)	(0.01)	1,535,106
December 31, 2018	-	(168,206)	(168,206)	(0.01)	554,115

SUMMARY OF RESULTS ($)

	Three Months Ended Sep. 30 2020	Three Months Ended Sep. 30 2019	Nine Months Ended Sep. 30 2020	Nine Months Ended Sep. 30 2019
Revenue	-	-	-	-
Expenses				
General and administrative expenses:	(83,125)	(103,453)	(442,252)	(476,686)
Share-based compensation	-	-	-	(130,468)
Transaction costs			-	(3,177)
Net loss and comprehensive loss	(83,125)	(103,453)	(442,252)	(610,331)
Loss per share – basic and diluted	(0.00)	(0.00)	(0.02)	(0.03)
Net cash used in operating activities	(173,626)	(88,488)	(494,111)	(588,200)
Net cash from financing activities	-	-	-	1,208,447
Total assets	551,531	1,189,359	551,531	1,189,359
Working capital [(1)]	523,629	1,082,730	523,629	1,082,730

[(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 Sep. 30 2020	Three Months Ended Sep. 30 2019	Nine Months Ended Sep. 30 2020	Nine Months Ended Sep. 30 2019
G&A expenses	83,125	103,453	442,252	476,686

G&A expenses for the nine months ended September 30, 2020 totaled $442,252 (September 30, 2019 - $476,686).

G&A expenses for the three months ended September 30, 2020 totaled $83,125 (September 30, 2019 - $103,453).

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

	Three Months Ended Sep. 30 2020	Three Months Ended Sep. 30 2019	Nine Months Ended Sep. 30 2020	Nine Months Ended Sep. 30 2019
Advertising and promotion	8,025	1,000	22,750	16,750
Audit and legal fees	15,870	2,451	26,809	31,940
Consulting fees	68,410	75,136	259,752	266,389
Filing and registration fees	8,127	2,496	18,435	44,166
Office	6,364	5,298	26,573	36,083
Research and development	-	-	11,813	-
Travel and meals	(23,673)	17,072	76,120	81,358
	83,125	**103,453**	**442,252**	**476,686**

DEFERRED FINANCING COSTS AND TRANSACTION COSTS

On January 24, 2019, the Corporation successfully listed on the CSE and the Corporation issued 5,047,000 common shares at the price of $0.25 per common share, for aggregate gross proceeds of $1,261,750. The cost associated with the issuance of new common shares totalled $159,065 and therefore the net amount recorded as share capital was $1,102,685. The total share issue cost of $159,065 comprises share issue cost incurred up to December 31, 2018, classified as deferred financing costs on the statement of financial position as at December 31, 2018 totalling $19,962, which was reclassified against share capital upon issuance of the new shares in January 2019 and further share issue costs incurred in January 2019 totalling $139,103.

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
Balance at December 31, 2018	**31,200,100**	**$**	**635,501**
Issuance of shares for cash (i)	5,047,000		1,261,750
Broker warrants (ii)	-		75,800
Share issue costs	-		(159,065)
Balance at December 31, 2019 and September 30, 2020	**36,247,100**	**$**	**1,813,986**

(i) On January 11, 2019, the Corporation completed its initial public offering (the "IPO") 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 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.

The cost associated with the issuance of new common shares totalled $159,065 and therefore the net amount recorded as share capital was $1,102,685. The total share issue cost of $159,065 comprises share issue cost incurred up to December 31, 2018, classified as deferred financing costs on the statement of financial position as at December 31, 2018 totalling $19,962, which was reclassified against share capital upon issuance of the new shares in January 2019 and further share issue costs incurred in 2019 totalling $139,103 (comprising cash share issue cost of $63,301 and issuance of broker warrants with fair value of $75,800).

(ii) In connection with the completion of IPO, the Corporation reserved 403,760 common shares 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.

The Corporation calculated the fair value of the 403,760 common share purchase warrants granted in 2019 using the Black-Scholes pricing model using the following assumptions:

	2019
Share-price	$0.25
Risk-free interest rate	1.86%
Expected volatility	150%
Dividend yield	0%
Expected life of each warrant granted	2 years
Estimated forfeiture rate	0%
Weighted average fair value per warrant	$0.19

The fair value of the 403,760 warrants granted on January 10, 2019 was $75,800. In addition, the Agent received an aggregate total cash commission of $61,940 in connection with the IPO, representing an 8% commission on the total "non-President's List" proceeds from the IPO in the amount of $611,750 and a 2% commission on the proceeds from the IPO 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.

c) Options

Under the Corporation's share option plan, the Corporation may grant options to its directors, officers, employees and consultants up to a maximum of 10% of the issued common shares. The exercise price of each option is determined by the Board of Directors of the Corporation when such option is granted. The options fully vest and are expensed at grant date.

The option's maximum term is five years.

The following is a summary of changes to the Corporation's share option plan during the periods:

	Nine Months ended September 30, 2020		Year ended December 31, 2019	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of period	3,180,007	$0.25	3,120,010	$0.25
Granted (ii)	-	-	550,000	$0.25
Forfeited (iii)	(490,004)	($0.25)	(490,003)	($0.25)
Outstanding, at end of period	2,690,003	$0.25	3,180,007	$0.25
Exercisable at end of period	2,690,003	$0.25	3,180,010	$0.25

(i) 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 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.

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

The Corporation calculated the fair value of options granted in 2019 using the Black-Scholes option pricing model using the following weighted average assumptions:

	2019
Share-price	$0.26
Risk-free interest rate	1.80%
Expected volatility	150%
Dividend yield	0%
Expected life of each option granted	5 years
Estimated forfeiture rate	0%
Weighted average fair value per option	$0.24

The fair value of the 550,000 fully vested options granted on February 27, 2019 was $130,468, with a corresponding credit to contributed surplus.

(iii) On May 21, 2019, 490,003 stock options to a former consultant were forfeited. On January 19, 2020, 490,004 stock options to a former consultant were forfeited.

(a) 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. As at September 30, 2020, 6,729,270 common shares are held in escrow (December 31, 2019 - 11,215,450 common shares).

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

	Three Months Ended Sep. 30 2020	Three Months Ended Sep. 30 2019	Nine Months Ended Sep. 30 2020	Nine Months Ended Sep. 30 2019
Net loss and comprehensive loss	(83,125)	(103,453)	(442,252)	(610,331)
Per share – basic and diluted	(0.00)	(0.00)	(0.02)	(0.03)
Net cash from (used in) operating activities	(173,626)	(88,488)	(494,111)	(588,200)
Net cash from (used in) financing activities	-	-	-	1,208,447

During the nine months ended September 30, 2020, the Corporation recorded a net loss and comprehensive loss of $442,252 (September 30, 2019 - $610,331). On a per share basis, this loss equates to $0.02 per share (September 30, 2019 - $0.03 per share).

During the three months ended September 30, 2020, the Corporation recorded a net loss and comprehensive loss of $83,125 (September 30, 2019 - $103,453). On a per share basis, this loss equates to $0.00 per share (September 30, 2019 - $0.00 per share).

RELATED PARTY TRANSACTIONS

During the three and nine months ended September 30, 2020, professional fees of $15,870 and $24,669 respectively (three and nine months ended September 30, 2019 - $2,451 and $18,509 respectively) were incurred to a firm controlled by an officer of the Corporation and are included in general and administrative expenses.

During the three and nine months ended September 30, 2020, consulting fees of $15,000 and $45,000 respectively (three and nine months ended September 30, 2019 - $15,000 and $44,226 respectively) were incurred to a company controlled by 2 directors and are included in general and administrative expenses.

During the three and nine months ended September 30, 2020, consulting fees of $30,000 and $30,000 respectively (three and nine months ended September 30, 2019 - $Nil and $Nil respectively) were incurred to a company controlled by a director and are included in general and administrative expenses.

During the three and nine months ended September 30, 2020, consulting fees of $15,000 and $55,000 respectively (three and nine months ended September 30, 2019 - $15,000 and $43,976 respectively) were incurred to a company controlled by a director and officer and are included in general and administrative expenses.

During the three and nine months ended September 30, 2020, consulting fees of $15,000 and $65,000 respectively (three and nine months ended September 30, 2019 - $15,000 and $43,548 respectively) were incurred to a director and officer and are included in general and administrative expenses.

See also note 7.

The related party transactions are in the normal course of operations and have been initially measured at fair value, which is the amount of consideration established and agreed to by the related party and is similar to amounts negotiated independently with third parties.

Key management personnel include executive officers and directors. Executive officers receive consulting fees by virtue of their consulting agreements with the Corporation, and also participate in the Corporation's share option program.

Key management personnel compensation included in total remuneration is as follows:

	Three Months Ended Sep. 30 2020	Three Months Ended Sep. 30 2019	Nine Months Ended Sep. 30 2020	Nine Months Ended Sep. 30 2019
Consulting fees	$ 90,870	$ 47,451	$ 219,669	$ 150,259
Share-based compensation (note 8(c))	-	-	-	130,468
	$ 90,870	$ 47,451	$ 219,669	$ 280,727

SUPPLEMENT TO THE FINANCIAL STATEMENTS

The outstanding common shares and share options are summarized below (also see note 8 of the interim financial statements):

	November 27, 2020	September 30, 2020	December 31, 2019
Common shares	36,247,100	36,247,100	36,247,100
Warrants	403,760	403,760	403,760
Share options	2,690,003	2,690,003	3,180,007

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2020, the Corporation had a working capital surplus of $523,629, which included cash of $527,819.

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 and subscription receivable.

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.

Impairment – non-financial assets

The Corporation assesses during each reporting period whether there have been any events or changes in circumstances that indicate that its intangible assets (intellectual property) may be impaired and an impairment review is carried out whenever such an assessment indicates that the carrying amount may not be recoverable. Such indicators include but are not limited to changes in the Corporation's business plans, economic performance of the assets, an increase in the discount rate and evidence of physical damage. For the purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash inflows. Where impairment exists, the asset is written down to its recoverable amount, which is the higher of the fair value less costs of disposal ("FVLCD") and its value in use ("VIU"). Impairments are recognized immediately in the profit or loss.

In subsequent years, assessments are made at each reporting period date as to whether any indication exists that previously recognized impairment losses no longer exist or have decreased. If indication exists, the Corporation calculates the new recoverable amount. Reversal of impairment losses are limited so that the carrying amount of the non-financial asset does not exceed its recoverable amount or exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the non-financial asset in prior periods. Reversal of impairment losses are recognized, when incurred, in the profit or loss.

Share-based payments

Share-based payments are comprised of share option awards granted to employees, directors and others which are equity-settled share-based payments. These equity-settled share-based payments are measured at the fair value of the equity instruments and are recognized as an employee expense with the offsetting credit as an increase to contributed surplus.

Upon exercise of share options, the Corporation issues new shares. The associated fair value amount is reclassified from the contributed surplus to share capital. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. Where equity instruments are granted to non-employees they are recorded at the fair value of the goods or services received. Where the fair value of goods or services received cannot be reliably measured it is measured based on the fair value of the equity instrument granted.

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.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to the shareholders of the Corporation by the weighted average number of shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to shareholders and the weighted average number of shares outstanding for the effect of all potential shares, which is comprised of any outstanding warrants or options. Escrow shares, which are considered contingently issuable, are excluded from loss per share calculations. The calculation of diluted loss per share excludes the effect of various conversions and exercise of options and warrants that would be anti-dilutive.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

The Corporation may incur various costs when issuing or acquiring its own equity instruments. Those costs might include registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. Costs related to a planned equity offering not completed at the financial statement date are recorded as deferred financing costs until the offering is either completed or abandoned. The costs of an equity transaction that is abandoned are recognized as an expense.

Foreign currency

Transactions denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at transaction dates. Carrying values of monetary assets and liabilities are subsequently adjusted to reflect the exchange rates in effect at the reporting date. Non-monetary items denominated in a foreign currency are translated into Canadian dollars at historical exchange rates. Foreign exchange gains and losses are included in the determination of net loss for the period.

Share purchase warrants

Share purchase warrants may be granted to third parties as partial compensation for services or issued to shareholders are part of unit financings. Share purchase warrants are measured at the fair value of the equity instruments and are recognized as share issue costs with an offsetting credit as an increase to warrant capital.

Upon exercise of share purchase warrants, the Corporation issues new shares. The associated fair value amount is reclassified from the warrant capital to share capital. The proceeds received net of any directly attributable transaction costs are credited to share capital when the share purchase warrants are exercised.

NEW STANDARDS ADOPTED DURING THE YEAR

Business Combinations – IFRS 3

In October 2018, the IASB issued amendment to IFRS 3, “Business Combinations”. The amendment clarifies the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and outputs, and introduce an optional fair value concentration test. The amendments to IFRS 3 are effective for annual reporting periods beginning on or after January 1, 2020 and apply prospectively, with earlier application permitted. The Corporation has adopted IFRS 3, “Business Combination”, on January 1, 2020 using modified retrospective. The Corporation does not have any business combinations, and therefore, the transition to IFRS 3 had no material effect on the Corporation’s financial statements.

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 current year, 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.