ORION NUTRACEUTICALS INC.
MANAGEMENT DISCUSSION AND ANALYSIS
SIX MONTHS ENDED NOVEMBER 30, 2018

OVERVIEW

The following management discussion and analysis ("MDA") of the financial position of Orion Nutraceuticals Inc. ("the Company" or "the Issuer"), and results of operations prepared on January 28, 2019, should be read in conjunction with the unaudited condensed consolidated interim financial statements for the six months ended November 30, 2018 and the audited financial statements for the year ended May 31, 2108. All amounts are stated in Canadian dollars unless otherwise indicated. These financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

The head office of the Company is located at 300 - 1055 West Hastings St., Vancouver, British Columbia, V6E 2E9; and the registered and records office of the Company is located at 309 - 1485 West 6th Avenue, Vancouver, British Columbia, Canada, V6H 4G1.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com or by requesting further information from the Company's head office in Vancouver.

DESCRIPTION OF BUSINESS

The Company was incorporated under the Business Corporations Act (British Columbia) on November 7, 2017. The Company completing its initial public offering and started trading on the CSE on October 17, 2018. On January 22, 2019, the Company's shares were approved for listing on the OTC Markets Group OTCQB Market under the ticker symbol ORONF.

On January 11, 2018, the Company issued 1,000,000 common shares at a price of $0.01 for proceeds of $10,000.

On January 11, 2018, the Company issued 4,126,000 common shares at a price of $0.025 for proceeds of $103,150.

On January 11, 2018, the Company issued 158,000 common shares at a price of $0.05 for proceeds of $7,900.

On February 27, 2018 the Company issued 500,000 shares for $25,000 of finder's fees in finding an asset for the Company in the Company's efforts to list on the Canadian Securities Exchange.

On March 15, 2018, the Company issued 20,000,000 common shares at a price of $0.025 for proceeds of $500,000.

On June 6, 2018, the Company completed a private placement and issued 4,000,000 common shares of the Company for proceeds of $100,000.

On June 22, 2018, July 31, 2018 and August 27, 2018 the Company issued a combined total of 2,289,000 common shares to acquire 5,026 FCM shares.

On June 27, 2018, the Company completed a private placement and issued 7,192,400 common shares of the Company for proceeds of $1,798,100 of which $739,000 had been received prior to May 31, 2018.

In July 2018, the Company entered into an 11-year commercial lease agreement in the City of Dorval, Province of Quebec, for the purpose of growing, manufacturing and distributing legal cannabis. The minimum rent is $4.50 per square foot for years 1 to 5 and $5.25 per square foot for years 6 to 11. Additional rent is estimated at $3.18 for the year 2018. Under the lease for the Dorval Property, the Issuer has a right of first offer on any adjacent space which becomes available for lease.

On August 15, 2018, the Company granted stock options to purchase up to 2,300,000 stock options at an exercise price $0.25 per share for a period of five years to certain directors, officers and consultants in accordance with the provisions of its stock option plan.

On September 21, 2018, the Company issued 4,696,000 common shares at a price of $0.25 for proceeds of $1,174,000.

On October 5, 2018, the Company granted stock options to purchase up to 2,300,000 stock options at an exercise price $0.25 per share for a period of five years to certain directors, officers and consultants in accordance with the provisions of its stock option plan.

On November 14, 2018, the Company granted stock options to purchase up to 150,000 stock options at an exercise price $0.44 per share for a period of two years to a consultant in accordance with the provisions of its stock option plan.

On November 20, 2018, the Company granted stock options to purchase up to 150,000 stock options at an exercise price $0.43 per share for a period of two years to a consultant in accordance with the provisions of its stock option plan.

On November 30, 2018, the Company completed a non-brokered private placement and issued 1,685,000 units at a price of $0.50 per unit for gross proceeds of $842,500. Each unit will consist of one common share and one transferable common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share in the capital of the Company for a period of 48 months following the closing of the private placement at a price of $1.00 per warrant.

On December 3, 2018, the Company issued 25,000 common shares valued at $12,500 to a consultant for services provided to the Company.

On January 2, 2019, the Company issued 50,000 common shares valued at $22,500 to the CEO for services provided to the Company.

The Issuer's business has been the acquisition of, or investment in, subsidiaries in global markets to grow cannabis and extract cannabis oil that will be used as an ingredient in proprietary health and beauty products and distributed in bulk to other manufacturers. The Issuer closed its purchase of MedicOasis on May 31, 2018 as its 99% owned subsidiary. Accordingly, some of the business discussion set forth below relates to the business of MedicOasis.

MedicOasis is a privately held, Québec company incorporated on December 19, 2013. As of the date of this MD&A, MedicOasis is an applicant in the process of obtaining a Cultivation License pursuant to the ACMPR. MedicOasis has submitted a site change in respect of its Cultivation License application; however, MedicOasis is still required to submit its application in respect of the new site to be located at the Dorval Property (as defined herein), which would allow MedicOasis to produce medical marijuana at such 30,000 square foot facility (the "**Québec Facility**"), which is expected to be built out in 2019.

The Issuer has also made an investment into FCM Global S.A.S. ("**FCM Global**") which is a Colombian company with a medical cannabis production facility near Medellin, Colombia.

The Issuer's business is subject to certain risks, including but not restricted to risks related to: limited operating history and expected continued operating losses, the risk of the medical cannabis industry, completion of the Québec Facility build out, MedicOasis being granted a Cultivation License, regulatory risks, uninsurable risks, permits and licenses, competitive risks, dependence on key management, additional funding requirements, conflicts of interest, dilution, volatility of publicly traded securities, discretion in the use of funds, influence of third party shareholders and no history of dividends.

Purchase of MedicOasis

MedicOasis was incorporated under the QBCA under the name "MedicOasis Inc." on December 19, 2013. The business address of MedicOasis is 101-1666 Rue Thierry Lasalle, Québec H8N 2K4.

On May 31, 2018, the Issuer entered into the Purchase and Sale Agreement with MedicOasis, Yu Zhi Wang, Antonio Bramante and Canna Technology, to carry out the purchase of all of the issued and outstanding MedicOasis Shares.

In connection with the Purchase and Sale, the Issuer will purchase from Yu Zhi Wang, a total of 1,000 MedicOasis Shares being all of the issued and outstanding MedicOasis Shares, as follows:

1. The Issuer has acquired 990 MedicOasis Shares by:

    (a) payment of $400,000 cash to Yu Zhi Wang within five days of the date of the Purchase and Sale Agreement;

    (b) issued 800,000 Common Shares to Canna Technology (or affiliates) at a deemed price of $1.00 per Common Share within five days of the date of the Purchase and Sale Agreement;

    all of which was completed as part of the first closing of the Purchase and Sale ("Tranche 1"). The Issuer presently owns 99% of the issued and outstanding MedicOasis Shares.

2. The Issuer will to acquire the remaining 10 MedicOasis Shares by issuing to Canna Technology (or affiliates):

    (a) upon MedicOasis being granted building permits to start construction from the City of Dorval, $650,000 worth of Common Shares at a deemed price of $1.00 per Common Share;

    (b) upon MedicOasis receiving approval from Health Canada for the ready to build stage, $650,000 worth of Common Shares at the market price of the Common Shares at the time of issuance (as traded on the CSE); and

    (c) upon MedicOasis receiving approval from Health Canada for cultivation, $650,000 worth of Common Shares at the market price of the Common Shares at the time of issuance (as traded on the CSE),

    all of which are to be completed as part of the second closing of the Purchase and Sale ("Tranche 2" and together with the completed Tranche 1, the "Closing")

FCM Global

FCM Global is headquartered in Medellin, Colombia and operates through its facility located in La Ceja, Antioquia, Columbia, a town approximately 40km southwest of Medellin. The La Ceja facility is located on property identified by land registry number 017-17016 and was secured by FCM Global pursuant to a lease agreement between FCM Global as lessee and Carlos Andres Velasquez Agudelo as lessor dated June 1, 2017. FCM Global supplies pharmaceutical, nutritional, wellness, and cosmetic companies in legal markets worldwide with customized medical non-psychoactive cannabis extracts, oils, and isolates at commercial scale. FCM Global also collaborates with clients on research & development.

FCM Global is Colombia's first licensed producer and exporter of non-psychoactive medical cannabis extracts for medical and research purposes. FCM Global is permitted to cultivate in the following modalities: (1) the production of grain and seeds for planting; (2) the fabrication of derivatives; (3) for industrial purposes; and (4) for scientific purposes. However, pursuant to the terms of the FCM Cultivation License, FCM Global must carry on all cannabis activities in the La Ceja facility. Activities may be extended to other FCM Global properties and facilities if certain requirements are met.

On May 26, 2018, as amended July 30, 2018, September 20, 2018, October 10, 2018 and October 23, 2018 the Issuer entered into the FCM Agreement to carry out the purchase of up to an aggregate interest of 49% of the issued and outstanding ordinary shares of FCM Global ("**FCM Shares**"), as follows:

3. to acquire 25% of the voting and ownership rights of FCM Global, the Issuer will pay USD $7,500,000 as follows:

(a) no later than May 31, 2018, the Issuer will convert the amount outstanding under the Orion Credit Agreement, comprised of USD $200,000 capital and accrued but unpaid interest in exchange for 575 FCM Shares;

(b) in May 2018, USD $200,000 in exchange for 804 FCM Shares;

(c) in June 2018, USD $200,000 in exchange for 804 FCM Shares;

(d) in June 2018, USD $200,000 in exchange for 804 FCM Shares;

(e) in July 2018, USD $250,000 in exchange for 1,006 FCM Shares;

(f) in August 2018, USD $200,000 in exchange for 804 FCM Shares;

(g) in September 2018, USD $150,000 in exchange for 603 FCM Shares;

(h) in September 2018, USD $100,000 in exchange for 402 FCM Shares

(i) in October 2018, USD $50,000 in exchange for 201 FCM shares;

(j) in October, November, and December 2018, Common Shares having a value of USD $1,000,000 in exchange for 4,022 FCM Shares; The parties understanding is that in each of October, November and December 2018, up to USD$150,000 each month will be paid in cash, and at the end of December 2018, the parties will determine the balance to be issued in Orion Treasury Stock and/or cash to reach the USD$1,00,000 amount for the issuance of 4,022 Orion FCM shares. If the cash payments and the adjustment amount do not equal a value of USD$1,000,000 the parties agree that Orion will be entitled to a pro rated amount of FCM shares that represents the actual amount advanced.

(k) in cash and/or in Common Shares, each valued at CAN $1.00 per Common Share or market value if listed, and/or capitalizing any Bridge Loan Settlement, [up to a maximum of USD $1,000,000], in exchange for 4,022 FCM Shares;

(l) upon completion of all agreements and in June/July/August USD $1,500,000 in three equal payments of 763,000 Common Shares, each valued at CAN $0.85 per Common Share or market value if listed, or in cash, in exchange for 6,033 FCM Shares (for each payment);

all of which are to be completed as part of multiple closings of the FCM Agreement;

4. upon listing of the Common Shares, the Issuer may:

(a) within 3 Business Days accept the offer to acquire an additional 10% of the voting and ownership rights of FCM Global; and

(b) provide USD $3,000,000 in cash or 3,900,000 Common Shares, each valued at CAN $1.00 per Common Share, in exchange for 18,564 FCM Shares,

all of which are to be completed as part of further closings of the FCM Agreement; and

5. the Issuer will have the option to acquire an additional 14% of the capital of FCM Global on a fully diluted basis (the “Additional Shares”), as follows:

(a) accept within 10 Business Days the option offer to make an additional capital contribution payment; and

(b) within 3 Business Days following the acceptance of the option offer, make payment for the Additional Shares, as follows:

(i) the price per share will be determined as the result of (i) multiplying the 2019 Normalized EBITDA by (A) 8.5 or (B) a market standard average EBITDA used for these kind of transactions; and (ii) dividing the result of item (i) above by the number of Additional Shares (the "Price per Additional Share"); and

(ii) the total amount to be paid by the Issuer for the issuance of the Additional Shares will be determined by multiplying the Price per Additional Share to the number of Additional Shares,

all of which are to be completed as part of the further closing of the FCM Agreement.

RESULTS OF OPERATIONS

For the three months ended November 30, 2018, the Company incurred a loss of $740,532. These costs included consulting expenses of $167,789 to certain consultants for various business activities of the Company; management fees of $99,166 charged by the CEO, CCO, CFO and a director of the Company; professional fees of $49,083 accrued on legal and accounting fees in regard to the Company completing acquisitions as described above. The Company also incurred share-based compensation of $311,938 on the granting of 1,600,000 stock options.

For the six months ended November 30, 2018, the Company incurred a loss of $1,262,268. These costs included $167,789 to certain consultants for various business activities of the Company; management fees of $181,666 charged by the CEO, CCO, CFO and a director of the Company; professional fees of $132,282 accrued on legal and accounting fees in regard to the Company completing acquisitions as described above. The Company also incurred share-based compensation of $741,770 on the granting of 3,900,000 stock options.

The Company has not paid any dividends on its common shares and has no present intention of paying dividends, as it anticipates that all available funds for the foreseeable future will be used to finance its business activities.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of selected financial information compiled from the quarterly interim unaudited financial statements for quarters ending November 30, 2018:

	Three months ended			
	November 30, 2018 -$-	*August 31, 2018* -$-	*May 31, 2018* -$-	*February 28, 2018* -$-
Total assets	4,761,349	3,275,683	1,273,442	75,153
Working capital (deficiency)	977,599	453,215	262,237	74,145
Shareholders' equity (deficiency)	4,609,214	3,217,008	1,181,862	74,145
Net income (loss) for the period	(740,532)	(521,736)	(133,868)	(71,905)
Income (loss) per share	(0.02)	(0.02)	(0.02)	(0.00)

Discussion

The Company does not have eight quarters of operations as it was incorporated on November 7, 2017.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through receipt of a loan from a shareholder, and from the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt.

Net cash used in operating activities for the period ended November 30, 2018, was $1,447,212. The Company has working capital at November 30, 2018 of $977,599 inclusive of cash of $29,965.

There can be no assurance of successfully completing future financings. The Company will need to raise further capital to continue operations and complete its CSE listing. Management is actively seeking such opportunities.

Stock options

The Company had 3,900,000 stock options outstanding with ranging exercise prices of $0.25 to $0.44 as at November 30, 2018 and the date of this report.

Warrants & Agent's Warrants

At November 30, 2018 and the date of this report, the Company had 1,685,000 warrants outstanding with an exercise price of $1.00 to November 30, 2022.

RELATED PARTY TRANSACTIONS

The Company defines key management as directors and officers of the Company.

During the six months ended November 30, 2018, the Company paid or accrued the following to key management and an Independent director of the Company.

Period ended November 30, 2018	
CEO	$ 60,000
CCO and related company	60,000
CFO and related Company	45,000
Director	16,666
	$ 181,666

At November 30, 2018, the Company owes $11,750 (May 31, 2018 - $69,371) directly or to companies controlled by key management personnel.

The Company has management and consulting contracts with Jonathan Fiteni, a director and CEO, a company controlled by Marcelin O'Neill, a director and Chief Compliance Officer ("CCO"), and a company controlled by Christopher Cherry, CFO. These parties are paid or accrued a combined total of $27,500 per month and the contracts remain in force on a continuous basis but can be terminated by the Company with sixty days written notice.

FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Interest rate

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash on hand to meet its financial obligations.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is on its cash held in bank accounts. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to currency risk.

Capital Management

The Company's capital structure consists of cash and share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to complete a Qualifying Transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements.

Classification of financial instruments

Fair values

The fair values of cash and accounts payable approximate their carrying values due to the short-term to maturities of these financial instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is measured at fair value using level 1 input.

ADDITIONAL INFORMATION

Off-Balance Sheet Arrangements

As at November 30, 2018, and up to the current date, the Company had no off-balance sheet arrangements.

Legal proceedings

As at the current date management was not aware of any legal proceedings involving the Company.

Outstanding Share Data

As at November 30, 2018, the Company has the following outstanding securities:

1) Common shares: 46,446,400
2) Warrants: 1,685,000 exercisable at $1.00 to November 30, 2020
3) Stock options: 3,9000,000 exercisable range of $0.25 - $0.44 to October 5, 2023

As at the date of this report, the Company has the following outstanding securities:

1) Common shares: 46,521,400
2) Warrants: 1,685,000 exercisable at $1.00 to November 30, 2020
3) Stock options: 3,9000,000 exercisable range of $0.25 - $0.44 to October 5, 2023

Contingent liabilities

As at November 30, 2018 and up to the current date management was not aware of any outstanding contingent liabilities relating to the Company's activities.

Any forward-looking information in this MDA is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company, and other factors.

CAPITAL DISCLOSURE

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition of a new business. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to acquire and sustain future development of a business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended November 30, 2018. The Company is not subject to externally imposed capital requirements.

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 IFRS 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.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.