ORION NUTRACEUTICALS INC.
MANAGEMENT DISCUSSION AND
ANALYSIS YEAR ENDED MAY 31, 2019

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 December 4, 2019 should be read in conjunction with the audited consolidated financial statements for the year ended May 31, 2019 and 2018. 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 and registered and records office of the Company is located at 810-789 West Pender Street Vancouver, British Columbia, V6C 2V6.

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. The Company'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.

HIGHLIGHTS AND OVERALL PERFORMANCE

During the year ended May 31, 2019 the Company has completed numerous private placements to fund operations and several strategic asset acquisitions, which are discussed below:

Financings

On June 6, 2018, the Company issued 4,000,000 common shares for gross proceeds of $100,000. The Company transferred $75,000 from share subscriptions received to share capital.

On June 12, 2018, the Company issued 650,000 common shares to acquire 99% of MedicOasis with a fair value of $16,250.

On June 12, 2018, the Company issued 150,000 common shares with a fair value of $3,750 to settle debt of $150,000. The Company recorded a gain on settlement of debt of $146,250.

On June 22, 2018, the Company issued 763,000 common shares to acquire shares of FCM with a fair value of $19,075.

On June 27, 2018, the Company issued 7,192,400 common shares for gross proceeds of $1,798,100. The Company transferred $664,000 from share subscriptions received to share capital. The Company paid finders fees of $6,800.

On July 31, 2018, the Company issued 763,000 common shares to acquire shares of FCM with a fair value of $190,750.

On August 27, 2018, the Company issued 763,000 common shares to acquire shares of FCM with a fair value of $190,750.

On September 21, 2018, the Company issued 4,696,000 common shares for gross proceeds of $1,174,000. The Company paid finders fees of $8,800.

On November 30, 2018, the Company issued 1,685,000 Units ("Unit") for gross proceeds of $842,500. Each Unit consists of one common share and one share purchase warrant ("Warrant"). Each Warrant expires on November 30, 2020 with an exercise price of $1.00. The Company uses the residual value method and as a result no value was assigned to the Warrants.

On December 3, 2018, the Company issued 25,000 common shares from the obligation to issue shares with a fair value of $6,250.

On January 2, 2019, the Company issued 50,000 common shares from the obligation to issue shares with a fair value of $2,500.

On March 1, 2019, the Company issued 75,000 common shares from the obligation to issue shares with a fair value of $8,750.

On March 1, 2019, the Company issued 650,000 common shares to acquire 99% of MedicOasis with a fair value of $156,000.

On March 29, 2019, the Company issued 544,000 Units ("Unit") for gross proceeds of $136,000. Each Unit consists of one common share and one share purchase warrant ("Warrant"). Each Warrant expires on March 29, 2020 with an exercise price of $0.50. The Company uses the residual value method and as a result $27,200 was assigned to the Warrants.

On April 10, 2019, the Company issued 666,667 common shares for digital media services with a fair value of $120,000.

Acquisition of MedicOasis

On May 31, 2018, the Company acquired 99% 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 total purchase price is $3,150,000. The Company paid the shareholders of MedicOasis $400,000 in cash and is obligated to issue shares for the balance of the purchase price of $2,750,000. The Company has issued 800,000 shares issued to acquire 99% of the shares of MedicOasis.

In accordance with IFRS 3 Business Combinations, a business combination is a transaction in which an acquirer obtains control of a business which is defined as an integrated set of activities and assets that is capable of being conducted and managed to provide a return to investors. For an integrated set of activities and assets to be considered a business, the set needs to contain inputs and processes. This acquisition does not meet the definition of a business combination as the primary asset is an intangible asset for license under Health Canada's *Access to Cannabis for Medical Purposes Regulations* ("ACMPR"), which was still in the application stage and not operational at the time of acquisition. Consequently, the transaction has been recorded as an acquisition of an asset. The results of operations from MedicOasis are included in the consolidated financial statements since the date of acquisition.

As at May 31, 2019, the Company is no longer pursuing the license application and has recognized impairment of $736,806.

The following table summarizes the consideration paid and the allocation to the assets and liabilities acquired as at the date of acquisition:

	$
Cash	400,000
Fair value of common shares issued (1,300,000 shares)	172,250
Total purchase consideration	572,250
License	100
Due to shareholder	(258)
Loan payable	(150,000)
Net assets acquired	(150,158)
Excess of consideration over net assets acquired	722,408

Acquisition of FCM GLOBAL S.A.S

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.

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.

During the year ended May 31, 2018, the Company paid $519,625 (USD $400,000) towards the acquisition and has received 1,608 FCM common shares. During the year ended May 31, 2019, the Company made payments of $1,847,685 (USD $1,400,183) and issued 2,289,000 common shares with a fair value of $400,575 in exchange for common shares of FCM Global. In total, the Company has control of 13,271 shares of FCM Global. As at May 31, 2019, the Company is no longer pursuing FCM and has recognized impairment of $2,767,885. Subsequent to year end, on August 30, 2019, the Company entered into a settlement agreement with FCM Global to unwind the transaction with FCM Global. FCM Global is to return 2,289,000 common shares to the Company, and receive US $450,000 on September 30, 2019 and US $450,000 on October 31, 2019. As at December 4, 2019, no payments had been received from FCM, as such, pursuant to the settlement agreement, the agreement is automatically terminated and the parties shall maintain their respective shares of each company.

LOI with BioHemp Colombia

During the year ended May 31, 2019, the Company entered into Letter of Intents ("LOI") with BioHemp Colombia ("BioHemp") to acquire 51%. Pursuant to the terms of the arrangement, BioHemp and the Company would jointly develop projects related to research, cultivation, extraction, sale and distribution of seed genetics for CBD-rich hemp and cannabis. Subsequent to year end, the Company terminated this LOI.

Selected Annual Information

The following table sets forth selected audited financial information for the Company for the three most recently completed financial years ended May 31, 2019 and 2018. The financial information below has been prepared in accordance with IFRS.

For the year ended (Expressed in Canadian dollars)	**For the year ended, May 31, 2019 $**	**For the period from incorporation on November 7, 2017 to May 31, 2018 $**
Net loss	6,391,172	205,773
Basic and diluted loss per share	(0.15)	(0.02)
Cash	5,272	353,817
Total assets	86,642	1,273,442
Total liabilities	469,814	91,580
Working capital (deficit)	(383,172)	262,237
Number of common shares outstanding at year end	48,457,067	25,784,000

RESULTS OF OPERATIONS

For the year ended May 31, 2019, the Company incurred losses of $6,391,172 compared to the period from incorporation on November 7, 2017 to May 31, 2018 of $205,773. In general, the Company's operations increased significantly during the year ended due to the completion of various financings relative to the comparative period. A discussion and analysis of the changes are below:

- Business development increased to $643,542 from $15,000, as the Company incurred fees to increase brand awareness of the Company since going public.

RESULTS OF OPERATIONS (CONTINUED)

- Consulting fees increased from the previous quarter due to additional financing. The Company relies heavily on Consultants to help them achieve their goals in all facets of business and these consultants bring a wide range of expertise and connections to the Company. Consultants include Management, Advisors, Technical Support and other support roles.
- The Company incurred management fees of $408,051 compared to the comparative period of $117,585. In the comparative period, the Company did not incur a full year of management fees. In addition, management fees increased from the previous year as the Company became more active.
- Professional fees increased over the period as the Company consulted legal counsel and completed due diligence on the various acquisitions mentioned above.
- Regulatory and transfer agent fees are an ongoing fee, year over year.
- The Company issued stock options to various management, consultants and directors, and incurred a non-cash expense of $726,993.
- The Company entered into a lease agreement that was cancelled during the year in Quebec, and incurred rent fees of $381,969 compared to $Nil.

For the three month period ended, the Company incurred fees of $823,220 (2018 - $133,868). The main reason for the increase is attributed to an increase in business development expenses. Business development is a crucial step to the overall company, which attracts potential investors. Overall, the increase in expenses for the three month period ended May 31, 2019 are similar to the discussions above.

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 May 31, 2019:

	Three months ended			
	May 31, 2019 -$-	*February 28, 2019* -$-	*November 30, 2018* -$-	*August 31, 2018* -$-
Total assets	86,642	4,357,684	4,761,349	3,275,683
Working capital (deficiency)	(383,172)	592,541	977,599	453,215
Shareholders' equity (deficiency)	(383,172)	4,259,156	4,609,214	3,217,008
Net income (loss) for the period	(4,574,297)	(554,607)	(740,532)	(521,736)
Income (loss) per share	(0.10)	(0.01)	(0.02)	(0.02)

	Three months ended	
	May 31, 2018 -$-	*February 28, 2018* -$-
Total assets	1,273,442	75,153
Working capital (deficiency)	262,237	74,145
Shareholders' equity (deficiency)	1,181,862	74,145
Net income (loss) for the period	(133,868)	(71,905)
Income (loss) per share	(0.02)	(0.00)

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 year ended May 31, 2019, was $1,782,562. The Company has working capital deficiency at May 31, 2019 of $383,172.

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 2,550,000 stock options outstanding with a weighted average price of $0.25 as at the date of this report.

Warrants & Agent's Warrants

At May 31, 2019 and the date of this report, the Company had 2,229,000 warrants outstanding with a weighted average exercise price of $0.88.

RELATED PARTY TRANSACTIONS

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

During the year ended May 31, 2019, the Company paid or accrued the following to key management and an Independent director of the Company.

	May 31, 2019 $	For the period from inception on November 7, 2017 to May 31, 2018 $
Management fees paid or accrued to the CCO and related companies	166,000	70,000
Consulting fees paid or accrued to a director of the Company	66,664	-
Management fees paid or accrued to the former CFO and related companies	110,000	15,000
Management fees paid or accrued to the former CEO and related companies	132,051	32,585
Share based compensation	412,732	-
	887,447	117,585

At May 31, 2019, the Company owes $135,697 (May 31, 2018 - $69,371) directly or to companies controlled by key management personnel, which is included in accounts payable.

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 May 31, 2019, 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 May 31, 2019, the Company has the following outstanding securities:

1) Common shares: 48,457,067
2) Warrants: 2,229,000 exercisable at a range of $0.50 - $1.00 to March 29, 2021
3) Stock options: 4,200,000 exercisable at a 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: 49,832,067
2) Warrants: 2,229,000 exercisable at a range of $0.50 - $1.00 to November 30, 2020
3) Stock options: 2,550,000 exercisable range of $0.25 - $0.44 to October 5, 2023

Contingent liabilities

As at May 31, 2019 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 year ended May 31, 2019. 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.