NEW LEAF VENTURES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Expressed in Canadian Dollars)

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BACKGROUND

This management discussion and analysis ("MD&A") of the financial position of New Leaf Ventures Inc. (formerly known as "1166858 B.C. Ltd.") (the "Company") and results of its operations for year ended December 31, 2019 is prepared as at April 29, 2020. This MD&A supplements the audited financial statements of the Company and the notes thereto for the year ended December 31, 2019, which was prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A should be read in conjunction with the Company's audited financial statements and corresponding notes for the period ended December 31, 2019 and related MD&A. All dollar figures included therein and in the following M&DA are quoted in Canadian dollars.

FORWARD-LOOKING STATEMENTS

This discussion contains "forward-looking statements" that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Such forward-looking statements include, among others, statements relating to the Letter of Intent ("LOI") entered into by the Company with New Leaf Enterprises, Inc. ("License Holder"), completion of the Acquisition Transaction (as defined below) with New Leaf USA Inc. ("New Leaf USA"), completing a going public transaction and listing of the Company's common shares on the Canadian Securities Exchange (the "CSE").

This MD&A contains forward-looking statements that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. The assumptions on which such forward-looking statements are based and the risk factors that could cause such forward-looking statements to vary, including assumptions and risks relating to the LOI, completion of the Acquisition Transaction, going public transaction and stock exchange listing and future sources of financing, are set out in the Company's Prospectus to which this MD&A is attached under the headings "Note Regarding Forward-Looking Information" and "Risk Factors".

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein.

Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A and the Prospectus, actual events may differ materially from current expectations. Except as required by applicable law, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

COMPANY OVERVIEW

The Company was incorporated under the Business Corporations Act (British Columbia) on June 4, 2018. The Company is currently in the process of identifying, evaluating and negotiating business opportunities.

COVID-19

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business, ability to raise funds and the completion of the proposed transactions discussed below.

PROPOSED TRANSACTION

On September 13, 2019, the Company entered into the Share Purchase Agreement ("Acquisition Transaction") to purchase New Leaf USA Inc. ("New Leaf USA") and its subsidiaries (collectively the "New Leaf USA Entities"). Following completion of the Acquisition Transaction, the New Leaf USA Entities will be the core business of the Company.

To complete the Acquisition Transaction, the Company will:

- Issue 9,000,000 shares; and
- Issue 4,000,000 performance warrants ("Performance Warrants").

Each Performance Warrant will entitle the holder to purchase one common share of the Company at the price of $0.02 per common share for a period of three years, and will vest and become exercisable as follows:

i. 2,000,000 Performance Warrants will vest and become exercisable if the Company or the License Holder achieves at least $5,000,000 in annual gross revenue; and
ii. 2,000,000 Performance Warrants will vest and become exercisable the Company or License Holder achieves at least $7,500,000 in annual gross revenue.

In addition, New Leaf USA will enter into the employment agreements , pursuant to which Robert Colwell will be appointed to act as Chief Executive Officer of New Leaf USA, and Boris Gorodnitsky will be appointed to act as President of New Leaf USA , in each case, for a period of three years following the closing of the Acquisition Transaction, and pursuant to which the Company will issue 1,829,338 common shares to each of Boris Gorodnitsky and Robert Colwell.

In addition, during the year ended December 31, 2019, the Company entered into a Letter of Intent ("LOI") with New Leaf Enterprises, Inc. (the "License Holder"), a US cannabis company that holds a Tier 3 Producer/Processor license in Washington State. Under the LOI, the Company would acquire, directly or through New Leaf USA, certain rights in respect of the assets of New Leaf USA and subsequently complete a going public transaction.

Assuming successful completion of the Acquisition Transaction, the New Leaf USA Entities will be wholly-owned subsidiaries of the Company (collectively "New Leaf Entities"), and through which the Company will provide consulting services, real property, intellectual property and equipment for lease and enhanced ancillary services to the License Holder.

New Leaf USA

New Leaf USA, a Washington corporation, was formed on May 2, 2019.

Following are the wholly-owned subsidiaries of New Leaf USA:

- New Leaf Real Estate, LLC ("RealEstateCo");
- New Leaf Equipment, LLC ("EquipmentCo");
- New Leaf IP, LLC ("IPCo");
- New Leaf Services LLC ("ServicesCo"); and
- New Leaf Hemp Company LLC ("HempCo").

The New Leaf USA Entities hold assets, comprised of real estate leases, equipment and other tangible and intangible assets, including intellectual property ("IP") (collectively the "Assets").

The New Leaf USA Entities acquired the Assets through the reorganization transaction involving the License Holder ("Reorganization Transaction"). In particular, in connection with the Reorganization Transaction, among other things, the License Holder:

- sold all the equipment to EquipmentCo effective October 1, 2019 in exchange for a promissory note in the amount of US$769,871,
- sold the intellectual property to IPCo effective October 1, 2019 in exchange for a promissory note in the amount of US$1,300,000, and
- transferred, in August 2019, the lease of the approximately 30,000 square foot integrated cultivation facility located at 460 and 470 South Kenyon Street, Seattle, Washington which is currently leased by the License Holder (the "Facility") to RealEstateCo.

Commencing on October 1, 2019,

- EquipmentCo leases the equipment to the License Holder in exchange for a monthly fee of US$6,000.
- IPCo leases the intellectual property to the License Holder in exchange for annual exclusivity fees of US$100,000 and the greater of US$1.07 per each unit sold and quarterly license fee of US$150,000.
- RealEstateCo leases the 30,000 square foot facility to the License Holder in exchange for monthly fees of US $36,860 (which includes the base rent and payment of property tax amounts pursuant to the terms of the subleases).
- ServicesCo provides the services, which include staffing and human resources, bookkeeping and payroll, advertising and marketing, IT, and other consulting and advisory services, to the License Holder in exchange for a monthly fee of US$251,000 for the services provided.

In connection with the Acquisition Transaction, the Company intends to complete an initial public offering of up to 20,000,000 units ("Units") at a price of $0.25 per Unit, for aggregate gross proceeds of up to $5,000,000 (the "Offering"), and seek a listing of its common shares on the Canadian Securities Exchange (the "CSE"). Each unit will consist of one (1) Unit Share and one-half of one Warrant, with each whole Warrant entitling the holder thereof, subject to the terms and conditions of the Warrant Indenture, to purchase one warrant share ("Warrant Share") at a price of $0.40 per Warrant Share for a period of 24 months from the date the common shares of the Company are listed for trading on the CSE (the "Expiry Date"). If the closing price of the Common Shares on the CSE or any equivalent exchange is equal to or greater than $0.60 per common share for a period of 10 consecutive trading days (the "Early Expiry Event"), the Warrants will be expired 30 days following the date the Company provides an early expiry notice (the "Early Expiry Date"). The Company intends to allocate $0.249 of the issue price of each Unit as consideration for the issue of each Unit Share and $0.001 as consideration for the issue of each one-half Warrant. The Units will be offered pursuant to an agency agreement (the "Agency Agreement") between the Company and Mackie Research Capital Corporation (the "Agent") to be entered into in connection with the Offering. The Company will also grant the Agent an option, exercisable in whole or in part, for a period of 30 days from and including the closing date of the Offering, to purchase up to an additional 15% of the Units (being 3,000,000 Units) on the same terms as above, to cover over-allotments, if any; any such additional Units would comprise part of the Offering.

(Expressed in Canadian Dollars)

Pursuant to the terms of the Agency Agreement, in respect of the Offering, the Company will pay the Agent (the "Agent's Commission") a cash fee equal to 8.0% of the aggregate gross proceeds of the Offering in respect of purchasers of Units, provided that the amount of the cash fee payable in connection with gross proceeds received from purchasers of Units on the president's list of the Company (the "President's List") is 2.0%.
As additional compensation, the Company has also agreed to:

a) pay the Agent a corporate finance fee equal to $30,000 (plus GST); and

b) issue to the Agent such number of non-transferrable share purchase warrants (the "Agent Warrants") as is equal to 8.0% of the number of Units sold pursuant to the Offering, provided that the number of Agent Warrants issuable in connection Units sold to purchasers on the President's List is equal to 4.0% of the number of Units sold to such purchasers. Each Agent Warrant will be exercisable into one Unit (an "Agent Unit") at an exercise price of $0.25 until the Expiry Date, subject to an Early Expiry Date upon the occurrence of an Early Expiry Event. Each Agent Unit will consist of one Common Share and one-half of one common share purchase warrant (each whole warrant, an "Agent Warrant"). Each Agent Warrant will entitle the holder thereof to purchase an additional Common Share on the same terms and conditions as the Warrants.

As of December 31, 2019, a subscription of $40,000 was received and deposited in the trust account.

SELECTED INFORMATION

	For the years ended		
	December 31, 2019	**December 31, 2018**	**December 31, 2017**
	$	**$**	**$**
Operating expenses	1,168,699	36,250	N/A
Net loss for the period	1,171,103	36,250	N/A
Comprehensive loss for the period	1,171,103	36,250	N/A
Basic and diluted loss per share:			
- net loss	0.11	181.25	N/A

As at	**December 31, 2019**	**December 31, 2018**	**December 31, 2017**
	$	**$**	**$**
Working capital (deficiency)	(396,764)	(36,249)	-
Total assets	191,034	1	-
Total liabilities	587,798	36,250	-
Share capital	736,251	1	-
Deficit	1,207,353	36,250	-

(Expressed in Canadian Dollars)

RESULTS OF OPERATIONS

	Three months ended			
	December 31, 2019	**September 30, 2019**	**June 30, 2019**	**March 31, 2019**
	$	**$**	**$**	**$**
Interest income	-	-	-	-
Net income (loss)	(415,837)	(385,599)	(352,008)	(17,659)
Comprehensive income (loss)	(415,837)	(385,599)	(352,008)	(17,659)
Basic and diluted earnings (loss) per share	(0.03)	(0.03)	(0.03)	(0.02)

	Three months ended			
	December 31, 2018	**September 30, 2018**	**June 30, 2018**	**March 31, 2018**
	$	**$**	**$**	**$**
Interest income	-	-	N/A	N/A
Net income (loss)	9,877	(46,127)	N/A	N/A
Comprehensive income (loss)	9,877	(46,127)	N/A	N/A
Basic and diluted earnings (loss) per share	49.39	(230.64)	N/A	N/A

During the three months and year ended December 31, 2019, the Company incurred a net loss of $415,837 and $1,171,103, respectively.

During the three months and year ended December 31, 2019, the Company incurred $235,937and $840,365, respectively, in professional fees which mainly related to the Acquisition Transaction and related matters.

During the three months ended and year ended December 31, 2019, the Company incurred $130,500 and $267,066 consulting fees to one of the Company's directors and two consulting firms for providing advice on the Acquisition Transaction and related matters, business development and strategies, eCommerce solution, marketing and financial projection to the Company.

During the three months and year ended December 31, 2019, the Company paid $6,000 and $11,355, respectively, directors' fees to one of the directors of the Company.

During the three months and year ended December 31, 2019, the Company recognized share-based payments of $34,338 for the options granted on November 14, 2019.

LIQUIDITY / CAPITAL RESOURCES

On February 26, 2019, the Company completed a private placement and issued 12,000,000 units at a price of $0.05 per share for gross proceeds of $600,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles its holder to purchase one additional common share at an exercise price of $0.05 at any time prior to February 26, 2021.

The Company expects it will continue to fund its operations through either debt or equity financings until it develops cash flow from future operations. There can be no assurances the Company will be successful in its endeavors. If such funds are not available or other sources of finance cannot be obtained, then the Company will be forced to curtail its activities to a level for which funding is available or can be obtained.

The Company does not derive any revenues from operations and has no material income from operations.

As at December 31, 2019, the Company had a working capital deficiency of $396,764.

The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants.

OUTSTANDING SHARE DATA

Authorized share capital

- Unlimited number of preferred shares without par value; and
- Unlimited number of common shares without par value.

Issued share capital

At December 31, 2019, the Company had 12,645,000 common shares issued and outstanding (December 31, 2018 – 200) with a value of $736,251 (December 31, 2018 – $1).

During the year ended December 31, 2019

- On February 26, 2019, the Company completed a private placement of 12,000,000 units at a price of $0.05 for gross proceeds of $600,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles its holder to purchase one additional common share at an exercise price of $0.05 at any time prior to February 26, 2021. No value was assigned to the warrants. In connection with the private placement, the Company incurred $25,000 in share issuance costs.

- On June 19, 2019, the Company cancelled the 200 shares issued to the incorporator on June 4, 2018.

- On November 14, 2019, the Company issued 500,000 common shares with a fair value of $125,000 to Mike Stier, in settlement of 500,000 fully-vested restricted share rights granted to Mike Stier on the same date.

On December 12, 2019, the Company issued 145,000 common shares in settlement of the $36,250 loan payable.

Equity incentive plan

During the year ended December 31, 2019, the Company implemented an Equity Incentive Plan (the "EIP") which provides for the grant to eligible directors and employees (including officers) of stock options and Restricted Share Rights ("RSR"). The EIP also provides for the grant to eligible directors of Deferred Share Units ("DSU") which the directors are entitled to redeem for 90 days following retirement or termination from the Board of the Company (the "Board").

- **Stock options**

  The EIP authorizes the Board to grant options to eligible directors and employees (including officers). The number of options, the exercise price per option, the vesting period and any other terms and conditions of options granted from time to time pursuant to the EIP, are determined by the Board at the time of the grant, subject to the defined parameters of the EIP.

  During the year ended December 31, 2019, 500,000 stock options of which 250,000 stock options issued to Chris Cooper and 250,000 stock options issued to Don Currie, with each option exercisable to acquire one common share of the Company at a price of $0.25 per common share, for a period of five years; one quarter of the options will vest every six months, with the first quarter vesting on the grant date.

(Expressed in Canadian Dollars)

The changes in options during the years ended December 31, 2019 and 2018 are as follows:

	December 31, 2019		December 31, 2018	
	Number outstanding	Weighted average exercise price ($)	Number outstanding	Weighted average exercise price ($)
Balance, beginning of year	-	-	-	-
Granted	500,000	0.25	-	-
Balance, end of year	**500,000**	**0.25**	-	-

The following summarizes information about stock options outstanding and exercisable at December 31, 2019:

Expiry date	Exercise price ($)	Options outstanding	Options exercisable	Estimated grant date fair value ($)	Weighted average remaining contractual life (in years)
November 14, 2024	0.25	500,000	125,000	93,274	4.88
Weighted average exercise price ($)		**0.25**	**0.25**		

- **RSR**
  The EIP authorizes the Board to grant RSRs, in its sole and absolute discretion, to any eligible employee or director. Each RSR provides the recipient with the right to receive common shares of the Company as a discretionary payment in consideration of past services or as an incentive for future services. The terms including the vesting period of the RSRs are determined at the sole discretion of the Board.

  On November 14, 2019, 500,000 fully-vested RSRs were granted in lieu of $125,000 in consulting fees owing to Mike Stier. These RSRs were subsequently settled by the issuance of 500,000 common shares of the Company.

- **DSU**
  The EIP authorizes the Board to grant DSUs, in its sole and absolute discretion in a lump sum amount or on regular intervals to eligible directors of the Company.

  During the year ended December 31, 2019, no DSU was granted to the directors of the Company.

As at the date of this MD&A, the Company had the following common shares and warrants issued and outstanding:

- 12,645,000 common shares;
- 12,000,000 warrants with exercise prices of $0.05 expiring on February 26, 2021.
- 500,000 stock options with exercise prices of $0.25.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel include those persons having the authority and responsibility of planning, directing and executing the activities of the Company. The Company has determined that its key management personnel consist of its Executive Officers and Directors. Other related parties to the Company include companies in which key management have control or significant influence.

(Expressed in Canadian Dollars)

Total compensation of key company personnel for the years ended December 31, 2019 and 2018 is as follows:

	For the years ended December 31, 2019 $	For the period from incorporation on June 4, 2018 to December 31, 2018 $
Directors' fees	11,355	-
Consulting fees	131,000	-
Share-based payments	34,338	-
	176,693	**-**

Consulting fees of $125,000 were settled by the issuance of 500,000 common shares on the Company.

During the year ended December 31, 2019, the Company incurred consulting fees of $6,000 to AMBE Holdings Ltd. which is controlled by the director of the Company (December 31, 2018 – $nil).

The balances due to the Company's directors and officer included in accounts payables and accrued liabilities were $6,000 as at December 31, 2019 and 2018.

SUBSEQUENT EVENTS

Subsequent to December 31, 2019

- On March 9, 2020, the Company filed and obtained a receipt for the final long form prospectus dated February 10, 2020 (the "Prospectus") from the securities regulatory authorities in British Columbia, Alberta and Ontario per their decision document filed on February 11, 2020.

CONTRACTUAL OBLIGATIONS

There are no significant contractual obligations.

OFF-BALANCE SHEET ARRANGEMENT

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

These financial statements have been prepared using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. Refer to Note 2 of the audited financial statements for the period ended December 31, 2019 for details on critical accounting estimates and judgments.

NEW ACCOUNTING STANDARDS

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning on or after January 1, 2019.

IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The Company completed an assessment and concluded that there is no significant change to its financial statements from adopting this new standard as the Company does not have any leases.

IFRIC 23 – Uncertainty over Income Tax Treatments: This standard was issued by the IASB in June 2017 and specifies the interpretation to be applied to the determination of taxable profit, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company completed an assessment and concluded that there is no significant change to its financial statements from adopting this new standard.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations. These financial risks and the Company's exposure to these risks are provided in various tables in Note 10 of our audited financial statements for the year ended December 31, 2019. For a discussion on the significant assumptions made in determining the fair value of financial instruments, refer also to Note 2 of the audited financial statements for the year ended December 31, 2019.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risk factors due to the nature of its business. These risks and uncertainties may impact the Company's ability to successfully execute its key strategies and may affect future events, performance or results. Some of these risks and uncertainties are described in this MD&A. However, the risks and uncertainties set out in this MD&A are not exhaustive. New risk factors may emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on the Company's business performance, condition, operations or strategies and plans.

Ongoing Need for Financing

It is intended that the Company will continue to make investments to support business growth and may require additional funds to respond to business challenges. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of the Company's shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, additional financing may not be available on favourable terms, if at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to them, when they require it, their ability to continue to support business growth and to respond to business challenges could be significantly limited.

Issuance of Debt
From time to time, the Company may enter into transactions to acquire the assets or shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. The level of the Company's indebtedness from time to time could impair its ability to obtain additional financing in the future, on a timely basis, to take advantage of business opportunities that may arise.

Business plan is new and contains inherent risks
Our business plan is innovative and non-traditional. As such, we cannot be certain of commercial or any other kind of success for us and cannot guarantee same.

Limited operating history
The Company has a very limited operating history upon which an evaluation of its prospects can be based. The prospects must be evaluated with a view to the risks encountered by a business in an early stage of operations. The Company has not been profitable and has incurred net operating losses during its recent operating history. The Company cannot guarantee it will ever be profitable, have a positive cash flow, or be able to continue in business.

Potential Conflicts of Interest
Certain directors or officers of the Company are also directors, officers, shareholders and/or promoters of other reporting and non-reporting issuers. Such associations may give rise to conflicts of interest from time to time. The directors and officers of the Company are required by law to act honestly and 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 or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter. Conflicts of interest, if any, will be subject to, and will be resolved in accordance with, the procedures and remedies under the BCBCA.

Reliance on Others and Key Personnel
The success of the Company will be largely dependent upon the performance of its management and key employees, as well as the talents of its outside consultants and suppliers. The Company may not have any "key man" insurance policies, and therefore there is a risk that the death or departure of any one or more members of management or any key employee could have a material adverse effect on the Company. The Company also faces intense competition for qualified personnel and there can be no assurance that the Company will be able to attract and retain the employees, personnel and/or consultants necessary to successfully carry out its activities.

Litigation
All industries are subject to legal claims, with and without merit. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Company's operations and financial position.

Dividends

To date, the Company has not paid any dividends on its outstanding securities and the Company does not expect to do so in the foreseeable future. Any decision to pay dividends on Company's shares will be made by the Board of Directors.

Changes in Laws

Changes to any of the laws, rules, regulations or policies to which the Company is subject could have a significant impact on the Company's business. There can be no assurance that the Company will be able to comply with any future laws, rules, regulations and policies. Failure by the Company to comply with applicable laws, rules, regulations and policies may subject it to civil or regulatory proceedings, including fines or injunctions, which may have a material adverse effect on the Company's business, financial condition, liquidity and results of operations. In addition, compliance with any future laws, rules, regulations and policies could negatively impact the Company's profitability and have a material adverse effect on its business, financial condition, liquidity and results of operations.

Speculative investment

An investment in the Company's common shares is highly speculative and subject to a number of risks and uncertainties. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described above and the other information filed with the Canadian securities regulators before investing in the Company's common shares. The risks described are not the only ones faced. Additional risks that the Company currently believes are immaterial may become important factors that affect the Company's business. If any of these risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and investors may lose all of their investment.