MANAGEMENT DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") for Relevium Technologies Inc. (''Relevium'' or the "Company") should be read in conjunction with the audited consolidated financial statements for the fiscal year ended June 30, 2018 **("the Reporting Period")** and the notes thereto, prepared in accordance with International Financial Reporting Standards **(''IFRS")**.

The effective date of this MD&A is May 27, 2019.

OVERVIEW

Relevium is a publicly-traded company that operates in the health and wellness industry with a primary focus on online distribution. The Company's primary listing exchange is the TSX Venture Exchange **(TSXV: RLV)** and its common shares also trade on the OTCQB **(OTCQB: RLLVF)** and on the Open Market Segment of the Frankfurt Stock Exchange **(FRA: 6BX)**.

The principal business of the Company is the identification, evaluation, acquisition and operations of brands and businesses in the Health and Wellness markets with a focus on E-Commerce. The Company pursues its business strategy through an acquisition and partnership model in a holistic approach to encompass a wide range of health and wellness

Relevium operates through two wholly-owned subsidiaries, BGX E-Health LLC and Biocannabix Health Corporation Inc (''Biocannabix'').

BGX E-Health LLC (BGX)

Based in Orlando, Florida, BGX markets dietary supplements, nutraceuticals, sports nutrition and cosmeceuticals primarily through its Bioganix® brand portfolio online in the US and as of September 2018 in Europe. Relevium's brands such as Bioganix® are sold at some of the world's largest retailers including such as Walmart.com and Amazon.com.

The Company's strategy for growing its brands includes expanding its product offering, adding new distribution channels and developing partnerships that add value through exclusive ingredients. During the year the Company developed relationships with companies like Tersus Life Sciences, Neptune Wellness Solutions and Hempco Food and Fiber in order to provide its current and future customer base with a balanced and comprehensive product offering.

BGX is currently testing a complete line of dietary supplements derived from cannabis with an initial focus on hemp derived, whole plant organic extract rich in CBD (cannabidiol). These hemp derived dietary supplements rich in CBD are considered as THC-Free and therefore, deemed as food supplements rather than medicinal products. The product line will be marketed through its brand LeefyLyfeTM® and will be sold first in Europe and then across North America.

New rules and regulations are now affecting the European market since January 2019 and hemp extracts might need to get authorized by the European Food Safety Agency (EFSA) as being a Novel Food before hitting the market. The Company is closely following the development of these new rules and regulations and will make sure that the expected products that will be launched will be respecting these rules and regulations. Estimated time before selling the products in Europe will depends on the implementation of these new rules and regulations.

Regarding North America, in the USA, Farm Bill was adopted late in 2018, which removed Hemp as a schedule I substance and reclassified it as an ''agricultural commodity''. Now, Hemp derived CBD products are federally legal as long it adheres the law. Now the states need also to regulate the matter. The Company is closely following the development of the states adoption and will make sure that the expected products that will be launched will be respecting the regulations. Estimated time before selling the hemp derived cbd products in the USA will depends on the adoption of the farm bill by the different states. The Company will not sale any marijuana derived products in the USA before it's federally legal in the USA.

In Canada, Hemp derived CBD products that contains less than .3% of THC are legal in Canada and without a prescription. However, these products needs to get approved by Health Canada before the resale (an NPN Number is needed). The Company is currently in the process of seeking suppliers for the Canadian market.

The Company uses cannabinoids and ingredients that have achieved GRAS status (''generally accepted as safe'') to create brands that are sold via wholesale channels, retail channels and online distribution.

The Company launched in February the Push & Pull System™ by Bioganix® which is the first ever comprehensive natural anti-aging system for complete skin care that combines Collagen Protein supplements (PUSH) and naturally sourced Aloe Vera skin anti-aging cream (PULL). This launch is targeting a brand-new revenue stream in the burgeoning cosmeceutical market, which is the fastest growing segment of the health and wellness Market.

Biocannabix Health Corporation (BCX)

Based in Montreal, Quebec, BCX is an entrepreneurial venture to establish a vertically integrated medical cannabis company in the nutraceutical space.

The Company's strategy is to develop a fully integrated business in partnership with experienced and established businesses and scientists located in North America and Israel.

The market for Cannabis (including Medical Marijuana) in Canada is highly regulated. Health Canada is the primary regulator of the industry as a whole and cultivators, producers and packagers of cannabis products are required to obtain a CRA license from the Canada Revenue Agency. Any applicant seeking to become a licensed producer is subject to stringent licensing requirements which can be summarized as follows :

Screening: During screening, the application and supporting documents are assessed for completeness, legibility and the ability to be further assessed.

Review and security clearance: Once an application has passed the screening stage, and security clearance applications are being processed, the application will undergo a detailed review to verify that the requirements are met. Health Canada works in conjunction with the RCMP on security clearance applications.

Pre-licensing and approval: Once Health Canada completes the detailed review of the submitted application, Health Canada provides the applicant with a confirmation of readiness email. This email prompts the applicant for information to demonstrate that there is a functioning Facility at the site address. The applicant is required to provide a site evidence package with documentation including, but not limited to, detailed video walkthroughs of both the interior and exterior of the site, and site and building plans including descriptions and photographs that clearly detail Facility completion.

Pre-Licence inspection: Health Canada inspectors may be deemed necessary prior to further licensing decisions. If an inspection is required, the inspection team will contact the applicant to schedule the preLicence inspection. In the case where an on-site Pre-Licence inspection is not required, the Licence issuance will be based on the thoroughness of information found in the site evidence package. As the regulatory requirements for each Licence type vary, so do the requirements for the site evidence package. When an applicant reaches this stage in the application process, they are informed of what specific information is required.

Issuance of Licence: Once all information has been reviewed, including the results and observations from a Pre-Licence inspection, if necessary, and all security clearances have been granted, an initial Licence for authorized activities is issued. A hard copy of the Licence as well as an accompanying issuance letter detailing any conditions around the issued Licence is mailed to the identified mailing address. In addition, all security-cleared key personnel are sent letters regarding the status of their security clearances for that site, under that application. Following issuance of the Licence, Health Canada holds a teleconference with the new Licence holder to discuss the Licence, including any conditions. Licence holders must ensure that the quality of cannabis products they produce meet all applicable requirements. When a Licence holder is first licenced, activities may be limited, particularly prior to being authorized to conduct the activity of sale for medical purposes. This graduated licensing is for the purpose of verifying that cannabis products intended for sale meet all of the quality standards set out under the Cannabis Regulations.

Background

Relevium was incorporated under the Canada Business Corporations Act on July 19, 2012 and its registered head office is located at 1000 Sherbrooke St. West, Suite 2700 in Montreal, Quebec, Canada.

The Company completed its Qualifying Transaction ("**QT**") in the Toronto Venture Stock Exchange in August 2015 and begun operating under the name Bioflex Technologies Inc., trading under the symbol "BFT" in the TSX Venture Exchange. On December 17, 2015 the Company rebranded to Relevium Technologies Inc., trading under the symbol "RLV", in order to better reflect its focus on health and wellness and on the consolidation of brands and businesses in the space

The Company completed its first acquisition in July 2017 consisting of the assets of Bioganix, a branded online business in the nutraceutical space with products sold in the US through Amazon.com and its native website Bioganix.com. The transaction was conducted through BGX E-Health LLC., a wholly owned subsidiary based in Orlando, Florida.

CORPORATE HIGHLIGHTS FOR THE REPORTING PERIOD

During the nine-month period ended March 31, 2019 (the "Reporting Period"), the Company focused on building the stepping stone for growth and geographic expansion of its over-the-counter (''**OTC**'') brands. The Company also continued to execute and make progress towards building Biocannabix Health Corp., the Company's biopharma start-up.

The following section describes the major highlights of the Company for the reporting period:

BGX and the OTC Business

The Company's wholly-owned subsidiary, BGX E-Health LLC ("**BGX**"), operates all the online assets that support the operations and sales of its Bioganix® brand of nutraceutical and wellness consumer products with quality formulations at competitive prices, with a focus on providing an overall awesome customer experience. All BioGanix products are produced by tested and verified by GMP Certified and FDA inspected facilities across the USA.

Amazon US Marketplace

Despite the introduction of several new products on the US Amazon marketplace, the Company's topline revenues were impacted by major changes in Amazon's A9 Algorithm, which affected overall rankings and PPC spending for all sellers. These changes to the A9 Algorithm continue to take place affecting marketplace dynamics. In addition to changes to the A9 Algorithm, Amazon also conducted major updates and drastic changes to customer reviews, a key driver of sales velocity in its platform. These combined changes affected sales growth concerning the company's Bioganix brand in its first quarter as compared to the same period in 2017.

As at March 31, 2019, BGX offered 52 dietary supplement products in its online catalogue, an increase of 14 new products that were launched during the reporting period.

Walmart US Marketplace

During the reporting period BGX test launched the Bioganix® Gold Series, which is offered exclusively to Walmart shoppers. The initial test included three products in the weight management and digestive health categories. In late December, BGX has launched 30 exclusive nutraceutical products under its Gold brand and expects this new revenue stream to be active and accretive during this fiscal year.

Amazon UK Marketplace

On September 20, 2018, BGX launched three products into Amazon's UK platform through a sponsored program to reach European customers and plant to roll-out the balance of its 52 SKU product line over the fiscal year. During the Period, two of the three products had achieved excellent rankings and revenues were on their way up. Management believes that the investment into the UK and European expansion will become a major contributor to the company's overall growth in top line and profitability.

Bioganix® is currently not sold in Canada and the Company is applying to the Natural and Non-prescription Health Products Directorate (''**NNHPD**'') to seek approval and being establishing the brand in Canada this fiscal year.

During the nine months ended March 31, 2019 the company reported $3,030,019 in revenues ($3,157,644 in 2018) from its Bioganix® brand with a gross profit margin of 55% or $1,655,046. The decrease were the direct results of changes in the A9 Algorithm and market dynamics in the Amazon marketplace, including decreased demand in weight management products that were trending in 2018.

Bioganix®, acquired in 2017, is the core brand in the Company's strategic plan to build a portfolio of e-commerce brands in the Health and Wellness space.

Biocannabix Health Corp

On April 19, 2018 the Company announced a new entrepreneurial venture to build a fully integrated cannabis biopharma company targeting pediatric and geriatric applications. In anticipation of a potential supply squeeze and unknown factors surrounding the licensing process, the Company secured the supply of organically grown full spectrum CBD through Plena Global Holdings, a company based in Canada accumulating medical marijuana grow production assets across legalized countries in South America.

During the Reporting Period, the Company announced the acquisition of a license and transfer of the intellectual property from CK Properties and its branded Cannakids products used in pediatric applications to support the treatment suffering from severe health issues including Cancer and neurological/behavioural syndromes. On April 8, 2019, the Company acquired the Canadian license right for Cannakids for a total consideration of USD $950,000 payable as follows:

- Issuance of 11,733,333 shares at a deemed issued price of $0.09, the issuance of 5,866,666 warrants exercisable at $0.15 and expiring in 12 months and a cash payment of USD $150,000.

The Company also announced a letter of intent to joint venture with Holistic Industries, a privately-owned US-based giant in the medical cannabis business. Holistic is set to transfer its technology including grow, genetics and processing to Biocannabix.

Other Business

During the Reporting Period, the Company announced its plans to launch LeefyLyfe™, the company's organic cannabinoid-based OTC product line, to be launched in Europe. In addition to the launch of the brand, which will be live as soon as the new rules and regulations are in place, the Company is actively seeking an acquisition target to form the basis of its OTC product expansion into the UK and Europe.

FINANCIAL HIGHLIGHTS FOR THE REPORTING PERIOD

The Company's topline revenues were impacted by major changes in Amazon's A9 Algorithm, which affected overall rankings and PPC spending for all sellers. These changes to the algorithm continue to take place affecting marketplace dynamics. In addition to changes to the algorithm, Amazon conducted major updates and changes to customer reviews, a key driver of sales velocity and overall rankings in its platform. These changes combined negatively impacted sales growth for the Company's Bioganix brand during the first nine-months of 2019 as compared to the same period last year. However, sales for second and third quarters of 2019 has shown an increase as compared to same previous periods last year.

During the nine-month period ended March 31, 2019 the Company generated consolidated revenues of $3,030,019 for the reporting period ($3,157,644 in 2018) a decrease of $127,625 and a gross profit of $1,655,046 ($1,806,515 in 2018). In terms of gross margin, the Company reported a 55% margin (57% in 2018), a decrease that is related directly to the mix of products that is sold now versus what was sold last year.

Total assets for the reporting period decreased from $8,575,302 as at June 30, 2018 to $7,057,584 as at March 31, 2019, while total liabilities decreased from $3,468,499 as at June 30, 2018 to 3,220,193 as at March 31, 2019.

The Reporting Period was marked by a period of increased marketing expenses to adjust to the changes in Amazon's market dynamics, the development of the digital assets for the LeefyLyfe™ brand, the launch of 14 new products, the 30 products launch on Walmart, the development of the digital assets for the Push & Pull System™ and its launch. During the comparable period last year, the Company counted with a very small team which was focused on the integration of Bioganix. Today, the Company has grown its administrative, consulting and general and administrative expenses in order to expand through new marketplaces, building a more robust operating team and investing in the start-up of Biocannabix, which now has a separate and growing team behind it.

The Company reported net and comprehensive losses of $2,613,586 ($1,787,985 in 2018).

OUTLOOK

The Company will continue its current focus to expand its revenue streams organically through geographic and marketplace expansions. In terms of Biocannabix, the Company expects to continue the licensing process, while we focus on securing the necessary partnerships and initial financing. The company remains active in the identification of acquisition targets that support the company's geographic expansion to Europe.

RESULTS FROM OPERATIONS

Nine months ended March 31, 2019

The following table summarizes financial results for the nine months ended March 31, 2019

	Nine-month ended March 31		
	2019	**2018**	**Variance**
	$	**$**	**$**
Revenue	**3,030,019**	**3,157,644**	**(127,625)**
Cost of sales	1,374,973	1,351,129	23,844
Gross profit	1,655,046	1,806,515	(151,469)
			-
Administation fees	359,134	287,248	71,886
Consulting fees	614,002	308,067	305,935
General and administration	799,695	430,580	369,115
Selling & marketing	1,770,383	1,252,668	517,715
Professional fees	244,082	166,818	77,264
Other expenses	188,548	537,104	(348,556)
Interest expense	204,323	348,422	(144,099)
Accreted interests	88,465	263,618	(175,153)
Total expenses	4,268,632	3,594,525	674,107
Net and comprehensive loss	**2,613,586**	**1,787,985**	**825,601**

During the nine-month period ended March 31, 2019, the Company reported $3,030,019 in revenues ($3,157,644 in 2018). Cost of goods sold were $1,374,973 ($1,351,129 in 2018) and accounted for 45% of sales (43% in 2018), resulting in a gross profit of $1,655,046 ($1,806,515 in 2018) and accounted for 55% of sales (57% in 2018), which is well in line with management's expectations for the first nine-months of operations.

Total expenses for the period were $4,268,632 ($3,594,525 in 2018). The increase in total expenses totaled $674,107 and was primarily the result $517,715 in selling and marketing expenses, $369,115 in general and administrative expenses, $305,935 in consulting fees, $77,264 in professional fees and $71,886 in administration fees. These were offset by reductions in interest expenses and accreted interest of $144,099 and $175,153 respectively and by reductions in other expenses of $348,556.

Administration fees were $359,134 ($287,248 in 2018) an increase of $71,886, primarily a reflection of the increase in staffing and related expenses during the year. Consulting fees for the year were $614,002 ($308,067 in 2018) an increase of $305,935 primary related to capital market, acquisitions, consulting services related to the cannabis licensing process and other consulting services retained by the Company during the Reporting Period.

General and administration fees increased by $369,115 to $799,695 ($430,580 in 2018) due to a larger operational infrastructure.

Selling and marketing expense increased by $517,715 to $1,770,383 ($1,252,668 in 2018) primarily the result of adjustments to promotional activities and higher PPC advertising for new product launches and adjustments to new marketplace dynamics in Amazon. These costs are expected to decrease during the remaining quarter as the company's sales volumes trend up and the promotional and launching costs decrease.

Professional fees were $244,082 ($166,818 in 2018) an increase of $77,264 relating primarily to higher legal and audit services for the reporting period.

Interest on long terms debt decreased by $144,099 to $234,023 ($348,422 in 2018) and accreted interest decreased by $175,153 to $88,465 ($263,618 in 2018) reflecting the conversion of long-term debt into equity.

Other expenses decreased by $348,556 to $188,548 ($537,104 in 2018) primarily the result of a decrease in share-based payments of $521,860 which was offset by an increase in changes in fair value of warrants of $52,500 and by an increase in amortization of assets and deferred financing costs of $165,959.

As a result of the operations for the nine-month period ended March 31, 2019, the Company reported a net comprehensive loss of $2,613,586 ($1,787,985 in 2018).

The Company's ability to continue as a going concern is subject to its ability to continue develop its OTC business and its ability to raise additional financing to execute the overall strategy.

Three months ended March 31, 2019

The following table summarizes financial results for the Three months ended March 31, 2019

	Three-month ended March 31		
	2019	**2018**	**Variance**
	$	**$**	**$**
Revenue	**1,038,467**	**1,036,176**	**2,291**
Cost of sales	476,729	460,681	16,048
Gross profit	561,738	575,495	(13,757)
Administation fees	132,357	98,849	33,508
Consulting fees	267,775	107,732	160,043
General and administration	342,997	186,489	156,508
Selling & marketing	694,785	584,796	109,989
Professional fees	106,283	85,921	20,362
Other expenses	(135,305)	58,696	(194,001)
Interest expense	71,276	132,691	(61,415)
Accreted interests	36,608	75,965	(39,357)
Total expenses	1,516,776	1,331,139	185,637
Net and comprehensive loss	**955,038**	**755,644**	**199,394**

During the three-month period ended March 31, 2019, the Company reported $1,038,467 in revenues ($1,036,176 in 2018). Cost of goods sold were $476,729 ($460,681 in 2018) and accounted for 46% of sales (44% in 2018), resulting in a gross profit of $561,738 ($575,495 in 2018) and accounted for 54% of sales (56% in 2018), which is well in line with management's expectations for the third quarter of operations.

Total expenses for the period were $1,516,776 ($1,331,139 in 2018). The increase in total expenses totaled $185,637 and was primarily the result $160,043 in consulting fees, $156,508 in general and administrative expenses, $109,989 in selling and marketing expenses, $33,508 in administration fees, $20,362 in professional fees. These were offset by reductions in interest expenses and accreted interest of $61,415 and $39,357 respectively and by reductions in other expenses of $194,001.

Consulting fees for the period were $267,775 ($107,732 in 2018) an increase of $160,043 primary related to capital market, acquisitions, consulting services related to the cannabis licensing process and other consulting services retained by the Company during the Reporting Period.

General and administration fees increased by $156,508 to $342,997 ($186,489 in 2018) due to a larger operational infrastructure.

Selling and marketing expense increased by $109,989 to $694,785 ($584,796 in 2018) primarily the result of adjustments to promotional activities and higher PPC advertising for new product launches including the Push & Pull System and adjustments to new marketplace dynamics in Amazon. These costs are expected to decrease during the remaining quarter as the company's sales volumes trend up and the promotional and launching costs decrease.

Administration fees were $132,357 ($98,849 in 2018) an increase of $33,508 primarily a reflection of the increase in staffing and related expenses for the reporting period.

Professional fees were $106,283 ($85,921 in 2018) an increase of $20,362 relating primarily to higher legal services for the reporting period.

Interest on long terms debt decreased by $61,415 to $71,276 ($132,691 in 2018) and accreted interest decreased by $39,357 to $36,608 ($75,965 in 2018) reflecting the conversion of long-term debt into equity.

Other expenses decreased by $194,001 to $-135,305 ($58,696 in 2018) primarily the result of a decrease in changes in fair value of warrants of $181,500.

As a result of the operations for the three-month period ended March 31, 2019, the Company reported a net comprehensive loss of $955,038 ($755,644 in 2018).

The Company's ability to continue as a going concern is subject to its ability to continue develop its OTC business and its ability to raise additional financing to execute the overall strategy.

SUMMARY OF QUARTERLY RESULTS

Quarter Ended	Revenues	Net & Comprehensive loss for the period	Net loss per share (Basic & Diluted)	Weighted average common shares
	$	$	$	
March 31, 2019	1,038,467	955,038	0.008	113,581,773
December 31, 2018	1,006,501	1,003,197	0.009	111,918,730
September 30, 2018	985,051	657,397	0.006	104,579,409
June 30, 2018	995,180	1,120,650	0.012	92,786,684
March 31, 2018	1,036,176	755,644	0.001	86,363,372
December 31, 2017	968,474	904,565	0.013	69,824,611
September 30, 2017	1,152,994	127,776	0.002	65,971,466
June 30, 2017	NIL	2,018,668	0.055	35,918,448

FINANCIAL POSITION

As at March 31, 2019, the Company reported cash and cash equivalents totaling $524,815 ($2,075,050 in June 30, 2018).

	31-Mar-19	30-Jun-18
	$	$
Total Assets	7,057,584	8,575,302
Current Assets	1,410,409	2,826,812
Current liabilities	1,121,323	3,358,999
Working Capital*	**289,086**	**- 532,187**
***Working capital is defined as current assets less current liabilit**		

For the nine-month period ended March 31, 2019, the company reported negative cash flows from operations totaling $2,253,124 ($1,498,117 in 2018) primarily the result of increases in net comprehensive loss of $812,100 which was offset by $57,093 in non-cash items.

The Company reported negative cash flows from investing activities of $80,748 ($21,183 in 2018) arising from the repayment of contingent liability for the purchase of Bioganix® and for the purchase of office equipment and intangible assets.

The Company reported positive cash flows from financing activities of $783,637 ($2,136,351 in 2018) arising primarily from the proceeds on issue of convertible notes of $1,000,000, issue of a loan payable of $289,618 which was offset by repayment of a short-term loan of $423,866 and a repayment of note payables of $82,490.

The Company's only significant source of funding has been the issuance of equity securities for cash and debt financing. The operating business of BioGanix® contributes cash to the business but not enough to sustain its growth and development without external financing sources. As such, the Company continues to rely on funding from the capital markets to execute its ongoing strategy.

As at March 31, 2019 the Company had 28,528,999 warrants issued and outstanding that if fully exercised, could generate $4,213,733 (28,528,999 warrants x $0.1477) in capital to support the Company's activities.

Number of warrants	Exercise price ($)	Expiry Date
1,722,500	0.1125	Aug-19
12,423,500	0.15	Jun-19
3,383,000	0.15	Aug-19
1,499,999	0.15	Dec-19
9,500,000	0.15	Dec-20
28,528,999	**0.1477**	

Management recognizes that capital markets are currently in the middle of an adjustment period and there may be risks involved beyond its control in securing additional capital or having outstanding warrants exercised (See **Going Concern Note**).

CAPITAL RESOURCES

The Company's objective is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business.

Management defines capital as the Company's shareholders' equity and long-term debt. The Company's only significant source of funding has been the issuance of equity securities for cash and debt financing.

The Company's business model also includes the role of a consolidator in the nutraceutical e-commerce space and such that the Company expects to continue to make acquisitions in this space through the capital markets.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet transactions as at March 31, 2019.

RELATED PARTIES TRANSACTIONS

During the nine months period the following transactions occurred:

- Consulting fees include $23,739 (2018 – $20,245) paid to a director of the Company.
- Administration fees include directors fees of $17,000 (2018 – $10,500).
- Professional fees include $49,256 of services provided by the legal secretary (2018 - $58,177).

These transactions are measured at the exchange amount, which is the amount of consideration determined and agreed to by the related parties. As at March 31, 2019, the balance due to related parties amounted to $41,243.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in financial statements and accompanying notes. There is a full description and a detailed presentation of the Company's critical accounting policies, accounting judgments and uncertainties relative to significant estimates are provided in the audited financial statements as at June 30, 2018.

OUTSTANDING SHARE DATA

Disclosure of outstanding share data

(On May 27, 2019)	**Number**
Common shares issued	125,315,106
Warrants	34,395,665
Stock options	3,955,000
Fully Diluted	**163,665,771**

As of March 31, 2019, the Company had 113,581,773 common shares issued of which 150,000 were subject to escrow conditions. The Company also has a total of 28,528,999 warrants issued of which 28,528,999 are exercisable.

The Company has issued 3,955,000 options out of 6,983,684 options authorized under the incentive stock option plan.

SUBSEQUENT EVENTS

Subsequent to March 31, 2019, the following events occurred:

On April 8, 2019, the Company acquired the Canadian license right for Cannakids for a total consideration of USD $950,000 payable as follows:

- Issuance of 11,733,333 shares at a deemed issued price of $0.09, the issuance of 5,866,666 warrants exercisable at $0.15 and expiring in 12 months and a cash payment of USD $150,000.

On May 10, 2019, the Company amended the exercise price from $0.15 and $0.1125 to $0.10 of the following repriced warrants:

- 1,722,500 warrants set to expire on June 6, 2019
- And to extend the term of 10,701,000 warrants set to expire on June 6, 2019 to June 15, 2019
- The $0.10 exercise price of 5,105,500 warrants originally set to expire on August 19, 2019 will be in effect until June 15, 2019.

RISKS

Unfavourable Publicity or Consumer Perception

The Company believes the medical marijuana industry is highly dependent upon consumer perception regarding the safety, efficiency and quality of the medical marijuana produced. Consumer perception of the Company products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical marijuana products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the medical marijuana market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's products and the business, results of operations, financial condition and cash flows of the Company. The Corporation's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the demand for products, and the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical marijuana in general, or the Company's products specifically, or associating the consumption of medical marijuana with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately or as directed.

Factors Which May Prevent Achievement of Growth Targets

The Company is currently in the development stage. There is a risk that additional resources will be needed and milestones will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following as it relates to the Company and its licensed suppliers:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- facility design errors;
- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labour costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

Risks Inherent in an Agriculture Business

The Company's business involves the growing of medical cannabis, which is an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, such as pests, plant diseases and similar agricultural risks. Although the Company will grow its products indoors under climate-controlled conditions, and carefully monitors the growing conditions with trained personnel, there can be no assurance that natural elements will not have a material adverse effect on the volume, quality and consistency of its products.

Risks Relating to the Cannabis Industry

The Cannabis Industry is Subject to Competition There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and production and marketing experience than the Company. Because of the early stage of the industry in which the Company operates, the Company expects to face additional competition from new entrants. If the number of users of medical marijuana in Canada increases, the demand for products will increase and the Company expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products and pricing strategies. To remain competitive, the Company will require a continued high level of investment in research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of The Company.

Regulatory Risks

The Company will operate in a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements.

The Company's ability to grow, store and sell medical CRA in Canada with respect to the Facility is dependent on obtaining applicable Licences from Health Canada and a CRA License from the Canada Revenue Agency and the need to maintain Licenses and the CRA License in good standing. Failure to: (i) comply with the requirements of any Licenses or a CRA License; and (ii) maintain any required License or a CRA License would have a material adverse impact on the business, financial condition and operating results of the Company.

The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of its operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to Company operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company. The industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond Company control and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Company's earnings and could make future capital investments or the Company's operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

Licensing Requirements
The market for cannabis (including medical marijuana) in Canada is highly regulated. Health Canada is the primary regulator of the industry as a whole and cultivators, producers and packagers of cannabis products are also required to obtain a CRA License from the Canada Revenue Agency.

The applicable Cannabis Laws aim to treat cannabis like any other narcotic by creating conditions for a new commercial industry that is responsible for its production and distribution. Any applicant seeking to become a Licensed Producer is subject to stringent licensing requirements which can be summarized as follows:

Screening: During screening, the application and supporting documents are assessed for completeness, legibility and the ability to be further assessed.

Review and security clearance: Once an application has passed the screening stage, and security clearance applications are being processed, the application will undergo a detailed review to verify that the requirements are met. Health Canada works in conjunction with the RCMP on security clearance applications.

Pre-licensing and approval: Once Health Canada completes the detailed review of the submitted application, Health Canada provides the applicant with a confirmation of readiness email. This email prompts the applicant for information to demonstrate that there is a functioning Facility at the site address. The applicant is required to provide a site evidence package with documentation including, but not limited to, detailed video walkthroughs of both the interior and exterior of the site, and site and building plans including descriptions and photographs that clearly detail Facility completion.

Pre-Licence inspection: Health Canada inspectors may be deemed necessary prior to further licensing decisions. If an inspection is required, the inspection team will contact the applicant to schedule the preLicence inspection. In the case where an on-site Pre-Licence inspection is not required, the Licence issuance will be based on the thoroughness of information found in the site evidence package. As the regulatory requirements for each Licence type vary, so do the requirements for the site evidence package. When an applicant reaches this stage in the application process, they are informed of what specific information is required.

Issuance of Licence: Once all information has been reviewed, including the results and observations from a Pre-Licence inspection, if necessary, and all security clearances have been granted, an initial Licence for authorized activities is issued. A hard copy of the Licence as well as an accompanying issuance letter detailing any conditions around the issued Licence is mailed to the identified mailing address. In addition, all security-cleared key personnel are sent letters regarding the status of their security clearances for that site, under that application. Following issuance of the Licence, Health Canada holds a teleconference with the new Licence holder to discuss the Licence, including any conditions. Licence holders must ensure that the quality of cannabis products they produce meet all applicable requirements. When a Licence holder is first licenced, activities may be limited, particularly prior to being authorized to conduct the activity of sale for medical purposes. This graduated licensing is for the purpose of verifying that cannabis products intended for sale meet all of the quality standards set out under the Cannabis Regulations.

Any applicant seeking a CRA License is also subject to stringent licensing requirements.

The market for cannabis (including medical marijuana) in Canada is regulated by the Cannabis Act and other applicable Cannabis Laws. Health Canada is the primary regulator of the industry as a whole. The Cannabis Laws aims to treat cannabis like any other narcotic used for medical purposes by creating conditions for a new commercial industry that is responsible for its production and distribution.

The Company's ability to grow, store and sell cannabis for medical purposes in Canada is dependent on obtaining the License. The License is subject to ongoing compliance, reporting requirements and renewal and there is no guarantee that Health Canada will renew the Licence. Should the Company fail to obtain or comply with the requirements of the License there would be a material adverse effect on the Company's business, financial condition and results of operations.

Government licenses are currently, and in the future may be, required in connection with the Company's operations, in addition to other unknown permits and approvals which may be required. To the extent such permits and approvals are required and not obtained, the Company may be prevented from operating and/or expanding its business, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Any applicant seeking to become a Licensed Producer is subject to stringent Health Canada licensing requirements.

Environmental Regulations and Risks
The Company's operations are subject to environmental regulation. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Government approvals and permits are currently, and may in the future, be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from the proposed production of medical cannabis or from proceeding with the development of their operations as currently proposed.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Changes in Laws, Regulations and Guidelines

The Company's operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, packaging/labelling, advertising, sale, transportation, storage and disposal of medical cannabis but also including laws and regulations relating to drugs, controlled substances, health and safety, privacy, the conduct of operations and the protection of the environment. To the knowledge of management, the Company is currently in compliance with all such laws. That said, any changes to such laws, regulations and guidelines are matters beyond the control of the Company that may cause adverse effects to Company's operations and financial conditions.

The risks to the business of the Company represented by this or similar actions are that they might lead to court rulings or legislative changes that allow those with existing licenses to possess and/or grow medical cannabis, perhaps allow others to opt out of the regulated supply system implemented through the Cannabis Laws by growing their own medical cannabis, or potentially even legitimize illegal areas surrounding cannabis dispensaries. This could significantly reduce the addressable market for the Company's products and could materially and adversely affect the business, financial condition and results of operations for The Company.

The Ministerial Order regarding the cannabis tracking system was published in the Canada Gazette, Part II, on September 5, 2018. It came into force on October 17, 2018. All those with a federal licence to cultivate and process cannabis, and provinces and territories, are required to submit monthly tracking reports to the Minister of Health.

While the impact of this regime is uncertain and highly dependent on which specific laws, regulations or guidelines are changed and on the outcome of court decisions, it is not expected that any such changes would have an effect on the Company's operations that is materially different than the effect on similar-sized companies in the same business as The Company. In addition, the industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the Company's control and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce The Company's earnings and could make future capital investments or the Company's operations uneconomic.

Restrictions on Sales Activities

The industry is in its early development stage and restrictions on sales and marketing activities imposed by Health Canada, the Canada Revenue Agency provincial governments, various medical associations, other governmental or quasi-governmental bodies or voluntary industry associations may adversely affect Company's ability to conduct sales and marketing activities and could have a material adverse effect on the Company's respective businesses, operating results and financial conditions.

Competition

There is potential that the Company will face intense competition from other companies, some of which can be expected to have more financial resources, industry, manufacturing and marketing experience than the Company. Additionally, there is potential that the industry will undergo consolidation, creating larger companies that may have increased geographic scope and other economies of scale. Increased competition by larger, better-financed competitors with geographic or other structural advantages could materially and adversely affect the business, financial condition and results of operations of the Company.

The government of Canada has only issued to date a limited number of Licenses under the applicable Cannabis Laws. There are, however, several hundred applicants for Licenses. The number of Licenses granted could have an impact on the operations of the Company. Because of the early stage of the industry in which the Company operates, the Company expects to face additional competition from new entrants. According to Health Canada there were 120 Licensed Producers as of September 30, 2018. If the number of users of medical cannabis in Canada increases, the demand for products will increase and the Company expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products.

Competition may increase as well due to the fact that the recreational market was in Canada legalized on October 17, 2018. The Company will be in direct competition with other producers to become a provider of the SQDC in Québec or other state-controlled corporations in other Canadian provinces.

CAUTIONARY STATEMENT

This Management and Discussion Analysis may contain forward-looking information within the meaning of applicable securities legislation, which reflects the Company's current expectations regarding future events. Forward-looking information is based on several assumptions and is subject to several risks and uncertainties, many of which are beyond the Company's control that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Readers should not place undue reliance on forward- looking statements and forward-looking information and are cautioned that reliance on such information may not be appropriate for other purposes.

The Company does not undertake any obligation to update such forward-looking information, whether because of new information, future events or otherwise, except as expressly required by applicable law. These risks and uncertainties include, but are not limited to, those described under the headings "Financial Instruments & Risk Management" and "Inherent Risk Factors" in this MD&A and could cause actual events or results to differ materially from those projected in any forward-looking statements. The Company does not intend, nor does it undertake any obligation, to update or revise any forward-looking statements contained in this MD&A to reflect subsequent information, events or circumstances or otherwise, except if required by applicable law.

ADDITIONAL INFORMATION
Additional disclosures pertaining to the Company's material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, we thank our shareholders for their continued support.

"Aurelio Useche"

Aurelio Useche
Chief Executive Officer