PURE GLOBAL CANNABIS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three month period ended March 31, 2019

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation. Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Certain forward-looking statements in this MD&A include, but are not limited to the following:

- the Company's expansion plans;
- its expectations regarding production capacity and production yields; and
- the expected demand for products and corresponding forecasted increase in revenue.

The above and other aspects of the Company's anticipated future operations are forward-looking in nature and, as a result, are subject to certain risks and uncertainties. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. Such forward-looking statements are estimates reflecting the Company's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-looking statements. Such factors include but are not limited to the Company's ability to obtain the necessary financing and the general impact of financial market conditions, the yield from marihuana growing operations, product demand, changes in prices of required commodities, competition, government regulations and other risks.

MANAGEMENT'S DISCUSSION AND ANALYSIS

DESCRIPTION OF BUSINESS

This Management's Discussion and Analysis ("MD&A") is dated May 27, 2019. The following MD&A of Pure Global Cannabis Inc. ("Pure", "Pure Global" or the "Company") should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the years ended December 31, 2018 and 2017, which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

This document is intended to assist the reader in better understanding operations and key financial results as of the date of this MD&A. The audited consolidated financial statements and this MD&A have been approved by its Board of Directors.

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

The Company was incorporated in March 2011 in British Columbia and was operating as Royal Sapphire Inc. ("Royal Sapphire"). On May 17, 2018 PureSinse Inc. ("PureSinse") and Royal Sapphire entered into definitive agreements to carry out a three-cornered amalgamation or business combination for the purpose of effecting a reverse take-over of Royal Sapphire by PureSinse (the "Transaction"). The Transaction was completed on July 9, 2018. Shortly before the completion of the Transaction, the Company consolidated its capital on a one new for two old basis. The Company changed its name to Pure Global Cannabis Inc. on July 6, 2018. The Company's newly formed subsidiary 2627000 Ontario Inc. amalgamated with PureSinse Inc. with shareholders of PureSinse Inc. receiving shares of the Company on a 1:1 basis in exchange for PureSinse Inc. shares. A new board and new management assumed control of the Company on July 11, 2018, and the shares of the Company resumed trading on the TSX Venture Exchange under the new trading symbol "PURE".

As a result of the reverse takeover transaction, the consolidated financial results of the combined entities are issued under the legal parent, Pure Global Cannabis Inc. (Formerly Royal Sapphire Inc.), but are considered a continuation of the financial statements of the legal subsidiary and accounting acquirer, PureSinse Inc.

The Company is a "reporting" company in the provinces of British Columbia, Alberta and Ontario. The Company's three wholly owned subsidiaries are PureSinse Inc., 237A Advance Inc., 237B Advance Inc. and SPRQ Health Group Corp. o/a Spark ("Spark").

PureSinse Inc. was incorporated under the Business Corporations Act (Ontario) on March 10, 2014 under the name "MediSinse Inc.". On August 26, 2014, MediSinse Inc. filed articles of amendment to change its name to "PureSinse Inc.".

237A Advance Inc. and 237B Advance Inc. were incorporated in July 2018 and September 2018, respectively.

On January 29, 2019, the Company, through its subsidiary PureSinse, acquired all of the issued and outstanding shares of SPRQ Health Group Corp. o/a SPARK ("SPARK"), a Brampton-based cannabis clinic helping patients to obtain safe access to medical cannabis with in-clinic, telephone, and telehealth-based consultations. Pursuant to the share purchase agreement, the Company paid $100,000 in cash and issued 480,000 common shares of the Company to the vendor at $0.25 per share amounting to $120,000. The Company will contingently issue a maximum of 1,120,000 additional common shares of the Company, upon SPARK achieving certain operational milestones, at a share price a day prior to the closing date totally to $280,000.

The contingent consideration of shares has been classified as equity, as the number of shares to be issued has been fixed based on the Company's share price. 1,120,000 shares will be issued on the closing of the transaction. Management assessed the probability of the issuance of the contingent shares to be highly probable. The total fair value of the consideration is estimated at $280,000

The purchase price has been allocated as follows:

Consideration	**Amount ($)**
Cash	100,000
480,000 common shares at a value of $0.25 per share	120,000
Contingently issuable 1,120,000 common shares at a value of $0.25 per share	280,000
	500,000
Net liabilities assumed	3,031
Excess attributed to Goodwill	503,031

The registered head office of the Company and PureSinse is located at 418-2095 Lake Shore Blvd. W., Toronto, Ontario, M8V 4G4.

On November 13, 2014, PureSinse submitted its application to become a Licensed Producer, as such term is defined under the *Access to Cannabis for Medical Purposes Regulations* ("ACMPR"). On December 28, 2017, PureSinse was issued a production licence under the ACMPR which allows PureSinse to produce, provide, possess, ship, transport, deliver and destroy dried cannabis (the "PureSinse Licence"). Now, PureSinse is a licensed producer under the *Cannabis Act*. The PureSinse Licence is currently set to expire on December 28, 2020. However, the PureSinse License is renewable unless licensing criteria not met or fees are not paid.

On January 11, 2019, PureSinse was granted a sales license under the *Cannabis Act*. This license qualifies PureSinse to supply and sell cannabis products to medical patients, the legal adult markets, and the many local and international markets opening up for psychoactive and non-psychoactive cannabidiol ("CBD") products. PureSinse commenced selling products into medical consumer market in January 2019 via its newly launched eCommerce website.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

On July 5, 2018, the Company completed the transaction with PureSinse and changed its business from an exploration and evaluation company to an industrial company.

Operations

Pure Global Cannabis Inc. is an innovation-based cannabis Company led by experienced pharma, biotechnology, horticultural, consumer packaged goods ("CPG"), and supply chain experts. The Company's wholly owned subsidiary, PureSinse Inc., is a licensed producer under the Cannabis Act. The Company's Brampton campus houses facilities for vertically farmed cultivation, R&D, extraction, manufacturing, and distribution. The Company will produce branded and white-labeled cannabis products for the medical, pharmaceutical, wellness, health & beauty, natural health, food & beverage, and recreational legal markets with uniquely formulated and purified concentrates. The Company is using the Canadian market as a springboard to develop and manufacture GMP-compliant cannabis products for international sale and distribution with a goal to become one of the most trusted premium international cannabis brands.

PureSinse's main site is an 18,000-square-foot facility, which it plans to use as a hub for processing, production, R&D (research and development) and distribution, located in the heart of the Greater Toronto Area. Phase 2 & Phase 3 construction of Pure's 41,000 square foot production facility is expected to include automated controlled growth cultivation systems that feature the Company's vertical farming methods. This proprietary vertical farming system enables the facility to grow multiple tiers of canopy, exponentially increasing potential yield from the same square footage, without the use of pesticides or herbicides. Upon completion of Pure's Brampton production facilities, the Company is anticipated to have a production capacity of 30,000 kilograms per year.

Reverse Takeover Transaction

On March 16, 2018, the Company entered into an arm's-length letter of intent with PureSinse Inc. pursuant to which the Company and PureSinse completed a business combination resulting in the reverse take-over of the Company by PureSinse (the "Transaction").

The Transaction involved:

- i) A consolidation of the Company's shares on a 2:1 basis
- ii) The Company changing its name to Pure Global Cannabis Inc.
- iii) The newly incorporated wholly owned subsidiary of the Company, 2627000 Ontario Inc. (Subco), amalgamating with PureSinse
- iv) The holders of the issued and outstanding common shares of PureSinse receiving one common share in the capital of the Company for each PureSinse share held, and which resulted in PureSinse becoming a wholly owned subsidiary of the Company.
- v) The holders of the outstanding share purchase warrants and stock options of PureSinse receiving one share purchase warrant and stock option of the Company for each share purchase warrant and stock option held
- vi) A new board and management took control of the Company
- vii) The Company's shares resuming trade on the TSXV as of July 11, 2018

The Transaction also involved a financing of subscription receipts at a price of 33 cents per subscription receipt, for minimum aggregate gross proceeds of $9 million. Each subscription receipt converted into one post-consolidation Company share immediately prior to the completion of the Transaction. In addition, PureSinse completed a financing of $2-million unsecured convertible notes, which automatically converted into post-consolidation Company shares at 33 cents per Company share upon completion of the Transaction.

Use of proceeds is to expand capacity of the PureSinse facility, to finance future growth opportunities and for working capital purposes of the cannabis business operations.

On closing of the Transaction, the board of directors of the Company reconstituted to consist of five board members including Chandra Panchal (Chair), Malay Panchal, Albert Beraldo, Brian O'Neill and Jane E. Pagel, and the management was replaced by that of PureSinse.

Letter of Intent with Avicanna

On August 15, 2018, Pure Global entered into a binding letter agreement (the "Agreement") with Avicanna Inc. ("Avicanna") to acquire a 60% interest in Avicanna's Colombian subsidiary, Sativa Nativa S.A.S ("Sativa Nativa"). The Agreement required Avicanna to grant Pure Global an option to acquire an additional 15% in Sativa Nativa for an aggregate ownership of 75% (the "Option").

In connection with the Agreement, the Company paid a non-refundable deposit of $100,000 and a refundable deposit of $150,000 to Avicanna.

On October 23, 2018, the Company announced the termination of the Agreement. As a result, the $100,000 non-refundable deposit with Avicanna was forfeited.

Letter of Intent with The Great Canadian Hemp Company

On April 18, 2019, Pure Global entered into a binding letter agreement (the "Agreement") with Ottawa-based the Great Canadian Hemp Company, Ltd. ("GCHC"), pursuant to which the parties shall seek to enter into a share purchase agreement whereby Pure Global will acquire a 100% interest in GCHC.

As consideration, Pure Global will pay GCHC shareholders $560,000 with $60,000 payable in cash and $500,000 payable through the issuance of common shares in the capital of Pure Global at a price equal to $0.20 per share to be held in escrow and released pursuant to a 24-month schedule.

Summary of Recent Historical Quarterly Results

Quarter-Ended	**2019-03-31**	**2018-12-31**	**2018-09-30**	**2018-06-30**	**2018-03-31**	**2017-12-31**	**2017-09-30**	**2017-06-30**
Net sales	24017.37	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil
Loss for the period	$ 3,148,805	$ 2,334,240	$18,031,918	$1,970,549	$1,081,693	$259,104	$283,409	$261,049
Basic and diluted loss per share	$ 0.02	$ 0.02	$0.20	$0.03	$0.02	$0.00	$0.00	$0.00
Total assets	$20,597,271	$22,241,332	$24,529,716	$3,035,458	$1,659,503	$953,836	$217,189	$28,474
Long-term liabilities	$ 5,745,152	$ 7,229,853	$7,078,412	$1,797,256	$1,081,693	$446,732	$ Nil	$ Nil
Cash dividends	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil

As a result of the reverse takeover transaction the quarterly financial results presented above are that of the accounting acquirer, PureSinse Inc. and Pure Global results have been included from July 9, 2018 onwards. 237A Advance Inc.'s results have been included from its date of incorporation on July 12, 2018. 237B Advance Inc.'s results have been included from its date of incorporation on November 19, 2018. SPARK's results have been included from the date of acquisition by the Company on January 28, 2019.

Overview of Key Quarterly Financial and Operating Results

The Company currently has operating cash flow and relies on external financings to generate capital. As a result, the Company has continued to incur losses since its inception including for the three months ended March 31, 2019.

During the three months ended March 31, 2019, Pure Global incurred a net loss and comprehensive loss of $3,148,805 (2018 - $1,081,693). The increase in loss during the three months ended March 31, 2019 was mainly due to the salaries and wages expense of $1,053,458 (2018 - $203,815), occupancy costs of $104,704 (2018 - $Nil), consulting fees of $183,825 (2018 - $60,163), Share based compensation expense of $201,824 (2018 - $502,911), professional fees of $193,440 (2018 - $166,336), General and administrative expense of $269,655 (2018 - $111,425), marketing and promotion expense of $233,629 (2018 - $Nil), investor relations expense of $440,818 (2018 - $Nil), depreciation and amortization expense of $118,020 (2018 - $28,211), accretion expense of $155,220 (2018 - $2,660), interest expense of $150,300 (2018 - $6,172) and tax expense of $66,377 (2018 - $Nil).

The increase in salaries and wages and other expenses was to support management in its effort to build infrastructure necessary for the Company's growth. The increase in professional fees resulting from a significant increase in legal and other professional work related to the miscellaneous business corporate work and negotiations. The increase of Marketing and promotion expense and investor relations expense was to support increased marketing and investor relations activities.

The increase in overall expenses during the three months ended March 31, 2019 is in line with management expectation.

LIQUIDITY AND CAPITAL RESOURCES

The Company has a history of operating losses and of negative cash flows from operations. The Company will remain reliant on capital markets for future funding to meet its ongoing obligations.

As at March 31, 2019 the Company had working capital of $1,600,274, consisting of cash and cash equivalents in the amount of $3,552,547, accounts receivable of $18,250, sales tax recoverable of $1,068,719, inventory of $2,935,910, prepaid expenses and deposits of $527,249, accounts payable and accrued liabilities of $1,512,401 and Mortgage payable of $4,990,000.

The Company believes that the current capital resources are not sufficient to pay overhead expenses for the next twelve months and currently seeking additional funding to fund its overhead expenses and its continuous search for other business opportunities. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

During the three months ended March 31, 2019, the Company had $2,434,549 (2018 - $551,981) net cash flow used in operating activities attributable to the purchase of inventory, the changes in non-working capital, and expenditures incurred during the period to prepare the Company for its market readiness.

During the three months ended March 31, 2019, the Company used a total cash of $1,742,439 in investing activities including acquisition of Spark Clinic, building improvements, furniture and fixtures, equipment, computer hardware, security system, system software and website development. These amounts were invested by the Company to be ready for the next stage of its operations.

As at March 31, 2019, there was a decrease in cash and cash equivalents of $4,184,588 from December 31, 2018.

As at March 31, 2019, the Company had accumulated a deficit of $29,207,441 since inception (December 31, 2018 – $26,058,636).

As at December 31, 2017, the Company had two convertible promissory notes payable with a face value of $500,000 and fair value of $441,332, interest and principal repayable on August 31, 2019. On January 31, 2018, the principal and accrued interest amount totaling to $510,973 was converted to equity. The Company issued 1,824,905 share units upon the conversion of the convertible promissory note. Each unit comprised of a common share and one half warrant exercisable at $0.50 per common share expiring 18 months from the date of conversion
On July 9, 2018, a convertible debenture issued on April 27, 2018 for cash proceeds of $2,013,000 was converted into 6,190,822 units at $0.33 per unit, determined based on the face value of the debt and interest. The carrying value of convertible debenture amounting to $2,011,954 including the equity portion of the convertible debenture included in contributed surplus in the amount of $262,480 was transferred to share capital upon conversion.

On September 17, 2018, the Company received cash proceeds of $10,000,000 from the issuance of a convertible debenture. The debenture bears simple interest at 8% per annum and principal and interest payable on a semi-annual basis in June and December of each year until the earlier of conversion or maturity on September 17, 2021. The debenture is convertible into common shares of the Company at a conversion price of $0.35 at any time during the term of the debenture.

Beginning January 18, 2019, the Company may force the conversion of the entire principal amount of the then outstanding debenture at the conversion price upon 30 days written notice if the daily volume weighted average price of the Company's common shares exceeds $0.65 per share for 10 consecutive trading days. Concurrently with the debenture issuance, the lenders received 14,290,000 warrants exercisable at $0.45, expiring on September 17, 2021.

The convertible debenture was determined to be a compound instrument, comprising of a liability, conversion feature, and warrants. As the debenture is convertible into common shares, the liability and equity components are presented separately. The initial carrying amount of the financial liability was determined by discounting the stream of future payments of interest and principal at a market interest rate of 20%, which is estimated to be the borrowing rate available to the Company for similar instruments of debt having no conversion rights. Using the residual method, the carrying amount of the conversion feature and the warrants issued is the difference between the principal amount and the initial carrying value of the financial liability. The equity component, and warrants are recorded in reserves in the statement of financial position.

The Company incurred debt issuance costs of $763,297 related to the issuance of debenture. These transaction costs have been allocated to the liability and equity components of the debenture and warrants on their pro-rata fair values. The fair value of the debenture liability was deemed to be $7,019,498. The residual value of $2,217,205 was allocated to equity, which was offset by a deferred tax expense in the amount of $636,060, resulting in a net value of $1,581,145 attributed to the equity components (*Note 14*). The carrying value of the debenture amount, net of the equity components and the issuance cost have been accreted using the effective interest rate method over the term of the debenture, such that the carrying amount of the financial liability will equal the principal balance at maturity.

During the three months ended March 31, 2019, $2,305,000 convertible debentures were converted into 6,585,714 common shares at $0.35 per share as a result of a partial conversion of the outstanding convertible debentures. The face value of remaining convertible debentures is $7,695,000 (Note 10(i)) and fair value of the convertible debt liability is $5,745,152 as at March 31, 2019. The equity portion of convertible debt was adjusted to $902,572 net of the impact of deferred tax liability of $66,377.

Accretion interest expense of $155,220 was recorded for the three months ended March 31, 2019 (2018- $2,660) in the statements of operation and comprehensive loss, and accretion interest of $35,500 (2018-$Nil) was capitalized as property and equipment.

Interest expense of $150,300 was recorded for the three months ended March 31, 2019 (2018- $6,172) in the statements of operations and comprehensive loss, and interest of $32,500 (2018-$Nil) was capitalized as property and equipment.

On March 5, 2018, the Company issued 4,132,119 share units in settlement of cash consideration of $1,147,793. Each unit comprised of one common share and one half warrant exercisable at $0.50 per common share expiring 18 months after the issuance. During the nine months ended September 30, 2018, the Company issued 27,900,000 shares in settlement of cash consideration of $9,207,000.

On April 2, 2018, the Company issued 3,095,904 common shares to an executive towards a management bonus for a consideration of $866,853, 107,993 common shares for services for a consideration of $30,238 and 40,100 shares for advisory services for a consideration of $7,218, issued 3,095,905 common shares to an executive towards a management bonus for a consideration of $866,853, issued 42,370,354 common shares for consideration of $13,982,217 as part of the reverse takeover transaction, issued 2,000,000 common shares for consideration of $660,000 to advisors for the completion of the reverse takeover transaction.

On August 24, 2018, 325,398 stock options previously issued to an employee at an exercise price of $0.33 were forfeited. As a result, the Company has reversed the previously recorded stock-based compensation expense of $3,760.

On October 31, 2018, the Company issued 140,000 stock options to various employees. Each option is exercisable at $0.33 per common share, vesting one-fifth over each anniversary date and expiring on October 31, 2025. The fair value of options has been determined using the Black Scholes pricing model. The assumptions used in the option model included a risk-free interest rate of 2.41%, an estimated life of options of 5 years, a forfeiture rate of $Nil, an expected volatility of 100%, expected dividends of $Nil and a dividend yield of 0%.

On October 31, 2018, 150,000 stock options previously issued to an employee at an exercise price of $0.39 were forfeited. As a result, the Company has reversed the previously recorded stock-based compensation expense of $3,664.

On November 30, 2018, the Company issued 750,000 stock options to various employees. Each option is exercisable at $0.35 per common share, vesting one-fifth over each anniversary date and expiring on November 30, 2025. The fair value of options has been determined using the Black Scholes pricing model. The assumptions used in the option model included a risk-free interest rate of 2.20%, an estimated life of options of 5 years, a forfeiture rate of $Nil, an expected volatility of 100%, expected dividends of $Nil and a dividend yield of 0%.

On January 9, 2019, 75,000 stock options previously issued to an employee at an exercise price of $0.33 were forfeited. As a result, the Company has reversed the previously recorded stock-based compensation expense of $1,699

On March 31, 2019, the Company issued 50,000 stock options to an employee. Each option is exercisable at $0.35 per common share, vesting one-fifth over each anniversary date and expiring on March 31, 2026. The fair value of options has been determined using the Black Scholes pricing model. The assumptions used in the option model included a risk-free interest rate of 2.20%, an estimated life of options of 5 years, a forfeiture rate of $Nil, an expected volatility of 100%, expected dividends of $Nil and a dividend yield of 0%.

The fair value of options expensed during the three months ended March 31, 2019 amounted to $201,824 (2018 - $502,911) and has been included in share based compensation expense and contributed surplus.

Subsequent to March 31, 2019, 255,000 stock options were awarded to various employees and consultants of the Company exercisable at $0.25 per option. These stock options will vest in equal parts on each anniversary date over three years expiring in five years from the grant date.

As at March 31, 2019, the Company had 13,925,000 stock options outstanding. 6,380,000 of these stock options were vested as at March 31, 2019.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements at the time of this management discussion and analysis.

CONTRACTUAL OBLIGATIONS

As of March 31, 2019, the Company has a lease for office space in Mississauga, which expire on May 31, 2019. The Company's future monthly rental payment for leased premises are approximately $23,500. Subsequent to year end the Company has entered into another lease agreement for its premises, which expire on December 31, 2019. The Company's future monthly rental payment for these leased premises are approximately $20,000.

RELATED PARTY TRANSACTIONS

The balance owing to shareholder as at March 31, 2019 was $Nil (December 31, 2018 - $7,600) as disclosed in Note 9. Included in accounts payable are amounts owing to related parties in the normal course of business is $Nil as at March 31, 2019 (December 31, 2018 - $Nil).

Key management personnel compensation was comprised of:

	2019	2018
	$	$
Salaries and benefits	**165,226**	129,151
Share based compensation	**81,658**	451,820
	246,884	580,971

The transactions noted above were measured at exchange amounts, which were agreed upon by the transacting parties.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period.

Management's best estimates concerning the future are based on the facts and circumstances available at the time estimates are made. Management uses historical experience, general economic conditions and assumptions regarding probable future outcomes as the basis for determining estimates. Estimates and their underlying assumptions are reviewed periodically and the effects of any changes are recognized immediately. Key areas where management has made estimates include equity transactions, income taxes, going concern, valuation of deferred tax assets and liabilities. Actual results could differ from the estimates used.

ACCOUNTING STANDARDS IMPLEMENTED IN 2019

The following accounting standard came into effect commencing in the Company's 2019 fiscal year:

Leases

In January 2016, the IASB issued IFRS 16 – "Leases" ("IFRS 16"), which replaces IAS 17 – "Leases", and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. There is no impact of adopting IFRS 16 on the Company's condensed interim consolidated financial statements.

Uncertainty over income tax treatments

IFRIC 23 clarifies the application of recognition and measurement requirements in IAS 12, Income taxes, when there is uncertainty over income tax treatments. It specifically addresses whether an entity considers each tax treatment independently or collectively, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and how an entity considers changes in facts and circumstances. IFRIC 23 became effective for fiscal years beginning on or after January 1, 2019, with earlier application permitted. The Company has adopted this interpretation as of its effective date and has assessed no significant impact as a result of the adoption of this interpretation

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these Condensed Interim Consolidated Financial Statements are the same as those applied by the Company in its Consolidated Financial Statements for the year ended December 31, 2018 except for updates made to the following:

(a) Revenue recognition

The Company adopted the following revenue recognition standard and accounting policy in 2019.

IFRS 15 – Revenue from contracts with customers ("IFRS 15")

Effective January 1, 2019, the Company adopted IFRS 15. IFRS 15 supersedes previous accounting standards for revenue, including International Accounting Standards IAS 18 – Revenue.

IFRS 15 introduced a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under other IFRSs. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services.

This is achieved by applying the following five steps:

1. identify the contract with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract; and
5. recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue from the sale of cannabis recognized when the Company has transferred the significant risks and rewards of ownership to the customer, the amount of revenue can be reliably measured, and it is probable that the Company will receive the previously agreed upon payment. Significant risks and rewards are generally considered to be transferred when the product leaves the Company's premises. Revenue from providing services are recognized when the service is performed. Revenue is recognized at the fair value of the consideration received or receivable.

(b) Business combinations

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the aggregate of the fair values of assets given, liabilities incurred or assumed, and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date where the Company obtains control of the acquiree. The identifiable assets acquired, and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Acquisition costs are expensed in the statement of operations and comprehensive income (loss).

Contingent consideration, if any, is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates with the corresponding gain or loss being recognized in statement of operations and comprehensive income (loss).

Non-controlling interest in the acquiree, if any, is recognized either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets, determined on an acquisition-by-acquisition basis. For each acquisition, the excess of total consideration, the fair value of previously held equity interest prior to obtaining control and the non-controlling interest in the acquiree, over the fair value of the identifiable net assets acquired, is recorded as goodwill.

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. The measurement period is the period from the acquisition date to the date complete information about facts and circumstances that existed as of the acquisition date is received. However, the measurement period does not exceed one year from the acquisition date.

DISCLOSURE CONTROLS AND PROCEDURES

As at March 31, 2019, the Company carried out an evaluation of the effectiveness of its disclosure controls and procedures as required by Canadian securities laws. Based on this evaluation, management has concluded that the Company's disclosure control and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws, and that material information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

The Company has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in Canada.

The Company has a limited number of employees and therefore internal controls that rely on segregation of duties are not possible in some cases. In these instances, the Company relies on senior management review and approval to ensure that the controls are as effective as possible.

This Management Discussion and Analysis contains several forward-looking statements. The forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Management's analysis only as of the date hereof. Readers should be aware the Company is under no obligation to publicly release the results of any revision to these forward-looking statements, which may not reflect circumstances, or occurrences of unanticipated events after the date of this document.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial Instruments Risk

The Company is exposed to credit risk, currency risk, liquidity risk and interest rate risk. The Company's management oversees the management of these risks. The Company's management is supported by the Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies and group risk appetite.

Financial risk management

The Company's financial risk management policies are established to identify and analyze the risks faced by the Company, to set acceptable risk tolerance limits and controls, and to monitor risks and adherence to limits. The financial risk management policies and systems are reviewed regularly to ensure they remain consistent with the objectives and risk tolerance acceptable to the Company and current market trends and conditions. The Company, through its training and management standards and procedures, aims to upload a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) Credit Risk

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash. In order to reduce risk from its cash balance, the Company ensures to place funds with a highly reputable financial institution.

(b) Liquidity Risk

As at March 31, 2019, the Company's financial liabilities consist of accounts payable and accrued liabilities which has contractual maturity dates within one-year, mortgage payable which has contractual maturity dates within one-year, convertible debt liability which has a contractual maturity within thirty-six months and due from shareholders which does not have a contractual maturity. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. Based on the Company's working capital position at March 31, 2019, management regards liquidity risk to be low.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as described in the notes to accompanying financial statements of the Company.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the Company's significant commitments and corresponding maturities:

	< 1 Year	1-3 Years	Total
Accounts payable and accrued liabilities	$ 1,512,401	-	$ 1,512,401
Mortgage payable	$ 4,990,000	-	$ 4,990,000
Convertible debt	-	$ 7,695,000	$ 7,695,000

(c) Foreign Currency Risk

Currency risk is the risk that the future cash flows or fair value of the Company's financial instruments that are denominated in a currency that is not the Company's functional currency will fluctuate due to the change in foreign exchange rate. The Company is not exposed to this risk as it does not have any foreign currency transactions or balances.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to this risk as it does not have any significant interest based financial instruments.

Fair Value Measurements

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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at March 31, 2019, the Company believes that the carrying values of accounts payable approximate its fair value because of their nature and relatively short maturity dates or durations.

Measurement and classification of financial instruments

The fair values of Company's financial instruments as at March 31, 2019 and December 31, 2018 approximate to their carrying values due to the short-term nature of the financial instruments.

Cash and cash equivalents amounting to $3,552,547 as at March 31, 2019 (December 31, 2018 - $7,737,135) has been recorded at amortized cost.

Accounts payable and accrued liabilities amounting to $1,512,401 as at March 31, 2019 (December 31, 2018 - $859,078), mortgage payable amounting to $4,990,000 (December 31, 2018 - $4,990,000) and convertible debt liability amounting to $5,745,152 (December 31, 2018 - $7,229,853) have been classified as other financial liabilities and are being measured at amortized costs, which approximate to fair value.

RISKS AND UNCERTAINITIES

Carefully consider the following risk factors in addition to the other information contained in this document. The risks presented below may not be all the risks that the Company may face. Additional risks and uncertainties may also impair its business operations.

It is believed that these are the factors that could cause actual results to be different from expected and historical results. Other sections of this MD&A include additional factors that could have an effect on the business and financial performance of the business. The markets in which the Company currently competes and plans to complete are very competitive and change rapidly. New risks may emerge and management may not be able to predict all of them or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. If any of these risks actually occur, the Company's business may be harmed and results of operations and financial condition may suffer.

Reliance on Licences and Permits

The Company will apply for, as the need arises, all necessary licences and permits, including but not limited to the renewal of those licences and permits under the Cannabis Act or the extension of those licences and permits to PureSinse's expanding facilities, to carry on the activities it expects to conduct in the future. However, the ability of the Company to obtain, sustain or renew any such licences and permits or extend them to expanding facilities on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable Canadian regulatory authorities. Any loss of interest in any licence or permit required under the Cannabis Act, or the failure of appropriate governmental authority to issue or renew such licences or permits upon acceptable terms, would have a material adverse impact upon the Company.

Although the Company believes it will continue to meet the requirements of the Cannabis Act for extension of the PureSinse Licence, there can be no guarantee that Health Canada will extend or renew the licence or, if it is extended or renewed, that it will be extended or renewed on the same or similar terms. Should Health Canada not extend or renew the licence or should it renew the licence on different terms, the business, financial condition and results of the operation of the Company would be materially adversely affected.

At the end of each term of the licence under the Cannabis Act, the Company must submit an application for renewal to Health Canada containing information prescribed by the Cannabis Act. The Cannabis Act requires that the Federal Minister of Health, after examining the application and any supplementary information requested, issue a renewed licence, unless the applicant fails to meet certain prescribed criteria.

The Company is not currently aware of any reason why it would not be able to receive a renewal of the PureSinse License.

Regulatory Risks

The activities of the Company are subject to regulation by governmental authorities, particularly Health Canada. Achievement of the Company's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

Change in Laws, Regulations and Guidelines

The Company's operations are subject to variety laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of medical cannabis but also including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment.

While to the knowledge of management, the Company is currently in compliance with all such laws, changes to such laws, regulations and guidelines due to matters beyond the control of the Company may cause adverse effects to its operations.

The Cannabis Act is a new regime established in 2018. As such, revisions to the regime could be implemented which could have an impact on the Company's operations. There is also some uncertainty regarding the likely interpretation of certain regulatory provisions by the regulator. Changes in legislation or regulator interpretation could negatively impact the operations of the Company. Similarly, a change in government could result in meaningful changes to the regulatory regime under which the Company operates, which could negatively impact its operations.

Reliance on Management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Factors which may Prevent Realization of Growth Targets

The Company is currently in the early development stage. The Company's growth strategy contemplates having additional production facilities and resources. There is a risk that these additional resources 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:

delays in obtaining, or conditions imposed by, regulatory approvals;

plant 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;

labour disputes, 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.

As a result, there is a risk that the Company may not have product or sufficient products available to meet the anticipated demand or to meet future demand when it arises.

Limited Operating History

PureSinse was incorporated on March 10, 2014 and has yet to generate revenue from the sale of products. The Company and its subsidiaries have incurred losses since inception, and it may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to grow its business. If the Company is unable to achieve sufficient revenue volume to offset the expected increases in costs and operating expenses, the Company will not be profitable.

The Company is subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Additional Financing

The building and operation of the Company's facilities and business are capital intensive. In order to execute the anticipated growth strategy, the Company will require some additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms, which are acceptable. The Company's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit the Company's growth and may have a material adverse effect upon future profitability. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, including the offering, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common 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.

Competition

There is potential that the Company will face intense competition from other companies. Increased competition by larger and better-financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

The number of licences granted by the government in the future 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. 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. 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.

Risks Inherent in an Agricultural Business

The Company's business involves the growing of medical cannabis, an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although the Company plans to grow its products indoors under climate controlled conditions, 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 production of its products.

Vulnerability to Rising Energy Costs

The Company's medical cannabis growing operations consume considerable energy, making the Company vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business of the Company and its ability to operate profitably.

Transportation Disruptions

Due to the perishable and premium nature of the Company's products, the Company will depend on fast and efficient courier services to distribute its product. Any prolonged disruption of this courier service could have an adverse effect on the financial condition and results of operations of the Company. Rising costs associated with the courier services used by the Company to ship its products may also adversely impact the business of the Company and its ability to operate profitably.

Unfavourable Publicity or Consumer Perception

The Company believes the medical cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the medical cannabis produced. Consumer perception of the Company's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medical cannabis 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 favourable 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 Company'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 PureSinse's 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 cannabis in general, or the Company's products specifically, or associating the consumption of medical cannabis 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 appropriately or as directed.

Product Liability

As a manufacturer and distributor of products designed to be ingested by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of the Company's products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of PureSinse's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that PureSinse's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of the Company. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of PureSinse's potential products.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of PureSinse's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company has detailed procedures in place for testing finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of PureSinse's significant brands were subject to recall, the image of that brand and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for PureSinse's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of PureSinse's operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Reliance on Key Inputs

The Company's business is dependent on a number of key inputs and their related costs including raw materials and supplies related to its growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Company. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Company.

Dependence on Suppliers and Skilled Labour

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Company's capital expenditure program may be significantly greater than anticipated by the Company's management and may be greater than funds available to the Company, in which circumstance the Company may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the financial results of the Company.

Difficulty to Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the medical cannabis industry in Canada. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Operating Risk and Insurance Coverage

The Company has insurance to protect its assets, operations and employees. While the Company believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Conflicts of Interest

Certain of the directors and officers of the Company are also officers and directors of other companies, and conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the market price for the Company's Common Shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant Company resources.

Dividends

The Company has no earnings or dividend record and does not anticipate paying any dividends on the common shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Limited Market for Securities

The Company does not have an active and liquid market for the common shares and an investor may find it difficult to resell any securities of the Company.

Environmental and Employee Health and Safety Regulations

The Company's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. The Company will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations 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.

Volatile Valuation of the Company's Shares

The valuation of the common shares of the Company may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

Actual or anticipated fluctuations in the Company's quarterly results of operations;

changes in the economic performance or market valuations of companies in the industry in which the Company operates;

addition or departure of the Company's executive officers and other key personnel;

release or expiration of transfer restrictions on outstanding Common Shares;

sales or perceived sales of additional Common Shares;

operating and financial performance that vary from the expectations of management, securities analysts and investors;

regulatory changes affecting the Company's industry generally and its business and operations;

announcements of developments and other material events by the Company or its competitors;

changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;

significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors;

operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies; and

news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

The value and market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

Subsequent to period end, the Company has changed its business focus as described in the overall performance and results of operations section.

Share Price Volatility

There can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Additional information is available on SEDAR at www.sedar.com

ADDITIONAL INFORMATION FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Operating Expenses

	For the three months ended March 31, 2019 $	2018 $
Expenses		
Salaries and wages	**1,053,458**	203,815
Occupancy cost	**104,704**	66,441
Consulting	**183,825**	60,163
Stock-based compensation	**201,824**	502,911
Professional fees	**193,440**	166,336
General and administrative	**269,655**	40,984
Marketing and promotion	**233,629**	-
Investor Relations	**440,818**	-
Depreciation	**118,020**	28,211
Research and development	**-**	4,000
	2,799,374	**1,072,861**

OUTSTANDING SHARE DATA

A total of 154,910,516 common shares issued and outstanding as at March 31, 2019, and 155,910,513 common shares outstanding as at the date of the MD&A

A total of 35,781,178 share purchase warrants, including 34,781,178 share purchase warrants exercisable ranging between $0.15 and $0.50 per share with expiry terms ranging from 18 months to 36 months from the date of issuance, and 1,000,000 Royal Sapphire legacy share purchase warrants exercisable at $0.035 per share expiring on April 20, 2022 as at March 31, 2019 and at the date of the MD&A.

A total of 13,925,000 stock options exercisable between $0.05 and $0.39 per share, with various vesting conditions ranging from immediate vesting to vesting up to five years from the grant date, expiring two years following the final vesting date. As at March 31, 2019, the Company had 6,380,00 stock options vested.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A.