MYM NUTRACEUTICALS INC.

Management Discussion & Analysis

For the three and six months ended November 30, 2018 and 2017

*This management discussion and analysis ("**MD&A**") of the financial condition and results of operations of MYM Nutraceuticals Inc. and its partially and wholly-owned subsidiaries, prepared as at January* 28*, 2019, is for the three and six months ended November 30, 2018 and 2017. It is supplemental to, and should be read in conjunction with, the Company's condensed interim consolidated financial statements for the three and six months ended November 30, 2018 and the Company's audited consolidated financial statements and accompanying notes and MD&A for the year ended May 31, 2018. The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All amounts presented herein are stated in Canadian dollars, unless otherwise indicated. "**MYM**" or the "**Company**" refers to MYM Nutraceuticals Inc. and, as applicable, its partially and wholly-owned subsidiaries.*

This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 "Continuous Disclosure Obligations" of the Canadian Securities Administrators. Additional information regarding MYM is available through the SEDAR website at www.sedar.com

Certain information in this MD&A contains or incorporates comments that constitute forward-looking information within the meaning of applicable securities legislation. See "Caution Regarding Forward-Looking Information" below.

Company Overview

MYM was incorporated under the *Business Corporations Act* (British Columbia) ("**BCBCA**") on July 11, 2014 under the name "My Marijuana Canada Inc.". MYM completed a name change to "MYM Nutraceuticals Inc." on February 24, 2016.

The Company's common shares are listed on the Canadian Securities Exchange under the symbol "MYM", quoted on the OTCQX under the symbol "MYMMF" and quoted on the Frankfurt Stock Exchange under the symbol "0MY.F OMY.MU, OMY.SG".

The Company's vision is to build a globally integrated seed-to-sale cannabis company through the construction of large-scale, efficient facilities and focused international expansion.

The Company is in the business of acquiring and developing natural remedies and currently holds the rights to various intangible assets including intellectual property, domain names and copyrights and customer lists, and is the majority shareholder of two companies that have active applications to become a licensed cultivator under the *Cannabis Act.* The Company intends to construct, develop and operate facilities in Canada under the *Cannabis Act*'s regulations. The Company intends to submit an application under the *Cannabis Act* to obtain a Processing License, Analytical Testing License and Research License.

Medical marijuana opportunities are developing in numerous other countries as these jurisdictions move towards establishing legislation to allow for medical and recreational marijuana. The Company intends on expanding internationally and is currently focused on developing partnerships in Australia and Colombia.

Although the Company has started to invest resources for a medical marijuana business, there is no guarantee any of the Company's subsidiaries will be awarded a license to grow medical marijuana nor is there a timeframe available as to when the Company will be notified of the success of such applications.

Nature of Operations and Going Concern

As at November 30, 2018, the Company has an accumulated deficit of $18,184,077 (May 31, 2018 - $9,362,857). The Company's operations are mainly funded with equity financing, which is dependent upon many external factors, and thus funds may be difficult to raise when required. The Company may not have sufficient cash to fund the acquisition and development required to reach commercial production and therefore will require additional funding which, if not raised, may result in the delay, postponement or curtailment of some of its activities. Management continues to evaluate the need for additional financing and is of the opinion that additional financing will be available to continue its planned activities in the normal course. Nonetheless, there is no assurance that the Company will be able to raise sufficient funds in the future to complete its planned activities. The foregoing indicates the existence of a material uncertainty that may cast substantial doubt as to whether the Company would continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

The Company's condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume the realization of assets and discharge of liabilities in the normal course of business. These interim consolidated financial statements do not give effect to any adjustments that would be necessary should the Company not be able to continue as a going concern. Such adjustments could be material.

Canadian Industry Updates

Approximately 18 months after the Canadian government introduced legislation to legalize and regulate non-medical cannabis, effective Oct 17, 2018, the *Cannabis Act* is now in force. The *Cannabis Act* creates a strict legal framework for controlling the production, distribution, sale and possession of cannabis across Canada.

Historically, cannabis was only available online for medical purposes under the ACMPR. Now, with the *Cannabis Regulations* published, the Canadian government is accepting applications for the cultivation, processing, testing and research of cannabis for both medical and recreational use.

The ACMPR made under the *Controlled Drugs and Substances Act* was repealed on October 17, 2018. However, the ACMPR will be concurrently resurrected as Part 14 of the *Cannabis Regulations*.

Under the transitional provisions of the *Cannabis Regulations*, licences issued under the former ACMPR are automatically deemed to be licences under the Act and applications under the ACMPR to be applications for a licence under the Act. The specific sub-class of cannabis licence into which the ACMPR licence will convert will depend on which *Cannabis Regulation* sub-class captures the authorizations given (or applied for) in the ACMPR licence (or application).

Health Canada has established a national cannabis tracking system, referred to as the Cannabis Tracking and Licensing System ("**CTLS**"), to enable the tracking of high-level movements of cannabis and to help prevent diversion from and inversion into the regulated supply chain. The system is also used by applicants to apply to Health Canada for a cannabis license.

Overall Performance

During the quarter ended November 30, 2018, the Company continued to pursue its vision of becoming a fully integrated global player in the cannabis industry through the acquisition and development of assets and businesses. The Company continues to await approval from Health Canada for a cultivation license for the Laval Facility (the "**Laval Facility**") owned by Sublime Culture Inc. ("**Sublime**") located in Laval, Quebec. The Company owns a 75% interest in Sublime. CannaCanada Inc. ("**CannaCanada**"), a subsidiary of which the Company owns 93%, continued with construction of the first phase of its project in Weedon, Quebec (the "**Weedon Facility**") while continuing to pursue various funding opportunities to meet the Company's short-term liquidity needs and funding for capital projects such as the Weedon Facility.

A summary of key acquisitions and business highlights for the most recent quarters is set forth below.

First Quarter ended August 31, 2018

On June 5, 2018 the Company announced the purchase of 329 acres in the township of Weedon, Quebec for the Weedon Facility and on June 21, 2018 the Company announced the official commencement of construction of the Weedon Facility.

On June 28, 2018 the Company announced a partnership agreement with Sherbrooke College to develop a training program. The Company's funding obligations under the contract are $124,000, with $62,000 due upon signing and $62,000 due within 6 months of signing the contract. The Company signed the contract and has paid the initial payment of $62,000.

On July 6, 2018 the Company announced a partnership with the Sherbrooke Historical Society to create the concept for a cannabis museum for the Weedon Facility.

On July 10, 2018 the Company announced that the Company had entered into an investment agreement (the "**Investment Agreement**") with Colombia Organica S.A.S, a Colombian cannabis company. While the Investment Agreement has been entered into, the Company's investment is subject to certain conditions which have not yet been completed, which includes the completion of due diligence and development of a business plan. The Company and Colombia Organic S.A.S. have made progress with negotiations and the Company expects to finalize and announce an amended agreement next quarter.

On August 1, 2018, the Company announced that the Company had entered into a two-year agreement with Dutch Passion Seed Company ("**Dutch Passion**"), an international cannabis seed company, for the production and distribution of Dutch Passion branded products and seed genetics in Australia, and on August 8, 2018, the Company announced that the Company had entered into a second agreement with Dutch Passion for the production and distribution of Dutch Passion branded products and seed genetics in Colombia.

In August 2018, the Company acquired an additional 1% of Sublime, bringing the Company's total ownership up to 75%.

Second Quarter ended November 30, 2018

On September 14, 2018 the Company announced the closing of a non-brokered private placement of 5,885,972 units ("**Units**") for gross proceeds of $5,297,375 (the "**Private Placement**"). Each Unit is comprised of one common share of the Company and one non-transferable share purchase warrant with each warrant exercisable into one additional common share of the Company at a price of $1.50 for a period of two years. The securities issued pursuant to the Private Placement are subject to a four month and one day hold period under applicable securities law. Finders' fees totaling $188,450 were paid pursuant to the Private Placement; other share issuance costs totaled $3,506.

On September 26, 2018 the Company announced that it had entered into a third agreement with Dutch Passion for the exclusive rights in Canada to produce and distribute under, the Dutch Passion brand, all products that Dutch Passion sells currently and may sell in the future, including: clones, flowers, pre-rolled joints and other cannabis products. Dutch Passion also agreed to give MYM non-exclusive rights in Canada to produce and/or distribute cannabis seeds under the Dutch Passion brand. MYM agreed to make Dutch Passion its flagship brand of cannabis seeds for sale in Canada and Dutch Passion agreed to list MYM as an official distributor of products in Canada. Dutch Passion agreed to grant MYM and its subsidiaries with access to all of its seed strains for MYM's breeding and production programs and MYM agreed to provide Dutch Passion with a 1000 square-metre section in MYM's planned production facility to co-develop new genetics. MYM agreed to reproduce bulk seeds of Dutch Passion's proprietary strains for resale to Dutch Passion exclusively, based on advance purchase orders including mutually agreed upon pricing, to be determined. MYM also agreed to produce improved auto-flowering strains for Dutch Passion's catalog. Dutch Passion agreed to purchase seeds from these strains.

On September 10, 2018 the Company issued 250,000 shares to consultants for handling, processing and communications with Health Canada of the Sublime license application. An additional 500,000 common shares of the Company will be issued upon receiving a cultivation license and a further 250,000 common shares of the Company will be issued on receiving a sales license.

On October 10, 2018 the Company announced that it has filed a final short form base shelf prospectus dated October 9, 2018 (the "**Base Shelf Prospectus**") with the securities commissions in each of the Provinces of Canada, other than Quebec. The shelf prospectus filings allow MYM to make offerings of common shares, warrants, subscription receipts, units or debt securities, or a combination thereof, up to an aggregate total of CDN$50 million during the 25-month period that the Base Shelf Prospectus remains effective. Such securities may be offered in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in one or more shelf prospectus supplement(s). Information regarding the use of proceeds from a sale of such securities will be included in the applicable prospectus supplement.

On October 18, 2018 the Company announced that it has established an at-the-market equity distribution program ("**ATM Program**") that allows the Company to issue common shares from treasury ("**Common Shares**"), through GMP Securities L.P., as agent (the "**Agent**"), to the public from time to time at the Company's discretion, at the prevailing market price when sold through the Canadian Securities Exchange ("**CSE**") or on any other existing trading market for the Common Shares in Canada. Sales of Common Shares under the ATM Program will be made pursuant to the terms of an equity distribution agreement dated October 17, 2018 ("**Equity Distribution Agreement**") between the Company and the Agent. Sales of Common Shares will be made through “at-the-market distributions”, as defined in National Instrument 44-102 – *Shelf Distributions*, on the CSE or on any other existing trading market for the Common Shares in Canada. The Common Shares will be distributed at the prevailing market prices at the time of sale and, as a result, prices may vary among purchasers and during the period of distribution. Sale of Common Shares under the ATM Program are being made pursuant to a prospectus supplement dated October 17, 2018 (the “**Prospectus Supplement**“) to the Base Shelf Prospectus. The Company intends to use the net proceeds from the ATM Program, if any, to fund ongoing operations, capital expenditures and potential future acquisitions or investments.

On November 29, 2018, the Company announced that its subsidiary Sublime had completed its migration to Health Canada’s Cannabis Tracking and Licensing System.

Subsequent to the Quarter ended November 30, 2018

On December 26, 2018, the Company announced that it will not be proceeding with the Northern Rivers Project with Australia-based Solaris Nutraceuticals Pty Ltd. (“**Solaris**”). The Company owns a 35% interest in Solaris. The Northern Rivers Project and Solaris shareholders have been faced with a number of challenges. The North Rivers Project was initially planned as a partnership with the local government in New South Wales, Australia. In September 2018, the local government withdrew its support for the project until Solaris Nutraceuticals Pty Ltd. and its shareholders met specific requirements, which included obtaining the license from the Office of Drug Control. In November 2018, Solaris was notified by the Office of Drug Control that its application for both a medical cannabis license and cannabis research license had been rejected due to Solaris’ failure to provide certain documents and information required for the application. The shareholders of Solaris determined that deregistering Solaris was the best path forward to enable MYM and others to pursue other projects and opportunities in Australia. The Company accounted for its investment in Solaris using the cost method. Under the cost method, the Company accounted for the investment at its historical cost. The Company’s investment in Solaris was $610,387 and will be written down to nil as of November 30, 2018. The Company will no longer have any obligations associated with its previously announced milestone payments.

On January 14, 2019, the Company announced that it executed a definitive agreement for an up to $25 million equity investment by Alumina Partners LLC (“**Alumina**”), a New York based private equity firm that has made substantial investments in the cannabis space on a private placement basis. The private placement can be drawn over a two-year period, subject to agreement by Alumina. The draw-down nature of this financing gives MYM the potential to access funds when necessary. Further, the Company has closed on its first tranche under the definitive agreement, consisting of 2,439,024 units at a price of $0.41 per unit for gross proceeds of $1,000,000. Each unit is comprised of one common share and one transferable share purchase warrant with each warrant exercisable into one additional common share at a price of $0.64 for a period of three years. The warrants are subject to an acceleration provision that allows the Company to give notice of an earlier expiry date if the 10-day volume weighted average price of the Company’s common shares on the Canadian Securities Exchange (or such other stock exchange the Company may be trading on) is equal or greater than $1.28. The securities will be subject to a four month and one day hold period under applicable securities laws. The Company intends to use the proceeds from the investment for general working capital and corporate purposes.

The Company’s business is subject to various risks and uncertainties, including with respect to: securing additional funding to develop projects; obtaining required licenses; reliance on other joint venture partners; managing construction projects within anticipated budgets. If the Company obtains a cultivation and production license, it will be faced with inherent risks related to cultivation of live plants. Further, the Company has not secured any sales and distribution agreements in Canada or in other jurisdictions. The Company will also be subject to supply costs as the Company is not party to any long-term supplier agreements. The Company is also exposed to the anticipated competition in the adult-use recreational market in Canada. See "Risk Factors".

Discussion of Operations

For the quarter ended November 30, 2018 (with comparatives for the quarter ended November 30, 2018)

Selected Financial Information

For the three months Ended	**November 30, 2018**	**November 30, 2017**
Total revenue	$nil	$398,081
Advertising and Communications	$335,581	$315,930
Depreciation	$91,134	$846
General and Administrative Expenses	$1,472,725	$533,980
Professional fees	$137,869	$81,804
Stock based compensation	$740,072	$313,041
Net loss from Operations	($2,777,381)	($995,712)
Impairment of goodwill, write down of investments and intangibles and discontinued operations	$3,501,249	$nil
Net loss attributable to the Company	($6,174,973)	($918,165)

For the quarter ended November 30, 2018, the Company did not generate any sales from any of its operations, including HempMed (2017: $398,081). During the same period in 2017, the Company generated sales from HempMed and its associated "Joshua Tree" and "Dr. Furbaby" brands. The Company ceased production and sales of these products in May 2018 and, as a result, the Company no longer has any sources of revenue. The Company plans to re-commence production and sales once it obtains the appropriate licenses and understands which products can be legally sold in Canada under the *Cannabis Act*.

The Company's net loss attributable to shareholders of the Company was $6,174,973 for the quarter ended November 30, 2018, compared to a net loss of $918,165 for the same period in 2017. Advertising and communications expenses for the quarter ended November 30, 2018 were $335,581, compared to $315,930 during the same period in 2017. The increase was attributable to corporate communication expenses. General and administrative expenses for the quarter ended November 30, 2018 were $1,472,725, compared to $533,980 during the same period in 2017. The increase was primarily attributable to salaries and management fees, consulting fees, rent and office expenses and travel. In particular, salaries and management fees were $832,212 for the quarter ended November 30, 2018, compared to $203,729 during the same period in 2017. The substantial increase in salaries and management fees is a result of executive and management positions in addition to acquisitions and investments in various subsidiaries including Sublime, CannaCanada, MJT and HempMed. The Company has added new headcount at its corporate office in Vancouver and all subsidiaries as it invests in and develops each business. Professional fees for the quarter ended November 30, 2018 were $137,869, compared to $81,804 during the same period in 2017. The increase was attributable to legal costs associated with acquisitions and supporting the development of the Company's projects. Stock-based compensation expenses for the quarter ended November 30, 2018 were $740,072, compared to $313,041 during the same period in 2017. The Company uses the Black Scholes valuation model for options granted at fair value of shares issued to officers, management and consultants. During the quarter ended November 30, 2018, the Company recorded one-time charges as follows; $888,056 for the impairment of HempMed goodwill, $610,387 for the write down of the Company's investment in Solaris, $943,647 for the impairment of Budly intangible assets and an allowance for discontinued operations of $1,059,159 has been provided against the prepaid deposits and inventory.

For the six months ended November 30, 2018 (with comparatives for the six months ended November 30, 2018)

Selected Financial Information

For the six months Ended	**November 30, 2018**	**November 30, 2017**
Total revenue	$nil	$678,529
Advertising and Communications	$569,526	$433,176
Depreciation	$178,602	$911
General and Administrative Expenses	$2,754,391	$927,259
Professional fees	$258,810	$102,144
Stock based compensation	$1,682,521	$573,739
Net loss from Operations	($5,505,850)	($1,601,058)
Impairment of goodwill, write down of investments and intangibles and discontinued operations	$3,501,249	$nil
Net loss attributable to the Company	($8,808,356)	($1,465,901)

For the six months ended November 30, 2018, the Company did not generate any sales from any of its operations, including HempMed (2017: $678,529). During the same period in 2017, the Company generated sales from HempMed and its associated "Joshua Tree" and "Dr. Furbaby" brands. The Company ceased production and sales of these products in May 2018 and, as a result, the Company no longer has any sources of revenue. The Company plans to re-commence production and sales once it obtains the appropriate licenses and understands which products can be legally sold in Canada under the *Cannabis Act*.

The Company's net loss attributable to shareholders of the Company was $8,808,356 for the six months ended November 30, 2018, compared to a net loss of $1,465,901 for the same period in 2017. Advertising and communications expenses for the six months ended November 30, 2018 were $569,526, compared to $433,176 during the same period in 2017. The increase was attributable to corporate communication expenses. General and administrative expenses for the six months ended November 30, 2018 were $2,754,391, compared to $927,259 during the same period in 2017. The increase was primarily attributable to salaries and management fees, consulting fees, rent and office expenses and travel. In particular, salaries and management fees were $1,498,927 for the six months ended November 30, 2018, compared to $429,498 during the same period in 2017. The substantial increase in salaries and management fees is a result of executive and management positions in addition to acquisitions and investments in various subsidiaries including Sublime, CannaCanada, MJT and HempMed. The Company has added new headcount at its corporate office in Vancouver and all subsidiaries as it invests in and develops each business. Professional fees for the six months ended November 30, 2018 were $258,810, compared to $102,144 during the same period in 2017. The increase was attributable to legal costs associated with acquisitions and supporting the development of the Company's projects. Stock-based compensation expenses for the six months ended November 30, 2018 were $1,682,521, compared to $573,739 during the same period in 2017. The Company uses the

Black Scholes valuation model for options granted at fair value of shares issued to officers, management and consultants. During the six months ended November 30, 2018, the Company recorded one-time charges as follows; $888,056 for the impairment of HempMed goodwill, $610,387 for the write down of the Company's investment in Solaris, $943,647 for the impairment of Budly intangible assets and an allowance for discontinued operations of $1,059,159 has been provided against the prepaid deposits and inventory.

Cash and cash equivalents as at November 30, 2018 totaled $912,650, compared to $6,631,185 as at May 31, 2018.

Operating activities used cash of $5,373,384 during the six months ended November 30, 2018, as compared to using cash of $1,664,453 in the prior period. The increase is due to increases in advertising and communications expenses, general and administrative expenses, professional fees, accounts receivable and decreases in deposits and prepaid expense and inventory and accounts payable and accrued liabilities.

Financing activities provided cash of $6,178,019 for the six months ended November 30, 2018, as compared to $5,206,996 during the six months ended November 30, 2017. Cash generated in the current year included $5,297,375 from proceeds from private placements, $201,528 from shares sold under the Company's ATM Program, $1,198,050 from proceeds from warrant exercises, $22,500 from proceeds from the exercise of stock options offset by $541,434 in share issue costs.

For the three and six months ended November 30, 2018, The Company issued 263,000 shares at an average of $0.7663 per share shares under the ATM Program for gross proceeds of $201,528. Placement fees of $7,053 were incurred for net proceeds of $194,475.

Cash used in investing activities for the six months ended November 30, 2018 was $6,523,170 as compared to $2,069,356 cash used during the six months ended November 30, 2017. During the six months ended November 30, 2018, $194,339 was used to invest in leasehold improvements, mostly for the improvements at Laval facility. The Company used $245,570 for the purchase of assets, $151,429 capitalized for intangible assets and $5,931,832 for construction in progress for the Weedon and MJT Projects (as defined below).

The Company is currently dependent on the issuance of shares to finance its operating and investing activities. The Company will have to raise additional capital in the future to continue its operations.

Laval Facility

In December 2017, Sublime submitted Confirmation of Readiness for a License under the ACMPR to Health Canada for the 10,000 square foot first phase ("**Phase One**") of the Laval Facility. Sublime subsequently completed the required construction of Phase One of the Laval Facility and submitted the required documentation to Health Canada in the third quarter of the 2018 fiscal year. During the quarter ended August 31, 2018, Sublime updated the "Persons in Charge" of the Sublime application with Health Canada to ensure Persons in Charge have adequate security clearances for the purposes of the application and managing the Laval Facility. As at November 30, 2018, the Company has incurred and capitalized $4,331,669 of costs to complete the build out of Phase One for the Laval Facility. Sublime is awaiting approval from Health Canada for a cultivation and production license. On November 29, 2018, the Company announced that its subsidiary Sublime, has completed its migration to Health Canada's Cannabis

Tracking and Licensing System. If Sublime becomes a Licensed Producer, Sublime expects to sell its branded tetrahydrocannabidol ("**THC**") and cannabidiol ("**CBD**") medical products across Canada, with a particular focus on the Quebec market. The Laval Facility is currently 10,000 square feet and Sublime expects to increase its size to 37,000 square feet if the Company decides to invest in the completion of the second phase of the Laval Facility ("**Phase Two**"). The Phase Two build out is estimated to cost between $10 million and $15 million. Phase Two construction will not commence until the Company secures funding for the project and Sublime receives its cultivation license from Health Canada for Phase One. In May 2018, the Company announced that it acquired an additional 23% of Sublime, bringing the Company's total ownership of the late stage ACMPR applicant up to 74%. In August 2018, the Company acquired an additional 1% of Sublime, bringing the Company's total ownership up to 75%. The Company intends to acquire the minority interest in Sublime if the parties can agree on an acceptable valuation.

Weedon Facility

The Company's partially owned subsidiary, CannaCanada, entered into an exclusive agreement with the municipality of Weedon, Quebec to build and operate the Weedon Facility. The Weedon Facility is designed to consist of a 1.5 million-square-foot medical cannabis facility consisting of fifteen 100,000-square-foot greenhouses. CannaCanada has submitted its application to become a Licensed Producer under the ACMPR. As of the date of this MD&A, CannaCanada is assessing the implication of the CTLS on its ACMPR license application.

The Company is responsible for funding the costs of the build out and operation of the Weedon Facility. Based on the Company's preliminary budget, the Weedon Facility is estimated to cost between $200 million and $250 million and to take up to two years of construction to complete. The Company has not secured funding for the Weedon Facility.

Due to the capital requirements for the Weedon Facility, CannaCanada is planning to first construct a 30,000 square foot greenhouse facility as it continues planning to scale the entire greenhouse facility up to 1.5 million square feet. CannaCanada also plans to build an extraction and processing facility at the Weedon Facility in parallel to its first 30,000 square foot greenhouse facility. The estimated cost to complete the 30,000 square foot greenhouse installation together with the extraction and processing facility is estimated to cost between $10 million and $15 million. While construction has commenced, the Company has not secured funding for the project.

In March 2018, CannaCanada received a building permit to begin construction of the Weedon Facility. In April 2018, CannaCanada procured the first 30,000 square foot greenhouse for the Weedon Facility.

In May 2018, the Company announced that it had acquired an additional 18% of CannaCanada, bringing the Company's total ownership up to 93%.

The Company has engaged a general contractor for the construction of the Weedon Facility. As at the date of this MD&A, the general contractor has awarded $9,419,480 of work associated with the Weedon Facility based on monthly project reporting. As at the date of this MD&A, the Company has advanced $4,495,803 to the general contractor for work under contract.

As at November 30, 2018 the Company has acquired and capitalized $1,085,012 for land and buildings for the Weedon Facility. The Company has incurred and capitalized a further $6,233,969 of costs associated with assets in development.

Northern Rivers Project

In October 2017, the Company announced an agreement (the "**PUF Ventures Agreement**") with Solaris Nutraceuticals Pty Ltd. (formerly PUF Ventures Australia) ("**Solaris**") for the construction of the Northern Rivers Project, a one million square foot facility for the production of medical cannabis (the "**Northern Rivers Project**") in New South Wales, Australia. The Northern Rivers Project is a partnership with the local government in New South Wales, Australia.

MYM owns 35% of Solaris. Under the PUF Ventures Agreement, MYM was initially responsible for 50% of the initial $1 million required to fund the development of the Northern Rivers Project, including formation and incorporation of the operating company, an agreement with the municipality regarding land, filing applications to the Office of Drug Control for Cultivation ("**ODC**") and the awarding of a license from ODC.

As of November 30, 2018, the Company has advanced funding for its share of the obligations for the first three milestones listed above, totaling $286,637 (USD$225,000). Finder's fees of 175,000 shares valued at $323,750 were also issued for the acquisition. No additional funds were advanced in the most recent quarter.

On December 26, 2018, the Company announced that it will not be proceeding with the Northern Rivers Project with Solaris. The Northern Rivers Project and Solaris shareholders have been faced with a number of challenges. The North Rivers Project was initially planned as a partnership with the local government in New South Wales, Australia. In September 2018, the local government withdrew its support for the project until Solaris Nutraceuticals Pty Ltd. and its shareholders meet specific requirements, which included obtaining the license from the Office of Drug Control. In November 2018, Solaris was notified by the Office of Drug Control that its application for both a medical cannabis license and cannabis research license had been rejected due to Solaris' failure to provide certain documents and information required for the application. The shareholders of Solaris determined that deregistering Solaris was the best path forward to enable MYM and others to pursue other projects and opportunities in Australia. The Company accounted for its investment in Solaris using the cost method. Under the cost method, the Company accounted for the investment at its historical cost. The Company's investment in Solaris was $610,387 and will be written down to nil as of November 30, 2018. The Company will no longer have any obligations associated with its previously announced milestone payments.

Joshua Tree (formerly HempMed)

In April 2017, the Company acquired various HempMed branded products, including signature tinctures, concentrates and oils, edibles, vape products and a line of CBD products for pets. The Company rebranded the HempMed products under the brands "Joshua Tree" and "Dr. Furbaby" and invested in the development of these brands.

The Company ceased production and sales of these products in May 2018. The Company may re-commence production and sales once it obtains the appropriate licenses.

The acquisition of HempMed by the Company was accounted for as a business combination. Pursuant to business combination transactions, the asset acquired from the acquisition is to be recorded at its estimated fair values in accordance with *IFRS 3 – Business Combination*. The allocation of the purchase consideration was allocated to as follows: $31,944 to inventory and $888,056 to goodwill. The goodwill recognized in connection with the acquisition of HempMed was primarily attributable to the application of the Company's best practices to improve the operations of the companies acquired.

The Company regularly assesses the fair value of the Company's net assets relative to their carrying values. The Company has assessed the HempMed goodwill following the introduction of *The Cannabis Act* which became effective on October 17, 2018. As at November 30, 2018, the Company has determined that the goodwill attributable to HempMed is impaired and therefore has written down the goodwill to nil.

MJT

On September 6, 2017, the Company announced that it entered into an asset purchase agreement with MJT (the "**MJT Asset Purchase Agreement**"). Pursuant to the MJT Asset Purchase Agreement, the Company acquired various products and formulas from MJT for hemp and CBD-derived products. The Company acquired MJT's intellectual property and other assets to continue to develop its innovative nutraceutical products.

The Company intends on submitting an application under the *Cannabis Act* to obtain a Processing Licence, Analytical Testing Licence and Research Licence. The Company is focused on first obtaining its Analytical Testing Licence.

The Company is building a 5,000 square foot GMP-certified manufacturing facility located in Toronto with state-of-the-art equipment and technologies to expand the capabilities of MJT (the "**MJT Project**").

Construction has commenced and is expected to be completed within 6 months of the project obtaining the adequate financing. Based on the Company's preliminary budget, the MJT Project is estimated to cost approximately $1.5 million. The Company has not secured funding for the MJT Project.

As at November 30, 2018, the Company has incurred and capitalized $628,300 of costs with respect to the MJT Project.

Budly

On February 26, 2018, the Company acquired the software assets of Budly, including a smartphone-enabled sales and distribution mobile application that is currently under development (the "**Budly App**").

MYM issued 800,000 common shares valued at $1,864,000 in exchange for all non-US rights to Budly's software and intellectual property. The total carrying value of the Budly intangible assets was initially recorded at $1,887,293, which includes $23,293 of legal costs allocated to the purchase price.

The Company has been assessing opportunities to leverage the technology based on evolving federal and provincial legislation and foreign markets. As at November 30, 2018, the Company has determined that the fair value of the Budly intangible assets exceeds it fair value and has recorded an impairment charge of $943,647 to write the intangible asset to a carrying value of $943,646. The Company will continue to regularly assess the fair value of the Budly intangible assets relative to their carrying values.

Selected Quarterly Financial Information

The following table sets forth a comparison of the Company's revenues and earnings on a quarterly basis for each of the eight most recently completed quarters. The financial data for the Company's eight most recently completed quarters was prepared in accordance with IFRS. The functional currency and the reporting currency of the Company is in Canadian dollars.

For the Quarter Ended	**Nov 30, 2018**	**Aug 31, 2018**	**May 31, 2018**	**Feb 28, 2018**
Total Revenue	$Nil	$Nil	$625,210	$477,580
Net loss attributable to the Company	($6,174,973)	($2,633,383)	($2,223,283)	($1,678,847)
Basic and diluted loss per share	($0.05)	($0.02)	($0.02)	($0.02)
Total assets	$20,271,527	$22,504,049	$21,110,862	$20,450,530

For the Quarter Ended	**Nov 30, 2017**	**Aug 31, 2017**	**May 31, 2017**	**Feb 28, 2017**
Total Revenue	$398,081	$280,448	$142,565	$Nil
Net loss attributable to the Company	($918,165)	($547,736)	($647,407)	($100,174)
Basic and diluted loss per share	($0.01)	($0.01)	($0.01)	($0.00)
Total assets	$6,621,042	$2,122,477	$1,768,366	$488,626

The significant increases in the net loss attributable to the Company over the eight most recently completed quarters is attributable to an increase in expenses as the Company has: (i) hired new management and other personnel, which has included the grant of share-based compensation; (ii) incurred additional overhead for office and facilities that are in development; (iii) invested in the development of the HempMed business and overall brand awareness and marketing activities for the MYM brand; (iv) pursued and completed various acquisitions; and (v) During the quarter ended November 30, 2018, the Company recorded one-time charges as follows; $888,056 for the impairment of HempMed goodwill, $610,387 for the write down of the Company's investment in Solaris, $943,647 for the impairment of Budly intangible assets and an allowance for discontinued operations of $1,059,159 has been provided against the prepaid deposits and inventory. On May 18, 2018, the Company announced that it had ceased production and sales of HempMed and related products. As a result, the Company no longer has any sales until it obtains the appropriate licenses and develops products that will be legal under the *Cannabis Act*. Expenses are expected to continue to increase as the Company continues to invest in the development of its various projects.

Liquidity

The table below highlights the Company's cash flows for the quarter ended November 30, 2018, as compared to the quarter ended November 30, 2017:

For the Six Months Ended	**November 30, 2018**	**November 30, 2017**
Net cash provided by (used in):		
• Operating activities	($5,373,384)	($1,664,453)
• Financing activities	$6,178,019	$5,206,996
• Investing activities	($6,523,170)	($2,069,356)
(Decrease) increase in cash	($5,718,535)	$1,493,187

Operating activities used cash of $5,373,384 during the six months ended November 30, 2018, as compared to using cash of $1,664,453 during the six months ended November 30, 2017. The current year's total reflects an increase in advertising and communications expenses, general and administrative expenses, professional fees, accounts receivable and decreases in deposits and prepaid expense and inventory and accounts payable and accrued liabilities.

Financing activities provided cash of $6,178,019 for the six months ended November 30, 2018, as compared to $5,206,996 during the six months ended November 30, 2017. Cash generated in the current year included $5,297,375 from proceeds from private placements, $201,528 from shares sold under the Company's ATM Program, $1,198,050 from proceeds from warrant exercises, $22,500 from proceeds from the exercise of stock options offset by $541,434 in share issue costs.

Cash used in investing activities for the six months ended November 30, 2018 was $6,523,170 as compared to $2,069,356 cash used during the six months ended November 30, 2017. During the six months ended November 30, 2018, $194,339 was used to invest in leasehold improvements, mostly for the improvements at Laval facility. The Company used $245,570 for the purchase of assets, $151,429 capitalized for intangible assets and $5,931,832 for construction in progress for the Weedon and MJT Projects.

Capital Resources

During the six months ended November 30, 2018, the Company financed its operations through the proceeds of equity financings. The following table summarizes the Company's cash on hand and working capital:

As at	**November 30, 2018**	**May 31, 2018**
Cash and cash equivalents	$912,650	$6,631,185
Working capital less deposits and prepaids	$3,146,616	$7,966,667

Subsequent to November 30, 2018, the Company announced that it executed a definitive agreement for a $25 million equity investment by Alumina. The private placement can be drawn over a two-year period, subject to agreement by Alumina. The draw-down nature of this financing gives MYM the potential to access funds when necessary. Further, the Company has closed on its first tranche under the definitive agreement, consisting of 2,439,024 units at a price of $0.41 per unit for gross proceeds of $1,000,000. Each unit is comprised of one common share and one transferable share purchase warrant with each warrant exercisable into one additional common share at a price of $0.64 for a period of three years. The warrants are subject to an acceleration provision that allows the Company to give notice of an earlier expiry date if the 10-day volume weighted average price of the Company's common shares on the Canadian Securities Exchange (or such other stock exchange the Company may be trading on) is equal or greater than $1.28. The securities will be subject to a four month and one day hold period under applicable securities laws. The Company intends to use the proceeds from the investment for general working capital and corporate purposes.

Amounts receivable were $2,332,260 as at November 30, 2018 (May 31, 2018: $1,194,904), with the increase primarily attributable to GST/HST and QST receivables. Subsequent to November 30, 2018, the Company has received a substantial portion of the expected GST/HST and QST receivables and expects to receive the outstanding amounts in the following quarter.

Deposits and prepaid expenses were $1,402,375 as at November 30, 2018 (May 31, 2018: $1,624,626) with the decrease due to a reduction in prepayment for raw materials offset with an increase for deposits associated with construction of the Weedon Facility.

Inventory at November 30, 2018 was $808,645 (May 31, 2018: $1,060,718), which consisted primarily of raw materials used in the HempMed business. The Company ceased production and sales of HempMed related products in May 2018. As a result, the Company is working to return these raw materials back to its manufacturer and expects to recover the balance.

Current liabilities were $964,232 as at November 30, 2018 (May 31, 2018: $1,001,076). Accounts payable and accrued liabilities are incurred from operating expenses and have remained at consistent levels between May 31, 2018 and November 30, 2018.

The Company's current working capital is insufficient to fund the Company's current operations to profitability and fund current capital expansion plans for the next 12 months. The Company has lease commitments which are disclosed in the notes to its audited financial statements for the year ended May 31, 2018. The Company has certain construction and professional service commitments related to its Weedon Facility. The Company is funding these commitments with capital raised from a combination of private placements, its ATM Program and pursuant to its agreement with Alumina Partners LLC. As a result, the Company is dependent on the issuance of shares, and may also resort to the borrowing of cash in order to finance its operating and investing activities. The Company will have to raise additional capital in the future to continue its operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities.

Management of Capital

The board of directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management policies on an annual basis. The Company's board of directors identifies and evaluates the Company's financial risks and is charged with the responsibility of establishing controls and procedures to ensure financial risks are mitigated.

The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties or businesses with a view to acquisition. The Company does not have any externally imposed capital requirements to which it is subject.

As at November 30, 2018, the Company had capital resources consisting of cash and cash equivalents. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents.

The Company's investment policy is to invest excess cash in investment instruments at high credit, quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

The Company's ability to continue as a going concern is dependent upon successful completion of additional financing, continuing support of creditors and its ability to attain profitable operations.

Off-Balance Sheet Arrangements

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations or arrangements with respect to any obligations under a variable interest equity arrangement.

Related Party Transactions

The Company has entered into certain related party transactions with key management personnel; namely, those persons having authority and responsibility for planning, directing and controlling the activities of the Company or its subsidiaries, directly or indirectly, such as the Company's directors and executive officers.

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The table below summarizes the aggregate value of the related party transactions and identifies the key personnel who were related parties in such transactions.

	SIX MONTHS ENDED	
	NOVEMBER 30 2018	NOVEMBER 30 2017
Salaries or Management Fees to Executive Chairman	**$ 100,000**	$ 62,500
Salaries to a Director and CEO	**100,000**	62,500
Salaries to CFO	**112,500**	-
Salaries or Management Fees to a Director and CMO	**60,000**	-
Salaries to CSO	**41,500**	-
Legal Fees to a Director and General Counsel	**32,100**	-
Consulting Fees to Corporate Secretary	**10,604**	10,000
Consulting Fees to a Company controlled by former CFO	**-**	30,000
Management or Consulting Fees to a Company controlled by a former director and financial advisor	**-**	3,000
Salaries or Management Fees to a former Director and General Counsel	**134,654**	20,000
Management Fees to a former Director and CEO	**-**	12,500
Management Fees to a former Director and COO	**-**	6,000
Total salaries, benefits, consulting and management fees	**$ 591,358**	$ 206,500
Stock-based compensation	**895,712**	132,656
Total salaries and other short-term benefits	**$ 1,487,070**	$ 339,156

As at November 30, 2018, the Company had outstanding loans and advances to Rob Gietl, Director and CEO, in the amount of $57,293 (May 31, 2018: $80,396) for share purchases, travel expenses and tax deductions for options exercised. The loans and advances to directors are non-interest bearing and are repayable on demand. The Company holds shares as collateral for the outstanding balances. During the six months ended November 30, 2018, $23,103 was repaid. Subsequent to November 30, 2018, the entire balance was repaid in full to eliminate the balance outstanding.

As at November 30, 2018, $63,429 (May 31, 2018: $43,688) is owing to key management personnel for unpaid fees and expenses and the amounts were included above in the table outlining payments due to related parties. The amounts payable are non-interest bearing, are unsecured and have no specific terms of repayment. There are no ongoing contractual or other commitments resulting from these transactions.

Name		As at November 30, 2018 Fees, and Expenses Payable		As at May 31, 2018 Fees, and Expenses Payable	
Erick Factor	Director and Executive Chairman	$	31,231	$	24,185
Elizabeth Liu	Director and General Counsel	$	17,010	$	-
Howard Steinberg	Director	$	1,582	$	-
Robin Linden	Director and CMO	$	808	$	-
Charith Adkar	CSO	$	2,905	$	1,835
Sheryl Dhillon	Corporate Secretary	$	1,599	$	1,592
Craig Lennox	CFO	$	8,294	$	16,076
		$	**63,429**	**$**	**43,688**

Critical Accounting Estimates

The interim consolidated financial statements of the Company are prepared in accordance with IFRS. Management makes estimates and assumptions and uses judgement in applying these accounting policies and reporting the amounts of assets and liabilities, revenue and expenses and other related disclosure. Significant estimates in the accompanying interim consolidated financial statements relate to the valuation of stock-based compensation, warrants, the estimated lives of property, plant and equipment and the carrying value of intangible assets and goodwill. Actual results could differ from these estimates.

Changes in Accounting Policies including Initial Adoption

The following new standards, and amendments to standards and interpretations, are not yet effective for the current period and have not been applied in preparing these interim consolidated financial statements. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below:

(a) IFRS 9 is a new standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018. The Company will adopt IFRS 9 effective June 1, 2018. The Company has evaluated the impact of this standard and does not expect it to have a material impact.

(b) IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The Company will adopt IFRS 15 effective June 1, 2018. The Company is currently evaluating the impact of this standard; and

(c) IFRS 16, “Leases”, was issued in January 2016, and replaces IAS 17,“Leases”. IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Certain leases will be exempt from these requirements. IFRS 16 is effective for periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of this standard on its financial position and financial performance. The Company plans to apply the new rules retrospectively from June 1, 2018 in its annual financial statements ending May 31, 2019. The Company has several long-term leases and as a result this standard will have an impact on future financial statements and comparative periods.

Financial Instruments

Financial assets and financial liabilities are recognized on the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument. The Company does not have any derivative financial instruments.

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company’s accounting policy for each category is as follows:

Fair value through profit or loss – This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in net income/loss.

Loans and receivables – These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments – These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company’s management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in net income/loss.

Available-for-sale – Non-derivative financial assets not included in the above categories are classified as available-for-sale. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is recognized in the statements of comprehensive income/loss.

Transaction costs associated with fair value through profit or loss financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss – This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in net income/loss.

Other financial liabilities – This category includes promissory notes, amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified cash as fair value through profit or loss and amounts receivable as loans and receivables. Accounts payable and accrued liabilities, due to related parties, and notes payable are classified as other financial liabilities.

Fair Value Hierarchy

The fair value hierarchy that prioritizes the inputs used to measure fair value is as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data.

The fair value of cash is determined based on Level 1 inputs which consist of quoted prices in active markets for identical assets. As at November 30, 2018, the Company believes that the carrying values of accounts payable, accrued liabilities, and due to related parties approximate the fair values because of their nature and relatively short maturity dates or durations.

Financial Risk Exposure and Risk Management

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks and has no designated hedging transactions. The Board approves and monitors the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's exploration activities and limited exposure to credit and market risks. There were no changes to the objectives or the process from the prior period.

The types of risk exposure and the way in which such exposures are managed are as follows:

a) Credit Risk

Credit risk primarily arises from the Company's cash and cash equivalents and amounts receivable. The risk exposure is limited to their carrying amounts at the statement of financial position date. Cash and cash equivalents are held as cash deposits or invested in guaranteed investment certificates with various maturity dates. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. The Company periodically assesses the quality of its investments and is satisfied with the credit rating of the bank and the investment grade of the guaranteed investment certificates. Amounts receivable primarily consists of Trade Receivables and Goods and Services Tax (GST) credits.

e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures there is sufficient capital to meet short term business requirements. One of management's goals is to maintain an optimal level of liquidity through the active management of assets, liabilities and cash flows.

The Company's cash and cash equivalents are deposited in major banks or invested in guaranteed investment certificates, which are available on demand to fund the Company's operating costs and other financial demands.

e) Market Risk

The significant market risks to which the Company is exposed are currency and interest rate risk.

d) Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company is exploring opportunities in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency risk.

The majority of the Company's costs are incurred in Canada and are denominated in Canadian dollars. Foreign currency transactions are booked at historical cost in Canadian dollars.

The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions is not significant, and therefore, does not hedge its foreign exchange risk.

As at November 30, 2018 the Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

	NOVEMBER 30 2018		MAY 31 2018	
Accounts payable	**USD**	**$32,171**	USD	Nil

Based on the above net exposures and assuming that all other variables remain constant, a 10% change in the value of the foreign currencies against the Canadian dollar would result in an increase or decrease of $4,279 (May 31, 2018 - $Nil) in income/loss from operations.

e) Interest Rate Risk

The Company's policy is to invest excess cash in guaranteed investment certificates (GIC) at fixed or floating rates of interest and cash equivalents are to be maintained in floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders. As at November 30, 2018 the Company held no interest-bearing deposits. As at May 31, 2018 the Company held $3,500,000 in a redeemable GIC with interest accruing at 1.35%. Fluctuations in interest rates impact the value of cash and cash equivalents. The Company manages risk by monitoring changes in interest rates in comparison to prevailing market rates.

Currently, the Company believes that it is not exposed to significant interest, currency or credit risks arising from its financial instruments.

Non-GAAP Measures

The Company has included certain non-GAAP financial measures to supplement its Interim Consolidated Financial Statements, which are presented in accordance with IFRS, including the following:

- Working capital.

The Company believes that this measure, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-GAAP financial measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Management's determination of the components of non-GAAP and additional measures are evaluated on a periodic basis influenced by new items and transactions, a review of investor uses and new regulations as applicable. Any changes to the measures are duly noted and retrospectively applied as applicable.

Working capital

The Company uses "working capital" to explain and analyze Capital Resources. Working capital is defined as current assets less current liabilities. To be conservative, the Company deducts deposit and prepaids from working capital to illustrate its short-term liquidity position.

Disclosure of Outstanding Share Data

As of the date of this MD&A, the Company's authorized share capital consists of an unlimited number of common shares without par value. The Company had the following securities outstanding as at January 28, 2019:

Type of Security	Number Outstanding
Common Shares	123,321,724
Stock Options	10,035,000
Warrants	14,480,315
Fully Diluted	147,837,039

Risk Factors

Any investment in the securities of the Company is speculative, due to the nature of its business and its general stage of development. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward looking-statements relating to the Company. In addition to the usual risk associated with investment in a business, investors should carefully consider the following risk factors as well as the risk factors set out in the Company's other public disclosure.

The Company's business and results of operations are subject to a number of risks and uncertainties, including but not limited to the following:

- the Company's limited operating history and inability to assure profitability;
- the Company's reliance on licensing and renewals of such licenses, including licenses to produce and sell cannabis oil products;
- changes in laws, regulatory regimes and guidelines relating to the marketing, acquisition, manufacture, management, transportation, storage, sale and disposal of medical marijuana;
- the potential for adverse changes or developments affecting the Company's projects, such as the Laval Facility, the Weedon Facility, the MJT Project and the Northern Rivers Project;
- the Company's dependence on key personnel, including directors, officers and other employees;
- the Company's reliance on the parties to its joint ventures;
- the Company's dependence on development of its joint ventures;
- increased competition in the medical marijuana industry;
- the Company will need to obtain additional debt or equity financing in the future to support ongoing operations, and there can be no assurance that such financing will be available to the Company when needed or on terms acceptable to the Company;
- the medical marijuana industry is in its early development stage and is subject to restrictions on sales and marketing activities, as imposed by Health Canada and various other regulatory bodies;
- the potential for security breaches of the Company's properties, products, equipment, information technology systems and software, among other things;
- fluctuation of the market price of the Company's common shares; and
- the other risks identified in the Company's most recent Annual Information Form under the "Risk Factors" section and in the Company's other public disclosure, available under the Company's profile on SEDAR at www.sedar.com.

Caution Regarding Forward-Looking Information

Certain information in this MD&A contains comments that constitute forward-looking information within the meaning of applicable securities legislation.

*This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws ("**forward-looking information**") concerning the Company including, but not limited to, anticipated results and developments in the Company's operations in future periods, and other matters that may occur in the future. Forward-looking information contained in this MD&A includes, but is not limited to, statements regarding:*

- *the anticipated growing space to be operated by the Company;*
- *the competitive conditions of the industry;*
- *the Company's plans to increase its ownership stake in Sublime;*
- *the Company's plans to sell cannabis to the Quebec Government;*
- *the expected costs and investments for construction of the Company's projects;*
- *the anticipated key dates and anticipated production capacity associated with the development of the Laval Facility, the Weedon Facility, the MJT Project and the Northern Rivers Project;*
- *the expected development of the CannaCentre;*
- *completion of the investment related to the joint venture with Colombia Organica S.A.S;*
- *the plan to build and operate a cannabis production facility in Medellin, Colombia in partnership with Colombia Organica S.A.S;*
- *MJT Manufacturing receiving its ISO certification and operating a GMP certified 5,000 sq. foot production facility;*
- *MJT's Dealer's License to be grandfathered and transitioned into 3 new licenses;*
- *the reintroduction of Joshua Tree's products;*
- *the further development of Budly and its plan to commence operations locally and globally; and*
- *the research and development goals of the Company in conjunction with its partners, including CEGEP (college).*

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, including, without limitation, assumptions about:

- *the anticipated growing space to be operated by the Company;*
- *the Company's construction plans and timeframe for completion of such plans;*
- *the anticipated costs and investments for construction of the Company's projects;*
- *general economic, financial market, regulatory and political conditions in which the Company operates;*
- *general demand and consumer interest in the Company's products;*
- *competition;*
- *the Company's ability to increase its ownership stake in Sublime;*
- *anticipated and unanticipated costs;*
- *the ability of the Company to generate cash flow from operations and obtain necessary financing on acceptable terms;*

- *government regulation of the Company's activities and products, including in the areas of taxation and environmental protection;*
- *the timely receipt of required regulatory approvals;*
- *the ability of the Company to obtain qualified staff, equipment and services in a timely and cost-efficient manner; and*
- *the ability of the Company to conduct operations in a safe, efficient and effective manner.*

Forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, events, results, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, without limitation, those related to:

- *the industry-wide risks;*
- *the Company's ability to obtain financing;*
- *the Company's dependence on key personnel;*
- *availability of third-party contractors or equipment;*
- *difficulties in construction or in obtaining qualified contractors to complete construction projects;*
- *the Company's reliance on joint venture parties and other counterparties;*
- *the Company's ability to manage anticipated and unanticipated costs;*
- *the costs of construction of the Company's projects being higher than anticipated by the Company;*
- *the time to complete the Company's projects being longer than anticipated by the Company;*
- *failure of equipment to operate as anticipated;*
- *unfavorable publicity or consumer perception of the cannabis industry or the Company;*
- *the impact of any negative scientific studies on the effects of cannabis;*
- *environmental risks;*
- *changes in laws and regulations may increase costs of doing business and/or restrict the Company's activities and operations or plans for international and domestic expansion;*
- *community relations;*
- *changes in the Company's over-all business strategy;*
- *restrictions imposed by the Canadian Securities Exchange on the Company's business;*
- *the Company's lack of operating revenues;*
- *inability to obtain necessary licenses and permits, including Health Canada licenses;*
- *governmental regulations;*
- *the Company's inability to increase its ownership stake in Sublime;*
- *delays in, or the Company's inability to execute on, its multi-phase expansion plan together with its joint venture partners and other counterparties for the Northern Rivers Project, the MJT Project, the Laval Facility and the Weedon Facility; and*
- *inability to complete, or to achieve the expected production capacity of, the Northern Rivers Project, the MJT Project, the Laval Facility or the Weedon Facility.*

This is not an exhaustive list of the risks and factors that may cause actual results to differ materially from the Company's forward-looking information. There may be other factors that cause actions, events, conditions, results, performance or achievements not to be as anticipated, estimated or intended. In addition to those discussed in this MD&A, please refer to the risks described in the Company's public disclosure record, including the Company's Annual Information

Form. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.