Management's Discussion & Analysis

For the Year Ended November 30, 2018 and 2017

This Management's Discussion and Analysis ("MD&A") relates to the consolidated financial position and financial performance of The Yield Growth Corp. (formerly Cannapay Financial Inc.) ("Yield Growth"), its 100% owned subsidiary Urban Juve Provisions Inc. (formerly Juve Wellness Inc.) ("Urban Juve"), its 100% owned subsidiary UJ Topicals Inc. ("UJ Topicals"), its 100% owned subsidiary UJ Beverages Inc. ("UJ Beverages"), its 100% owned subsidiary Yield Botanicals Inc. (formerly UJ Edibles Inc.) ("Yield Botanicals") and 100% owned subsidiary Thrive Activations Inc. (formerly Super Dope Solutions Inc.) ("Thrive") for the years ended November 30, 2018 and 2017. Collectively, Yield Growth, Urban Juve, UJ Topicals, UJ Beverages, Yield Botanicals, and Thrive are referred to as the "Company". All inter-company balances and transactions have been eliminated.

Except where otherwise indicated, the financial information contained in this MD&A was prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A should be read in conjunction with the Company's audited annual consolidated financial statements for the years ended November 30, 2018 and 2017 (collectively referred to as the "Financial Statements").

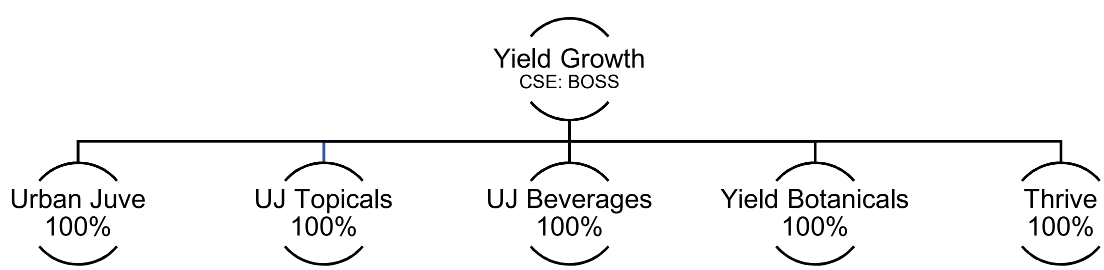
Financial information contained in this MD&A has been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The Company has incurred a net loss of $9,708,037 during the year ended November 30, 2018 and has incurred an accumulated deficit of $10,938,186 as at November 30, 2018. The continued operations of the Company are dependent on future profitable operations, management's ability to manage costs and the future availability of equity or debt financing. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to November 30, 2018, is uncertain. Financial information in this MD&A does not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

Except where otherwise indicated, all financial information is expressed in Canadian dollars.

Corporate Overview

The Yield Growth Corp. intends to disrupt global wellness market with hemp and cannabis-infused products that connect ancient healing with modern science. It is a vertically-integrated asset company serving mainstream, luxury consumers who demand sophisticated wellness solutions. Its flagship consumer brand, Urban Juve, has registered 35 products with Health Canada and has signed 70 retail locations to sell its products. Key ingredients in these products include Cannabis Sativa hemp seed oil and hemp root oil created using Urban Juve's proprietary, patent-pending extraction technology. Urban Juve has also filed 11 provisional patents in the United States. Through its subsidiaries, Yield Growth is commercializing over 70 wellness and cosmetic products and has multiple revenue streams including licensing, incubation services and product sales.



Urban Juve™ owns skincare products with proprietary formulations containing Cannabis Sativa hemp seed oil and hemp root oil and high-quality essential oils, available across Canada and the US.

UJ Topicals™ owns THC and CBD infused topicals with agreement for distribution to 400 stores throughout Oregon through Nova Paths LLC, an Oregon Liquor Control Commission approved and licensed manufacturer and distributor of cannabis products in Oregon.

UJ Beverages owns a line of eight wellness beverage formulas designed to be infused with CBD and THC and one capsule product intended to treat hangovers.

Yield Botanicals is a vehicle for acquiring farming and botanical assets and developing extraction technology and facilities to provide the Company's supply of key ingredients.

Thrive is structured to provide executive services to businesses and our licensee partners.

Update on Business

Urban Juve

Urban Juve is an Ayurveda-inspired skin care and beauty brand that rejuvenates and nourishes from within: spirit to skin. Urban Juve's key ingredient - cannabis sativa hemp root oil - combines with natural and pure essential oil-based formulations to create quality products that are now available online and are available at select retail stores across Canada.

As the Company's flagship, Urban Juve is a bold brand rooted in the organic synthesis of ancient knowledge and modern techniques to create exceptional beauty and wellness solutions. Ayurvedic knowledge delineates three general categories or skin types, which Urban Juve has translated as Vitalize, Balance and Align, each with its own dedicated range of skin and body care formulations. Urban Juve has created unique formulas for more than 70 beauty and wellness products, has registered with Health Canada 35 products containing cannabis sativa hemp seed oil and hemp root oil and has filed 11 provisional patent applications in the United States.

The first eleven Phase I products have been launched through the Company's ecommerce website and are being sold through retail channels by dedicated sales representatives in Ontario and British Columbia. These products include the following:

- Lip Balm
- Anti-Aging Serum
- 3 Daily Moisturizers
- 3 Face Mists
- 3 Daily Ritual Oils

Over 70 retail stores across Canada have agree to carry the Urban Juve line and the products are available for purchase through the Company's e-commerce website urbanjuve.com.

On March 5, 2019, Urban Juve entered into a formal retailer relationship with Healthy Planet, an Ontario holistic wellness company with 24 Ontario, Canada shops, to sell Urban Juve's Ayurveda-inspired skin care products. Distribution and sales will begin as early as April 2019.

Healthy Planet sets the standard for accessible wellness in Ontario. Their 24 storefronts are a trustworthy, reliable source of products, information, and referrals to natural health professionals. Their curated selection of wellness products range from health foods and supplements to sports nutrients and beauty care.

Urban Juve's thoughtfully crafted Ayurveda-inspired recipes will stand in good company among this established lineup of holistic products.

Urban Juve is in planning to launch at least 21 additional products through 2019 and these include:

- 3 Lip Glosses
- 3 Body Exfoliants
- 3 Dry Facial Masks
- Cream Facial Cleanser
- Facial Micellar Water Cleanser
- Facial Cleansing Pads
- Eye Cream
- 2 Facial Oils
- Deodorant
- Foot Cream
- Essential Oil Blends

UJ Topicals

Pursuant to its agreement with a licensed cannabis processing facility in Oregon, UJ Topicals' products will be launching in the Oregon legal cannabis market under the brand name of "Wright & Well". The products include:

- 2 CBD and THC oils,
- Analgesic Topical Gel with THC and CBD,
- Pain Balm with THC and CBD,
- Massage Oil with THC and CBD, and
- 3 types of capsules containing THC and Ayurvedic herbal formulations, blended with ingredients that have been used to treat arthritis and chronic pain.

All of the cannabis topical products have been formulated based on Urban Juve proprietary formulas, for which 11 provisional patents have been filed in the U.S.

UJ Topicals has developed two foot creams, with hemp root oil, clay and essential oils, that are created to be infused with cannabinoids. One cream is intended to be infused with CBD to relieve pain and moisturize dry, cracked feet. The other foot cream is intended to be infused with THC to relieve pain from blisters, bruises, inflammation, sore heels, bunions, corns and calluses.

UJ Topical expect to launch these first 9 products in Oregon in the second quarter of 2019.

UJ Beverages

UJ Beverages has completed the acquisition of eight wellness beverage formulas designed to be infused with CBD and THC and one capsule product intended to treat hangovers.

The formulas have been developed to offer various health benefits, including an energy boost, hangover treatment, brain function boost, anxiety reduction, improved immunity, toxin removal and reduced inflammation. The formulations were developed in India and are based on Ayurvedic medicine using botanicals, fruit extracts and spices.

Yield Botanicals

On March 12, 2019, Yield Botanicals entered an agreement with Vandenbosch Trading Company Ltd. to purchase a 10-acre property in Chilliwack, B.C., Canada. The purchase includes over 2.5 acres (approximately 100,000 square feet) of well-equipped and automated greenhouses, currently operating as an orchid flower grow and essential oil extraction business. The purchase price is $2.4 million subject to closing upon building inspection satisfactory to Yield Botanicals.

This strategic asset purchase will allow the Company to grow plants and build out extraction facilities in the existing infrastructure, while providing plenty of room for future expansion. Owning a farm will give Yield Botanicals complete control of key proprietary ingredients for its products, including hemp root oil. The purchase will also empower the Company's in-house research capabilities for growth and innovation.

The Company is also planning to optimize the farm's current orchid growth and essential oil extraction to include new products. It plans to set up an additional extraction facility dedicated to hemp root oil—a key ingredient in Urban Juve products and in the cannabis topicals line launching in Oregon. Subject to acquiring the appropriate licenses, Yield Botanicals may also apply to cultivate industrial hemp for the purpose of hemp root oil extraction, and to carry out research and development to create cannabidiol from the parts of the hemp plant exempt from the Cannabis Act. The farm facilities will allow Yield Growth to grow herbs currently used in the Urban Juve product line, and extract essential oils on site, according to the Ayurveda philosophy.

Thrive

Thrive provides cutting-edge technology and marketing solutions to businesses. Thrive was created to make technology solutions accessible to businesses looking for a competitive advantage. Thrive provides technology advisory, marketing and other business incubation services to other businesses. Currently Thrive has two corporate clients.

Licensing Activities:

On June 11, 2018, the Company entered into a License and Distribution Agreement with CROP Infrastructure Corp. ("CROP"), a company listed with the Canadian Securities Exchange (CSE), whereby the Company granted an exclusive right to sell its proprietary Urban Juve wellness products in Italy, and a license to use certain related trademarks and other intellectual property owned by the Company, for a term of three years ("CROP Agreement"). In consideration for the license and distribution rights, CROP paid an initial fee of $1,000,000 in 2,500,000 equity units, with each unit consisting of one common share of CROP and one-half of one share purchase warrant. Each share purchase warrant will be exercisable into one common share of CROP at an exercise price of $0.55 per share for a period of eighteen months. The proceeds of $1,000,000 received from the transaction is being recognized as Revenue over the three-year term of the agreement. For the three and twelve months ended November 30, 2018, the amounts of $83,333 and $157,306 were recognized as Licensing revenues respectively, and $842,694 was recorded as Deferred Revenue as at November 30, 2018.

Funding:

The Company received warrant and stock options exercises during the first quarter of 2019 for total proceeds in excess of $3.7 million. As at February 28, 2019, the Company had cash balance of approximately $3.7 million.

Selected Annual Information

Management considers that the main indicators of the Company's performance are the following: revenues, net income and loss, total assets, earnings/loss per share. The following information was derived from the Company's audited financial statements for the years ended November 30, 2018 and 2017.
For the years ended November 30,

	2018	2017
Revenues	3,055,442	-
Net loss	9,708,037	1,229,685
Basic and diluted loss per share	0.13	0.12
Total assets	2,612,345	2,782,713
Dividends declared and paid out	-	-

Overall Performance

The Company realized revenue of $3,055,442 for the twelve months ended November 30, 2018 as compared to nil for the prior year. The revenue included consulting revenue of $1,098,364 under Thrive and Licensing revenue of $1,957,078 under Urban Juve for manufacturing and distribution rights licensed to third parties for the Canadian, US and certain European markets.

The Company incurred net loss of $9,708,037 for the twelve months ended November 30, 2018 as compared to $1,229,685 for the prior year. The increase in loss was primarily driven by increased stock-based compensation for stock options granted to directors, officers, employees, consultants, and advisors, and consulting fees and wages to build up internal capacity to launch Urban Juve and Wright & Well product lines.

The increase in loss was primarily driven by increased stock-based compensation for stock options granted to directors, officers, employees, consultants, and advisors, and consulting fees and wages for development activities and to build up internal capacity to launch Urban Juve and other product lines.

The Company was at the final stage of its initial public offering as at November 30, 2018 and incurred material amount of expenses during the year in professional fees, share-based compensation, office expenses and other miscellaneous expenses that are one-time and non-recurring in nature. The Company also incurred loss from investments in associate of $2,367,766 and loss from termination and amendment of licensing agreements of $1,447,572, and neither of these losses are expected to occur in the future.

Adjusted EBITDA

Adjusted EBITDA, a measure used by management to indicate operating performance, is defined as earnings before interest, taxes, depreciation and amortization, excluding certain non-operating amounts as shown below. Adjusted EBITDA is not a recognized term under IFRS and is not intended to be an alternative either to gross profit or income before taxes as a measure of operating performance or to cash flows from operating activities as a measure of liquidity.

Additionally, Adjusted EBITDA is not intended to be a measure of free cash flow available for discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. The Company uses Adjusted EBITDA to supplement IFRS results to provide a more complete understanding of the factors and trends affecting the business than IFRS results alone. Because not all companies use identical calculations, the presentation of Adjusted EBITDA may not be comparable to other similarly titled measurements used by other companies. Readers should not consider Adjusted EBITDA in isolation or as a substitute for profit (loss) for the period as determined by IFRS, or as a substitute for an analysis of our Financial Statements.

Reconciliation of Adjusted EBITDA for the years ended November 30,

	2018	2017
Net loss for the year	(9,708,037)	(1,229,685)
Add:		
Depreciation	20,985	239
Interests	-	-
Taxes	-	-
Adjustments:		
Share-based compensation	3,663,470	89,908
Unrealized gain on short-term investments at fair value through profit and loss	(296,333)	-
Loss from investments in associate	2,367,766	-
Loss from termination and amendment of licensing agreements	1,447,572	-
Adjusted EBITDA	(2,504,577)	(1,139,538)

Discussion of Operations

Revenues

Revenue for the year ended November 30, 2018 was $3,055,442 as compared to nil for the prior year. Revenue consisted of the following:

Consulting revenue of $1,098,364 as compared to nil for the prior year. Consulting revenue derived from consulting services provided to third and related parties relating to finance, accounting and strategic management under Thrive. Currently Thrive has two consulting clients.

Licensing revenue of $1,957,078 as compared to nil for the prior year. Licensing revenue included $1,800,000 for Urban Juve non-exclusive manufacturing and distribution rights granted to a third party for the Canadian and international markets and $157,078 for Urban Juve distribution rights of Italy market granted to a third party ("Italy License"). The Italy License generated a total revenue of $1,000,000 being amortized over a term of three years.

The Urban Juve wellness products were launched subsequent to the year end and did not generate any revenue for the year ended November 30, 2018.

Advertising and Promotion

Advertising and Promotion expenses are related to the Company's activities in promoting its wellness line of products and mobile technology systems. For the year ended November 30, 2018, the Company incurred $678,266 in advertising and promotion expenses as compared to $86,850 for the prior year. The increased spending was targeted at Urban Juve product launch.

Consulting Fees

The Company engages consultants regularly to obtain expertise in various business areas including but not limited to marketing, technology, finance and accounting. For the year ended November 30, 2018, the Company incurred consulting expenses of $2,054,099 as compared to $176,919 for the prior year. Consulting fees increased due to IPO activities and Urban Juve product launch preparations.

Depreciation

Depreciation is related to computer equipment, furniture and telephone equipment. For the year ended November 30, 2018, the Company incurred depreciation expenses of $20,985 as compared to $239 for the prior year. The increase in depreciation expenses was driven by expanded office and staffing.

Distribution Fees

Distribution fees were related to distribution rights to various plant -based product formulations from a third party for the Canadian market in December 30, 2017. The Company paid distribution fees of $50,000 at the signing of an agreement. The Company did not incur such expenses for the prior year.

Information Systems

The Company incurred expenses on Information Systems, primarily to establish its ERP system and its ecommerce website and related backend transaction processing and support systems, in the amount of $767,447 during the year ended November 30, 2019. The Company did not incur such expenses in the prior year.

Licensing Fees

For the year ended November 30, 2018, the Company expensed $462,500 of licensing fees for Glance Technology. For the year ended November 30, 2017, the Company expensed licensing fees of $646,000 including $460,000 for Glance Pay technology and $186,000 for Urban Juve wellness products.

Office Expenses

Office Expenses include office supplies, telephone expenses, charitable donations, dues and subscriptions, employee health and dental insurance, and other miscellaneous expense. For the year ended November 30, 2018, the Company incurred office expenses of $254,656 as compared $19,230 for the prior year. The increase in office expenses was driven by expanded staffing and increased activities to support the Company's initial public offering and the launch of Urban Juve products.

Product Samples

Product samples were related to Urban Juve's wellness products produced for testing and registration purposes. For the year ended November 30, 2018, the Company incurred product samples expense of $5,139 as compared to $13,868 for the prior year. The Company was primarily engaged in production of commercial products during the year ended November 30, 2018 which led to decrease in product sample costs.

Professional Fees

Professional fees are primarily related to legal, accounting and audit services. For the year ended November 30, 2018, the Company incurred professional fees of $342,271 as compared to $22,876 for the prior year. The increase in professional fees was driven by the Company's IPO procedures.

Rent

Rent expenses are related to the Company's shared office located in Vancouver B.C., Canada. For the year ended November 30, 2018, the Company incurred rent expenses of $97,502 as compared to $10,000 for the prior year. The increase was driven by expanded office space usage to house increased office staff.

Research and Development Costs

Research and Development costs included Urban Juve product formulations development and testing for the year ended November 30, 2018, design fees paid to Glance under the technology license agreement and non-cash payments for the purchase of Urban Juve's wellness product line for the prior year. For the year ended November 30, 2018, the Company incurred research and development costs of $53,770 as compared to $127,055 for the prior year.

Share-based Compensation

Shared-based compensation is related to stock options granted to directors, officers, employees and consultants of the Company. For the year ended November 30, 2018, the Company incurred share-based compensation expense of $3,663,470 as compared to $89,908 for the prior year.

Travel

For the year ended November 30, 2018, the Company incurred travel expenses of $133,688 as compared to $30,652 for the prior year, mostly related to business travel by the management and executive team.

Wages and Salaries

For the year ended November 30, 2018, the Company primarily utilized consulting arrangements with its personnel in conducting business and incurred limited wage costs. Wages expenses for the year ended November 30, 2018 was $808,659 as compared to $6,088 for the prior year. As the Company increases its activities in its licensing business and Urban Juve wellness products sales and distribution, wages and salary expense is expected to increase significantly.

Gain on sales of short-term investments

During the year ended November 30, 2018, the Company disposed of its holding of Glance shares and a portion of its holding of CROP shares, resulting in a net gain of $142,060. The Company did not have any gain on sales of short-term investments in the prior year.

Unrealized gain on short term investments at fair value through profit and loss

As at November 30, 2018, the Company held 1,250,000 CROP share purchase warrants. On November 2, 2018, the Company exercised 1,250,000 warrants pursuant to a warrant incentive program undertaken by CROP and received an additional 1,250,000 warrants, which are exercisable at $0.50 per share until November 2, 2020. For the year ended November 30, 2018, these warrants generated unrealized gain of $296,333 as compared to nil for the prior year.

Impairment of loan receivable

As at November 30, 2018, the Company carried a loan of $15,000 owed from a third party, which had been overdue for more than 90 days. While the Company continues with its efforts to collect this amount, the loan was written off during the year ended November 30, 2018. This is a one-time transaction and the Company did not incur impairment of loan receivable for the same periods of the prior year.

Loss from investment in associate

During the year ended November 30, 2018, the Company held material interest in Loop. The Company had loss from investment in associate of $2,367,766. The Company did not have investment in associate for the same periods of the prior year.

On October 30, 2018, the Company entered into a Termination and Release Agreement with Loop, whereby its investment was reduced from 11,900,000 common shares to 1,500,000 common shares of Loop. As a result of the reduced share ownership, the investment in Loop was no longer considered an associate and was reclassified to marketable securities.

Loss from termination and amendment of licensing agreements

On October 31, 2018, the Company entered into a Further Amended and Restated License Agreement with Glance, whereby the scope of the intellectual property licensed was reduced and the obligation of Glance to provide any services was eliminated. Pursuant to the Agreement, Glance granted the Company a limited, non-exclusive license to use the licensed patents discussed above, without the right to sublicense. The Agreement will automatically terminate on May 29, 2021. In consideration for the amendment, Glance agreed to surrender 11,900,000 shares of the Company for cancellation and the Company agreed to issue 6,000,000 warrants to Glance. The warrants are exercisable at $0.50 per share, equivalent to the price per common share of the Company's initial public offering, and are exercisable for a period of 5 years from December 14, 2018, the date of the initial public offering. Further, Glance may not sell more than 20,000 shares in any one trading day, and may only deposit shares at broker whereby the broker has agreed to enforce the trading restriction. The 11,900,000 shares of the Company had an adjusted cost base of $576,495 and the warrants had an estimated fair value of $2,735,895, resulting in a loss on amendment of the licensing agreement of $2,159,400.

On October 30, 2018, the Company entered into a Termination and Release Agreement with Loop and Fobisuite, whereby the licensing and distribution agreement and the Right were terminated. Pursuant to the termination agreement, the Company agreed to return 4,000,000 common shares of Loop pursuant to the licensing and distribution agreement, and 5,700,000 common shares of Loop pursuant to the acquisition of the Right. As a result, the Company retained 1,500,000 common shares of Loop. In addition, the Company agreed to forgive certain amounts receivable from Loop and Fobisuite, and the Company received a termination fee of $250,000 from Loop in consideration for the return of the 5,700,000 common shares upon termination of the Right. The termination and release of the agreement with Loop resulted in a net gain of $711,828.

The Company did not incur a loss from termination and amendment of licensing agreements for the prior year.

Net Loss

The Company incurred net loss of $9,708,037 and loss per share of $0.13 for the twelve months ended November 30, 2018 as compared to $1,229,685 and loss per share of $0.12 for the prior year. The increase in loss was primarily driven by increased stock-based compensation for stock options granted to directors, officers, employees, consultants, and advisors, and consulting fees and wages to build up internal capacity to launch Urban Juve and Wright & Well product lines.

Realized Gain on Marketable Securities

During the year ended November 30, 2018, the Company disposed of its holding of 197,000 shares of Glance, which resulted in a gain of $71,412 and a previously recorded unrealized loss of $589,030 was realized. The Company also disposed of 2,642,000 shares of CROP, which resulted in a gain of $70,648. The Company did not have realized gain on marketable securities for the prior year.

Unrealized Gain on Marketable Securities

As at November 30, 2018, the Company holds 1,108,000 shares of CROP, 1,250,000 warrants of CROP and 1,500,000 shares of Loop as marketable securities. These shares and warrants generated an unrealized gain of $836,728 through at their fair market value as compared to $589,030 for the prior year which was derived from the Company's holding of Glance shares.

Comprehensive Loss

For the year ended November 30, 2018, the Company had a comprehensive loss of $9,460,339 as compared to $640,655 for the prior year.

Dividends

No dividends were declared or paid for the years ended November 30, 2018 and 2017.

Summary of Quarterly Results

The following table summarizes the Company's quarterly results.

(in thousands of Canadian dollars, with the exception of loss per share)

	Quarters ended							
	Nov. 30, 2018	Aug. 31, 2018	May 31, 2018	Feb. 28, 2018	Nov. 30, 2017	Aug. 31, 2017	May.31, 2017	Feb.28, 2017
	$	$	$	$	$	$	$	$
Revenues:	639	417	190	1,809	-	-	-	-
Net loss:	2,519	3,737	2,814	638	704	398	128	-
Basic loss per share:	0.03	0.05	0.04	0.02	0.03	0.02	0.18	-
Diluted loss per share:	0.03	0.05	0.04	0.02	0.03	0.02	0.18	-

Results of The Fourth Quarter

The Company's business is generally non-seasonal. However, its licensing revenue is highly driven by transactions which do not have a seasonal pattern.

For the fourth quarter ended November 30, 2018, the Company generated revenue of $639,000 including $83,000 licensing revenue and $556,000 consulting revenue. The Company incurred net loss of $2,519,000 which is primary non-cash loss from the termination and amendment of licensing agreements with Glance offset by a gain from termination of the licensing agreement with Loop.

Liquidity

	November 30, 2018	November 30, 2017
Current ratio(1)	3.31	39.13
Cash	36,211	1,425,380
Working capital (2)	1,789,550	2,706,374
Debt(3)	59,554	42,907
Equity	1,329,204	2,711,727

(1) Current ratio is current assets divided by current liabilities.
(2) Working capital is current assets minus current liabilities
(3) Debt is defined as short-term loans and amounts due to related parties.

Cash Position

As at November 30, 2018, the Company had $36,211 of cash as compared to $1,425,380 at November 30, 2017. As at February 28, 2019, the Company had cash of $3,700,000. For the year ended November 30, 2018, cash used in operating activities was $4,091,887, consisting of operating expenditures during the year to support the Company's listing procedures and launch of it Urban Juve wellness product line, as compared to cash used in operating activities of $716,674 for the prior year which was driven by an increase in amounts due to related parties. Cash provided by investing activities was $776,122 for the year ended November 30, 2018, driven by proceeds from the sale of marketable securities and offset by the purchase of equipment, as compared to cash used in investing activities of $50,592 for the same period of the prior year driven by the acquisition of a license. Cash provided by financing activities was $1,926,596 for the year ended November 30, 2018, which was primarily from proceeds received from the issuance of common shares less share issuance costs, as compared to $2,192,646 for the same period of the prior year, consisting of proceeds from the issuance of common shares.

Working Capital

The Company had working capital of $1,789,550 as at November 30, 2018 compared to a working capital of $2,706,374 as at November 30, 2017. The decrease in the working capital was primarily due to a decrease of $1,389,169 in cash, a decrease of $162,854 in prepaid expenses, an increase of $336,061 in accounts payable, and an increase of $349,858 in deferred revenue, which was offset by an increase of $141,599 in accounts receivable and an increase of $1,160,883 in marketable securities.

Capital Resources and Management

As at February 28, 2019, the Company had cash of $3.7 million.

The Company is authorized to issue an unlimited number of common shares. As at November 30, 2018, there were 72,441,534 common shares issued and outstanding. The Company also had 28,494,194 share purchase warrants and 8,361,000 stock options of which 6,337,250 are exercisable as at November 30, 2018.

As at the date of this MD&A, the Company has 87,299,140 common shares outstanding, has issued 29,902,976 share purchase warrants, and have 11,043,500 stock options outstanding.

The Company's objective is to maintain a strong capital base to support the development of the business including the launch of Urban Juve's wellness product line of 70 products and multiple mobile apps, and through which to increase shareholder value. The management believes the Company can raise sufficient capital to attain these business targets.

Off-Balance Sheet Arrangements

As at November 30, 2018 and 2017, the Company had no off-balance sheet arrangements.

Related Party Transactions

- During the year ended November 30, 2018, the Company incurred consulting fees of $60,581 (2017 - $30,000) and rent expense of $4,500 (2017 - $10,000) to the President and Chief Executive Officer ("CEO") of the Company. The Company also paid a compensation bonus of $300,000, issued 2,000,000 common shares with a fair value of $300,000, and incurred share-based compensation of $924,126 (2017 - $40,881) to the President and CEO of the Company. As at November 30, 2018, the Company owed $5,425 (2017 - $2,881) to the President and CEO of the Company, which is unsecured, non-interest bearing, and due on demand.

- During the year ended November 30, 2018, the Company incurred consulting fees of $6,000 (2017 - $19,800), advertising and promotion expenses of $nil (2017 – $5,000), wages of $66,000 (2017 - $nil), and share-based compensation of $53,485 (2017 - $6,860) to the former Vice President of Business Development of the Company. As at November 30, 2018, the Company owed $nil (2017 - $9,189) to the former Vice President of Business Development of the Company, which is unsecured, non-interest bearing, and due on demand.

- During the year ended November 30, 2018, the Company incurred consulting fees of $138,800 (2017 - $nil) and share-based compensation of $350,697 (2017 - $nil) to Huang Consulting Corp., a company controlled by the Chief Financial Officer of the Company. As at November 30, 2018, the Company owed $22,925 (2017 - $nil) to a company controlled by the Chief Financial Officer of the Company, which is unsecured, non-interest bearing, and due on demand.

- During year ended November 30, 2018, the Company incurred consulting fees of $11,400 (2017 - $42,300) and share-based compensation of $33,166 (2017 - $nil) to a director of the Company, Krystal Pineo and a company controlled Krystal Pineo, KP Capital Inc. As at November 30, 2018, the Company owed $580 (2017 - $580) to KP Capital, which is unsecured, non-interest bearing, and due on demand.

- During the year ended November 30, 2018, the Company incurred wages of $117,424 (2017 - $nil) and share-based compensation of $116,186 (2017 - $nil) to the Vice President of Licensing of the Company.

- During the year ended November 30, 2018, the Company incurred consulting fees of $264,500 (2017 - $nil) and share-based compensation of $168,777 (2017 - $nil) to the former Chief Marketing Officer ("CMO") of the Company and a company controlled by the former CMO of the Company, Five Senses Branding Ltd.

- During the year ended November 30, 2018, the Company incurred consulting fees of $3,006 (2017 - $nil), wages of $66,000 (2017 - $nil) and share-based compensation of $33,166 (2017 - $nil) to a former director of the Company, Hugo Kotar. As at November 30, 2018, the Company owed $nil (2017 - $397) to Hugo Kotar.

- During the year ended November 30, 2018, the Company incurred share-based compensation of $186,224 (2017 - $465) to directors of the Company.

- During the year ended November 30, 2018, the Company incurred research and development fees of $nil (2017 - $100,000) and office expenses of $nil (2017 – $2,000) to Glance, a significant shareholder of the Company. As at November 30, 2018, the Company owed $30,625 (2017 –$29,860) to Glance, which is unsecured, non-interest bearing, and due on demand.

- During the year ended November 30, 2018, the Company recognized revenue of $762,742 (2017 - $nil) from HeyBryan Media Inc., a company with common directors and officers and which the President and CEO of the Company is a significant shareholder. As at November 30, 2018, the Company was owed $61,739 (2017 - $nil) from the related company, which is included in accounts receivable, and the Company held a deposit of $10,000 (2017 - $nil) from the related company, which is included in deferred revenue.

- During the year ended November 30, 2018, the Company recognized revenue of $2,580 (2017 - $nil) from Antler Retail Inc., a company whose CEO is the spouse of the President and CEO of the Company, and which the President and CEO of the Company is a significant shareholder. As at November 30, 2018, the Company held a retainer of $6,525 (2017 - $nil) from the related company, which is included in deferred revenue.

Critical Accounting Estimates and Judgements

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the useful life and carrying value of equipment, impairment of marketable securities, fair value of share-based compensation, and measurement of unrecognized deferred income tax assets.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements include the factors that are used in determining the application of the going concern assumption which requires management to take into account all available information about the future, which is at least but not limited to, 12 months from the year end of the reporting period.

Financial Instruments and Risk Management

- Fair Value

  Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at November 30, 2018, as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance November 30, 2018 $
Cash	36,211	–	–	36,211
Short-term investments	1,515,100	296,333	–	1,811,433
Total assets	1,551,311	296,333	–	1,847,644

The fair values of other financial instruments, including amounts receivables, loan receivable, accounts payable and accrued liabilities, and amounts due from and to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

- Credit Risk

  Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada. Amounts receivable is primarily comprised of GST receivable due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

- Foreign Exchange Rate and Interest Rate Risk

  The Company is not exposed to any significant foreign exchange rate or interest rate risk.

- Liquidity Risk

  Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

- Price Risk

  The Company is exposed to price risk with respect to its short-term investments. The Company's short-term investments consist of common shares and warrants held in publicly-traded companies and profitability depend upon the market price of the common shares for those publicly-traded companies. The market price for common shares of publicly-traded companies can fluctuate significantly, and there is no assurance that the future market price of these publicly-traded companies will not decrease significantly.

<u>Commitments</u>

- On June 1, 2017, the Company entered into a consulting agreement with the President and CEO of the Company, whereby the Company agreed to pay a monthly salary of $5,000 per month.

- On September 2, 2017, the Company's wholly-owned subsidiary, Urban Juve, entered into an Asset Purchase and Distribution Agreement whereby Urban Juve was granted exclusive and international distribution rights to various plant and root-based products developed by a supplier. The term of the agreement is for twenty years and will be automatically renewed for twenty additional years unless terminated by the parties. As consideration for the distribution rights, the Company issued 3,600,000 common shares at $0.05 per share for fair value of $180,000, paid an initial payment of $6,000 on the effective date of the agreement, and will pay a second payment of $30,000 upon completion of an initial public offering by the supplier. Urban Juve will also pay a royalty fee of 10% of the net revenues from the sale of any products under the agreement.

- On September 2, 2017, in conjunction with the Asset Purchase and Distribution Agreement, Urban Juve entered into a consulting agreement with the same supplier whereby the supplier would create new products specifically for Urban Juve and provide consulting services on an ongoing basis. The term of the agreement is two years and will be automatically renewed for one additional year unless terminated by the parties. In consideration for the consulting services, Urban Juve will pay consulting fees of $5,000 per month, which will increase to $10,000 per month upon Urban Juve achieving $40,000 in monthly net revenues on the sale of the products.

- On October 10, 2017, Urban Juve entered into an agreement whereby Urban Juve would acquire certain ayurvedic and plant-based ingredients recipes along with any formulas, technology or intellectual property related to the recipes. As consideration for the assets, the Company issued 400,000 units with a fair value of $20,000. Also, in conjunction with the agreement, the vendor will provide employment services to Urban Juve as an employee of the Company. The vendor is set to receive cash bonuses of $20,000 and $100,000 upon the products generating $100,000 and $1,000,000 in net revenues, respectively.

- On October 25, 2017, the Company entered into an agreement with a third party, amended on November 30, 2017, whereby the Company agreed to pay a signing fee of $15,000 plus GST and service fee of $13,750 plus GST per month. The term of the consulting agreement is for one year from the date on which the Company completes an IPO. The total aggregate signing and consulting fees of $180,000 is due upon signing of the agreement and was paid by the issuance of 1,890,000 units. In addition, in the event the consultant introduces the Company to investors, the Company shall pay the consultant a 10% finder's fee.

- On December 30, 2017, the Company's wholly-owned subsidiary, Urban Juve, entered into an Asset Purchase and Distribution Agreement whereby Urban Juve would be granted exclusive Canadian distribution rights to various plant and root-based products developed by a supplier. The term of the agreement is for twenty years and will be automatically renewed for twenty additional years unless terminated by the parties. As consideration for the distribution rights, the Company paid $50,000 on the effective date of the agreement. Urban Juve will also pay a royalty fee of 10% of the net revenues (as defined in the agreement) from the sale of any products under the agreement.

- On August 3, 2018, the Company reached an agreement with the Company's President and CEO for a working capital loan of $500,000, which will be advanced to the Company upon request. The loan is unsecured, bears interest at 5% per annum and calculated on a daily basis, and is due on demand at the earlier of: (a) 12 months after the Company's stock is listed on a Canadian Stock Exchange; or (b) the Company obtaining sufficient equity funding to support its business plan for at least 12 months after the Company's stock is listed on a Canadian Stock Exchange. The Company has not requested any advances on the loan as at November 30, 2018.

Controls and Procedures

<u>Disclosure Controls and Procedures</u>

Disclosure controls and procedures are designed to provide reasonable assurance that all material information related to the Company, including its consolidated subsidiaries, is made known to senior management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") on a timely basis so that appropriate decisions can be made regarding public disclosure.

<u>Internal Control over Financial Reporting ("ICOFR")</u>

The Company's management, with the participation of its CEO and CFO, are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the CEO and CFO, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual or interim financial statements.

Limitations on the Effectiveness of Disclosure Controls and the Design of ICOFR

The Company's management, including the CEO and CFO, do not expect that the Company's disclosure controls and procedures and ICFR will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable assurance that the control system objectives will be met. The likelihood of achievement is affected by limitations inherent in all internal control systems. These inherent limitations include the realities that judgments or decision making can be faulty, and that breakdowns occur because of simple errors or mistakes. Controls can also be circumvented in numerous ways including collusion, overrides and deception. In addition to the inherent limitations, the design of a control system must reflect that there are resource constraints, and the expected benefit of controls must be considered relative to the expected costs. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Further, no evaluation of controls can provide absolute assurance that all control issues within a company will be detected.

Subsequent Events

- Effective December 14, 2018, the Company completed its initial public offering of 4,481,500 units at $0.50 per unit for gross proceeds of $2,240,750. Each unit consisted of one common share and one warrant exercisable at $1.10 per unit until December 14, 2020. Each exercised warrant will consist of one common share and an additional warrant. Each additional warrant is exercisable at $2.00 per share, and expires on December 14, 2020. In connection with the IPO, the Company issued 448,150 agents' options which are exercisable at $0.50 per share until December 13, 2020.
- On December 17, 2018, the Company and its wholly-owned subsidiary, Urban Juve, each entered into a Director Agreement, whereby the Company and Urban Juve each agreed to pay the director a fee of $5,000 per month and each granted 500,000 stock options, exercisable into common shares of the Company at $0.23 per share for a term of 5 years. The stock options vest 25% every 3 months after the grant date.
- On December 17, 2018, the Company granted 890,000 stock options, which are exercisable at $0.23 per share for a term of five years. The stock options vest 25% every 3 months after the grant date.
- On December 19, 2018, the Company, through its subsidiary UJ Topicals Inc., entered into a Product Distribution Agreement and Master Services Agreement with Nova Paths LLC ("Nova Paths") to manufacture and distribute its THC and CBD infused line of topical products through the state of Oregon. Pursuant to the agreements, the Company granted Nova Paths a non-exclusive license to its brand and proprietary product formulations for pain balm, analgesic pain gel, a pain patch, massage oil, capsules, and other products ("UJ Topicals Line"). In addition, the Company appointed Nova Paths as its exclusive distributor for the UJ Topicals Line in Oregon. Under the terms of the agreements, Nova Paths will retain a fee of 25% of the wholesale revenues from sales of UJ Topicals Inc. and pay the balance of wholesale revenue, less certain expenses, to UJ Topicals Inc.
- On January 3, 2019, the Company entered into a consulting agreement with Incanco Cannabis Consultants Co. Ltd. for a term of 2 years. In consideration for its services, the Company agreed to pay a signing bonus of 200,000 units, consisting of one common share and one warrant to purchase one common share at $0.34 per share for a period of 5 years. In addition, the Company agreed to pay milestone bonuses in the amount of $10,000 payable by 40,000 commons shares of the Company every 3 months after the date of the agreement for a period of 12 months.
- On January 3, 2019, the Company issued 48,256 shares at deemed price of $0.34 per share to settle a debt in the amount of $16,407.
- On January 8, 2019, the Company granted 290,000 stock options, which are exercisable at $0.51 per share for a term of 5 years. The stock options vest 25% every 3 months after the grant date.
- On January 11, 2019, the Company issued 310,293 units at deemed price of $0.34 per unit to settle debts in an aggregated amount of $105,500. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable to purchase one common share of the Company at $0.40 per share for a period of 6 months from the date of issuance.
- On January 17, 2019, the Company entered into a Definitive Agreement to acquire 8 wellness beverage formulas designed to be infused with CBD and THC, in addition to a capsule product intended to treat

hangovers. Pursuant to the agreement, the Company agreed to pay $100,000, payable in 200,000 common shares and 200,000 warrants to purchase one common share at $0.60 per share for a period of 1 year. Additional compensation will be paid for filing of a provisional patent and passing stability and preservative testing and commercial launch of the products. In addition, the vendors are entitled to a 2% royalty of net revenues.

- On January 29, 2019, the Company issued 157,500 units at deemed price of $0.40 per unit to settle debts in an aggregated amount of $63,000. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable to purchase one common share of the Company at $0.50 per share for a period of 6 months from the date of issuance.
- On January 25, 2019 and January 31, 2019, the Company closed a non-brokered private placement of 1,250,000 units in 2 tranches at $0.40 per unit for proceeds of $500,000. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable to purchase one common share of the Company at $0.50 per share for a period of 6 months from the date of the issuance.
- On January 31, 2019, the Company granted 185,000 stock options, which are exercisable at $0.62 per share for a term of five years. The stock options vest 25% every 3 months after the grant date.
- Effective February 1, 2019, the Company appointed a Chairman of the Company's advisory board for a term of 1 year, whereby the Company granted 1,000,000 stock options, which are exercisable at $0.23 per share for a term of 5 years. The stock options vest 25% every 3 months after the grant date.
- On February 20, 2019, the Company issued 191,134 units at deemed price of $0.70 per unit to settle debts in an aggregated amount of $133,794. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable to purchase one common share of the Company at $0.80 per share for a period of 6 months from the date of issuance.
- On February 28, 2019, the Company issued 125,714 units at deemed price of $0.70 per unit to settle debts in an aggregated of $88,000. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable to purchase one common share of the Company at $0.80 per share for a period of 6 months from the date of issuance.
- On March 12, 2019, the Company entered an agreement with Vandenbosch Trading Company Ltd. to purchase a 10-acre property in Chilliwack, B.C., Canada. The purchase includes over 2.5 acres (approximately 100,000 square feet) of well-equipped and automated greenhouses for $2,400,000, and is subject to close within 40 days from the signing date contingent upon completion of a satisfactory building inspection by the Company.
- Subsequent to the year ended November 30, 2018, the Company issued 980,000 common shares pursuant to the exercise of stock options for total proceeds of $260,500.
- Subsequent to the year ended November 30, 2018, the Company issued 5,455,509 common shares pursuant to the exercise of warrants for total proceeds of $3,598,558.
- Subsequent to the year ended November 30, 2018, a total of 1,062,500 stock options with exercise prices ranging from $0.40 per share to $0.60 per share were cancelled or expired.
- Subsequent to the year ended November 30, 2018, the Company incorporated three wholly-owned subsidiaries, UJ Topicals Inc., UJ Beverages Inc. and UJ Edibles Inc., in the province of British Columbia.