BACKGROUND

This Management's Discussion and Analysis ("MD&A") has been prepared by management as of November 28, 2018, and it presents an analysis of the consolidated financial position of Agrios Global Holdings Ltd. (formerly Sparrow Capital Corp.) (the "Company" or "Agrios") for the period ended September 30, 2018. The following information should be read in conjunction with the audited financial statements of the Corporation for the year ended March 31, 2018, including the notes contained therein. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

During the period ended September 30, 2018, the Company adopted certain accounting policies, critical account estimates and risk factors to reflect the acquisition of TimberLand Bay Properties, LLC ("TimberLand"). All amounts are expressed in US dollars unless noted otherwise.

CAUTIONARY NOTE REGARDING FORWARDING LOOKING STATEMENTS

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, regulatory compliance, sufficiency of working capital, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

DESCRIPTION OF BUSINESS

The Company was incorporated in British Columbia, Canada, on February 18, 2017. The Company's head office is located at 1980 – 1075 West Georgia Street, Vancouver, BC, Canada, V6E 3C9. On November 12, 2018, the Company commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "AGRO".

The Company, through its wholly-owned subsidiaries, currently operates as an agricultural technology, services and property management company. The Company provides real property and equipment for lease and enhanced ancillary services to the agricultural and cannabis industries in the State of Washington. The Company chose Washington given the proximity to Vancouver, British Columbia and as Washington was one of the first states to legalize and regulate the use of recreational cannabis for adults in 2014 and as such its regulatory regime is stable.

The Company's mission is to enable licensed cultivators of cannabis and/or other agricultural crops to enhance both crop quality and yields through proprietary knowledge and the use of clean technology and tools.

The Company is corporately structured to provide a comprehensive range of flexible options to licensed cannabis cultivators, and processors for the cultivating, processing, packaging, and distribution of cannabis and cannabis products. The Company, through its wholly-owned subsidiaries, also provides long-term advisory and consulting services in cannabis and other agricultural crops.

The Company provides an integrated facility (the "Shelton Facility"), the technology, and the structure to comply with Washington and municipal cannabis laws in Shelton, Washington. The Company also provides supply services for Tier 3 WSLCB producer and production license holders ("License Holders") and derives income streams from license holders for the cultivation, growing, processing, packaging, and distribution of cannabis within Washington.

HIGHLIGHTS FOR THE PERIOD ENDED SEPTEMBER 30, 2018 AND SUBSEQUENTLY

On June 8, 2018, the Company completed the acquisition of TimberLand Bay Properties, LLC and issued 29,166,667 shares as consideration shares.

On June 19, 2018 the Company completed a tranche 1 brokered private placement ("Financing") for gross proceeds of $2,660,817 (CAD $3,532,500) at a price of $0.377 (CAD $0.50) per share. Each share will consist of one common share and one share purchase warrant, resulting in the issuance of 7,065,000 common shares and 7,065,000 share purchase warrants. The share purchase warrants are convertible into 706,500 common shares if the Company has not completed a liquidity event by the later of 120 days from closing or December 31, 2018. Each Financing common share will be exercisable for an additional CAD $0.05 security every 30 days from the later of 120 days from closing or December 31, 2018 if the liquidity event does not occur. In connection with the Financing the Company incurred $216,690 (CAD $287,678) of share issuance costs and issued 423,900 Agent's Warrants. The Agent's Warrants entitle the holders to acquire 423,900 common shares at an exercise price of CAD $0.50 for two years from the date the company completes a liquidity event with a fair value of $88,767 (CAD $117,847).

On July 16, 2018, the Company completed a tranche 2 brokered private placement ("Financing") for gross proceeds of $136,637 (CAD $179,500) at a price of $0.381 (CAD $0.50) per share. Each share will consist of one common share and one share purchase warrant, resulting in the issuance of 359,000 common shares and 359,000 share purchase warrants. The share purchase warrants are convertible into 35,900 common shares if the Company has not completed a liquidity event by the later of 120 days from closing or December 31, 2018. Each Financing common share will be exercisable for an additional CAD $0.05 security every 30 days from the later of 120 days from closing or December 31, 2018 if the liquidity event does not occur. In connection with the Financing the Company incurred $6,309 (CAD $8,288) of share issuance costs and issued 21,540 Agent's Warrants. The Agent's Warrants entitle the holders to acquire 21,540 common shares at an exercise price of CAD $0.50 for two years from the date the company completes a liquidity event with a fair value of $4,562 (CAD $5,993).

On July 23, 2018, the Company completed a private placement ("Financing") for gross proceeds of $4,162,182 (CAD $5,475,767) at a price of $0.46 (CAD $0.60) per share. In connection with the Financing the Company incurred $240,173 (CAD $315,972) of share issuance costs and issued 516,802 Finder's Warrants. The Finder's Warrants entitle the holders to acquire 516,802 common shares at an exercise price of $0.46 (CAD $0.60) for two years from the date of closing with a fair value of $124,891 (CAD $164,307).

On July 26, 2018, the Company granted incentive stock options to consultants and employees of the Company, exercisable at $0.46 (CAD$0.60), to purchase up to an aggregate of 5,300,000 common shares of the Company.

On August 27, 2018, the Company closed a non-brokered private placement raising gross proceeds of $100,699 (CAD $130,761) by the issuance of 217,935 common shares at a price of $0.46 (CAD $0.60) per share.

On November 12, 2018, the Company commenced trading on the Canadian Securities Exchange ("CSE") which constituted as a liquidity event. As such, the 7,424,000 common share purchase warrants issued in conjunction with the brokered placements lapsed.

OUTSTANDING SHARE DATA

The following share capital data is current as of the date of this document:

	Balance
Shares issued and outstanding	83,637,389
Fully diluted	104,546,042

OVERALL PERFORMANCE

The statement of financial position as of September 30, 2018 indicates a cash and term deposit balance of $8,824,935 (March 31, 2018 – $1,447,843) and total current assets of $11,000,008 (March 31, 2018 – $6,817,018). The increase in cash and term deposit and the overall current assets is primarily due to the closed financings completed during the period. The increase of accounts receivable of $1,900,130 (March 31, 2018 - $1,777) is due to the Company earning revenues of $1,548,752 and acquired receivables of $372,465 upon acquisition of TimberLand.

Non-current assets as of September 30, 2018 were $22,514,822 (March 31, 2018 – nil), which is mainly related to $21,263,962 of property, plant and equipment acquired from the acquisition of TimberLand and $1,050,172 of goodwill recognized as part of the acquisition.

Current liabilities as of September 30, 2018 was $713,054 (March 31, 2018 - $69,231). The increase is due to the following: completion of the acquisition of TimberLand, which results in increase in payables due to operational activities on a consolidated basis; current portion of mortgage payable of $238,880, which is related to the facility; current portion of installment obligation of $1,124, which is related to the acquisition of equipment for the grow facility; and due to related parties of $105,505 which is related to a deposit for construction costs for TimberLand which was advanced by JRV Technologies LLC, a Company controlled by James Foster, a director of the Company.

Shareholders' equity of $24,613,431 (March 31, 2018 – $6,747,787) is comprised of share capital of $24,437,120 (March 31, 2018 - $6,833,871), reserves of $3,380,125 (March 31, 2018 - $722,600), accumulative other comprehensive loss of $73,080 (March 31, 2018 – $55,223), and accumulated deficit of $3,276,894 (March 31, 2018 - $753,461). The increase in Shareholders' equity was related to 29,166,667 common shares with a fair of $11,246,955 issued to acquire TimberLand, and private placements that closed for gross proceeds of $2,660,817, $136,637, $4,162,182, and $100,699 during the period.

Long-term liabilities of $8,188,345 (March 31, 2018 – nil) mainly consist of $4,307,230 the long-term portion of mortgage payable for the facility and $3,881,115 of deferred income tax liability that is a result of the acquisition of TimberLand.

The Company had one customer for the period ended September 30, 2018 that accounted for all of the revenues. As the majority of the Company's income is derived from one customer, its ability to continue operations is dependent upon the relationship with and the sustainability of the customer. Any significant disruption in the customer's business could result in a material adverse effect on the operations of the Company. The loss of this significant customer will adversely impact the operations of the Company.

As at September 30, 2018 the Company's working capital is $10,286,954 (March 31, 2018 – $6,747,787).

As of September 30, 2018, the Company had incurred $1,678,677 (September 30, 2017 - $3,492) of operating activities. The increase is primarily attributed to the build out of the facility as well as the general and administrative expenses incurred for corporate matters and expenses related to financing and management meetings. The Company also has not collected any of its outstanding trade receivables.

As of June 30, 2018, the Company has incurred $974,115 (September 30, 2017 - $Nil) of investing activities. This increase in cash outflow is primarily due to the continued build out of the Company's facility.

As of June 30, 2018, the Company has received $6,446,872 (September 30, 2017 - $23,070) from financing mainly through the issuance of common shares of the Company. There was also $105,505 which relates to a shareholder advance.

RESULTS OF OPERATIONS

On April 1, 2018 the Company entered into equipment lease and services agreement, consulting and supply agreement, license consulting agreement, and financial services agreement with EH Enterprises Management, Inc., dba Evergreen Herbal ("EH") and started reporting revenue in April 2018. For the period ended September 30, 2018, the Company recorded $977,177 as rental and IP revenue and $571,575 as products and service revenue. The cost of products and services sold is $251,630, which is related to services purchased, salaries, and cost of nutrients and supplies sold. The gross profit for the period ended September 30, 2018 is $1,297,122. Operating expenses for the period totaled $3,785,604. The expenses of the Company for the period ended September 30, 2018 consisted mainly of stock-based compensation of $2,439,413 related to performance warrants issued in the prior year and expected to partially vest this year, management salaries of $517,484, travel and accommodation of $198,690, legal fees of $128,724, Depreciation of $69,932, consulting fees of $69,923 and bank charges and interest of $67,296.

Management salaries for the period ended September 30, 2018 amounted to $517,484, which consists of compensation provided to management. See related party discussion below.

Travel and accommodation for the period ended September 30, 2018 amounted to $198,690, which consists of expenses related to travel and hotel for business purposes consisting of investor presentations, financing meetings, board meetings and general business duties. $10,000 in travel and accommodation relate specifically to car allowance for individuals travelling in the performance of their management duties.

Legal fees for the period ended September 30, 2018 amounted to $128,724, which consists of legal fees related to corporate matters, financings and the Canadian Securities Exchange listing.

Depreciation expenses for the period ended September 30, 2018 amounted to $69,932, which consists of depreciation of property, plant and equipment.

Consulting fees for the period ended September 30, 2018 amounted to $69,923, which consisted of engaging consultants with setting up corporate subsidiaries as well as consulting on business development and market strategy.

Bank charges and interest for the period ended September 30, 2018 amounted to $67,296, which consisted of interest charges related to the mortgage payable and installment obligations.

The total loss before income taxes is $2,477,433 (September 30, 2017 – $3,361) and after income tax expense of $46,000 (September 30, 2017 – nil) and foreign currency translation of $128,303 (September 30, 2017 – nil) the total comprehensive loss for the period is $2,395,130 (September 30, 2017 – $3,361). The income tax expense is related to the income tax provision for the operations. The foreign currency translation of $128,303 is derived from translation of the Canadian entities' accounting records to US dollars. The Company's expenses are primarily denominated in United States dollars. Only the Company's corporate office is based in the Canada and current exposure to exchange rate fluctuations is minimal.

As at September 30, 2018, the loss per share is $0.03 (September 30, 2017 - $0.01). The change in loss per share remained the same due to the fact that there were significantly more shares outstanding as at September 30, 2018 compared to the prior period and the loss was larger. As at September 30, 2018, there were 83,637,389 shares outstanding and 627,501 shares outstanding as at September 30, 2017.

COMPARISON OF RESULTS OF OPERATIONS

During the quarter ended September 30, 2018, the Company reported $977,177 in rental and IP revenue and $571,575 in products and service revenue (September 30, 2017 – nil), cost of products and services sold is $251,630 (September 30, 2017

– nil), and a gross profit of $1,297,122 (September 30, 2017 – nil), a net loss of $2,523,433 (September 30, 2017 - $3,361), and a net comprehensive loss of $2,395,130 (September 30, 2017 - $3,361).

During the six month period ended September 30, 2018, the Company recorded operating expenses of $3,785,604 (September 30, 2017 – 3,361). Significant operating expenses for the six month period ended September 30, 2018 were comprised of stock-based compensation of $2,439,413 (September 30, 2017 – nil), management salaries of $517,484 (September 30, 2017 – nil), travel and accommodation of $198,690 (September 30, 2017 – nil), legal fees of $128,724 (September 30, 2017 – $3,160), depreciation expenses of $69,932 (September 30, 2017 – nil), consulting fees of $69,923 (September 30, 2017 – nil), and bank charges and interest of $67,296 (September 30, 2017 – 101). The increase in cash based expenses during the period were attributable to the Company incurring expenses for raising financing, legal fees, general administrative costs.

The Company's operations are in their infancy and no comparative or trend discussion is applicable at the moment.

SELECTED QUARTERLY INFORMATION FOR MOST RECENT COMPLETED QUARTERS

The following table sets out selected unaudited quarterly financial information of the Company. This information is derived from unaudited quarterly financial statements prepared by management since incorporation on February 18, 2017. These financial data are prepared in accordance with IFRS.

	September 30, 2018	**June 30, 2018**	**March 31, 2018**	**December 31, 2017**
	$	**$**	**$**	**$**
Rental and IP revenue	742,500	234,677	Nil	Nil
Products and service revenue	378,502	193,073	Nil	Nil
Net loss	(1,824,929)	(698,504)	(799,103)	(16,727)
Basic loss per share	(0.02)	(0.01)	(0.01)	(0.00)

	September 30, 2017	**June 30, 2017**	**March 31, 2017**
	$	**$**	**$**
Rental and IP revenue	Nil	Nil	Nil
Products and service revenue	Nil	Nil	Nil
Net loss	(18)	(3,343)	(6)
Basic loss per share	(0.00)	(0.01)	(6)

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2018, the Company had working capital of $10,286,954 having current assets of $11,000,008 and current liabilities of $713,054. The majority of the Company's working capital, $10,286,954, is based on the Company's cash position from financings closed during the period.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. At September 30, 2018, the Company had incurred a net loss of $2,523,433 (September 30, 2017 – $3,361) and had an accumulated deficit of $3,276,894 (March 31, 2018 – $753,461). The Company's financial success is dependent on management's ability to raise adequate financing on reasonable terms and to commence profitable operations in the future. These factors indicate the existence of material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in these consolidated financial statements. These consolidated financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern.

The Company's expected cash resources are sufficient to meet its short-term needs. Management estimates that the current cash position and future cash flows from new equity financings and/or related party loans will be sufficient for the Company to carry out its anticipated costs of operations through fiscal 2019. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Company to achieve its business objectives.

In order to manage liquidity risk, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's operations.

A summary of the Company's contractual obligations at September 30, 2018 is detailed in the table below.

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 Year	1 – 3 Years	4 – 5 Years	After 5 Years
Accounts payable and accrued liabilities	$321,545	$321,545	N/A	N/A	N/A
Mortgage payable	$4,546,110	$238,880	$4,307,230	N/A	N/A
Installment obligations[1]	$1,124	$1,124	N/A	N/A	N/A
Due to related parties	$105,505	$105,505	N/A	N/A	N/A
Total	$4,974,284	$667,054	$4,307,230	N/A	N/A

[1] Subsequent to the period end, the Company retired the total installment obligation.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instruments: held to maturity, loans and receivables, fair value through profit or loss, available-for-sale, fair value through profit or loss liabilities or other liabilities. Fair value through profit or loss assets and liabilities are subsequently measured at fair value with the change in the fair value recognized in net loss during the period. Held to maturity assets, loans and receivable, and other liabilities are subsequently measured at amortized cost using the effective interest rate method. Available for sale assets are subsequently measured at fair value with the change in fair value recorded in other comprehensive loss, except for equity instruments without a quoted market price in active markets and whose fair value cannot be reliably measured, which are measured at cost.

The Company is exposed to one variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures.

The principal financial instruments used by the Company, from which financial instrument risk arises are cash and term deposits, accounts payable, mortgage payable and other accrued liabilities.

	September 30, 2018	March 31, 2018
Financial Assets		
Cash and term deposit	$8,824,935	$1,447,843
Accounts receivable	1,900,130	1,777
Due from related parties	-	5,357,628
Total Financial Assets	$10,725,065	$6,807,248
Financial Liabilities		
Accounts payable and other accrued liabilities	$321,545	$69,231
Due to related parties	105,505	-
Mortgage payable	4,546,110	-
Installment obligations	1,124	-
Total Financial Liabilities	$4,974,284	$69,231

Financial instruments not measured at fair value include accounts payable and other accrued liabilities, due to (from) related parties, loan payable, mortgage payable and installment obligations. Due to their short-term nature, the carrying value of cash and term deposit, accounts receivable, accounts payable and other accrued liabilities, due to related parties and installment obligations approximates their fair value. The carrying value of the Mortgage payable approximates its fair value as the terms are similar to current market terms.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk
Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of a major bank which is a high credit quality financial institution as determined by rating agencies.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company aims to ensure that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. The Company's cash is held in corporate bank accounts available on demand. Liquidity risk has been assessed as being high.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

OFF-BALANCE SHEET TRANSACTIONS

The Company has not entered into any significant off-balance sheet arrangements or commitments.

LICENSE AGREEMENT

The Company has not entered into any license arrangements or commitments.

RELATED PARTY TRANSACTIONS

The Company had the following transactions with management and directors of the Company:

As at September 30, 2018, the Company had the following payable:

- JRV Technologies LLC was owed $105,505 for construction costs which were paid by JRV Technologies LLC, a Company controlled by James Foster, a director of the Company.

For the six month period ended September 30, 2018, the Company had incurred a total of $471,842 for the following related party transactions:

- Fees of $95,000 to James Foster, a director of the Company, pursuant to an employment agreement
- Fees of $123,967 to Larry Ellison, director of the Company, pursuant to an employment agreement
- Fees of $85,000 to Leo Robinton, VP Business Development of the Company, pursuant to an employment agreement
- Fees of $97,500 to Chris Kennedy, CEO, President and director of the Company, pursuant to an employment agreement
- Fees of $53,500 to Curtis Livesay, Chief Agronomist of the Company, pursuant to an employment agreement
- Fees of $16,875 to Vania Gaudia, Director of Operations of the Company, pursuant to an employment agreement

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The following is a summary of recent accounting pronouncements the Company will be required to adopt in future years. The Company continues to evaluate the impact of these standards on its financial statements.

Adoption of IFRS 15 Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company has determined that the adoption of this standard has no impact on its financial statements.

On April 1, 2018, the Company adopted the requirements of IFRS 15. IFRS 15 covers principles that an entity shall apply to report useful information to users of the financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. The Company elected to apply IFRS 15 using a full retrospective approach.

IFRS 15 requires companies to recognize revenue when "control" of goods or services transfers to the customer, whereas the previous standard, IAS 18, required entities to recognize revenue when the "risks and rewards" of the goods or services transfer to the customer. The Company concluded that there is no change to the timing of revenue recognition of its rental income, service fee income, and supply sales under IFRS 15 compared to the previous standard. As such, no adjustment was required to the Company's financial statements.

Adoption of IFRS 9 Financial Instruments ("IFRS 9")

On April 1, 2018, the Company adopted the requirements of IFRS 9. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected-loss" impairment model. The Company adopted a retrospective approach, other than for hedge accounting, which is applied prospectively.

IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities, and there was no significant impact on the carrying amounts of the Company's financial instruments at the transition date.

The introduction of the new 'expected credit loss' impairment model had negligible impact on the Company, given the Company provides its rental income, service fee income, and product sales concentrate to a customer with no historical level of customer default, and the corresponding receivables from these sales are short-term in nature.

The Company currently has no hedging arrangements, and will apply the new accounting requirements under IFRS 9 as required.

RISK AND UNCERTAINTIES

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Negative Operating Cash Flows

As the Company is at the early stage start up stage it may continue to have negative operating cash flows. Without the injection of further capital and the development of revenue streams from its business, the Company may continue to have negative operating cash flows until it can realize stable cash flow from operations.

Risks Related as a Going Concern

The ability of the Company to continue as a going concern is uncertain and dependent upon its ability to achieve profitable operations, obtain additional capital and receive continued support from its shareholders. Management of the Company will have to raise capital through private placements or debt financing and proposes to continue to do so through future private placements and offerings. The outcome of these matters cannot be predicted at this time.

Reliance on Key Personnel and Advisors

The Company relies heavily on its officers. The loss of their services may have a material adverse effect on the business of the Company. There can be no assurance that one or all of the employees of, and contractors engaged by, the Company will continue in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors. There is no guarantee that certain employees of, and contractors to, the Company who have access to confidential information will not disclose the confidential information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements.

RISK FACTORS

Market Risk for Securities
We are a reporting issuer company whose common shares are not listed for trading on a stock exchange. There can be no assurance that an active trading market for our common shares will be established and sustained. Upon a listing, the market price for our common shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of our securities. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Uninsured or Uninsurable Risk
We may become subject to liability for risks against which we cannot insure or against which we may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for our usual business activities. Payment of liabilities for which we do not carry insurance may have a material adverse effect on our financial position and operations.

Conflicts of Interest Risk
Certain of our directors and officers are also directors and operators in other companies. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from our interests. In accordance with the BCBCA, directors who have a material interest in any person who is a party to a material contract or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to our best interests. However, in conflict of interest situations, our directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to us.

Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to us.

Key Personnel Risk
Our success will depend on our directors and officers to develop our business and manage our operations, and on our ability to attract and retain key quality assurance, scientific, sales, public relations and marketing staff or consultants once operations begin. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on our business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that we will be able to attract or retain key personnel in the future, which may adversely impact our operations.

No Established Market for Shares Risk
There is currently no established trading market through which common shares in our authorized capital may be sold. Even if a trading market develops, there can be no assurance that such market will continue in the future. You may lose your entire investment.

Global Economy Risk
The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. We will be dependent upon the capital markets to raise additional financing in the future, while we establish a client base for our product. Access to financing has been negatively impacted by the ongoing global economic downturn. As such, we are subject to liquidity risks in meeting our development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact our ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to us and our management. If uncertain market conditions persist, our ability to raise capital could be jeopardized, which could have an adverse impact on our operations and the trading price of our Common Shares on the Exchange.

Dividend Risk

We have not paid dividends in the past and do not anticipate paying dividends in the near future. We expect to retain our earnings to finance further growth and, when appropriate, retire debt.

Share Price Volatility Risk
It is anticipated that our common shares will be listed for trading on the Exchange. As such, external factors outside of our control such as announcements of quarterly variations in operating results, revenues and costs may have an effect on the Company's common shares. Global stock markets, including the Exchange, have from time to time experienced extreme price and volume fluctuations that have often been unrelated to the operations of particular companies. There can be no assurance that an active or liquid market will develop or be sustained for the common shares.

OTHER INFORMATION

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