FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Canntab Therapeutics Limited (the "Issuer").

Trading Symbol: PILL

SCHEDULE A: FINANCIAL STATEMENTS

See Schedule "A" attached.

SCHEDULE B: SUPPLEMENTARY INFORMATION

1. Related party transactions
See Note 12 Schedule "A" *for Related party transaction disclosure.*

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) See note 11 of Schedule "A"

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) See page 3 of Schedule "A" for a description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

(b) See page 3 of Schedule "A" for the number and recorded value for shares issued and outstanding,

(c) See note 11 of Schedule "A" for a description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

(d) There are no shares subject to escrow or pooling agreements or any other restriction on transfer.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Richard Goldstein – CFO and director
Jeff Renwick – CEO and director
Vitor Fonesca – director
Barry Polisuk - director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

The Interim MD&A is attached as Schedule "C"

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated January 29, 2019.

Richard Goldstein
Name of Director or Senior Officer

signed "Richard Goldstein'
Signature

CFO
Official Capacity

Issuer Details Name of Issuer Canntab Therapeutics Limited	For Quarter Ended Novembre 30, 2018	Date of Report YY/MM/D 19/01/29
Issuer Address 1 Adelaide Street East		
City/Province/Postal Code Toronto ON	Issuer Fax No. ( )	Issuer Telephone No. (416) 957-6303
Contact Name Richard Goldstein	Contact Position CFO	Contact Telephone No. 416-957-6303
Contact Email Address richard@firstrepubliccapital.com	Web Site Address www.canntab.ca	

SCHEDULE A: FINANCIAL STATEMENTS

CANNTAB THERAPEUTICS LIMITED

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED NOVEMBER 30, 2018 AND 2017

(Stated in $CAD)

(Unaudited - Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's external auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

CANNTAB THERAPEUTICS LIMITED
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2018 AND MAY 31, 2018
(Stated in $CAD)
(Unaudited - Prepared by Management)

	November 30 2018	May 31 2018
ASSETS		
Current:		
Cash and cash equivalents (Note 6)	**$ 3,060,587**	$ 4,217,850
Accounts receivable (Note 7)	**256,149**	170,021
Prepaid expenses	**31,499**	75,648
	3,348,235	4,463,519
Long term:		
Plant and equipment (Note 8)	**274,093**	159,843
Intangible assets	**154,735**	125,696
	$ 3,777,063	$ 4,749,058
LIABILITIES		
Current:		
Accounts payable and accrued liabilities (Note 9)	**$ 118,277**	$ 273,559
Current portion of deferred revenue (Note 10)	**89,998**	39,999
	208,275	313,558
Long term:		
Deferred revenue (Note 10)	**250,835**	133,334
	459,110	446,892
SHAREHOLDERS' EQUITY		
Common shares (Note 11)	**6,538,581**	6,516,681
Contributed surplus	**1,538,290**	1,310,150
Accumulated deficit	**(4,758,918)**	(3,524,665)
	3,317,953	4,302,166
	$ 3,777,063	$ 4,749,058

Commitment (Note 12(c))

Subsequent event (Note 15)

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements

Approved on behalf of the Board:

"Richard Goldstein" Director *"Vitor Fonseca"* Director

CANNTAB THERAPEUTICS LIMITED
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS
THREE AND SIX MONTHS ENDED NOVEMBER 30, 2018 AND 2017
(Stated in $CAD)
(Unaudited - Prepared by Management)

	Three months ended November 30 2018	**Six months ended November 30 2018**	Three months ended November 30 2017	Six months ended November 30 2017
Revenue				
License fees	**$ 22,500**	**$ 32,500**	$ 5,555	$ 5,555
Interest income	**9,938**	**31,733**	2,068	2,751
	32,438	**64,233**	7,623	8,306
Expenses				
Employee compensation and benefits	**151,466**	**269,034**	32,863	55,330
Consulting fees	**115,827**	**227,215**	80,800	204,190
Marketing and promotion	**102,715**	**130,413**	1,000	1,000
General and administrative	**67,571**	**123,180**	6,864	12,923
Professional fees	**62,884**	**104,335**	70,130	75,580
Shareholder communications and regulatory expenses	**56,161**	**69,412**	149	149
Occupancy costs	**30,000**	**60,000**	30,000	60,000
Research and development	**14,478**	**50,625**	17,301	42,218
Share-based compensation	**200,700**	**228,140**	-	-
Depreciation and amortization	**18,033**	**36,132**	15,844	15,844
	819,835	**1,298,486**	254,951	467,234
Net loss and comprehensive loss	**$ (787,397)**	**$ (1,234,253)**	$ (247,328)	$ (458,928)
Basic loss per share (Note 11(d))	**$ (0.03)**	**$ (0.05)**	$ (0.01)	$ (0.02)

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements

CANNTAB THERAPEUTICS LIMITED
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
PERIOD FROM JUNE 1, 2017 TO NOVEMBER 30, 2018
(Stated in $CAD)
(Unaudited - Prepared by Management)

	Common shares		Contributed	Accumulated	Total
	Number	Amount	surplus	deficit	
As at May 31, 2017	**4,713,000**	**$ 1,400,107**	**$ 754,700**	**$ (1,116,252)**	**$ 1,038,555**
Net loss and comprehensive loss	-	-	-	(458,928)	(458,928)
As at November 30, 2017	**4,713,000**	**1,400,107**	**754,700**	**(1,575,180)**	**579,627**
Proceeds on private placement	1,251,914	4,772,144	235,512	-	5,007,656
Share issue costs	-	(480,615)	-	-	(480,615)
Shares deemed issued in connection with RTO	625,045	625,045	-	-	625,045
Elimination of Canntab shares	(5,964,914)	(6,172,251)	-	-	(6,172,251)
Shares issued to Canntab shareholders in connection with RTO	23,859,656	6,172,251	-	-	6,172,251
Proceeds from exercise of options and special warrants	800,000	200,000	-	-	200,000
Net loss and comprehensive loss	-	-	-	(1,949,485)	(1,949,485)
Share-based compensation	-	-	319,938	-	319,938
As at May 31, 2018	**25,284,701**	**6,516,681**	**1,310,150**	**(3,524,665)**	**4,302,166**
Proceeds from exercise of broker warrants	21,900	21,900	-	-	21,900
Net loss and comprehensive loss	-	-	-	(1,234,253)	(1,234,253)
Share-based compensation	-	-	228,140	-	228,140
As at November 30, 2018	**25,306,601**	**$ 6,538,581**	**$ 1,538,290**	**$ (4,758,918)**	**$ 3,317,953**

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements

CANNTAB THERAPEUTICS LIMITED
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED NOVEMBER 30, 2018 AND 2017
(Stated in $CAD)
(Unaudited - Prepared by Management)

	November 30 2018	November 30 2017
Operating activities		
Net loss and comprehensive loss	**$ (1,234,253)**	$ (458,928)
Add (deduct) items not affecting cash		
Share-based compensation	**228,140**	-
Depreciation and amortization	**36,132**	15,844
License fees	**(32,500)**	(5,555)
	(1,002,481)	(448,639)
Change in non-cash working capital items		
Accounts receivable	**(86,128)**	(18,367)
Prepaid expenses	**44,149**	-
Accounts payable and accrued liabilities	**(155,282)**	(52,833)
Deferred revenue	**200,000**	200,000
	(999,742)	(319,839)
Investing activities		
Purchase of intangible assets	**(35,982)**	-
Purchase of plant and equipment	**(143,439)**	(38,958)
	(179,421)	(38,958)
Financing activities		
Proceeds on exercise of broker warrants	**21,900**	-
Change in cash and cash equivalents	**(1,157,263)**	(358,797)
Cash and cash equivalents, beginning of period	**4,217,850**	958,620
Cash and cash equivalents, end of period	**$ 3,060,587**	$ 599,823

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements

1. NATURE OF OPERATIONS

Canntab Therapeutics Limited ("Canntab" or the "Company") was incorporated on April 20, 2016 under the Canada Business Corporations Act. The Company, with its head office located at 223 Riviera Drive, Markham, Ontario, is as a Canadian cannabis oral dosage formulation company engaged in the research and development of advanced pharmaceutical grade formulations of cannabinoids. It has developed in-house technology to deliver standardized medical cannabis extract from selective strains in a variety of extended/sustained release pharmaceutical dosages for therapeutic use.

The Company's common shares trade on the Canadian Securities Exchange under the symbol "PILL" following completion of a reverse takeover transaction with Telferscot Resources Inc. in April, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation and statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as issued by the IASB, and accordingly do not include all the information required for full annual financial statements by International Financial Reporting Standards ("IFRS"). They have been prepared using the same accounting policies that were described in note 2 to the Company's annual consolidated financial statements for the years ended May 31, 2018 and 2017 which were prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They were authorized for issuance by the Board of Directors on January 29, 2019.

The unaudited interim condensed consolidated financial statements are prepared on the historical cost basis. Unless otherwise stated, the unaudited interim condensed consolidated financial statements are presented in Canadian dollars. That is the Company's functional and presentation currency as (i) the Company is based in Canada, (ii) the majority of its operating costs are denominated in Canadian dollars, and (iii) all its financing is obtained through Canadian dollar private placements.

(b) Basis of consolidation

These unaudited interim condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Canntab Therapeutics Subsidiary Limited and 420 Therapeutics Inc. A subsidiary is an entity controlled by the Company. Control exists when the Company has power over an investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are changed when necessary to align them with the policies applied by the Company in these unaudited interim condensed consolidated financial statements. All intercompany balances, income and expenses, and unrealized gains and losses resulting from intercompany transactions are eliminated in full.

3. **RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS**

(a) **IFRS 9 "Financial Instruments: Classification and Measurement of Financial Assets and Financial Liabilities"** was issued by the IASB in July 2014 and will replace IAS 39 "Financial Instruments: Recognition and Measurement". In addition, IFRS 7 "Financial Instruments: Disclosures" was amended to include additional disclosure requirements on transition to IFRS 9. The amendments were effective for annual periods beginning on or after January 1, 2018. The standard uses a single approach based on how an entity manages its financial instruments to determine whether a financial asset is measured at amortized cost or fair value and requires a single impairment method to be used. The standard requires that for financial liabilities measured at fair value, any changes in an entity's own credit risk are generally to be presented in other comprehensive income instead of net earnings. A new hedge accounting model is included in the standard, as well as increased disclosure requirements about risk management activities for entities that apply hedge accounting. The new requirements were adopted effective June 1, 2018. The adoption of these amendments did not have a significant impact on the unaudited interim condensed consolidated financial statements.

(b) **IFRS 15 "Revenue from Contracts with Customers"** was issued by the IASB in May 2014, which replaces IAS 11 – Construction Contracts, IAS 18 – Revenue and IFRIC 13 – Customer Loyalty Programs ("IFRIC 13"), as well as various other interpretations regarding revenue. IFRS 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments.

IFRS 15 is based on the principle that revenue is recognized when control of a good or service is transferred to a customer. A five-step recognition model is used to apply the standard as follows:

(i) Identify the contract(s) with the customer;
(ii) Identify the separate performance obligations in the contract;
(iii) Determine the transaction price;
(iv) Allocate the transaction price to separate performance obligations; and
(v) Recognize revenue when (or as) each performance obligation is satisfied.

The Company adopted the requirements of IFRS 15 on June 1, 2018, using the modified retrospective method as permitted by IFRS 15. The adoption did not result in any adjustments to, or any change in, the recognition of revenues compared to prior periods and therefore no comparative figures have been restated.

4. NEW AND REVISED IFRS STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

As at the date of authorization of these unaudited interim condensed consolidated financial statements, the IASB has issued the following new or revised standards which are not yet effective:

(a) **IFRS 16 "Leases"** was issued by the IASB in January 2016 and will ultimately replace IAS 17, "Leases" and related interpretations. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract based on whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. The Company is currently evaluating the impact the final standard is expected to have on its unaudited interim condensed consolidated financial statements and plans to adopt the requirements in 2019.

(b) **IFRIC 23 "Uncertainty Over Income Tax Treatments"** was issued in June 2017 and is effective for years beginning on or after January 1, 2019, to be applied retrospectively. IFRIC 23 provides guidance on applying the recognition and measurement requirements in IAS 12, Income Taxes, when there is uncertainty over income tax treatments including, but not limited to, whether uncertain tax treatments should be considered together or separately based on which approach better predicts resolution of the uncertainty. The Company is currently evaluating the impact the final standard is expected to have on its unaudited interim condensed consolidated financial statements**.**

(c) **IFRS 9 "Financial Instruments"** has been amended to enable companies to measure at amortized cost some prepayable financial assets with negative compensation. The assets affected, that include some loans and debt securities, would otherwise have been measured at fair value through profit or loss. Financial assets that would otherwise have contractual cash flows that are solely payments of principal and interest but do not meet that condition only as a result of a prepayment feature with negative compensation, may be measured at amortized cost or at fair value through other comprehensive income when eligibility conditions are met. The amendment to IFRS 9 also clarifies how to account for the modification of a financial liability. Most modifications of financial liabilities will result in immediate recognition of a gain or loss. The amendment is effective for annual periods beginning on or after January 1, 2019. The Company has not yet assessed the impact of the amendment on the unaudited interim condensed consolidated financial statements.

5. **NEW AGREEMENTS IN THE PERIOD**

(a) **FSD Pharma Inc.**

On September 18, 2018, the Company announced that it had entered into a definitive collaboration and profit sharing agreement (the "Agreement") with FSD Pharma Inc. (CSE: HUGE) ("FSD Pharma"), which, through its wholly-owned subsidiary FV Pharma Inc., is a licensed producer pursuant to the Access to Cannabis for Medical Purposes Regulations ("ACMPR"). Under the terms of the Agreement, FSD Pharma will assist Canntab to obtain a license to process and sell cannabis products pursuant to the Cannabis Act (the "License"). FSD Pharma will provide Canntab with up to 10,000 square feet of space at the FSD Facility (the "Canntab Premises"). Canntab will build and install, at its expense, its own manufacturing facility within the larger FSD Facility.

In consideration of FSD Pharma's services, Canntab will grant FSD Pharma certain royalty and profit sharing rights in connection with the sale of the Canntab products. Canntab will provide FSD Pharma with 50% of the profits that Canntab receives on any retail sales of Canntab Products through channels that are established by FSD Pharma and FSD Pharma will be entitled to retain 50% of the profits on FSD Pharma's sales of the Canntab products. In addition, Canntab shall pay a royalty to FSD equal to 3.5% of Canntab's sale price of all products manufactured and sold by Canntab from the Canntab Premises.

(b) **Mackie Research Capital Corporation**

In September, 2018, the Company entered into an arm's length agreement with a financial advisory firm to provide services including, but not limited to, capital markets advisory, financial and operational analysis, and recommendations on strategic growth objectives for a monthly fee of $20,000 and 200,000 special warrants *(see note 11(c)(i))*. The agreement is for a minimum term of three months, continuing on a month-to-month basis thereafter, and can be terminated by the Company any time after the initial term upon 15 days' notice.

(c) **Hybrid Financial Limited**

In September, 2018, the Company entered into an arm's length agreement with an investor relations firm for a monthly fee of $14,000 plus 250,000 special warrants *(see note 11(c)(ii))*. The agreement is for a minimum term of three months, continuing on a month-to-month basis thereafter, and can be terminated by the Company any time after the initial term upon 15 days' notice.

(d) **NewCanna S.A.S.**

On October 1, 2018, the Company announced the completion of a non-binding Letter of Intent (the "NewCanna LOI") with NewCanna S.A.S. of Bogota, Colombia ("NewCanna") for the establishment of a significant bi-lateral relationship for the sale and distribution of Canntab's products. The territory applicable to the agreement is the countries of Colombia, Chile, Paraguay and Spain (collectively, the "Territory"). The agreement will grant NewCanna the right to sell and distribute certain Canntab exclusive proprietary products, and the right to utilize Canntab's know-how and patents in the Territory only.

5. **NEW AGREEMENTS IN THE PERIOD, CONTINUED**

The NewCanna LOI provided a 60-day period for the parties to complete a formal agreement. During the process of working on the formal agreement, NewCanna received a takeover offer, the impact of which on the NewCanna LOI has yet to be determined. Negotiations are ongoing, but any final agreement is likely to be on substantially different terms than the original NewCanna LOI.

(e) **Labsco Promedic SA de CV**

On October 31, 2018, the Company announced the signing of a non-binding Letter of Intent (the "Labsco LOI") with Labsco Promedic SA de CV of Monterrey, Mexico ("Labsco") for the establishment of a joint venture relationship for the sale and distribution of Canntab products in Mexico on an exclusive basis. Following the LOI, the parties will work together to establish and complete a formal joint venture relationship for an initial period of five years.

Under the provisions of the Labsco LOI, the following terms of the proposed joint venture have been agreed to:

- Labsco shall be responsible for funding and obtaining any and all regulatory, licensing or other such approvals for the importation and distribution of Canntab products in Mexico;
- Labsco shall provide physical premises for the work of the joint venture;
- Labsco shall be responsible for product distribution in Mexico;
- Canntab shall license current patents and know-how, subject to completion of a license agreement;
- Canntab shall produce products in bulk from its Canadian facilities; and
- Canntab shall provide products to the joint venture at an agreed price and margin.

6. **CASH AND CASH EQUIVALENTS**

	November 30 2018	May 31 2018
Cash (bank overdraft)	**$ 44,769**	$ (18,629)
Short-term investment certificate	**2,450,000**	3,500,000
Cash in Company lawyer's trust account	**565,818**	736,479
	$ 3,060,587	$ 4,217,850

The short-term investment certificate bears interest at 1.80% per annum, comes due on January 20, 2020 and is cashable at any time in whole or in part with no penalty. The cash in the Company lawyer's trust account is unrestricted and represents the remaining funds remaining from the April, 2018 financing yet to be remitted to the Company.

7. **ACCOUNTS RECEIVABLE**

	November 30 2018	May 31 2018
Accounts Receivable	**$ 1**	$ -
HST ITC's recoverable	**229,813**	169,877
Accrued interest receivable	**26,335**	144
	$ 256,149	$ 170,021

8. **PLANT AND EQUIPMENT**

	Production equipment	Furniture and fixtures	Computer hardware	Leasehold improvements	Total
Cost					
As at May 31, 2017	**$ 99,573**	**$ -**	**$ -**	**$ -**	**$ 99,573**
Additions	92,592	5,939	7,257	395	106,183
As at May 31, 2018	**192,165**	**5,939**	**7,257**	**395**	**205,756**
Additions	68,708	5,643	1,835	67,253	143,439
As at November 30, 2018	**$ 260,873**	**$ 11,582**	**$ 9,092**	**$ 67,648**	**$ 349,195**
Accumulated depreciation					
As at May 31, 2017	**$ 615**	**$ -**	**$ -**	**$ -**	**$ 615**
Depreciation	43,577	593	1,088	40	45,298
As at May 31, 2018	**44,192**	**593**	**1,088**	**40**	**45,913**
Depreciation	27,349	817	1,063	(40)	29,189
As at November 30, 2018	**$ 71,541**	**$ 1,410**	**$ 2,151**	**$ -**	**$ 75,102**
Net book value					
As at May 31, 2018	**$ 147,973**	**$ 5,346**	**$ 6,169**	**$ 355**	**$ 159,843**
As at November 30, 2018	**$ 189,332**	**$ 10,172**	**$ 6,941**	**$ 67,648**	**$ 274,093**

No depreciation has been provided for with respect to the leasehold improvements as the construction process is not yet finished and the assets are not available for general use.

9. **ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	November 30 2018	May 31 2018
Trade accounts payable	**$ 1,595**	$ 215,259
Accrued liabilities	**116,682**	58,300
	$ 118,277	$ 273,559

10. **DEFERRED REVENUE**

(a) On October 3, 2017, the Company entered into an exclusive collaboration and license agreement ("the License Agreement") with Emblem Corp. ("Emblem"). Under the License Agreement, Emblem and the Company will collaborate on the pre-clinical formulation, clinical development, regulatory approval, manufacturing and commercialization of the Company's patent-pending oral sustained release formulation for cannabinoids.

(b) The following is a brief summary of the salient terms of the License Agreement:

(i) The License Agreement is for an initial term of 5 years and shall be automatically renewed thereafter for renewal terms of one year each.
(ii) The License Agreement applies to proprietary the Company products being oral sustained release tablet formulations of cannabinoids (the "Product").
(iii) The Company shall have the sole right to manufacture the Product.
(iv) The raw materials (cannabis and cannabis oil) required to manufacture the Product shall be provided to the Company free of charge by the Licensed Producer.
(v) The Licensed Producer shall purchase the products manufactured by the Company at the Company's cost plus 15%.
(vi) The Licensed Producer is responsible for all regulatory costs to obtain the required approvals to sell the Product in Canada at the Licensed Producer's sole cost and expense.

(c) The Company will be entitled to the following milestone payments pursuant to the License Agreement:

(i) An initial $200,000 non-refundable payment was received upon execution of the License Agreement. A further $200,000 was received in September, 2018 upon the development of extended-release cannabis tablets acceptable to the Licensed Producer acting reasonably-on the basis of in-vitro dissolution data. These milestone payments have been recorded as deferred revenue and are both being amortized over the initial contract term of 5 years. Revenue recognized on these milestone payments during the three and six month periods ended November 30, 2018 was $22,500 and $32,500 respectively (November 30, 2017 - $5,555 and $5,555 respectively). Deferred revenue as at November 30, 2018 totalled $340,833 (May 31, 2018 - $173,333).

(ii) Another $200,000 is to be received within forty-five (45) days following reasonably acceptable results from a stability study and an in-vivo bio-availability study confirming the Product provides "extended release". This in vivo study will involve 12 people and blood sampling over 12 hours;

(iii) Upon the Licensed Producer being approved by Health Canada to sell pharmaceutically acceptable formulations of each of the three extended-release cannabinoid tablet formulations (high HTC, balanced THC/CBD and high CBD), a further $200,000 is to be received for each of three formulations.

10. **DEFERRED REVENUE, CONTINUED**

(d) The Company will be entitled to the following royalty payments pursuant to the License Agreement:

(i) 10% of the gross sales the Licensed Producer receives from sales of each Product in the territory on sales up to and including $15 million per year and 15% of gross sales on sales exceeding $15 million per year.

(ii) The Licensed Producer shall be the exclusive licensee in the territory providing that the Licensed Producer meets the following royalty payment thresholds:

- First 12 months following first commercial sale: $300,000.
- Second 12 months following first commercial sale: $1,200,000.
- Third 12 months following first commercial sale and all subsequent 12 month periods: $2,100,000.

(e) If any of these thresholds are not met, the Licensed Producer shall have the option of making up the difference between the royalty-based payments and the thresholds. If the thresholds are not met and the Licensed Producer does not at its sole discretion make up the difference between the royalty-based payments and the thresholds, then the license shall, at the Company's sole option, terminate or the Company may designate the Licensed Producer as a non-exclusive licensee of the patents and the licensed know-how. In either event, the Company may thereafter itself sell the Products or otherwise exercise the patent and know-how rights without restriction or license any number of third parties to sell the Products or otherwise exercise the patent and know-how rights without restriction.

11. **SHARE CAPITAL, STOCK OPTIONS AND SPECIAL WARRANTS**

(a) **Exercise of broker warrants**

In September, 2018, 21,900 broker warrants were exercised for cash proceeds of $21,900, resulting in the issuance of 21,900 common shares.

(b) **Stock option grants**

(i) On July 16, 2018, the Company issued 100,000 stock options to an outside consultant. Each option entitles the holder thereof to acquire one common share for a period of 3 years at an exercise price of $1.00 per common share. Of the 100,000 options, 50,000 vested immediately, and the remaining 50,000 will vest in one year, provided that the consultant is still providing services to the Company at that time.

The fair value of these options has been calculated using the Black-Scholes option pricing model. Under the assumptions of: (1) risk free interest rate of 2.0%, (2) expected volatility of 116%, (3) expected life of 3.00 years, and (4) dividend yield of 0.0%, the fair value attributed to each option was $0.37.

(ii) On September 18, 2018, the Company issued 100,000 stock options to certain employees, all of which vested immediately. Each option entitles the holder thereof to acquire one common share for a period of 3 years at an exercise price of $1.22 per common share.

The fair value of these options has been calculated using the Black-Scholes option pricing model. Under the assumptions of: (1) risk free interest rate of 2.16%, (2) expected volatility of 123%, (3) expected life of 3.00 years, and (4) dividend yield of 0.0%, the fair value attributed to each option was $0.69.

(iii) Share-based compensation recognized on these two option grants for the three and six month periods ended November 30, 2018 was $68,720 and $96,160 respectively (November 30, 2017 - $Nil and $Nil respectively).

(c) **Issuance of special warrants**

On September 12, 2018, the Company issued special warrants to arm's length companies as follows:

(i) As part of its compensation, a financial advisory firm was issued 200,000 special warrants *(see note 5(b))*. Each special warrant entitles the holder to purchase 1 common share of the Company at $1.02 per share at any time up to 36 months from the grant date. 100,000 special warrants shall vest immediately and the balance of 100,000 special warrants shall vest if the daily volume weighted average trading price of the Issuer's common shares is greater than $1.25 for 20 consecutive trading days within six months of issuance. This condition has been met, such that all 200,000 special warrants vested during the reporting period.

11. **SHARE CAPITAL, STOCK OPTIONS AND SPECIAL WARRANTS, CONTINUED**

The fair value of these special warrants has been calculated using the Black-Scholes option pricing model. Under the assumptions of: (1) risk free interest rate of 2.16%, (2) expected volatility of 123%, (3) expected life of 3.00 years, and (4) dividend yield of 0.0%, the fair value attributed to each special warrant was $0.66.

(ii) As part of its compensation, an investor relations firm was issued 250,000 special warrants *(see note 5(c))*. Each special warrant entitles the holder to purchase 1 common share of the Company at $1.02 per share at any time up to 5 years from the grant date. The special warrants are subject to a vesting period as follows: 1/4 of the options vesting on each of December 12, 2018, March 12, 2019, June 12, 2019 and September 12, 2019, such that none vested during the reporting period.

The fair value of these special warrants has been calculated using the Black-Scholes option pricing model. Under the assumptions of: (1) risk free interest rate of 2.16%, (2) expected volatility of 123%, (3) expected life of 5.00 years, and (4) dividend yield of 0.0%, the fair value attributed to each special warrant was $0.77.

(iii) Share-based compensation recognized on these two special warrant issuances for the three and six month periods ended November 30, 2018 was $131,980 and $131,980 respectively (November 30, 2017 - $Nil and $Nil respectively).

(d) **Loss per share**

Basic and diluted loss per share is computed using the weighted average number of common shares outstanding. After giving retroactive effect to the 1 for 4 share exchange ratio *(see note)*, the weighted average number of common shares outstanding for the three and six month periods ended November 30, 2018 were 25,299,863 and 25,292,240 respectively (three and six month periods ended November 30, 2017 - 18,852,000 and 18,852,000 respectively).

12. **RELATED PARTY TRANSACTIONS AND BALANCES**

During the six month periods ended November 30, 2018 and 2017, the Company had the following related party transactions:

(a) Under the terms of a consulting contract effective January, 2017, consulting fees of $60,000 were recorded during the six month period ended November 30, 2018 (November 30, 2017 - $60,000) by an entity controlled by an individual who is both an officer and director of the company for his services as CFO. The contract has the following general provisions: (i) management services are billed at a rate of $10,000 per month, (ii) term is indefinite, (iii) can be terminated by the Company at any time with cause (iii) can be terminated by the Company at any time without cause by payment of 36 months of fees to the consultant, (iv) can be terminated by the consultant upon giving 45 days notice to the Company, and (v) upon any change of control, the consultant can elect to terminate the agreement and receive payment of 36 months of fees.

12. **RELATED PARTY TRANSACTIONS AND BALANCES, CONTINUED**

(b) Under the terms of a consulting contract effective January, 2017, consulting fees of $20,000 were recorded during the six month period ended November 30, 2018 (November 30, 2017 - $60,000) by an entity controlled by an individual who is both an officer and director of the company for his services as CEO.

Effective August 1, 2018, the consulting contract was terminated as this individual went on regular salary at the same monthly rate of $10,000. Salary paid to this individual during the six month period ended November 30, 2018 totalled $40,000 (November 30, 2017 - $Nil)

(c) The Company is related to CMAX Technologies Inc. by virtue of common control. During the six month period ended November 30, 2018, the Company paid rent of $60,000 (November 30, 2017 - $60,000) to CMAX. The Company entered into a lease renewal agreement dated December 1, 2017 with CMAX under which it is obligated to 12 consecutive monthly rent payments of $10,000.

13. **FINANCIAL INSTRUMENTS AND RISK FACTORS**

Fair value of financial instruments

The fair values of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the short-term or demand nature of these balances. The Company's financial instruments are exposed to certain financial risks, as summarized below.

(a) **Classification of financial instruments**

The classification and measurement of the financial assets and liabilities, as well as their carrying amounts and fair values are as follows:

			November 30, 2018		**May 31, 2018**	
Assets/liabilities	**Category**	**Measurement**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
			$	**$**	$	$
Cash	FVTPL	Fair value	**3,060,587**	**3,060,587**	4,217,850	4,217,850
Accounts receivable	Loans and receivables	Amortized cost	**256,149**	**256,149**	170,021	170,021
Accounts payable and accrued liabilities	Other liabilities	Amortized cost	**118,277**	**118,277**	273,559	273,559

(b) **Liquidity risk**

Liquidity risk is the risk that the Company cannot meet its financial liabilities as they become due. As at November 30, 2018, the Company had working capital of $3,139,960 (May 31, 2018 - $4,149,961) and as such, is not exposed to any liquidity risk. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

14. COMPARATIVE FIGURES

The unaudited interim condensed consolidated statement of net loss and comprehensive loss for the six month period ended November 30, 2017 has been reclassified, where applicable, to conform to the presentation adopted in the current year.

15. SUBSEQUENT EVENT

On December 5, 2018, the Company announced the launch of a research partnership with Dr. Don Garbuz, M.D., Head of the Division of Lower Limb Reconstruction and Oncology of the Department of Orthopaedics at the University of British Columbia ("UBC"), subject to approval of the University of British Columbia where the proposed clinical trial will take place.

The Company is seeking approval from UBC to conduct, with Dr. Garbuz as lead investigator, clinical trials to determine the efficacy of Canntab's products in helping effectively treat pain in patients. The study will look at the use of Canntab tablets to treat pain after knee replacement surgery. Patient safety and tolerability will also be assessed. Further, Canntab's patent pending filing for addiction treatment therapy for opioids and other painkillers, and its specific proprietary tablet formulation, will be the starting point for the dosing delivery mechanism to be used in the study.

The financial arrangement calls for an initial upfront fee to create the clinical protocol while securing the participation and, required approvals of the clinical trial by UBC and the independent team comprising the Ethics Committee. Following those approvals, funds will be disbursed partially on certain milestones being achieved. The total cost of the study is estimated at approximately $600,000 with an anticipated time frame to complete of between 12 to 18 months.

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

CANNTAB THERAPEUTICS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

THREE AND SIX MONTHS ENDED NOVEMBER 30, 2018 AND 2017

CANNTAB THERAPEUTICS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

THREE AND SIX MONTHS ENDED NOVEMBER 30, 2018 AND 2017

The following management discussion and analysis ("MD&A") of Canntab Therapeutics Limited ("Canntab" or "the Company") provides a review of corporate developments, results of operations and financial position for the three and six month periods ended November 30, 2018 ("2019 Q2 only and "2019 Q2 YTD" respectively) and November 30, 2017 ("2018 Q2 only and "2018 Q2 YTD" respectively). This discussion is prepared as of January 29, 2019 and should be read in conjunction with the unaudited interim condensed consolidated financial statements and the accompanying notes for the three and six month periods ended November 30, 2018 and 2017. Additional information, including the audited annual consolidated financial statements and MD&A for the years ended May 31, 2018 and 2017 ("FY2018 and "FY2018" respectively), is available on relating to the Company is available on Canntab's SEDAR profile at www.sedar.com and the Company's website at www.canntab.ca. The results reported in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are presented in Canadian dollars, which is the Company's functional currency.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares, (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision, or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

COMPANY OVERVIEW

Canntab was incorporated on April 20, 2016 under the Canada Business Corporations Act with its head office located at 223 Riviera Drive, Markham, Ontario, L3R 5J6. It is a public company that trades on the Canadian Securities Exchange ("CSE") under the symbol "PILL" following completion of a reverse takeover transaction with Telferscot Resources Inc. in April, 2018.. The Company is a Canadian cannabis oral dosage formulation company engaged in the research and development of advanced pharmaceutical grade formulations of cannabinoids. It has developed in-house technology to deliver standardized medical cannabis extract from selective strains in a variety of extended/sustained release pharmaceutical dosages for therapeutic use.

The Extended Release Tablet ("XR" or the "XR Tablet") is a proprietary phytocannabinoid vehicle that is designed to directly address the drawbacks and challenges of competing oral delivery systems. These challenges include, but are not limited to, accuracy of dosing, onset times, duration of action, bioavailability, discreetness of consumption, ease of spoilage and the reduction of side effects, and are all directly addressed by the unique formulation of the XR Tablet. The XR Tablet is designed to contain either THC, CBD, or a combination of THC/CBD (depending on the composition of the medicine), permitting it to meet the demands of a broader patient base than the current synthetic-THC based pills in the market today.

Intellectual property underpins the value of XR Tablets in the form of four international patent applications already filed. Canntab is rapidly moving toward the commercialization phase by partnering with a best-in-class licensed producer of medicinal cannabis in Canada and gearing up for its first series of pre-clinical trials.

RECENT HIGHLIGHTS

Collaboration and Profit Sharing Agreement with FSD Pharma Inc.

On September 18, 2018, the Company announced that it has entered into a definitive collaboration and profit sharing agreement (the "Agreement") with FSD Pharma Inc. ("FSD Pharma"), which is a licensed producer pursuant to the Access to Cannabis for Medical Purposes Regulations ("ACMPR"). Under the terms of the Agreement, FSD Pharma will assist Canntab to obtain a license to process and sell cannabis products pursuant to the Cannabis Act (the "License"). In consideration of FSD Pharma's services, Canntab will grant FSD Pharma certain royalty and profit sharing rights in connection with the sale of the Canntab products.

Licensed producer Application Under ACMPR

In October of 2018, the Company received notice from Health Canada confirming receipt of its application to become a Licensed Producer under the ACMPR (the "License"). The License, if granted by Health Canada, would allow the Company to process and sell cannabis products at its current production facility in Markham, Ontario with minimal additional capital expenditures as compared to a new purpose-built facility.

Agreement with NewCanna S.A.S. of Colombia

On October 1, 2018, the Company announced the completion of a non-binding Letter of Intent (the "NewCanna LOI") with NewCanna S.A.S. of Bogota, Colombia ("NewCanna") for the establishment of a significant bi-lateral relationship for the sale and distribution of Canntab's products. The territory applicable to the agreement is the countries of Colombia, Chile, Paraguay and Spain (collectively, the "Territory"). The agreement will grant NewCanna the right to sell and distribute certain Canntab exclusive proprietary products, and the right to utilize Canntab's know-how and patents in the Territory only.

The NewCanna LOI provided a 60-day period for the parties to complete a formal agreement. During the process of working on the formal agreement, NewCanna received a takeover offer, the impact of which on the NewCanna LOI has yet to be determined. Negotiations are ongoing, but any final agreement is likely to be on substantially different terms than the original NewCanna LOI.

Labsco Promedic SA de CV

On October 31, 2018, the Company announced the signing of a non-binding Letter of Intent (the "Labsco LOI") with Labsco Promedic SA de CV of Monterrey, Mexico ("Labsco") for the establishment of a joint venture relationship for the sale and distribution of Canntab products in Mexico on an exclusive basis. Following the Labsco LOI, the parties will work together to establish and complete a formal joint venture relationship for an initial period of five years.

PRODUCTS

The Company has developed the formulation and prototype for its first product, the Extended Release Tablet ("XR Tablet"), which delivers standardized medical cannabis extract from selective strains in a solid, extended release pharmaceutical dosage. The XR Tablet is a proprietary phytocannabinoid vehicle that is designed to directly address the drawbacks and challenges of competing oral delivery systems, including, but not limited to, accuracy of dosing, onset times, duration of action, bioavailability, ease of spoilage, and the reduction of side effects. The Company plans to manufacture and distribute the XR Tablet in legal medical cannabis jurisdictions including Canada, select states within the United States, Australia, and Germany.

While the XR Tablet is not yet market-ready, the Company is rapidly moving toward the commercialization phase and gearing up for its first series of pre-clinical trials. Under the agreement with Emblem Corp. *(see Emblem Corp. section below)*, Emblem and the Company are collaborating on the pre-clinical formulation, clinical development, regulatory approval, manufacturing and commercialization of the Company's patent-pending oral sustained release formulation for cannabinoids. Under the Emblem Agreement, Emblem will provide the Company with the raw materials (cannabis and cannabis oil) required to manufacture its oral sustained release tablet formulations of cannabinoids.

In September 2018, the Company developed a patent-pending oral extended release formulation for cannabinoids in collaboration with Emblem, thereby achieving the second milestone under the Emblem Agreement. Results obtained through dissolution testing indicated that the XR Tablets released cannabinoids consistently over a 12-hour period. Given these positive results, the Company will begin manufacturing pivotal batches of these tablets for pharmacokinetic and clinical testing at Emblem's Paris, Ontario facility.

As part of its overall business plan and strategy, the Company will continue to seek Health Canada approval for its formulations of cannabinoid medications. The Company has plans to apply to Health Canada to add the XR Tablet to the approved list under Canada's Access to Cannabis for Medical Purposes Regulations ("ACMPR"). The XR Tablets use pharmaceutical grade excipients, all approved by Health Canada, and, in order to facilitate the approval process, the Company and Emblem intend to present to Health Canada the similarities of the XR Tablet to existing room temperature oils inside gel capsules which have been approved under the ACMPR.

The Company also plans to apply for a Health Canada Dealer's License ("Dealer's License") under the Controlled Drugs and Substances Act (the "CDSA") in the very near future. A Dealer's License will enable the Company to have cannabis in its possession and to engage in various research and development activities not currently covered under the ACMPR, subject to obtaining any additional licenses or permits. FV Pharma, and Emblem have agreed to assist the Company with its application to Health Canada.

INTELLECTUAL PROPERTY

The success of the Company's business depends in part on its ability to protect its technology and formulations related to pharmaceutical preparations containing natural or synthetic cannabinoids. In recognition of this, the Company continues to expand its intellectual property portfolio, which includes patent and trademark applications in the United States and Canada. The Company's intellectual property portfolio includes 4 patents as well as 13 patent applications in Canada, the United States and internationally.

The Canadian patents/patent applications that were filed pertain to a variety of Canntab's innovative technologies related to oral dosage formulations of pharmaceutical cannabis, including Sustained Release Cannabinoid Formulations and Sustained Release Cannabinoid Pellets, Immediate Release Cannabidiol Formulations; Modified-Release Multi-Layer Cannabinoid Formulations; Flash-Melt Cannabinoid Formulations; and Bi- layer Cannabinoid Tablets.

These patent applications are part of Canntab's continuing strategy to develop a comprehensive intellectual property portfolio which covers the company's technology and formulations related to pharmaceutical preparations which contain natural or synthetic cannabinoids. Canntab is currently developing a number of products which utilize this technology, including a variety of extended released tablets containing a mixture of THC (Tetrahydrocannabinol) and CBD (Cannabidiol) that may be helpful in the treatment of a number of ailments, such as sleep disorders, post-traumatic stress disorder (PTSD), social anxiety, addiction, arthritis, general pain, pain management and appetite loss associated with cancer treatments, and addiction treatment therapy of opioids and other painkillers.

In addition to patents, the Company also has 10 trademark applications in the United States and Canada that cover four potential trade names for the XR Tablet.

Effective September 17, 2018, the Company has also entered into an agreement with FSD Pharma Inc., a licensed producer of medicinal cannabis in Canada *(see FSD Pharma Inc. section below)*. The FSD Agreement provides the company with access to up to 10,000 square feet of space at the FSD Facility. The Company is in the process of taking steps to build and install its own manufacturing facility within the FSD Facility to produce a suite of novel cannabis oral dose delivery platforms, including gel capsules and tablets, and other types of cannabis-based products, including sleep aids and pain relievers. The products manufactured in Cobourg will also be sold in Canada by Emblem and internationally through FV Pharma, a licensed producer and wholly-owned subsidiary of FSD Pharma, where permitted.

MANUFACTURING AND DISTRIBUTION AGREEMENTS

Labsco Promedic SA de CV

On October 31, 2018, the Company announced the signing of a non-binding Letter of Intent (the "Labsco LOI") with Labsco Promedic SA de CV of Monterrey, Mexico ("Labsco") for the establishment of a joint venture relationship for the sale and distribution of Canntab products in Mexico on an exclusive basis. Following the LOI, the parties will work together to establish and complete a formal joint venture relationship for an initial period of five years.

NewCanna S.A.S.

On October 1, 2018, the Company announced the completion of a non-binding Letter of Intent (the "NewCanna LOI") with NewCanna S.A.S. of Bogota, Colombia ("NewCanna") for the establishment of a significant bi-lateral relationship for the sale and distribution of Canntab's products *(see comments in Recent Highlights section under "Agreement with NewCanna S.A.S. of Colombia").*

FSD Pharma Inc.

On September 18, 2018, the Company announced that it has entered into a definitive collaboration and profit sharing agreement (the "Agreement") with FSD Pharma Inc. (CSE: HUGE) ("FSD Pharma"), which, through its wholly-owned subsidiary FV Pharma Inc., is a licensed producer pursuant to the ACMPR. Under the terms of the Agreement, FSD Pharma will assist Canntab to obtain a license to process and sell cannabis products pursuant to the Cannabis Act (the "License"). FSD Pharma will provide Canntab with up to 10,000 square feet of space at the FSD Facility (the "Canntab Premises"). Canntab will build and install, at its expense, its own manufacturing facility within the larger FSD Facility.

In consideration of FSD Pharma's services, Canntab will grant FSD Pharma certain royalty and profit sharing rights in connection with the sale of the Canntab products. Canntab will provide FSD Pharma with 50% of the profits that Canntab receives on any retail sales of Canntab Products through channels that are established by FSD Pharma and FSD Pharma will be entitled to retain 50% of the profits on FSD Pharma's sales of the Canntab products. In addition, Canntab shall pay a royalty to FSD equal to 3.5% of Canntab's sale price of all products manufactured and sold by Canntab from the Canntab Premises.

Emblem Corp.

On October 3, 2017, the Company entered into an exclusive marketing and sale license agreement with Emblem Corp., a Licensed Producer (the "Licensed Producer") for the Canadian market (the "License Agreement"). The following is a brief summary of the salient terms of the License Agreement: (i) it is for an initial term of 5 years and shall be automatically renewed thereafter for renewal terms of one year each, (ii) it applies to proprietary the Company products being oral sustained release tablet formulations of cannabinoids (the "Product"), (iii) the Company shall have the sole right to manufacture the Product, (iv) the raw materials (cannabis and cannabis oil) required to manufacture the product shall be provided to the Company free of charge by the Licensed Producer, and (v) the Licensed Producer shall purchase the products manufactured by the Company at the Company's cost plus 15%.

An initial $200,000 non-refundable payment was received upon execution of the License Agreement. A further $200,000 was received in September, 2018 upon the development of extended-release cannabis tablets acceptable to the Licensed Producer acting reasonably-on the basis of in-vitro dissolution data. These milestone payments have been recorded as deferred revenue and are both being amortized over the initial contract term of 5 years. The Company will be entitled to the following milestone payments pursuant to the License Agreement: (i) $200,000 within 45 days following reasonably acceptable results from a stability study and an in-vivo bio-availability study confirming the Product provides "extended release", and (ii) upon the Licensed Producer being approved to sell pharmaceutically acceptable formulations of each of the three extended-release cannabinoid tablet formulations (high HTC, balanced THC/CBD and high CBD) by Health Canada, a further $200,000 for each of the three.

The Company will be entitled to the following royalty payments pursuant to the License Agreement:

- 10% of the gross sales the Licensed Producer receives from sales of each Product in the territory on sales up to and including $15 million per year and 15% of gross sales on sales exceeding $15 million per year.
- The Licensed Producer shall be the exclusive licensee in the territory providing that the Licensed Producer meets the following royalty payment thresholds: (i) first 12 months following first commercial sale: $300,000, (ii) second 12 months following first commercial sale: $1,200,000, and (iii) third 12 months following first commercial sale and all subsequent 12 month periods: $2,100,000.

If any of these thresholds are not met, then the Licensed Producer shall have the option of making up the difference between the royalty-based payments and the thresholds. If the thresholds are not met and the Licensed Producer does not at its sole discretion make up the difference between the royalty-based payments and the thresholds, then the license shall, at the Company's sole option, terminate or the Company may designate the Licensed Producer as a non-exclusive licensee of the patents and the licensed know-how. In either event, the Company may thereafter itself sell the Products or otherwise exercise the patent and know-how rights without restriction or license any number of third parties to sell the Products or otherwise exercise the patent and know-how rights without restriction.

Labsco Promedic SA de CV

On October 31, 2018, the Company announced the signing of a non-binding Letter of Intent (the "Labsco LOI") with Labsco Promedic SA de CV of Monterrey, Mexico ("Labsco") for the establishment of a joint venture relationship for the sale and distribution of Canntab products in Mexico on an exclusive basis. Following the LOI, the parties will work together to establish and complete a formal joint venture relationship for an initial period of five years.

Under the provisions of the Labsco LOI, the following contributions to the proposed joint venture have been agreed to:

- Labsco shall be responsible for funding and obtaining any and all regulatory, licensing or other such approvals for the importation and distribution of Canntab products in Mexico;
- Labsco shall provide physical premises for the work of the joint venture;
- Labsco shall be responsible for product distribution in Mexico;
- Canntab shall license current patents and know-how, subject to completion of a license agreement;
- Canntab shall produce products in bulk from its Canadian facilities; and
- Canntab shall provide products to the joint venture at an agreed price and margin.
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Queensland Bauxite Ltd.

On December 27, 2017, the Company entered into a joint venture agreement (the "Joint Venture Agreement") with Queensland Bauxite Ltd. ("ASX:QBL") and its wholly owned subsidiary, Vitacan Pty Ltd. ("Vitacan"). Under the Joint Venture Agreement, the parties will manufacture, distribute and sell the Company's proprietary products, including its XR Tablet, in Australia, with the possibility for expansion into other territories in Asia. Vitacan has agreed to contribute the first USD $1,000,000 of capital required by the joint venture.

REVERSE TAKEOVER

In November, 2017, the Company announced the signing of a binding Letter of Intent ("LOI") with Telferscot Resources Limited ("Telferscot" or the "Issuer") under which Telferscot would acquire the issued and outstanding shares of the Company, effectively resulting in a reverse takeover of Telferscot by Canntab.

In April, 2018, the Issuer, Canntab and 2611780 Ontario Inc. ("Numco") completed an amalgamation agreement (the "Amalgamation Agreement"), pursuant to which the parties completed a business combination by way of a three-cornered amalgamation (the "Amalgamation") under the Business Corporations Act (Ontario). Under the terms of the Amalgamation Agreement, Canntab amalgamated with Numco and carries on the existing business of Canntab as a wholly owned operating subsidiary of the Issuer, which filed Articles of Amendment to change its name to Canntab Therapeutics Limited (the "Resulting Issuer"). Subsequently, the Company's common shares resumed trading on the Canadian Securities Exchange under the symbol "PILL"

RESULTS OF OPERATIONS

Six months ended August 31, 2018 compared to August 31, 2017

The Company had a net loss of $1,234,253 for 2019 Q2 YTD compared to $458,928 for 2018 Q2 YTD.

As the Company is in its early stages, it does not have any ongoing recurring revenue streams. The only non-interest revenue recognized for 2019 Q2 YTD is the amortization of the first two milestone payments totalling $400,000 received from Emblem Corp. (being the payment on execution of the License Agreement) in the amount of $32,500 (2018 Q2 YTD - $5,555).

As the Company has become more active operationally, it incurred operating expenses of $1,034,214 in 2019 Q2 YTD (2018 Q2 YTD - $451,390), an increase of $582,824. Overall, most of the increase is due to the Company being further along in its development cycle as a start-up enterprise. More specifically, the major components of the increase are as follows:

- Employee compensation and benefits in 2019 Q2 YTD of $269,034 compared to $55,330 in 2018 Q2 YTD, an increase of $213,704 as more staff hired for traditional administrative roles as well as managing start-up processes (with respect to marketing, product development, clinical trials, commercial production, etc.)
- Consulting fees in 2019 Q2 YTD of $227,215 compared to $204,190 in 2018 Q2 YTD, an increase of $23,025, as consultants were continued to be engaged for the start-up processes noted above
- General and administrative expenses in 2019 Q2 YTD of $123,180 compared to $12,923 in 2018 Q2 YTD, an increase of $110,257, resulting from insurance, listing fees, shareholder communications and other costs applicable to public companies, especially during the start-up phase
- Professional fees in 2019 Q2 YTD of $104,335 compared to $75,580 in 2018 Q2 YTD, an increase of $28,755, resulting from increased legal, audit and accounting fees applicable to public companies, especially during the start-up phase
- Research and development in 2019 Q2 YTD of $50,625 compared to $42,218 in 2018 Q2 YTD, an increase of $8,407, as the Company continues to expand and improve its product line.

- Marketing and promotion in 2019 Q2 YTD of $130,413 compared to $1,000 in 2018 Q2 YTD, the increase resulting from ongoing costs to improve market awareness by the investment community of the Company's business activities and strategy.
- Share based compensation totalled $228,140 in 2019 Q2 YTD compared to $Nil in 2018 Q2 YTD, entirely related to the portion of the options and special warrants granted in 2019 Q2 that vested in the period

QUARTERLY PERFORMANCE

The following table highlights certain key quarterly financial highlights. Commentary on the selected highlights is included under "Results of Operations" and "Liquidity and Capital Resources".

	Aug-2018 2019 Q1	Aug-2018 2019 Q1	May-2018 2018 Q4	Feb-2018 2018 Q3	Nov-2017 2018 Q2	Aug-2017 2018 Q1	May-2017 2017 Q4	Feb-2017 2017 Q3
	$	$	$	$	$	$	$	$
Balance sheet								
Cash	3,060,587	3,495,747	4,217,850	237,412	599,823	610,676	958,620	1,307,090
Working capital	3,139,959	3,613,214	4,149,959	217,321	579,663	672,574	900,597	1,308,191
Shareholders' equity	3,317,951	3,882,748	4,302,165	291,146	579,624	826,952	1,038,555	1,348,191
Revenues	32,438	31,795	23,712	9,660	7,623	683	313	-
Operating expenses	619,135	451,212	622,179	298,138	254,951	212,285	310,076	93,647
Share based payments	200,700	27,440	319,938	-	-	-	-	681,600
Listing costs	-	-	742,601	-	-	-	-	-
Net loss and comprehensive loss	(787,397)	(446,856)	(1,661,006)	(288,478)	(247,328)	(211,602)	(309,763)	(775,247)

LIQUIDITY AND CAPITAL RESOURCES

The Company has not begun commercial sales of any of its products and accordingly, does not generate cash from operations. The Company finances its operating expenses, product development and research activities by raising capital from equity markets and milestone payments under its license agreement with Emblem Corp.

Working capital as at November 30, 2018 was $3,139,960 compared to $4,149,961 as at November 30, 2017. Cash and cash equivalents decreased by $1,157,263 to $3,060,587 as at November 30, 2018 from $4,217,850 as at November 30, 2017. The major components of the decrease were (i) operating expenses of $1,034,214 (2018 Q2 YTD - $451,390), (ii) pay down of November 30, 2017 payables of $155,282, and (iii) the purchase of intangible and capital assets in the amount of $179,421.

The Company completed a private placement of 1,251,914 subscription receipts ("Subscription Receipt") at a price of $4.00 per Subscription Receipt for gross proceeds of $5,007,656 on December 19, 2017 and December 29, 2017 (the "Offering"). Immediately prior to the closing of the Amalgamation *(see "Reverse Takeover" section above)*, each Subscription Receipt converted, with no additional consideration or action by the holder, to one common share of the Company. Broker compensation warrants, issued on April 16, 2018 with the concurrent closing of the private placement and the RTO transaction, valued at $235,512 were deducted from share capital.

During May, 2018, (i) 400,000 (post-RTO) stock options were exercised at $0.25 per option for gross cash proceeds of $100,000, and (ii) 400,000 (post-RTO) special warrants were exercised at $0.25 per special warrant for gross cash proceeds of $100,000, resulting in the issuance of 800,000 common shares.

In September, 2018, 21,900 broker warrants were exercised for cash proceeds of $21,900, resulting in the issuance of 21,900 common shares *(see Capitalization section below)*.

CAPITALIZATION

The Company has common shares and other equity instruments outstanding at each reporting date as follows:

	January 29, 2019	November 30, 2018	November 30, 2017	Change in reporting period
Common shares	25,306,601	25,306,601	25,284,701	21,900
Stock options	2,110,000	2,110,000	1,910,000	200,000
Special warrants	1,250,000	1,250,000	800,000	450,000
Broker compensation warrants	649,644	649,644	671,544	(21,900)
Total equity instruments	29,316,245	29,316,245	28,666,245	650,000

During 2019 Q1, the Company issued 100,000 stock options to an outside consultant, exercisable at $1.00, expiring after 3 years, vesting as to 50% immediately and 50% after one year. In 2019 Q2, the Company issued a further 100,000 stock options to employees, exercisable at $1.22, expiring after 3 years, vesting immediately.

During 2019 Q2, as part of its compensation, a financial advisory firm was issued 200,000 special warrants. Each special warrant entitles the holder to purchase 1 common share of the Company at $1.02 per share at any time up to 36 months from the grant date. 100,000 special warrants shall vest immediately and the balance of 100,000 special warrants shall vest if the daily volume weighted average trading price of the Issuer's common shares is greater than $1.25 for 20 consecutive trading days within six months of issuance. This condition has been met, such that all 200,000 special warrants vested during the reporting period.

During 2019 Q2, as part of its compensation, an investor relations firm was issued 250,000 special warrants. Each special warrant entitles the holder to purchase 1 common share of the Company at $1.02 per share at any time up to 5 years from the grant date. The special warrants are subject to a vesting period as follows: 1/4 of the options vesting on each of December 12, 2018, March 12, 2019, June 12, 2019 and September 12, 2019, such that none vested during the reporting period.

RELATED PARTY TRANSACTIONS AND BALANCES

During the six month periods ended November 30, 2018 and 2017, the Company had the following related party transactions, including (i) compensation of key current and/or former management personnel and directors, and (ii) transactions with entities related to and/or controlled by officers and/or directors, as follows:

(a) Under the terms of a consulting contract effective January, 2017, consulting fees of $60,000 were recorded during the six month period ended November 30, 2018 (November 30, 2017 - $60,000) by an entity controlled by an individual who is both an officer and director of the company for his services as CFO. The contract has the following general provisions: (i) management services are billed at a rate of $10,000 per month, (ii) term is indefinite, (iii) can be terminated by the Company at any time with cause (iii) can be terminated by the Company at any time without cause by payment of 36 months of fees to the consultant, (iv) can be terminated by the consultant upon giving 45 days notice to the Company, and (v) upon any change of control, the consultant can elect to terminate the agreement and receive payment of 36 months of fees.

(b) Under the terms of a consulting contract effective January, 2017, consulting fees of $20,000 were recorded during the six month period ended November 30, 2018 (November 30, 2017 - $60,000) by an entity controlled by an individual who is both an officer and director of the company for his services as CEO. Effective August 1, 2018, the consulting contract was terminated as this individual went on regular salary at the same monthly rate of $10,000. Salary paid to this individual during the six month period ended November 30, 2018 totalled $40,000 (November 30, 2017 - $Nil)

(c) The Company is related to CMAX Technologies Inc. by virtue of common control. During the six month period ended November 30, 2018, the Company paid rent of $60,000 (November 30, 2017 - $60,000) to CMAX. The Company entered into a lease renewal agreement dated December 1, 2017 with CMAX under which it is obligated to 12 consecutive monthly rent payments of $10,000.

SUBSEQUENT EVENT

Clinical research trials

In December, 2018, the Company announced the launch of a research partnership with Dr. Don Garbuz, M.D., Head of the Division of Lower Limb Reconstruction and Oncology of the Department of Orthopaedics at the University of British Columbia ("UBC"), subject to approval of the University of British Columbia where the proposed clinical trial will take place.

The Company is seeking approval from UBC to conduct, with Dr. Garbuz as lead investigator, clinical trials to determine the efficacy of Canntab's products in helping effectively treat pain in patients. The study will look at the use of Canntab tablets to treat pain after knee replacement surgery. Patient safety and tolerability will also be assessed. Further, Canntab's patent pending filing for addiction treatment therapy for opioids and other painkillers, and its specific proprietary tablet formulation, will be the starting point for the dosing delivery mechanism to be used in the study.

The financial arrangement calls for an initial upfront fee to create the clinical protocol while securing the participation and, required approvals of the clinical trial by UBC and the independent team comprising the Ethics Committee. Following those approvals, funds will be disbursed partially on certain milestones being achieved. The total cost of the study is estimated at approximately $600,000 with an anticipated time frame to complete of between 12 to 18 months.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

IFRS 9 "Financial Instruments: Classification and Measurement of Financial Assets and Financial Liabilities" was issued by the IASB in July 2014 and will replace IAS 39 "Financial Instruments: Recognition and Measurement". In addition, IFRS 7 "Financial Instruments: Disclosures" was amended to include additional disclosure requirements on transition to IFRS 9. The amendments were effective for annual periods beginning on or after January 1, 2018. The standard uses a single approach based on how an entity manages its financial instruments to determine whether a financial asset is measured at amortized cost or fair value and requires a single impairment method to be used. The standard requires that for financial liabilities measured at fair value, any changes in an entity's own credit risk are generally to be presented in other comprehensive income instead of net earnings. A new hedge accounting model is included in the standard, as well as increased disclosure requirements about risk management activities for entities that apply hedge accounting. The new requirements were adopted effective June 1, 2018. The adoption of these amendments did not have a significant impact on the unaudited interim condensed consolidated financial statements.

IFRS 15 "Revenue from Contracts with Customers" was issued by the IASB in May 2014, which replaces IAS 11 – Construction Contracts, IAS 18 – Revenue and IFRIC 13 – Customer Loyalty Programs ("IFRIC 13"), as well as various other interpretations regarding revenue. IFRS 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 is based on the principle that revenue is recognized when control of a good or service is transferred to a customer. A five-step recognition model is used to apply the standard as follows: (i) identify the contract(s) with the customer, (ii) identify the separate performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to separate performance obligations, and (v) recognize revenue when (or as) each performance obligation is satisfied.

NEW AND REVISED IFRS STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

IFRS 16 "Leases" was issued by the IASB in January 2016 and will ultimately replace IAS 17, "Leases" and related interpretations. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract based on whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. The Company is currently evaluating the impact the final standard is expected to have on its unaudited interim condensed consolidated financial statements and plans to adopt the requirements in 2019.

IFRIC 23 "Uncertainty Over Income Tax Treatments" was issued in June 2017 and is effective for years beginning on or after January 1, 2019, to be applied retrospectively. IFRIC 23 provides guidance on applying the recognition and measurement requirements in IAS 12, Income Taxes, when there is uncertainty over income tax treatments including, but not limited to, whether uncertain tax treatments should be considered together or separately based on which approach better predicts resolution of the uncertainty. The Company is currently evaluating the impact the final standard is expected to have on its unaudited interim condensed consolidated financial statements**.**

IFRS 9 "Financial Instruments" has been amended to enable companies to measure at amortized cost some prepayable financial assets with negative compensation. The assets affected, that include some loans and debt securities, would otherwise have been measured at fair value through profit or loss. Financial assets that would otherwise have contractual cash flows that are solely payments of principal and interest but do not meet that condition only as a result of a prepayment feature with negative compensation, may be measured at amortized cost or at fair value through other comprehensive income when eligibility conditions are met. The amendment to IFRS 9 also clarifies how to account for the modification of a financial liability. Most modifications of financial liabilities will result in immediate recognition of a gain or loss. The amendment is effective for annual periods beginning on or after January 1, 2019. The Company has not yet assessed the impact of the amendment on the unaudited interim condensed consolidated financial statements.

CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and ensure sufficient liquidity in order to develop its resources properties so that it can provide adequate returns for shareholders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital as total shareholders' equity.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

RISKS AND UNCERTAINTIES

An investment in the Company involves significant risks and must be considered speculative due to the nature of the Company's business. Investors should carefully consider the risks and uncertainties described below. This list of risks and uncertainties below is not exhaustive. Furthermore, additional risks and uncertainties not presently known to the Company or that the Company believes to be immaterial may also adversely affect its business.

Risks related to the Company's business

The Company has a history of operating losses, albeit short, but may never achieve profitability in the future. The Company is an early stage product development company, and accordingly, it has not yet generated any revenues.

The Company expects to be involved in research and development to create several oral cannabis products and then performing extensive trial testing and conducting research studies with such products prior to determining their commercial viability. This process may take several years and require significant financial resources without revenue. The Company expects these expenses to result in continuing operating losses for the foreseeable future.

Any failure to successfully develop and obtain regulatory approval for products would have a material adverse effect on the Company's business, financial condition and results of operations.

Protection of patents and trademarks

The Company's success will depend in part upon its ability to obtain maintain current patents and trademarks (as well as successfully file future patents and trademarks) for its current and future product lines. Obtaining such patent and trademark protection can be costly and the outcome of any application for such can be unpredictable. In addition, any breach of confidentiality by a third party by premature disclosure may preclude the obtainment of appropriate patent and trademark protection, thereby affecting the development and commercial value of the Company's technology and products.

Regulatory proceedings, investigations and audits

The Company's business requires compliance with many laws and regulations. Failure to comply with these laws and regulations could subject the Company to regulatory or agency proceedings or investigations and could also lead to damage awards, fines and penalties. The Company may become involved in a number of government or agency proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Company's reputation, require the Company to take, or refrain from taking, actions that could harm its operations or require The Company to pay substantial amounts of money, harming its financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on the Company's business, financial condition and results of operation.

Insurance and uninsurable risk

The Company may become subject to risks against which it cannot insure or against which it may elect not to insure. Settling related liabilities would reduce funds available for core business activities. Settlement of uninsured liabilities could have a material adverse effect on our financial position. The Company currently maintains no insurance other than director and officer liability insurance. The Company may, however, acquire insurance in the future to protect against certain risks in such amounts as management considers reasonable. While it may obtain insurance against certain risks, the nature of these risks is such that liability could exceed policy limits or could be excluded from coverage. Even after acquiring insurance, such insurance may not cover all the potential risks associated with product liability. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

Product liability

As a cannabis oral dosage formulation company engaged in the research and development of advanced pharmaceutical grade formulations of cannabinoids designed to be ingested by humans, the Company, upon commercial launch, faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the sale of the Company's products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of the Company. This scenario could prevent or inhibit the commercialization of the Company's potential products. To date, there have been no product related issues.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the value of the common shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant Company resources, including the time and attention of management and available working capital. Litigation may also create a negative perception of the Company's brand. At this time, there is no outstanding litigation against the Company.

Competition

The medical cannabis industry in which the Company operates is, and is expected to continue to be, very competitive, and as such there is there is potential that the Company will face intense competition from other companies, some of which can be expected to have more financial resources and manufacturing and marketing experience than the Company. Our competitors may vary in size, from well capitalized businesses with substantial operations and revenues to smaller and earlier stage companies. Competitors with ACMPR licenses, or that may obtain ACMPR licenses sooner than the Company, may also be able to devote greater resources to develop and market competing products and establish broad customer bases sooner than the Company.

Conflicts of interest

The Company's directors and officers may currently be involved, or become involved, in other business ventures that could compete with its products and services. Business opportunities for the Company may create circumstances in which outside interests of directors and officers conflict with the interests of the Company. Directors and officers are required to act in good faith and in a manner that benefits the Company.

It is possible, however, that directors and officers may owe similar consideration to another organization(s). If these and other conflicts of interest are resolved in a way that has a material adverse impact on the Company, the Company will take the necessary steps to protect its interests.

Dependence on key personnel

The Company depends on support from existing directors and officers and its ability to attract, and retain, new directors, officers and other personnel with appropriate skill sets. Inability to retain key team members or find new professionals to serve in important roles could have a material adverse effect on the Company's business. There can be no assurance that we will be able to attract or retain the quality of personnel required in the future.

Financial liquidity

The Company has not yet generated meaningful revenue and will likely operate at a loss until its first product gets to market. It may require additional financing in order to execute its business plan. Its ability to secure required financing will depend in part upon on investor perception of the ability to create a successful business. Capital market conditions and other factors beyond the Company's control may also play important roles in its ability to raise capital. The Company can offer no assurance that it will be able to successfully obtain additional financing, or that future financing occurs on terms satisfactory to management and/or shareholders. If funds are unavailable in the future, or unavailable in the amounts felt required, or unavailable on acceptable terms, the Company may be required to cease operating or modify our business plans in a manner that undermines our ability to achieve our business objectives.

Costs of maintaining a public listing

As a result of obtaining a public listing, the Company will incur greater legal, accounting and other expenses related to regulatory compliance than it would have had it remained a private entity. The Company may also elect to devote greater resources than it otherwise would have on communication and other activities typically considered important by publicly traded companies.

Dilution

The Company may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Company which may be dilutive to the existing shareholders.

Financial market turmoil

Global financial market and economic conditions can pose a significant threat to economic growth in almost all sectors and economies, causing a decline in consumer and business confidence, a reduction in credit availability and a dampening in business and household spending.

Dividends

No dividends on the common shares have been paid by the Company to date. The Company currently plans to retain all future earnings and other cash resources, if any, for the future operation and development of its business. Payment of any future dividends, if any, will be at the discretion of the Company's Board of Directors after considering account many factors, including the Company's operating results, financial condition, and current and anticipated cash needs.

Share price volatility and speculative nature of share ownership

The Company is listed for trading on the CSE, resulting in many legacy shareholders being able to freely trade their shares. Factors both internal and external to the Company may significantly influence the price at which shares trade, and the volatility of the share price. Quarterly operating results and material developments reported by the Company can, and likely will, influence the price of our shares.

Sentiment toward cannabis stocks, as well as toward the stock market in general, is among the many external factors that may have a significant impact on the price of the Company's shares. The Company is a relatively young company that is not generating revenue and does not possess significant cash reserves. As such, it should be considered a speculative investment. There is no guarantee that a liquid market will be developed or maintained for the Company's shares.

Risks relating to the Company's common stock

A decline in the price of the Company's common stock could affect its ability to raise further working capital and adversely impact its ability to continue operations. A prolonged decline in the price of the Company's common stock could result in a reduction in the liquidity of its common stock and a reduction in its ability to raise capital. Because a significant portion of the Company's operations have been and will be financed through the sale of equity securities, a decline in the price of its common stock could be especially detrimental to the Company's liquidity and its operations. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on the Company's business plan and operations, including its ability to develop new products and continue its current operations. If the Company's stock price declines, it can offer no assurance that the Company will be able to raise additional capital or generate funds from operations sufficient to meet its obligations.

Limited operating history

The Company has not generated significant profits or revenues in the periods covered by its most recent financial statements, and as a result, has only a very limited operating history upon which its business and future prospects may be evaluated. The Company is therefore subject to many of the risks common to early-stage enterprises, including challenges related to laws, regulations, licensing, integrating and retaining qualified employees; making effective use of limited resources; achieving market acceptance of existing and future solutions; competing against companies with greater financial and technical resources; acquiring and retaining customers; and developing new solutions. There is no assurance that The Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Lack of operational liquidity

The expenses of the Company will be funded from cash on hand from the remaining proceeds of the previous offerings. Once such cash has been expended, the Company will be required to seek additional financing. There is no guarantee that any debt or additional equity or equity related offering of securities will be available on terms acceptable to the Company or available at all or that it will be able to locate or sell mineral resources in a timely or profitable manner.