FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: RED LIGHT HOLLAND CORP. (the "Issuer").

Trading Symbol: TRIP

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first and second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

Unaudited condensed interim consolidated financial statements of the Issuer for the three month period ended September 30, 2020, as filed with securities regulatory authorities, are attached to this Form 5 - Quarterly Listing Statement as Appendix "A".

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
(b) A description of the transaction(s), including those for which no amount has been recorded.
(c) The recorded amount of the transactions classified by financial statement category.
(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(e) Contractual obligations with Related Persons, separate from other contractual obligations.
(f) Contingencies involving Related Persons, separate from other contingencies.

With respect to related party transactions for information supplementary to that contained in the notes to the unaudited condensed interim consolidated financial statements, which are attached hereto, please refer to the Management's Discussion & Analysis for the three and six month periods ended September 30, 2020, as filed with securities regulatory authorities and attached to this Form 5 - Quarterly Listing Statement as Appendix "B".

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) summary of securities issued during the period,

The following securities were issued during the period of July 1, 2020 to September 30, 2020:

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
July 16, 2020	Units (common shares and warrants)	Private placement	2,904,848	$0.165	$479,300	Cash	Not related	N/A
July 16, 2020	Units (common shares and warrants)	Share Exchange Agreement (see financial statements for details)	4,242,424	$0.165	$700,000	Cash	Not related	N/A
September 30, 2020	Commons shares	Exercise of warrants	1,883,237	$0.06	$112,994	Cash	Not related	N/A

(b) summary of options granted during the period of July 1, 2020 to September 30, 2020:

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
July 16, 2020	500,000		Consultant	$0.085	July 16, 2023	$0.085

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) 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,

As at September 30, 2020, the authorized capital of the Issuer consisted of an unlimited number of Common shares without par value, and without any special rights or restrictions, and 2,000,000 voting, convertible, redeemable preferred shares. As at September 30, 2020, 229,101,646 Common shares were issued and outstanding.

(b) number and recorded value for shares issued and outstanding,

Date	Number of common shares	Recorded value of common shares
As at September 30, 2020	229,101,646	$11,899,458

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Options: Options to purchase Common shares in the capital of the Issuer are granted by the Issuer's Board of Directors to eligible persons pursuant to the Issuer's Stock Option Incentive Plan.

As at September 30, 2020, the following options were outstanding entitling holders to purchase Common shares in the capital of the Issuer as summarized below:

Number of Options	Exercise Price	Expiry Date	Recorded Value
2,500,000	$0.06	May 27, 2025	$142,300
6,950,000	$0.06	May 27, 2023	360,402
500,000	$0.15	June 10, 2023	64,821
500,000	$0.105	June 24, 2023	45,374
500,000	$0.085	July 16, 2020	35,000

Warrants: As at September 30, 2020, the following warrants were outstanding entitling holders to purchase Common shares in the capital of the Issuer as summarized below:

Number of Warrants	Exercise Price	Expiry Date	Recorded Value
220,000	$1.00	December 12, 2021	$260,972
543,293	$0.06	December 20, 2021	$21,670
1,359,772	$0.06	February 7, 2022	$54,237
35,000	$0.06	February 8, 2022	$1,396
8,500	$0.06	February 10, 2022	$339
1,777,133	$0.06	March 13, 2022	$73,141
7,900,000	$0.06	May 27, 2023	$396,701
1,272,727	$0.165	June 8, 2024	$99,440
18,181,818	$0.26	June 8, 2024	$1,374,000
5,033,515	$0.26	June 16, 2024	$380,400
352,346	$0.165	June 16, 2024	**$27,529**

Convertible Securities: The Issuer has no convertible securities outstanding.

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

The Issuer has no shares subject to escrow or pooling agreements or any other restrictions 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.

Name of Director/Officer	Position with Issuer
Todd Shapiro	Director and CEO
Kyle Appleby	CFO

Brad Lamb	Director
Binyomin Posen	Director
Ann Barnes	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Management's Discussion & Analysis for the three and six month periods ended September 30, 2020, as filed with securities regulatory authorities, is attached to this Form 5 - Quarterly Listing Statement as Appendix "B".

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: November 30, 2020.

Kyle Appleby
Name of Director or Senior Officer

Signed:
Signature

Chief Financial Officer
Official Capacity

Name of Issuer Red Light Holland Corp.	For Quarter Ended September 30, 2020	Date of Report YY/MM/D 2020/11/30
Issuer Address 801, 1 Adelaide St. East		
City/Province/Postal Code Toronto/ ON/ M5C 2V9	Issuer Fax No. 416-869-0547	Issuer Telephone No. 647-204-7129
Contact Name Todd Shapiro	Contact Position CEO	Contact Telephone No.
Contact Email Address todd@redlighttruffles.com	Web Site Address https://redlighttruffles.com	

APPENDIX A

Red Light Holland Corp.

Unaudited condensed interim financial statements
for the three and six month period ended September 30, 2020

APPENDIX B

Red Light Holland Corp.

Management's Discussion & Analysis
for the three and six month period ended September 30, 2020

RED LIGHT HOLLAND CORP. (FORMERLY ADDED CAPITAL INC.)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

(Expressed in Canadian Dollars)

Management's Comments on Unaudited Condensed Interim Consolidated Financial Statements

The accompanying unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended September 30, 2020 and 2019 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

In accordance with National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company herewith discloses that the accompanying unaudited Interim Condensed Consolidated Financial Statements have not been reviewed by an auditor.

RED LIGHT HOLLAND CORP. (FORMERLY ADDED CAPITAL INC.)
Unaudited Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at September 30, 2020 and March 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash and cash equivalents	$ 6,661,261	$ 1,963,492
Cash held in escrow (Note 3)	-	1,804,290
Sales tax receivable	163,475	20,874
Marketable securities (Note 4)	360,000	-
Prepaid expenses	255,217	-
Inventory	54,599	-
Prepaid financing cost (Note 3)	-	178,843
TOTAL CURRENT ASSETS	7,494,552	3,967,499
NON-CURRENT ASSETS		
Property and equipment (Note 5)	30,999	-
Right of use asset (Note 6)	120,751	-
TOTAL ASSETS	$ 7,646,302	$ 3,967,499
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 579,381	$ 890,677
Lease liability – current portion (Note 7)	30,318	-
Short-term loans payable	-	86,768
Subscription receipts (Note 3)	-	3,608,580
TOTAL CURRENT LIABILITIES	609,699	4,586,025
NON-CURRENT LIABILITIES		
Lease liability (Note 7)	88,691	-
Other liabilities (Note 13)	-	525,769
TOTAL NON-CURRENT LIABILITIES	88,691	525,769
TOTAL LIABILITIES	698,390	5,111,794
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 8(a))	11,899,458	4,016,634
Shares to be issued (Notes 3)	-	1,849,535
Warrants (Note 8(e))	3,240,636	260,972
Contributed surplus	2,277,978	1,848,632
Deficit	(10,470,160)	(9,120,068)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)	6,947,912	(1,144,295)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)	$ 7,646,302	$ 3,967,499

PROVISIONS, COMMITMENT AND CONTINGENCIES (Note 10)
SUBSEQUENT EVENTS (Note 16)

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

RED LIGHT HOLLAND CORP. (FORMERLY ADDED CAPITAL INC.)
Unaudited Interim Condensed Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)
For the three and six months ended September 30, 2020 and 2019

	Three months ended September 30		Six months ended September 30	
	2020	**2019**	**2020**	**2019**
OPERATING EXPENSES				
General and administrative (note 15)	$ 557,458	$ 5,000	$ 1,167,821	$ 5,000
Share based payments	174,185	-	1,057,903	-
Interest expense	1,634	-	1,634	-
Research and development	14,023	-	14,023	-
LOSS BEFORE OTHER ITEMS	(747,300)	(5,000)	(2,241,381)	(10,000)
OTHER ITEMS				
Gain on sale of marketable securities	$ 475,038	-	585,162	-
Gain on sale of subsidiary (Note 13)	843,411	-	843,411	
Unrealized change in fair value of marketable securities	(1,068,000)	-	(540,000)	-
Interest income	904	-	2,716	-
NET LOSS AND COMPREHENSIVE LOSS	$ (495,947)	$ (5,000)	$ (1,350,092)	$ (10,000)
LOSS PER SHARE – Basic and diluted (Note 8(d))	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – Basic and diluted	226,747,374	851,335	156,164,767	851,335

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

RED LIGHT HOLLAND CORP. (FORMERLY ADDED CAPITAL INC.)
Unaudited Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)
For the six months ended September 30, 2020 and 2019

	Common Shares #	Common Shares $	Shares to be Issued $	Warrants $	Contributed Surplus $	Deficit $	Shareholders' (Deficiency) $
Balance, March 31, 2019	**851,335**	**4,016,634**	**-**	**312,952**	**1,796,652**	**(8,794,895)**	**(2,668,657)**
Net loss and comprehensive loss	-	-	-	-	-	(10,000)	(10,000)
Balance, September 30, 2019	**851,335**	**4,016,634**	**-**	**312,952**	**1,796,652**	**(8,804,895)**	**(2,678,657)**
Balance, March 31, 2020	**851,335**	**4,016,634**	**1,849,535**	**260,972**	**1,848,632**	**(9,120,068)**	**(1,144,295)**
Shares issued on amalgamations (Note 3)	193,004,469	5,260,314	(1,849,535)	193,730	-	-	3,604,509
Shares issued per consulting agreement	3,000,000	180,000	-	-	-	-	180,000
Warrants issued per consulting agreements	-	-	-	448,557	-	-	448,557
Units issued on closing of private placements	30,362,605	2,715,330	-	2,294,500	-	-	5,009,830
Share issue costs	-	(469,907)	-	126,970	-	-	(342,937)
Exercise of warrants	1,883,237	197,087	-	(84,093)	-	-	112,994
Share based payments	-	-	-	-	429,346	-	429,346
Net loss and comprehensive loss	-	-	-	-	-	(1,350,092)	(1,350,092)
Balance, September 30, 2020	**229,101,646**	**11,899,458**	**-**	**3,240,636**	**2,277,978**	**(10,470,160)**	**6,947,912**

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

RED LIGHT HOLLAND CORP. (FORMERLY ADDED CAPITAL INC.)
Unaudited Interim Condensed Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
For the six months ended September 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net loss for the period	$ (1,350,092)	$ (10,000)
Items not affecting cash:		
Unrealized change in fair value of marketable securities	540,000	-
Amortization and depreciation	3,714	-
Interest	1,634	-
Gain on sale of subsidiary	(843,411)	-
Share based payments	1,057,903	-
Realized gain on sale of marketable securities	(585,162)	-
Movements in working capital:		
Sales tax receivable	(142,601)	-
Inventory	(54,599)	-
Prepaid expenses	(255,217)	-
Accounts payable and accrued liabilities	(85,844)	10,000
Cash flows (used in) operating activities	(1,713,675)	-
CASH FLOWS (USED IN) INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	735,161	-
Purchase of marketable securities	(200,000)	-
Acquisition of property and equipment	(32,666)	-
Cash held in escrow	1,804,290	-
	2,306,785	
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of common shares in subsidiary	174,772	-
Proceeds from issue of common shares and warrants	4,159,830	-
Costs of issuance	(342,937)	-
Exercise of warrants	112,994	-
Cash flows from financing activities	4,104,659	-
CHANGE IN CASH	4,697,769	-
		-
CASH, BEGINNING OF PERIOD	1,963,492	-
CASH, END OF PERIOD	$ 6,661,261	$ -
SUPPLEMENTAL INFORMATION:		
Shares and warrants issued for services	$ 628,557	$ -

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

1. NATURE OF OPERATIONS

Red Light Holland Corp. (formerly Added Capital Inc.) ("RLHC" or the "Company") is establishing itself as a producer and distributor of its premium brand of psilocybin truffles within the Netherlands. By doing so, the Company hopes to contribute to the advancement and awareness of Truffles, and promote its potential as a candidate for further research and study. The Company is governed by the Business Corporations Act (Ontario). The address of its registered office is 1 Adelaide Street East, Suite 801, Toronto, Ontario, Canada, M5C 2V9. On May 22, 2020 the Canadian Securities Exchange (the "CSE") provided the Company with approval to list its common shares and the Company commenced trading on May 28, 2020 under the ticker symbol "TRIP" (the "CSE Listing").

In March 2020, the outbreak of the novel strain of corona virus, specifically identified as "COVID19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Certain information and note disclosures normally included in the audited annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. These unaudited interim condensed interim consolidated financial statements should be read in conjunction with the Company's March 31, 2020 audited annual consolidated financial statements.

These unaudited interim condensed consolidated financial statements are presented in Canadian dollars, which is the functional and presentation currency of the Company and its subsidiaries. These unaudited interim condensed consolidated financial statements are presented on a historical cost basis unless an item is reported at fair value, and is presented on an accrual basis, except for cash flow information.

These unaudited interim condensed consolidated financial statements were authorized for issuance by the Company's Board of Directors on November 30, 2020.

Principles of consolidation

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. These consolidated financial statements include the accounts of the Company and all its subsidiaries with its principal subsidiaries being RLH Netherlands BV ("RLH NL"), Red Light Holland (Subco 1) Inc. ("Finco") and Red Light Holland (Subco 2) Inc. ("Debtco"). Intercompany accounts and balances are eliminated upon consolidation.

Significant accounting policies

The accounting policies applied in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's March 31, 2020 annual financial statements, except for the adoption of new standards and interpretations as of April 1, 2020.

3. AMALGAMATION TRANSATIONS

On October 8, 2019, the Company incorporated Finco (under the laws of the province of Ontario), for the purpose of completing a transaction to establish itself as a producer and distributor of its premium brand of psilocybin truffles within the Netherlands. On May 22, 2020, the Company closed the transaction (the "Transaction") with Finco and Debtco, both wholly owned subsidiaries of the Company. The Transaction was effected by way of two triangular amalgamations (the "Amalgamations") among (a) the Company and Debtco, and a wholly-owned subsidiary of the Company, and (b) the Company and Finco another wholly-owned subsidiary of the Company. Concurrent with the Transaction, the Company effected a change of its name to "Red Light Holland Corp." from Added Capital Inc. Prior to completing the Transaction, and during fiscal 2020, the Company was inactive and evaluating business opportunities.

Through the Amalgamations and completion of the Transaction, (i) each shareholder of Finco received one common share of the Company (total 66,022,530 Shares) in exchange for each one Finco Share held, related to the subscription receipt financing (see below) (ii) each shareholder of Debtco received one common share of the Company (total 125,148,606 Shares) in exchange for each one common share in the capital of Debtco (each, a "Debtco Share") held (related to the debt conversion), and (iii) all unexercised compensation warrants (4,816,802 warrants) were adjusted in accordance with their terms such that, each compensation warrant entitles the holder to acquire, upon exercise, one common share of the Company, on the same terms.

Debt restructuring
In January 2020, Red Light Holland completed a debt restructuring transaction (the "Debt Restructuring"), whereby it assigned, to its wholly owned subsidiary, Debtco, an aggregate of $1,577,623 in debt (the "Assigned Debt") owing by Red Light Holland to several third-party creditors. As part of the Debt Restructuring, in January 2020, Debtco completed a debt conversion (the "Debt Conversion"), whereby various debt holders elected to convert an aggregate of $196,563 of the Assigned Debt into Debtco Shares at a conversion price of $0.005 per Debtco Share, and an aggregate of $1,294,292 of the Assigned Debt into Debtco Shares at a conversion price of $0.02 per Debtco Share. In addition, Debtco accepted subscriptions for an aggregate of $14,583 for Debtco Shares at a price of $0.005 per Debtco Share, and an aggregate of $344,096 of for Debtco Shares at a price of $0.02 per Debtco Share. As the amalgamation had not yet taken place as at March 31, 2020, the resulting 125,148,606 common shares from the Debt Conversion and share subscriptions with a carrying value of $1,849,535 were presented as shares to be issued in the consolidated statement of financial position.

Subscription receipt financing
In May 2020, Finco completed a non-brokered private placement of 66,022,530 subscription receipts ("Subscription Receipt") at a price of $0.06 per Subscription Receipt for gross proceeds of $3,961,352. Each Subscription Receipt entitled the holder to one common share in the capital of Finco ("Finco Share"). In connection with the offering, Finco paid to the Finder a cash commission of $273,633, and issued 4,856,935 compensation warrants. Each warrants entitles the holder to acquire one common share of the Company at $0.06 for two years. The compensation warrants were valued at $193,730 using the black scholes options pricing model using the following assumption: Term – 2 years; Volatility – 136%; Interest rate – 0.30%.

Related to the Subscription receipt financing and the debt conversions, the Company also issued 1,833,333 common shares to certain finders as consideration for assisting in arranging the Amalgamations. The shares issued were valued at $0.06 per share based on the issue price of the Subscription Receipts.

In the event the Transaction did not occur or other escrow release conditions were not satisfied or waived the escrowed funds would be returned to the holders of the subscription receipts on a pro rata basis and the subscription receipts would be cancelled without any further action on the part of the holders. A total of 66,022,530 Subscription Receipts were issued for gross proceeds of $3,961,352. Of this total, 3,608,580 had been received by March 31, 2020 and was presented as a subscription receipts liability on the consolidated statement of financial position at March 31, 2020.

Included in prepaid financing costs of $179,843 on the consolidated statement of financial position as at March 31, 2020 are estimated Finder's Fees totaling $125,843 representing the portion of the fees that was earned by the Finders as at March 31, 2020.

The Escrow Release Conditions were met subsequent to March 31, 2020.

4. MARKETABLE SECURITIES

September 30, 2020	Number of Shares	Cost	Unrealized Loss	Fair Value
PharmaDrug Inc. – common shares	12,000,000	900,000	(540,000)	360,000
PharmaDrug Inc. - warrants	12,000,000	-	-	-

In May 2020, Finco issued 2,500,000 subscription receipts to Revive Therapeutics Ltd. (“Revive”) valued at $0.06 each which were then converted into common shares of the Company as part of the Amalgamation. As consideration, the Company received 3,000,000 common shares of Revive with a deemed valued of $150,000.

During the six months ended September 30, 2020, the Company sold all 3,000,000 shares for gross proceeds of $735,162 which resulted in a realized gain on marketable securities of $585,162.

During the six months ended September 30, 2020, the Company recognized a change in the unrealized gain of $528,000 as a result of reversal of the unrealized gain on the sale of the Revive shares.

In July 2020 Company made a cash investment by purchasing 2,666,667 units of PharmaDrug (the "PharmaDrug Subscription Units") at a price of $0.075 per unit for gross proceeds of $200,000. Each PharmaDrug Subscription Unit consisted of (i) one PharmaDrug Share, and (ii) one Class B PharmaDrug Warrant. The Company received an additional 9,333,333 shares in accordance with the Securities Exchange Agreement (see note 8).

5. PROPERTY AND EQUIPMENT

	Equipment	Leasehold improvements	Total
Cost			
Balance, March 31, 2020	$ -	$ -	$ -
Additions	8,666	24,000	32,666
Balance, September 30, 2020	$ 8,666	$ 24,000	$ 32,666
Accumulated Depreciation			
Balance, March 31, 2020	$ -	$ -	$ -
Additions	867	800	1,667
Balance, September 30, 2020	$ 867	$ 800	$ 1,667
Carrying amount			
As at September 30, 2020	$ 7,799	$ 23,200	$ 30,999

6. RIGHT OF USE ASSET

		Total
Balance, March 31, 2020	$	-
Additions - leases		122,798
Depreciation		(2,047)
Balance, September 30, 2020	$	120,751

Leases are depreciated over their term.

7. LEASE LIABILITIES

Balance, March 31, 2020	$	-
Additions		122,798
Interest expense		1,634
Lease payments		(5,423)
Balance, September 30, 2020	$	119,009

Allocated as:		**September 30, 2020**
Current	$	30,318
Long term		88,691
Balance	$	119,009

On August 1, 2020, the Company entered into a 60-month lease agreement to rent two spaces. The lease commenced on August 1, 2020 for a period of five years until July 31, 2025. The Company has the option to renew this lease for three more renewal periods of five years each, allowing the Company to potentially lease the space until July 31, 2040. Under the lease, the Company is required to pay a monthly rent of $2,527. At the commencement of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 8.62%, which are the Company's incremental borrowing rate in Canada. Effective interest rate is 10%.

During the six months ended September 30, 2020, the Company recognized an expense of $7,208 with respect to rent not subject to a lease agreement.

8. CAPITAL STOCK

(a) *Share capital*

Authorized
Unlimited number of common shares with no par value
2,000,000 voting, convertible, redeemable, preference shares

Issued and outstanding
Effective February 13, 2020, the Company consolidated its issued and outstanding common shares on the basis of one (new) post consolidation common share for each 20 (old) pre-consolidation common shares (the "Consolidation"). The Consolidation was approved at the Company's annual and special meeting of shareholders held on May 8, 2019. The consolidated financial statements reflect the post-consolidation common shares.

Details of shares issued and outstanding are as follows:

	Shares	Amount
March 31, 2020 and 2019	**851,335**	**$ 4,016,634**
Shares issued on Horizontal amalgamation of subsidiaries (note 3)	193,004,469	5,260,314
Shares issued for private placements (i)	26,120,181	4,309,830
Valuation of warrants issued on private placements (i)	-	(2,294,500)
Share issue costs – cash (i)	-	(342,937)
Share issue costs - broker warrants (i)	-	(126,970)
Shares issued as per the Share Exchange Agreement (ii)	4,242,424	700,000
Shares issued for services (iii)	3,000,000	180,000
Shares issued on exercise of warrants (iv)	1,883,237	197,087
Balance September 30, 2020	**229,101,646**	**$ 11,899,458**

(i) On June 8, 2020, the Company closed the first tranche of a brokered private placement (the "First Tranche") of Units for gross proceeds of approximately $3,000,000 with one institutional lead investor. Pursuant to the First Tranche, the Company issued a total of 18,181,818 Units at a price of $0.165 per Unit, with each Unit consisting of one common share and one warrant. Each warrant entitles the holder thereof to purchase one additional common share at an exercise price of $0.26 at any time until June 8, 2024, subject to an accelerated expiry option. The Warrants were valued at $1,374,000 using the Black-Scholes option pricing model using the following assumptions: Term – 4 years; Volatility – 167%; Interest rate – 0.48%.

In connection with the First Tranche, the Company paid to the agent a cash fee of $210,000 and issued 1,272,727 compensation warrants, with each compensation warrant entitling the holder to purchase one Unit at a price of $0.165 per Unit, for a period of 48 months following the issuance date. The compensation warrants were valued at $99,440 using the black scholes option pricing model with the following assumptions: Term – 4 years; Volatility – 167%; Interest rate – 0.48%.

On June 16, 2020, the Company closed the second tranche of the brokered private placement (the "Second Tranche") of units, for gross proceeds of $830,529. Pursuant to the Second Tranche, the Company issued a total of 5,033,515 units at a price of $0.165 per unit, with each unit consisting of one common share and one warrant. Each warrant entitles the holder thereof to purchase one additional common share at an exercise price of $0.26 at any time until June 16, 2024, subject to an accelerated expiry option. The Warrants were valued at 380,400 using the Black-Scholes option pricing model using the following assumptions: Term – 4 years; Volatility – 167%; Interest rate – 0.48%.

In connection with the Second Tranche, the Company paid the agent a cash fee of $58,137 and issued 352,346 compensation options, with each compensation option entitling the holder to purchase one unit at a price of $0.165 per unit for a period of 48 months following the date of issuance. The compensation warrants were valued at $27,530 using the black scholes option pricing model with the following assumptions: Term – 4 years; Volatility – 167%; Interest rate – 0.48%.

8. CAPITAL STOCK - CONTINUED

On July 16, 2020, the Company closed the final tranche of a private placement (see note 5(a)). In this tranche, 2,904,848 units were issued for gross proceeds of $479,300.

(ii) On July 14 2020, the Company entered into a securities exchange agreement with PharmaDrug Inc. (“PharmaDrug”) (the "Securities Exchange Agreement"). Under the terms of the Securities Exchange Agreement, PharmaDrug agreed to issue 9,333,333 units to the Company (the "PharmaDrug SEAUnits") at deemed price of $0.075 per unit, in consideration for the issuance by the Company of 4,242,424 RLH Units (as defined below) at a deemed price of $0.165 per unit to PharmaDrug. Each PharmaDrug SEA Unit consists of (i) one common share of PharmaDrug (a "PharmaDrug Share"), (ii) 0.9 of a PharmaDrug common share purchase warrant, each whole warrant entitling the holder thereof to acquire one common share of PharmaDrug at a price of $0.13 for a period of 48 months (each whole warrant, a "Class A PharmaDrug Warrant"), and (iii) 0.1 of a PharmaDrug common share purchase warrant, each whole warrant entitling the holder thereof to acquire one common share of PharmaDrug at a price of $0.08 for a period of 48 months (each whole warrant, a "Class B PharmaDrug Warrant"). Each RLH Unit will consist of one common share in the capital of the Company (an "RLH Share") and one common share purchase warrant (a "RLH Warrant") of the Company. Each RLH Warrant entitles the holder to purchase one additional RLH Share at an exercise price of $0.26 at any time for a period of 48 months, subject to an accelerated expiry option. If, following the date that is four months and one day following the date hereof, the volume weighted average trading price of the RLH Shares on the Canadian Securities Exchange (the "CSE") for any 10 consecutive trading days equals or exceeds $0.50, the Company may, upon providing written notice to the holders of RLH Warrants, accelerate the expiry date of the RLH Warrants to the date that is 30 days following the date of such written notice.

(iii) On May 27, 2020, the Company issued 3,000,000 shares to a consultant for services. On the date of issue, the shares had a fair value of $0.06.

(iv) During the six months ended September 30, 2020, 1,883,237 warrants were exercised for proceeds of $112,994. The warrants had a value of $84,093.

(b) *Stock options*

On September 26, 2014, the shareholders of the Company approved a new stock option plan (the “Plan”). The Plan’s maximum number of common shares which are reserved for issuance are expressed as a percentage of the issued and outstanding common shares, rather than as a fixed number, and the Plan’s aggregate reservation is restricted to 10%. As at the date hereof, 10% of the issued and outstanding common shares is 85,139 common shares. During the years ended March 31, 2020 and 2019, $nil was recorded as share-based compensation.

All stock options expired unexercised in the year ended March 31, 2020 as a result of the resignation of the holders as directors and officer of the Company. No options were outstanding or exercisable as at March 31, 2020.

On May 27, 2020, the Company issued 9,450,000 options to certain directors, officers, and consultants of the Company. The options are exercisable at an exercise price of $0.06 per common share. 2,500,000 options expire five years from the date of issuance. 7,950,000 options expire three years from the date of issuance. The options vest 1/3 immediately, 1/3 in six months and 1/3 in one year. In addition, a consultant was issued 3,000,000 common shares. The options were valued at $502,700 using the Black-Scholes option pricing model using the following assumptions: Term – 3-5 years; Volatility – 172% - 174%; Interest rate – 0.30%.

In June 2020, the Company issued to consultants 1,000,000 stock options (500,000 on June 10, 2020 and 500,000 on June 24). 500,000 Options are exercisable at an exercise price of $0.15 per common share, and 500,000 are exercisable at $0.105. The options expire three years from the date of issuance. The options were valued at $110,195 using the Black-Scholes option pricing model using the following assumptions: Term – 3 years; Volatility – 172% - 174%; Interest rate – 0.30%.

On July 16, 2020, the Company issued 500,000 stock options to a consultant. The stock options are exercisable at an exercise price of $0.085 per common share and expire three years from the date of issuance. The options were valued at $35,000 using the Black-Scholes option pricing model using the following assumptions: Term – 3 years; Volatility – 172%; Interest rate – 0.30%.

8. CAPITAL STOCK - CONTINUED

The following table reflects the continuity of options for the six months ended September 30, 2020:

		Number of Common Shares				
Expiry Date	**Exercise Price**	**Opening Balance**	**Options Granted**	**Options Exercised**	**Options Expired**	**Closing Balance**
May 27, 2025	$0.06	-	2,500,000	-	-	2,500,000
May 27, 2023	$0.06	-	6,950,000	-	-	6,950,000
June 10, 2023	$0.15	-	500,000	-	-	500,000
June 24, 2023	$0.105	-	500,000	-	-	500,000
July 16, 2023	$0.085	-	500,000	-	-	500,000
		-	10,950,000	-	-	10,950,000

The following table reflects the continuity of options for the year ended March 31, 2020:

		Number of Common Shares				
Expiry Date	**Exercise Price**	**Opening Balance**	**Options Granted**	**Options Exercised**	**Options Expired**	**Closing Balance**
November 11, 2019	$1.00	12,500	-	-	12,500	-
August 24, 2021	$1.00	15,000	-	-	15,000	-
		27,500	-	-	27,500	-

(c) *Employee share purchase plan*

On September 25, 2006, the shareholders of the Company approved the establishment of an employee share purchase plan ("ESPP"). The ESPP allows qualifying employees to purchase common shares of the Company equal to 8% of their annual compensation to a maximum amount of $8,000 per year, unless the Board of Directors waives the individual maximum. The Company matches the number of shares purchased at no additional cost to the employee over a three-year vesting period or such other period determined by the Board of Directors.

There were no purchases under the ESPP for the three and six months ended September 30, 2020 and the year ended March 31, 2020.

(d) *Loss per share data*

The weighted average number of common shares outstanding, used in computing basic and diluted loss per common share for the three and six months ended September 30, 2020 and 2019 were:

	Three months	**Six months**
Three and six months ended September 30, 2020	226,737,374	156,164,767
Three and six months ended September 30, 2019	851,335	851,335

The effect of outstanding common share purchase options and warrants on the net loss for the periods presented is not reflected as to do so would be anti-dilutive.

(e) *Warrants:*

	Warrants #	Amount $
Balance, March 31, 2019	333,000	312,952
Expiry of warrants	(113,000)	(51,980)
Balance, March 31, 2020	220,000	260,972
Issued in connection with subscription receipt financing (note 3)	4,856,935	193,730
Issued in connection with private placements (note 5)	27,745,254	2,100,870
Issued in connection with the Share Exchange Agreement (note 8(ii))	4,242,424	320,600
Issued in connection with consulting agreements (i)	8,650,000	448,557
Exercised	(1,883,237)	(84,093)
Balance, September 30, 2020	43,831,376	3,240,636

8. CAPITAL STOCK - CONTINUED

(i) On May 27, 2020 8,650,000 warrants were issued to certain consultants of the Company. The warrants are exercisable at an exercise price of $0.06 per common share and expire three years from the date of issuance. The warrants vest 1/3 immediately, 1/3 in six months, and 1/3 in one year.

As at September 30, 2020, warrants outstanding were as follows:

		Warrants Outstanding and Exercisable	
Expiry Date	**Exercise Price**	**Number of Warrants**	**Average Remaining Contractual Life (Years)**
December 12, 2021	$1.00	220,000	1.70
December 20, 2021	$0.06	543,293	1.20
February 7, 2022	$0.06	1,359,772	1.22
February 8, 2022	$0.06	35,000	1.36
February 10, 2022	$0.06	8,500	1.36
March 13, 2022	$0.06	1,777,133	1.37
May 27, 2023	$0.06	7,900,000	1.45
June 8, 2024	$0.165	1,272,727	2.66
June 8, 2024	$0.26	18,181,818	3.69
June 16, 2024	$0.26	5,033,515	3.69
June 16, 2024	$0.165	352,346	3.71
July 16,2024	$0.26	4,242,424	3.79
July 16, 2024	$0.26	2,904,848	3.79
		43,831,376	3.31

9. CAPITAL MANAGEMENT

The Company requires capital to fund existing and future operations and meet regulatory capital requirements. The Company's policy is to maintain adequate levels of capital at all times.

The Company's capital structure includes the following:

	September 30, 2020	March 31, 2020
Short-term loans payable	$ -	$ -
Subscription receipts	-	3,608,580
Shareholders' deficiency comprised of:		
Share capital	11,899,458	4,016,634
Shares to be issued	-	1,849,535
Warrants	3,240,636	260,972
Contributed surplus	2,277,978	1,848,632
Deficit	(10,470,160)	(9,144,068)
	$6,947,911	$2,440,285

The Company's objectives when managing capital are to (i) provide financial capacity and flexibility in order to preserve its ability to meet its strategic objectives and financial obligations and continue as a going concern; (ii) maintain a capital structure which allows the Company to respond to changes in economic and marketplace conditions and affords the Company the ability to participate in new investments; (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders equal with the level of risk; and (iv) maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to enable it to meet its objectives by: (i) raising capital through the issuance of securities.

The Company's capital management objectives, policies and processes have generally remained unchanged during the three and six months ended September 30, 2020.

10. PROVISIONS, COMMITMENTS AND CONTINGENCIES

The Company is party to legal proceedings and other claims in the ordinary course of its operations. Litigation and other claims are subject to many uncertainties and the outcome of individual matters is not predictable. Where management can estimate that there is a loss probable, a provision has been recorded in its financial statements, where proceedings are at a premature stage or the ultimate outcome is not determinable, then no provision is recorded. It is possible that the final resolution of these matters may require the Company to make expenditures over an extended period of time and in a range of amounts that cannot be reasonably estimated and may differ significantly from any amounts recorded in these consolidated financial statements. Should the Company be unsuccessful in its defense or settlement of one or more of these legal actions, there could be a materially adverse effect on the Company's financial position, future expectations, and cash flows.

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $244,000 which are due within one year.

11. RISK MANAGEMENT

Fair value of financial assets and financial liabilities

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from its financial instruments. The fair values of the Company's financial assets and financial liabilities approximate their carrying amounts due to their imminent or short-term maturity.

Interest rate risk
The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company has no interest-bearing loans.

Foreign exchange risk
Foreign exchange risk is the risk that the market value of financial instruments and the associated revenues will fluctuate due to changes in exchange rates. The Company does not use derivatives to modify the foreign exchange risk. The Company holds minimal financial instruments in foreign currencies.

The Company's functional and reporting currency is the Canadian dollar. Foreign exchange risk arises from transactions denominated in currencies other than the Canadian dollar. The Company's primary foreign exchange exposures is the Euro, being the local currency in the Netherlands where the Company's subsidiary RLH NL operates.

The Company is exposed to currency risk through the assets and liabilities denominated in currencies other than Canadian dollar. As at September 30, 2020, the Company does not have a material risk as 97% of its assets and liabilities are denominated in the Canadian dollar.

Liquidity risk
Liquidity risk is the risk that results from the Company's potential inability to meet its financial obligations as they come due. The Company manages liquidity risk by reviewing the amount of cash available to ensure that it can meet its current obligations.

The Company has loans outstanding of $nil (March 31, 2020 - $86,768).

Credit risk
The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable financial institutions and cash held with a law firm, from which management believes the risk of loss to be remote.

12. RELATED PARTY TRANSACTIONS

The Company had related party transactions with directors or officers of the Company, or companies with which they were associated, as follows:

Compensation to key management personnel
Compensation paid or payable during the three and six months ended September 30, 2020 and 2019 to persons and corporations in charge of the planning, direction and control of the Company, including executive and non-executive directors, is as follows:

a) During the six months ended September 30, 2020, the Company was charged $89,000 in fees by the CEO for CEO management fees.

b) During the six months ended September 30, 2020, the Company was charged $20,000 in fees by the CFO for management fees.

c) During the six months ended September 30, 2020, the Company was charged $42,000 in fee by the President for management fees.

Equity Transactions
Shares issued during the six months ended September 30, 2020 and the year ended March 31, 2020 and 2019 to persons and corporations in charge of the planning, direction and control of the Company, including executive and non-executive directors, is as follows:

a) On May 27, 2020, the Company issued 3,700,000 stock options to directors and officers of the Company (see note 5(b)).

b) During the year ended March 31, 2020, the Company settled debt of $464,115 to related parties through the issuance of 32,408,850 shares (2019 - $nil) (see note 3).

c) During the year ended March 31, 2020, the Company issued $46,667 worth of shares to related parties through the issuance of 2,333,333 common shares in the DebtCo financing in January 2020 (see note 3).

c) During the year ended March 31, 2020, the Company issued $200,000 worth of subscription receipts to related parties through the issuance of 3,333,333 subscription receipts through the FinCo financing (see note 3).

13. SALE OF SUBSIDIARY

On September 1, 2020, the Company sold 100% of the common shares of the capital of Northern Securities Inc. ("NSI") for consideration of $1. All the liabilities associated with NSI have been removed from the Company's accounts including those Statute-barred Claims, as per below.

During the year ended March 31, 2017, the Company transferred $525,769 of accounts payable (the "Statute-barred Claims") to non-current liabilities on the basis that any claims in respect of the Statute-barred Claims were statute barred under the Limitations Act (Ontario). The Statute-barred Claims related to expenses billed by and third party liabilities incurred by NSI which is no longer active. However, for accounting purposes under IFRS, a debt can only be removed from the Company's Statement of Financial Position when it is extinguished, meaning only when the contract is discharged or canceled or expires. The effect of the Limitations Act is to prevent a creditor from enforcing an obligation but it does not formally extinguish the debt for accounting purposes. It is the position of management of the Company that the Statute-barred Claims cannot be enforced by the creditors, do not create any obligation for the Company to pay out any cash and do not affect the financial or working capital position of the Company. The Statute-barred Claims were required to be reflected on the Company's Statement of Financial Position as a result of the current interpretation of IFRS, but they were classified as long-term liabilities since the Company has no intention or obligation to pay these Statute-barred Claims and the creditors cannot enforce payment of the Statute-barred Claims. While inclusion of these items was intended solely to comply with the requirements of IFRS, the Company in no way acknowledged any of the Statute-barred Claims.

15. GENERAL AND ADMINISTRATIVE

	Three months ended September 30		Six months ended September 30	
	2020	2019	2020	2019
Consulting	$ 25,086	$ -	$ 120,876	$ -
Legal, audit and other professional fees	16,062	5,000	354,494	10,000
Management fees	68,000	-	151,000	-
Business development	124,712	-	157,842	-
Office and general	28,472	-	42,897	-
Regulatory	3,750	-	14,105	-
Shareholder communication	374,431	-	409,662	-
Amortization and depreciation	3,714	-	3,714	-
Write off of expired payables	(86,768)	-	(86,768)	-
	$ 557,458	$ 5,000	$ 1,167,821	$ 10,000

16. SUBSEQUENT EVENTS

Subsequent to the quarter end, 333,333 options were exercised into 333,333 common shares for proceeds of $20,000.

RED LIGHT HOLLAND

RED LIGHT HOLLAND CORP (FORMERLY ADDED CAPITAL INC.)

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2020 SEPTEMBER 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("**MD&A**") of the activities, results of operations and financial condition of Red Light Holland Corp. ("**Red Light**" or the "**Company**") is for the three and six month periods ended September 30, 2020, and the comparable periods in 2019. The discussion should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and six months ended September 30, 2020 and related notes thereto (the "**2020 Q2 Interim Financial Statements**") and the annual audited consolidated financial statements for the years ended March 31, 2020 and 2019. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

The 2020 Q2 Interim Financial Statements are presented on a consolidated basis with the Company's four wholly-owned subsidiaries, being:

- Red Light Holland (Subco 1) Inc. ("**Subco 1**"), a corporation formed under the Business Corporations Act (Ontario) (the "**OBCA**")on May 22, 2020, pursuant to the amalgamation of Red Light Holland Financing Inc. and 2747439 Ontario Inc.;

- Red Light Holland (Subco 2) Inc. ("**Subco 2**"), a corporation formed under the OBCA on May 22, 2020, pursuant to the amalgamation of Red Light Holland Debt Inc. and 2747451 Ontario Inc.;

- Northern Securities Inc. ("**NSI**"), a corporation formed under the OBCA on September 19, 1996, and 100% of the shares of NSI were sold on September 21, 2020; and

- RLH Netherlands B.V. ("**Dutchco**"), a limited liability company formed under the laws of the Netherlands on August 5, 2020.

Subco 2, as of the date of this MD&A, and NSI until it was sold on September 21, 2020, are non-operating subsidiaries of the Company, with no material business operations or activities. As at the date of this MD&A, Dutchco is the Company's only operating subsidiary, through which the Company has conducted its operations in the Netherlands since August 5, 2020.

All monetary amounts are reported in Canadian dollars unless otherwise noted. These documents, as well as additional information on the Company, are filed electronically through the System for Electronic Document Analysis and Retrieval ("**SEDAR")** and are available online at www.sedar.com.

The effective date for this report is November 30, 2020.

Forward-Looking Statements

Certain statements contained in this **MD&A** and in certain documents incorporated by reference into this MD&A, constitute forward-looking statements, within the meaning of applicable securities laws ("**forward-looking statements**"). Such statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "potential", "targeting", "intend", "could", "might", "should", "believe", "prospect", "future", "possible", "can", "speculative", "perhaps" and similar expressions.

Forward looking information and statements included throughout this MD&A include, but are not limited to, statements pertaining to the following:

- the Company's plan to complete harvesting the Initial Batch in approximately 2 weeks;
- the Company's plan to plan to package and distribute the Initial Batch within the Netherlands under the Company's "iMicrodose" brand in approximately 4 weeks;
- the Company's plan to build out the Facility (as hereinafter defined) to obtain EU-GMP (as hereinafter defined) certification for the Facility in calendar Q1, 2021;
- the Company's plan to enter into a binding definitive agreement to acquire SR Wholesale (as hereinafter defined) by December 18, 2020;
- the Company's plan to complete and launch the VR Module (as hereinafter defined) in calendar Q4, 2020;

- the Company's plan to complete and launch the augmented reality application in an in-store media center or before the end of Q1, 2021;
- the Company's plan to launch the digital care program by the beginning of February, 2021;
- the Company's plan to set up iMIC in the Super Smart Store (both terms as hereinafter defined) before the end of calendar Q4, 2020; and
- the Company's plan, subject to all applicable laws and regulations, to enter into a binding definitive agreement regarding a joint venture with Halo Labs Inc., within the next 12 months.

Forward looking information and statements included throughout this MD&A are based on a number of factors and assumptions which have been used to develop such statements and information, but which may prove to be incorrect. including, but not limited to, assumptions about:

- general business and market conditions;
- Red Light Holland Corp.'s (the "**Company**") ability to execute on its business plan, and secure any licenses, permits, and authorizations which may from time to time become necessary to execute on its business plan;
- the Company's financial condition for the reasonably foreseeable future and its ability to carry out its development plans;
- the demand, and market opportunity, for the Company's product offerings;
- the Company's ability to establish, preserve and develop its brand, and attract and retain required personnel;
- the Company's ability to successful complete the build-out of the Facility (as hereinafter defined), and commence the build out necessary to obtain EU-GMP (as hereinafter defined) certification, and distribute its product offerings on the terms and within the timelines anticipated by the Company;
- the impact of COVID-19 on the market demand for EU-GMP certified truffles
- the business operations of entities and institutions (and in particular, those engaged in the health and sciences industries) which might otherwise have presented the Company with business-to-business sales channels for the sale of the Company's for EU-GMP certified truffles;
- the regulatory framework in the European Union remaining the same in respect of the minimum requirements that a producer must meet to obtain EU-GMP certification;
- the Company's ability to identify a cost-effective build-out plan to obtain EU-GMP certification for the Facility;
- the impact of current and future social and economic conditions (including, not limited to, global pandemics) on the business and operations of the Company, and the Company's ability to capitalize on anticipated business opportunities;
- the Company's ability to grow, harvest, and distribute truffles from time to time cultivated and produced by the Company within the timelines anticipated by the Company;
- the Company's ability to meet the timeframe for the harvesting, packaging and distribution of the Initial Batch as disclosed in a press release dated August 5, 2020; and
- the Company's ability to package and distribute the Initial Batch within the Netherlands under the Company's "iMicrodose" brand, in approximately 4 weeks, as disclosed in this MD&A.

Although the Company believes that the expectations reflected in those forward-looking statements are reasonable, no assurance can be given that these expectations will prove to be correct. As such, forward-looking statements included in this MD&A and in the documents incorporated by reference into this MD&A should not be unduly relied upon.

Further, readers are cautioned that forward looking statements involve known and unknown risks, uncertainties and other factor (many of which are beyond the Company's ability to predict or control) that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. In particular, the Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A, which should not be considered to be exhaustive:

- general economic conditions in Canada, the Netherlands, and globally, including reduced availability of debt
  and equity financing generally;

- governmental regulation of the industry or industries within which the Company may be engaged in from time to time, including environmental regulation;
- fluctuation in foreign exchange or interest rates;
- liabilities inherent in the operations of the Company as a participant in the truffles industry;
- general business and market conditions; and
- the Company's capabilities in developing third party relationships and engaging resources to achieve its business objectives.

Forward-looking statements contained in this MD&A and the documents incorporated by reference into this MD&A speak only as of the date of this MD&A, or as of the date specified in the documents incorporated by reference into this MD&A, as the case may be. The Company does not intend, and does not assume any obligation, to update or revise these forward-looking statements, except as required pursuant to applicable securities laws.

The forward-looking statements contained in this MD&A and the documents incorporated by reference herein are expressly qualified by this cautionary statement.

Overview and RTO

On October 8, 2019, Red Light Holland Corp (formerly Added Capital Inc.) ("Red Light Holland" or the "Company") incorporated Red Light Holland Financing Inc. ("Subco 1") (under the laws of the province of Ontario), for the purpose of completing a transaction to establish itself as a producer and distributor of its premium brand of psilocybin truffles within the Netherlands. On May 22, 2020, the Company closed a transaction (the "Transaction") with Subco 1 and Red Light Holland Debt Inc. ("Debtco"), both wholly owned subsidiaries of the Company. The Transaction was effected by way of two triangular amalgamations (the "Amalgamations") among (a) the Company and Debtco, and a wholly-owned subsidiary of the Company, and (b) the Company and Subco 1 another wholly-owned subsidiary of the Company. Concurrent with the Transaction, the Company effected a change of its name to "Red Light Holland Corp." from Added Capital Inc.

Following completion of the Transaction on May 22, 2020, the Company received approval to list its common shares on the Canadian Securities Exchange (the "CSE") and commenced trading on May 28, 2020, under the ticker symbol "TRIP" and on July 11, 2020, listing of its common shares on the Frankfurt Stock Exchange ("FSE") under the symbol "4YX".

In connection with the completion of the Transaction, the board of directors and senior officers of the Company have been reconstituted and currently consist of Todd Shapiro (Director and Chief Executive Officer), Kyle Appleby (Chief Financial Officer), Brad Lamb (Director and Chairman), Anne Barnes (Director), and Binyomin Posen (Director).

In May 2020, the Company formed an advisory board headed by Bruce Linton, one of the world's foremost executives in the cannabis industry, as the Chairman, and in June 2020, added the Honourable Tony Clement, Genevieve Roch-Decter, Sarah Hashkes, and Joseph Geraci to the advisory board.

Effective February 13, 2020, the Company consolidated its issued and outstanding common shares on the basis of one (new) post consolidation common share for each 20 (old) pre-consolidation common shares (the "Consolidation"). The Consolidation was approved at the Company's annual and special meeting of shareholders held on May 8, 2019. The information in this report reflect the post-consolidation common shares.

Prior to completing the Transaction, and during fiscal 2020, the Company was inactive and evaluating business opportunities.

Financing events and restructuring

In January 2020, Red Light Holland completed a debt restructuring transaction (the "Debt Restructuring"), whereby it assigned, to its wholly owned subsidiary, Debtco, an aggregate of $1,577,623 in debt (the "Assigned Debt") owing by Red Light Holland to several third-party creditors. As part of the Debt Restructuring, in January 2020, Debtco completed a debt conversion (the "Debt Conversion"), whereby various debt holders elected to convert an aggregate of $196,563 of the Assigned Debt into Debtco Shares at a conversion price of $0.005 per Debtco Share, and an aggregate of $1,294,292 of the Assigned Debt into Debtco Shares at a conversion price of $0.02 per Debtco Share.

In addition, Debtco accepted subscriptions for an aggregate of $14,583 for Debtco Shares at a price of $0.005 per Debtco Share, and an aggregate of $344,096 of for Debtco Shares at a price of $0.02 per Debtco Share.

In May 2020, Subco 1 completed a non-brokered private placement of 66,022,530 subscription receipts (“Subscription Receipt”) at a price of $0.06 per Subscription Receipt for gross proceeds of $3,961,352. Each Subscription Receipt entitled the holder to one common share in the capital of Subco 1 (“Subco 1 Share”). In connection with the Offering, Subco 1 paid to the Finder a cash commission of $273,633, and issued 4,856,802 compensation warrants. Subco 1 also issued an aggregate of 1,833,333 New RLH Shares to certain finders as consideration for assisting in arranging the Amalgamations.

Upon completion of the Transaction, (i) each shareholder of Subco 1 received one common share of the Company (total 67,855,863 Shares) for each one Subco 1 Share held, (ii) each shareholder of Debtco received one common share of the Company (total 125,148,606 Shares) for each one common share in the capital of Debtco (each, a “Debtco Share”) held, and (iii) all unexercised Finder Compensation Warrants (4,856,802 warrants) were adjusted in accordance with their terms such that, each Finder Compensation Warrant entitles the holder to acquire, upon exercise, one common share of the Company, on the same terms.

On June 8, 2020, June 16, 2020, and July 16, 2020, the Company closed a brokered private placement (in three and six tranches) of Units in three and six tranches, for gross proceeds of approximately $5,000,000. The Company issued a total of 5,009,830 Units at a price of $0.165 per Unit, with each Unit consisting of one common share and one warrant. Each warrant entitles the holder thereof to purchase one additional common share at an exercise price of $0.26 at any time until June 8, 2024, subject to an accelerated expiry option. In connection with the First Tranche, the Company paid to the agent a cash fee of $210,000 and issued 1,272,727 compensation options, with each compensation option entitling the holder to purchase one Unit at a price of $0.165 per Unit, for a period of 48 months following the issuance date. In connection with the Second Tranche, the Company paid the agent a cash fee of $58,137 and issued 352,346 compensation options, with each compensation option entitling the holder to purchase one unit at a price of $0.165 per unit for a period of 48 months following the date of issuance.

On July 14, 2020, the Company entered into a securities exchange agreement (the "Securities Exchange Agreement") with PharmaDrug Inc. (CSE: BUZZ) ("PharmaDrug"). Under the terms of the Securities Exchange Agreement, PharmaDrug has agreed to issue 9,333,333 units to the Company (the "PharmaDrug SEAUnits") at deemed price of $0.075 per unit, in consideration for the issuance by Red Light Holland of 4,242,424 RLH Units at a deemed price of $0.165 per unit to PharmaDrug. Each PharmaDrug SEA Unit consists of (i) one common share of PharmaDrug (a "PharmaDrug Share"), (ii) 0.9 of a PharmaDrug common share purchase warrant, each whole warrant entitling the holder thereof to acquire one common share of PharmaDrug at a price of $0.13 for a period of 48 months (each whole warrant, a "Class A PharmaDrug Warrant"), and (iii) 0.1 of a PharmaDrug common share purchase warrant, each whole warrant entitling the holder thereof to acquire one common share of PharmaDrug at a price of $0.08 for a period of 48 months (each whole warrant, a "Class B PharmaDrug Warrant"). In addition, the Company will make a cash investment for $200,000 of units of PharmaDrug (the "PharmaDrug Subscription Units") at a price of $0.075 per unit, each PharmaDrug Subscription Unit consisting of (i) one PharmaDrug Share, and (ii) one Class B PharmaDrug Warrant. Each RLH Unit will consist of one common share in the capital of the Company (a "RLH Share") and one common share purchase warrant (a "RLH Warrant") of the Company. Each RLH Warrant entitles the holder to purchase one additional RLH Share at an exercise price of $0.26 at any time for a period of 48 months, subject to an accelerated expiry option.

Business of Red Light Holland Corp (following completion of the Transaction)

The Company is an Ontario-based corporation engaged in the production, growth and sale (through existing operators of Smart Shops (as hereinafter defined) and an advanced e-commerce platform) of a premium brand of psilocybin truffles (commonly known as magic truffles) (“**truffles**”) to the legal, recreational market within the Netherlands, in compliance with all applicable laws.

The Company’s operations are based exclusively within the Netherlands, where the Company is currently engaged in the sale and distribution of the Psilocybe Galindoi strain of truffles under a single brand, “iMicrodose.”

As of the date of this MD&A, the iMicrodose brand of truffles are offered for sale through brick-and-mortar retail stores (referred to in the Netherlands as (referred to in the Netherlands as “smart shops”) (the “**Smart Shops**”) which are duly authorized (where required) under applicable laws and operated by its industry partners. Smart

Shops are retail stores within the Netherlands focused on the sale of psychoactive substances, generally including psychedelics and truffles, as well as related literature and paraphernalia. In addition, the Company's brand of truffles are offered for sale through the E-Commerce Platform (as hereinafter defined), as well as an online e-commerce platform operated by Xena-it.nl B.V. ("**McSmart**"), at www.tatanka.nl.

The following is a list of the Smart Shops operated by Interrobang Ltd., a wholly-owned subsidiary of PharmaDrug Inc.) ("**Super Smart**"), and McSmart, in which the Company's brand of truffles are offered for sale as of the date of this MD&A. To the knowledge of the Company, McSmart and Super Smart are unaffiliated with (and operate independently of) each other.

- One (1) Smart Shop located in Tiel, the Netherlands (the "**Super Smart Store**") operated by Super Smart;

- The following three (3) Smart Shops operated by McSmart (i) one (1) Smart Shop located in Amsterdam, the Netherlands, and operated under the name "Tantanka", (ii) one (1) Smart Shop located in Amsterdam, the Netherlands, and operated under the name "Tantanka", and (iii) one (1) Smart Shot located in Amsterdam, the Netherlands, and operated under the name "The Headshop."

The Company is also engaged in the cultivation and production of truffles at the Facility, with the Company currently harvesting an initial batch of approximately 100,000 grams of the Psilocybe Mexicana, Psilocybe Galindoi, and Psilocybe Tampanensis strains of truffles (the "**Initial Batch**").

The Initial Batch became available for harvest in late October 2020, as previously announced by the Company. As of the date of this MD&A, the Company is currently in the process of preparing and harvesting the Initial Batch for internal testing and quality assurance, which the Company anticipates will be complete in 2 weeks, in accordance with the Company's previously announced timeline. For clarity, once a batch is ready for harvest, the harvest does not immediately have to take place, but rather can be done several months later. The Company hopes to package and distribute the Initial Batch within the Netherlands under the Company's "iMicrodose" brand, in approximately 4 weeks. The Company's ability to package and distribute the Initial Batch in approximately 4 weeks is dependent on the following material factors and assumptions: (i) the Company having adequate financial resources to complete the harvest and fund the packaging and distribution of the Initial Batch; and (ii) current and future economic conditions not negatively affecting business and operations of the Company. At present, the Company is also exploring potential sales channels for the wholesale distribution of truffles cultivated and produced within the Facility.

The Company anticipates acquiring in 2021, SR Wholesale B.V., a distributor of among other things, truffles, CBD products, cannabis seeds, in the Netherlands with a distribution network of over 300 companies that sell their products across Europe, and ultimately expanding the sale and distribution of its iMicrodose Packs. For more information on the anticipated effects of this proposed acquisition, please see the section entitled "SR Wholesale Acquisition" under "Significant Projects", and the section entitled "Overall Performance and Outlook."

Although the Netherlands does not, as of the date of this MD&A, directly regulate the cultivation, distribution, sale and possession of fresh, unprocessed truffles (whether at the federal level or at a local level), the Company limits its business activities within the Netherlands exclusively to fresh, unprocessed truffles, which have not transitioned in a stage of growth to become magic mushrooms, in order to comply with the Opium Act. For a description of the regulatory framework in the Netherlands in respect of truffles, please see the section entitled "*Regulatory Framework and Licensing Regime*", in this MD&A.

At present, the Company does not have any plans to establish or operate any brick-and-mortar retail store locations within the Netherlands, and intends to continue to utilize Smart Shop operators within the Netherlands, and the E-Commerce Platform, to distribute and offer for sale the Company's brand of truffles. Similarly, the Company does not have any plans to engage in the distribution, sale and marketing of its products in any jurisdiction outside of the Netherlands. However, the Company may in the future expand in to one or more additional jurisdictions at such time as market and regulatory conditions present a legal and viable business opportunity for the expansion of the Company's business into such jurisdictions. There can be no assurance as to the timing or completion of any such expansion.

Truffles vs. Magic Mushrooms

Truffles are the sclerotia (the compact mass of hardened, vegetative part of a fungus or fungus-like bacterial colony which contain food reserves) of psilocybin mushrooms ("**magic mushrooms**"). Truffles and magic mushrooms both belong to the same species of psychoactive fungi, and contain similar psychoactive substances and active compounds (such as psilocybin, psilocin and baeocystin). However, there are some key differences. First, truffles and magic mushrooms are each at a different stage of fungal development. Truffles, which grow beneath the ground, can be described as dormant fungi (which resemble walnuts) that store food reserves during periods where surrounding environmental conditions are not optimal for the above-ground growth of the mushroom part of a fungus. Truffles store food and psychoactive chemicals until the surrounding environment becomes suitable for the above-ground growth of magic mushrooms. Second, although scientific data is limited with respect to the various kinds of truffles, anecdotal reports from users of truffles usually describe milder experiences, with less pronounced hallucinations and a more preserved ability to move and socialize. Finally, the concentration of psychoactive substances and active compounds in magic mushrooms is believed to vary considerably, which could result in the potency of individual mushrooms in a particular batch of magic mushrooms to be somewhat inconsistent. On the other hand, the concentration of psychoactive substances and active compounds (and therefore, the potency) is regarded to be far more consistent in truffles, relative to magic mushrooms, which enables a more predictable dosing experience.

The Company does not make any claims regarding any health, medical or therapeutic benefits, or physiological effects associated with the use or consumption of truffles.

Strains of Truffles: Psilocybe Mexicana, Psilocybe Galindoi, and Psilocybe Tampanensis

As of the date of this MD&A, the iMicrodose-branded truffles are comprised of the Psilocybe Galindoi strains of truffles, sourced from McSmart, one of the Company's industry partners within the Netherlands, and the Initial Batch currently being harvested at the Facility, is comprised of the Psilocybe Mexicana, Psilocybe Galindoi, and Psilocybe Tampanensis strains of truffles.

The Psilocybe Mexicana, Psilocybe Galindoi, and Psilocybe Tampanensis strains of truffles are easy to cultivate, and have an approximately 0.63% to 0.90% psilocybin content, which is regarded as falling within the median range for most truffles. The Psilocybe Mexicana, Psilocybe Galindoi Psilocybe, and Psilocybe Tampanensis are believed to originate from North America. Although scientific data is limited with respect to the various strains of truffles, anecdotal reports from users of the Psilocybe Mexicana, Psilocybe Galindoi, and Psilocybe Tampanensis strains of truffles usually describe milder experiences (relative to magic mushrooms), with less pronounced hallucinations and a more preserved ability to move and socialize. Although the effects of truffles on individuals vary, depending on among other things, the particular strain of truffles and the strength of a particular dosage, as well as an individual's mood at the time of consumption, the environment within which such consumption occurs, and the impact of an individual's pre-existing health or medical conditions, anecdotal reports from users of the Psilocybe Mexicana, Psilocybe Galindoi, and Psilocybe Tampanensis strains of truffles generally describe one or more of (or a combination of) increased clarity, focus, and energy, a reduction in anxiety levels and a sense of calmness, and a general feeling of positivity and connectivity with oneself and one's environment, in each case for a temporary period.

As discussed in the section entitled "*Overall Performance and Outlook*" in this MD&A, the Company did not proceed with its plan to introduce its brand of truffles under the brand names "Bicycle Day" (comprised of the Psilocybe Cubensis strain of truffles) and "Bliss" (comprised of the Psilocybe Tampanesis strain of truffles), as originally disclosed in the Listing Statement. Instead, the Company solidified its arrangement with McSmart and launched its own brand of truffles under the re-branded name, "iMicrodose". The Psilocybe Mexicana and Psilocybe Galindoi strains of truffles comprising the Initial Batch are unrelated to the strains which the Company originally anticipated would comprise the "Bicycle Day" and "Bliss" brands of the Company's truffles. However, the Psilocybe Tampanensis strain of truffles is the strain which the Company originally anticipated would comprise the "Bliss" brand of the Company's truffles.

Indoor Cultivation of Truffles

The cultivation of truffles within an indoor environment primarily requires a combination of the right soil conditions and temperature. In contrast to, for example, the indoor cultivation of cannabis (which typically requires a custom, controlled indoor environment with artificial lighting and appropriate airflow and temperature controls, among other things) truffles are relatively easier to cultivate within an indoor environment with appropriate soil conditions and controlled temperature (generally, between 21 and 24 degrees Celsius). As of the date of this MD&A, the

Company is engaged in the cultivation and production of truffles within the Facility, which has been fitted with appropriate heating, ventilation, and air conditioning systems to produce the optimal environment required for the indoor cultivation of truffles. The Company also maintains protocols customarily employed by participants within the truffles industry within the Netherlands in order to ensure around-the-clock temperature control, which includes the deployment of on-site personnel on a regular basis to prevent disruptions to the Company's cultivation and production operations.

Regulatory Framework and Licensing Regime

As of the date of this MD&A, participants within the truffles industry within the Netherlands do not require any special licenses, permits or other approvals in order to engage in the cultivation, production, distribution, and sale of truffles within the Netherlands, to the extent such activities pertain to fresh, unprocessed truffles which have not transitioned in a stage of growth to become magic mushrooms.

The regulation of truffles and activities pertaining to truffles within the Netherlands is unlike the regulatory framework in both Canada and the United States with respect to certain controlled substances. Both Canada and the United States have implemented robust regulatory frameworks for regulating certain controlled substances, such as cannabis, and activities relating to such controlled substances that are within the jurisdiction of the respective governmental body (such as, the cultivation, distribution, sale and possession of cannabis). However, in the Netherlands, neither the federal government nor any local government has, as of the date of this MD&A, implemented any direct regulatory or licensing framework in respect of the cultivation, production, and sale, and recreational consumption of fresh, unprocessed truffles within the Netherlands. As such, as of the date of this MD&A, the Netherlands does not directly regulate the cultivation, distribution, sale and possession of fresh, unprocessed truffles, whether at the federal level or at a local level. However, to the extent truffles are subject to processing, or have transitioned in a stage of growth to become magic mushrooms, such biomatter will, at such point in time, become a controlled substance that is subject to direct federal regulation in the Netherlands under the *Opium Act* (*Opiumwe*) (the "**Opium Act**").

The Opium Act

As of the date of this MD&A, the Opium Act is the primary drug legislation in the Netherlands. Articles 2 and 3 of the Opium Act prohibit the possession, production, preparation, processing, selling, delivering, transporting, importing and exporting of any drug or substance listed on the schedules/lists accompanying the Opium Act (together, the "**Opium Act Lists**"), as well as preparations containing one or more of such prohibited substances. Articles 2 and 3 of the Opium Act also prohibit the above-noted activities in respect of a number of plants or parts of plants which are named in the Opium Act Lists.

Under the legislative framework of the Opium Act, and as confirmed by case law from the Supreme Court of the Netherlands (the highest court in the Netherlands), insofar as the Opium Act Lists include certain compounds and preparations but not the organic matter within which those compounds occur naturally, the prohibitions in Articles 2 and 3 of the Opium Act do not relate to unlisted organic matter (and parts thereof). As of the date of this MD&A, the Opium Act Lists expressly name magic mushrooms, as well as psilocin (*psilocine*) and psilocybin (*psilocybine*), both of which are substances that naturally occur within both magic mushrooms and truffles. However, the Opium Act Lists do not expressly name truffles. The consequence of this exclusion is that, in light of the legislative framework of the Opium Act, and case law from the Supreme Court of the Netherlands, Articles 2 and 3 of the Opium Act do not prohibit the cultivation, production, and sale of fresh, unprocessed truffles, but, solely to the extent that (i) the fresh truffles are not subject to further processing that results in such truffles becoming a preparation prohibited under the Opium Act, and (ii) the biomatter that is cultivated, produced, and sold as fresh truffles has not progressed to a stage in growth where the biomatter has transitioned from sclerotia (truffles), to become a magic mushroom (*paddo*). In short, the lack of direct regulation of fresh, unprocessed truffles and the cultivation, distribution, sale and possession of fresh, unprocessed truffles does not mean that activities pertaining to truffles are entirely unregulated, but rather, unregulated only to the extent that such activities pertain to fresh unprocessed truffles, which have not transitioned to a stage of growth to become magic mushrooms.

Local Laws

Although the activities of the Company and its industry partners within the Netherlands, insofar as they relate to cultivation, production, distribution, and sale of fresh, unprocessed truffles, may be largely unregulated by federal legislation in the Netherlands, such activities could from time to time become subject to, where applicable, non-uniform rules in the form of local ordinances and municipal by-laws (i.e. General Municipal By-Law (*Algemene Plaatselijke Verordening*)) (the "**Local Rules**") from time to time enacted by municipalities within the Netherlands (for example, rules which require Smart Shops to be located beyond a certain specified distance from secondary schools).

The Local Rules establish general municipal rules with respect to public order and safety within a certain municipality, and stipulate, among other things, certain permit requirements for certain ordinary course activities applicable to different forms of businesses operating within a certain local municipality (such as, catering businesses, cafes, hotels, bars, etc.). For example, Local Rules applicable to the retail business sector may control, among other things, usability of public roads, opening and closing times, noise pollution, advertising and pamphlets, and shop displays.

As of the date of this MD&A, there are over 300 local municipalities in the Netherlands, each of which has implemented different forms of Local Rules pertaining to public order and safety to govern the general business affairs within their respective municipality. Of such municipalities, only a handful of municipalities have extended ordinary permit requirements generally applicable to certain businesses to Smart Shops. As of the date of this MD&A, the Company's iMicrodose Packs are available in approximately eight (8) Smart Shops operated by third parties within the Netherlands (including McSmart), with such Smart Shops located in the municipalities of Eindhoven, Amsterdam, Rotterdam, 's-Hertogenbosch, Oss, and Tiel. To the knowledge of the Company after due inquiry, none of these municipalities have implemented any licensing or permit requirements applicable to Smart Shops. In light of, among other things, its prominence as a tourist hot spot, Amsterdam has, however, implemented a municipal zoning plan which is generally applicable to all businesses operating within Amsterdam (including Smart Shops) and is not specifically directed at Smart Shops.

Security and Storage Requirements

As of the date of this MD&A, the applicable laws of the Netherlands do not impose any storage and security requirements, or any recordkeeping requirements, on companies engaged in the cultivation, production and, distribution of fresh, unprocessed truffles within the Netherlands. As a result, unlike companies operating in, for example, Canada and the United States in industries relating to certain controlled substances, such as cannabis, the Company is not required to establish methods and procedures similar to those required in certain jurisdictions within Canada and the United States, such as those relating to: (i) identifying, recording, and reporting diversion, theft, or loss, (ii) correcting inventory errors, (iii) managing product recalls, or (iv) maintaining commercial grade alarm and video surveillance systems. However, despite the absence of applicable legal requirements, the Company continues to evaluate and monitor industry best practice and developments applied by participants within the truffles industry in the Netherlands (and analogous industries outside of the Netherlands) on an ongoing basis, with the goal of implementing, in the future, such procedures and practices as the Company may deem necessary or advisable to mitigate any identified risks and preserve the integrity of the Company's business operations.

E-Commerce

As of the date of this MD&A, the Netherlands has not enacted a legal or regulatory framework directly governing the promotion and offer for sale of truffles through e-commerce platforms. However, the Dutch Advertising Code Authority (*Stichting Reclame Code*) (the "**DACA**") has implemented the *Dutch Advertising Code* (the "**Advertising Code**"), which stipulates certain rules pertaining to advertising by various businesses within the Netherlands, with certain specialized rules applying to certain types of products such as foods, alcohol and tobacco. Among its general requirements, the Advertising Code stipulates, for example, that advertising shall not be dishonest or misleading, or aggressive. The Company consulted with the DACA prior to launching the E-Commerce Platform, in the course of which consultation the Company confirmed that the Company's advertising activities would not be strictly subject to any specific requirements in respect of its activities as they relate to the advertising and promotion of truffles. However, the Company has adopted an ethical approach to marketing and advertising, whereby the Company voluntarily identifies and adheres to certain industry best practices which generally apply to businesses, and where possible, applies certain requirements applicable to tobacco and alcohol to the E-

Commerce Platform, *mutatis mutandis*, taking care to, for example, avoid displaying, suggesting or encouraging excessive or otherwise irresponsible consumption.

Risk Exposure Resulting from Regulatory Environment

Unlike companies engaged in the cannabis industry within the United States, for example, the regulatory environment within the Netherlands as of the date of this MD&A does not, in and of itself, subject the Company to a heightened risk of third-party providers suspending or withdrawing services as a result of inherent uncertainty in the regulatory environment, or to a heightened risk of a regulatory body imposing restrictions on the Company's ability to operate within the Netherlands. However, the Company continues to be subject to all of the usual risks and uncertainties of conducting operations in any given industry, including, among others, the risk that its industry partners may become bankrupt, have economic or business interests or goals that are inconsistent with the Company's business interests or goals, or take actions that are contrary to instructions from the Company or to applicable laws, any of which can damage the Company's reputation and brand. Please see the section entitled "*Risk Factors*" in this MD&A.

Compliance with Applicable Laws

Prior to commencing operations within the Netherlands, the Company obtained legal advice in respect of the regulation of truffles and activities pertaining to truffles within the Netherlands, including the regulatory framework governing the Company's operations in the Netherlands, and the legal requirements applicable to such operations. Such legal advice was obtained in the form of a confidential legal opinion from a recognized, global law firm with offices in the Netherlands, and was supplemented by informal legal confirmation obtained from a local law firm within the Netherlands, with expertise in the subject matter.

As of the date of this MD&A, the Company's operations within the Netherlands are conducted in accordance with such legal advice, and are compliant with all applicable laws governing such operations. To date, the Company has not received any notice of non-compliance, or received any citations or notices of violation from any governmental authority in the Netherlands which could have an adverse impact on the Company's business operations. Further, to the best of the Company's knowledge, the activities of the Company's industry partners (including Super Smart and all Current Industry Partners (as defined below)) within the Netherlands, insofar as such activities relate to cultivation, production, distribution, and sale of fresh, unprocessed truffles, are in compliance with all laws applicable to such activities.

The President and Chief Executive Officer of the Company are generally responsible for monitoring the operations of the Company in the Netherlands and oversee, and where appropriate participate in, local site visits by qualified professionals in order to verify the Company's compliance with applicable laws. Such monitoring is focused on, among other things, reviewing compliance with recordkeeping and standard operating procedures implemented by the Company from time to time, the Local Rules, and overseeing all communications with applicable regulatory bodies. The President and Chief Executive Officer of the Company also oversee random audits of all the Company's operations, as well as the training, process validation, and problem resolution when compliance questions arise.

The Company continues to monitor industry best practice and developments within the Netherlands on an ongoing basis, and takes the following measures to ensure the Company's continued compliance with applicable laws:

- The Company retains appropriately experienced legal counsel and other professionals to advise the Company and conduct the necessary due diligence to ensure that the operations of the Company and its industry partners comply with applicable laws.

- Management of the Company, together with legal counsel and other professional advisors to the Company, screen industry partners with which the Company proposes to establish relationships, in order to select those operators which (i) adhere to strict business practice standards satisfactory to the Company, (ii) have established adequate internal compliance mechanisms to monitor compliance with applicable laws (if any), and, (ii) to the extent required, possess the applicable licenses, permits, and authorizations to carry on business operations in the Netherlands. In particular, as of the date of this MD&A, the Company screens industry partners to ensure, among other things, that the industry partner:

- is duly registered with the Netherlands Chamber of Commerce, which is the official registrar of companies within the Netherlands;

- is duly registered to pay the Value Added Tax ("**VAT**"), which is a tax that is levied in the Netherlands on most goods and services (including, the sale of truffles at a rate of 21%); and

- has obtained, to the extent required under the Local Rules of the applicable municipality in which an industry partner carries on business operations, the requisite permits to carry on its business operations.

- The Company reviews its products and product packaging, in consultation with appropriately experienced legal counsel and other professionals, to ensure that the products comply with applicable laws and contain the necessary disclaimers about the contents of the products to prevent adverse public health consequences from use.

In addition to the foregoing, the Company relies on the expertise and commitment of its management team, legal advisors, employees and independent consultants, and to this end, consults with such personnel on an ongoing basis, as the Company may deem appropriate in the circumstances, to ensure compliance with applicable laws. In particular, the Company retains and consults with qualified external consultants and legal counsel in order to establish strict growth and cultivation parameters and procedures, and ensure that its cultivation and production operations comply with applicable laws in effect from time to time. In particular, as of the date of this MD&A, in order to comply with the Opium Act, the Company grows and cultivates its truffles in sealed, airtight bags, a manner currently employed by existing participants in the truffles industry, in order to create a precise and controlled environment that is unsuitable for the growth of magic mushrooms (and thereby preclude the truffles from transitioning to become magic mushrooms). Further, in respect of the Smart Shops located in Amsterdam, the Company has reviewed the applicable municipal zoning plan, and has verified that such Smart Shops are in compliance therewith.

The Company will continue to evaluate, monitor and reassess its disclosure in respect of its operations within the Netherlands (and any related risks) on an ongoing basis, and intends to promptly supplement and amend such disclosure in its prospective public filings where necessary, including in the event of any government policy changes or, the introduction of new or amended guidance, laws or regulations pertaining to truffles within the Netherlands.

Relationships with Third Parties

As of the date of this MD&A, the Company is dependent on a number of third-party relationships to conduct its business operations within the Netherlands, including its relationships with McSmart, and Super Smart (both of which entities are, to the knowledge of the Company, independent of, and unaffiliated with, each other). At present, the Company's most significant third-party relationship is with McSmart, which is engaged in the supply, production, packaging, and distribution of the Company's iMicrodose brand of truffles within the Netherlands through three (3) Smart Shops operated by McSmart as well as through its proprietary e-commerce platform. In addition, the Company has established relationships with an additional 2 participants within the truffles industry within the Netherlands (SR-Wholesale B.V., as well as the operator of a Smart Shop under the name "House of Smart"), and relies on such parties to distribute the Company's iMicrodose brand of truffles within the Netherlands through Smart Shops operated by such parties (McSmart, and all such parties, collectively, the "**Current Industry Partners**").

In light of the uncertainty as to the immediate and eventual impacts of the novel corona virus pandemic ("**COVID-19**") (and in particular, on the operations of the Company and its industry partners within the Netherlands), the early stage and development of the Company's business, and the Company's intention to over time reduce its reliance on third parties in order to engage in the cultivation, production, and sale of truffles within the Netherlands, the Company has not entered into formal agreements with the Current Industry Partners. Instead, the Company's present business relationships with the Current Industry Partners are based on informal arrangements of a nature customarily entered into by participants within the truffles industry in the Netherlands.

In light of the informal nature of the Company's arrangements with the Current Industry Partners, the Company employs a risk-management framework designed to minimize foreseeable risks and losses resulting therefrom to the Company, by seeking to identify, measure, monitor, and control the Company's risk exposure to the types of risks inherent in the Company's current relationships with the Current Industry Partners. Such risks, include,

among others things, the risk that a Current Industry Partner might become bankrupt, undertake economic or business interests or goals that are inconsistent with the Company's business interests or goals, or take actions that are directly contrary to the Company's instructions or to applicable laws, or damage the Company's brand. The Company's risk management framework is undertaken by management of the Company, which together with legal counsel and other professional advisors to the Company, screen industry partners with which the Company proposes to establish relationships, in order to select those operators which, among other things, adhere to strict business practice standards satisfactory to the Company, and have established adequate internal compliance mechanisms to monitor compliance with applicable laws.

Significant Projects

As of the date of this MD&A, the Company has nine significant projects which have not generated revenue, or that have generated revenue but are expected to generate additional revenue in the future, in each case related to the operations of the Company within the truffles industry in the Netherlands. The following is a description of each such project, including a description of the Company's plan for such project, the status of the project relative to the Company's plan for such project, the expenditures made by the Company in respect of such project to date and how such expenditures relate to anticipated timing and costs to advance the project to the next stage of the Company's plan for the specific project.

1. *The Facility*

The Company currently leases an approximately 3,000 square feet, custom built, indoor growing, production and distribution facility, in Horst, the Netherlands (the "**Facility**").

In June 2020, the Company engaged an independent consultant and commenced planning for the build-out and construction of the Facility, to determine the steps necessary to advance the Facility to an operational stage necessary to cultivate and produce non-European Union Good Manufacturing Practices ("**EU-GMP**") certified truffles (the "**Phase 1 Planning Stage**"). The Phase 1 Planning Stage involved a general assessment of the Facility, during which, management of the Company and the consultant worked closely to plan the steps required to commence the growth of non-EU-GMP certified truffles at the Facility (including, among other things, identifying appropriate ceiling, wall, and floor coating suitable for the proposed truffles growth operations).

In July 2020, the Company engaged another independent consultant (the "**Special Advisor**") with specialized knowledge of EU-GMP matters to advise the Company and assist with planning the phase 2 build-out of the Facility, including, among other things, advising the Company with respect to the costs, timelines, and procedures associated with building-out the Facility with the view to obtaining EU-GMP certification for the Facility (the "**Phase 2 EU-GMP Planning Stage**"). During the Phase 2 EU-GMP Planning Stage, management of the Company and the Special Advisor worked closely to undertake a review of the various steps involved in obtaining EU-GMP certification for the Facility, with a focus on assessing the costs involved, the various options available to the Company to obtain EU-GMP certification for the Facility, and the associated costs and benefits (and efficiency) of each such option, and the timelines associated with each such option.

In the course of consulting with the Special Advisor, the Company learned that fitting the Facility for the cultivation and production of non-EU-GMP certified truffles would allow the Company to create a revenue stream as the Company further considered and evaluated the costs and procedures associated with building-out the Facility to obtain EU-GMP certification for the Facility. In August 2020, following careful consideration, and in light of the current market and economic conditions and other factors considered by the Company, the Company determined that it was in the best interests of the Company to proceed in the said manner. Accordingly, the Company commenced growing its first crop of non-EU-GMP certified truffles in August 2020.

To date, the Company incurred approximately $24,000 in costs and expenses in connection with the Phase 1 Planning Stage (attributable primarily to consulting fees and renovations and upgrades relating to heating, ventilation, and air conditioning systems and the application of floor, ceiling and wall coatings completed at such phase), and approximately $9,000 in costs and expenses in connection with the Phase 2 EU-GMP Planning Stage (attributable primarily to consulting fees of the Special Advisor). For greater clarity, as of the date of this MD&A, the Facility is complete to accommodate non-EU-GMP growth operations, and the Company does not expect to incur additional costs related to the non-EU-GMP growth operations. In the course of consulting with the Special Advisor, the Company determined that the Company will be required to incur an additional estimated amount of up to **€800,000** (CAD$1,230,769) in order to build-out the Facility in accordance with the standards necessary to obtain EU-GMP certification for the Facility, which will require, among other things, updates to the

Facility's design and construction to comply with environmental and safety controls. In order to complete the EU-GMP certification for the Facility, the Company must undertake phase 3 ("**Phase 3**"), as part of which the Company will be required to engage a further consultancy firm, which will, among other things, review and assess the information provided by the Special Advisor in order to identify and advise the Company with respect to a suitable, and cost-effective build-out plan to obtain EU-GMP certification for the Facility. The build-out plan is expected to be tailored to suit the Company's business objectives at the time of such consultation process, as the same may exist in light of the impact of COVID-19 on, among other things, the Company's specific business objectives in respect of, and the reasons for, the EU-GMP certification for the Facility, as well as the then prevailing market and competitive conditions in respect of such objectives. As part of this consultation process, the consultancy firm is expected to draft a final construction plan covering each stage of the construction necessary to obtain EU-GMP certification for the Facility, in light of the then prevailing EU-GMP standards and certification requirements applicable to qualify the Company's cultivation and production process at the Facility, as well as the then present business objectives of the Company.

As of the date of this MD&A, the Company is further considering and evaluating the economic viability and benefits of proceeding with building-out the Facility to obtain EU-GMP certification for the Facility. The Company's disclosure in the Listing Statement projected that construction of the Facility is expected to be completed over the course of a twelve (12) to twenty-four (24) month period following commencement. However, the projected timelines included the timeline necessary to build out the Facility to obtain EU-GMP certification.

As discussed in the section entitled "*Overall Performance and Outlook*" in this MD&A, the Company did not achieve its target of commencing construction of the Facility in calendar Q2, 2020, as originally disclosed under the heading "*Facility*" on pages 20 and 21 of the Company's listing statement dated May 25, 2020 (the "**Listing Statement**"). However, the Company commenced the build out of the Facility in August 2020 (the "**Build-Out Commencement Date")**, at which point the Company implemented the business decision to fit the Facility for the cultivation and production of non-EU-GMP certified truffles in the interim period, while the Company further considered and evaluated the costs and procedures associated with building-out the Facility to obtain EU-GMP certification. As a result of the Company's business decision, despite the fact that the Company did not commence the build out of the Facility in calendar Q2, 2020 as anticipated in the Listing Statement, the Company began growing its first crop of non-EU-GMP certified truffles in August 2020 (as disclosed in its press release of August 5, 2020), much sooner than the twelve (12) to twenty four (24) month period disclosed under the heading "*Facility*" on pages 20 and 21 of the Listing Statement. The Company clarifies that the timelines disclosed in the Listing Statement were determined by the Company at a point in time when the Company was still further evaluating its proposed strategy to commence operations, amid heightened uncertainty as to the duration, and the immediate and eventual impact, of COVID-19. Accordingly, the timeline for completing construction of the Facility contained therein included the time period necessary to build out the Facility to the standard necessary to obtain EU-GMP certification for the Facility, with the goal of commencing the growth of non-EU-GMP certified truffles upon completion of construction, and subsequently, applying to obtain EU-GMP certification for the Facility. As of the date of this MD&A, the Company is utilizing only 20 percent of its Facility to accommodate its first crop of non-EU-GMP certified truffles.

As noted above in this MD&A, under the section entitled "*Regulatory Framework and Licensing Regime*", truffles industry participants within the Netherlands do not require any special license, permit or other approval in order to engage in the cultivation, production, distribution, and sale of truffles within the Netherlands. Accordingly, in order to comply with the Opium Act, the Company simply began growing and cultivating its truffles in sealed, airtight bags, in a manner currently employed by existing participants in the truffles industry, in order to create a precise, and controlled environment that is designed to preclude truffles from transitioning to become magic mushrooms.

As of the date of this MD&A, the Company anticipates that it will commence with building-out the Facility to obtain EU-GMP certification in calendar Q1, 2021. In the event that the Company proceeds with the build-out of the Facility to obtain EU-GMP certification for the Facility, the Company expects to be able to complete the build-out within the timelines originally anticipated by the Company in the Listing Statement (being, twelve (12) to twenty four (24) month period following the Build-Out Commencement Date, and not later than June 2022), and in particular, expects to complete construction within 12 months following commencement of Phase 3. There can be no guarantee that the Company will commence (or if commenced, complete) Phase 3. The Company's ability to begin the build-out of the Facility to obtain EU-GMP certification in calendar Q1, 2021 is dependent on the following material factors and assumptions: (i) the Company having adequate financial resources to fund the build-out of the Facility to meet EU-GMP standards; (ii) the Company's ability to retain a consultant on the terms and conditions favourable to the Company; and (iii) the favourability of general market conditions with respect to EU-GMP certified truffles. In particular, the Company believes that the following events and circumstances may

reasonably be likely to cause actual results with respect to the timing and commencement of Phase 3 to differ materially from those anticipated by the Company and expressed in this MD&A:

- the impact of COVID-19 on general market conditions, and particularly, on (A) the market demand for EU-GMP certified truffles, and (B) the business operations of entities and institutions (and in particular, those engaged in the health and sciences industries) which might otherwise have presented the Company with business-to-business sales channels for the sale of the Company's for EU-GMP certified truffles;
- the impact of measures from time to time implemented by the Company to mitigate unanticipated impacts of COVID-19 on the Company's business operations, including, but not limited to, a potential reallocation of funds to (A) establish and implement new business initiatives, (B) accelerate, increase, reduce, or eliminate existing initiatives, (C) address unexpected setbacks, and (D) pursue strategic opportunities, such as partnerships, strategic partners, joint ventures, mergers, acquisitions, and other opportunities; and
- unanticipated setbacks which may materialize following the date of this MD&A, including, among other things, changes in the rules and regulations established by the European Union in respect of the minimum requirements that a producer must meet to obtain EU-GMP certification, and the Company's inability to identify a cost-effective build-out plan to obtain EU-GMP certification for the Facility.

On February 4, 2020, Red Light Holland Financing Inc. ("**Finco**"), the Company's then fully owned subsidiary, entered into a supply and collaboration agreement (the "**Supply and Collaboration Agreement")** with Revive Therapeutics Ltd. ("**Revive**"). Pursuant to the Supply and Collaboration Agreement, the parties completed a mutual investment into one another whereby Revive subscribed for 2,500,000 subscription receipts of Finco for aggregate consideration of $150,000, and Finco subscribed for 3,000,000 common shares in the capital of Revive for aggregate consideration of $150,000. The Supply and Collaboration Agreement was entered into by the parties at a point in time when the Company was in the early stages of delineating its exact business plans, and in particular, with the expectation that the Company will pursue the construction of the Facility within the Netherlands, and seek to certify the constructed Facility as the EU-GMP certified facility in the truffle space. As of the date hereof, there remains uncertainty as to the immediate and eventual impacts of the COVID-19 pandemic on the operations of the Company and in particular, the anticipated timelines to progress with the next step in the Company's plans to obtain EU-GMP certification for the Facility. For greater clarity, since the Company's Listing Statement, there have been no developments in the arrangement with Revive, and the Company and Revive have not entered into any further contractual arrangements.

2. E-Commerce Platform

In late September 2020, the Company launched its e-commerce platform under the domain name "iMicrodose.nl" (the "**E-Commerce Platform**"), in order to market and promote its premium brand of truffles for sale through Smart Shops within the Netherlands. While the Company's disclosure in the Listing Statement projected that the E-Commerce Platform was expected to be launched in calendar Q2, 2020, the launch was delayed by approximately three (3) months as a result of general economic and business interruptions and slowdowns in the pace of the progress of the development of the E-Commerce Platform, resulting primarily from COVID-19.

To date, the Company has incurred approximately $14,000 in costs and expenses in connection with the development and launch of the E-Commerce Platform (of which approximately $8,000 is attributable to consulting fees, and approximately $6,000 is attributable to costs and expenses associated with website design (including setting up online payment processors and a subscription-based ordering system, and ensuring compliance with the *General Data Protection Regulation* of the European Union).

As of the date of this MD&A, the Company's "iMicrodose" brand of truffles is offered for sale on the E-Commerce Platform, in 15 gram microdosing kits) on both a single order basis and a subscription basis, with product orders delivered to end consumers within the Netherlands through an arrangement with McSmart. Access to the E-Commerce Platform is limited to individuals over the age of 18, who may purchase the iMicrodose microdosing kits for delivery within the Netherlands by registering and processing their order through the E-Commerce Platform. To date, the Company has not launched any material marketing, promotional, or educational campaigns on the E-Commerce Platform, and the E-Commerce Platform is used solely as an online marketplace to facilitate the purchase and sale of the iMicrodose microdosing kits. Please see the section entitled "*Regulatory Framework and Licensing Regime – E-Commerce*", for a summary discussion of the steps taken by the Company to ensure compliance with applicable laws prior to the launch of the E-Commerce platform.

As of the date of this MD&A, the E-Commerce Platform has generated limited revenue, but is expected to generate additional revenue in the future, subject to, among other things, market demand and competition, as well as the efficacy of any promotional efforts from time to time undertaken by the Company.

Except for updates and maintenance from time to time required in the ordinary course of business, the E-Commerce Platform is complete, and the Company does not anticipate any further work required with respect thereto.

3. Scarlette Lillie Science Innovation

In June 2020, the Company established a scientific and innovation division of the Company, "Scarlette Lillie Science and Innovation" ("**SLSI**"), which marked an early move by the Company to position itself to expand its business into the medical psychedelics market in the future, at such time as market and regulatory conditions present a viable business opportunity. SLSI is expected to be funded by a portion of the Company's available funds from time to time, and once operational, is expected to allow the Company to initiate and expedite various science, innovation and research activities focused on, among other things, exploring the potential medical and health benefits of psilocybin and whole fungi-medicine.

As of the date of this MD&A, SLSI has not yet commenced any material operations, and its activities have been limited to the activities of its Scientific Advisor, Sarah Haskes, in working with RadixMotion Inc. ("**RadixMotion**"), a virtual reality company based in the State of Delaware to design and develop for the Company a virtual reality shopping experience module (the "**VR Module**"). To date, the Company has incurred approximately $26,000 in costs and expenses in connection with the establishment and development of SLSI (attributable primarily to the engagement of RadixMotion to develop the VR Module with input from SLSI, and to consulting fees paid to its Scientific Advisor, Sarah Haskes).

As of the date of this MD&A, the Company has not determined the exact nature of SLSI's future operations. Instead, the Company continues to evaluate market conditions on an ongoing basis, with the goal of identifying viable business opportunities in one or more segments of the medical psychedelics market within which SLSI may potentially become engaged in the future. The Company anticipates that SLSI's initial operations will be limited to activities which are not subject to material regulatory or licensing requirements, or to the extent subject to such requirements, undertaken through collaborations with one or more industry partners duly authorized to undertake such activities. In order to commence operations and enter into the medical psychedelics market, SLSI will need to carefully evaluate market-entry conditions and the costs and benefits of entering into one or more segments of the medical psychedelics market, and in particular in light of the current uncertainty as to the duration, and the immediate and eventual impact, of COVID-19 on the Company's business and operations, as well as general market and competitive conditions.

As of the date of this MD&A, the Company has not determined the costs and expenses which SLSI might be expected to incur in order to commence material operations. However, in the event that the Company identifies one or more viable business opportunities in one or more segments of the medical psychedelics market, the Company anticipates that it may allocate an initial estimated budget of up to approximately $500,000 to enable SLSI to pursue such business opportunities. There can be no assurance as to the timing or completion of SLSI's entry into one or more segments of the medical psychedelics market.

4. Virtual Reality Model

In July 2020, the Company engaged RadixMotion to design and develop the VR Module for the Company. The VR Module is intended to explain the effects of microdosing of truffles on the human brain, as well as a virtual reality avatar (the "**VR Avatar**") centered around the Company's brand. RadixMotion is a virtual reality company that utilizes the latest neuroscience research with immersive technology to strengthen the connection between the human body and human brain.

The VR Module is expected to allow potential consumers of the Company's products to experience effects intended to approximate the effects of microdosing truffles, in order to enable them to identify their personal comfort level and understand the potential effects of truffles before purchasing the Company's products. Users can also opt in to provide the Company with key data which the Company can then use to, among other things, conduct studies, and support valuable research and study. The VR Module represents a step by the Company to promote responsible use (by educating and enabling individuals to make reasoned, informed decisions with respect to truffles), and contribute to the scientific community by gathering valuable data on user experience (including of synesthesia, loss

of autonomy and suggestibility) from users who opt-in, to inform further study and research in the psychedelic space.

The VR Avatar was completed in Q3 2020. The VR Avatar is currently in the process of being integrated into RadixMotion's "Meu" platform (the "**Meu Platform**"), the first social platform based on three-dimensional human movement data, which uses RadixMotion's movement data channels to bridge virtual reality and mobile augmented reality. The VR Avatar is expected to assist in the Company's larger efforts towards reducing the stigma associated with, among other things, truffles and other psychedelic substances. The VR Module is expected to be completed and ready for launch in calendar Q4 2020.

To date, the Company has incurred approximately $26,000 in costs and expenses in connection with the development and launch of the VR Module and the VR Avatar, which includes costs and expenses associated with the purchase of the hardware required to launch the VR Module.

In order to launch the VR Module, the Company will need to identify potential launch sites, enter into arrangements with the responsible persons at such sites, purchase the hardware required to support and launch the VR Module, and undertake or supervise site-specific installation, testing, and staff training, and incur an estimated amount of up to $6,600 in costs and expenses associated with the foregoing, per each such site. In addition, following the launch the VR Module, the Company may consider one or more additional, alternative options, in order to launch and make accessible the VR Module to a larger audience within the Netherlands.

5. Augmented Reality Application and Digital Care Program

In November 2020, the Company further engaged RadixMotion to (i) assist in setting up an in-store media center with an augmented reality application which would provide consumers with data about microdosing, and (ii) designing and developing a digital care program to assist people in making informed choices with respect to their microdosing usage of truffles. The Company expects to launch the augmented reality application in an in-store media center on or before the end of Q1, 2021. The Company expects to costs and expected with the foregoing to be approximately $6,600.

The Company expects to launch the digital care program, which will be in the form a web application allowing individual users to use anonymous sign-in mechanisms to track their microdosing journey, by the beginning of February, 2021. The Company expects costs and expenses relating to the foregoing to be approximately $85,800, which will be used to fund the development, testing, and deployment of the digital care program web application. The Company intends to add advanced features, which will measure external biometrics related to stress, to the digital care program web application by the end of February, 2021. The Company anticipates costs and expenses relating to the addition of the foregoing advanced features to be approximately $19,800, which will fund the development, testing, and deployment of the advanced features.

6. Super Smart Distribution Arrangement

In September 2020, the Company reached an informal distribution agreement with Super Smart for the sale and distribution of the Company's iMicrodose Packs (the "**Super Smart Distribution Arrangement**") in the Super Smart Store. The iMicrodose Packs became available for purchase in the Super Smart Store in October 2020. As part of its arrangement with Super Smart, the Company has also agreed to build and set up an iMicrodose Media Information Centre ("**iMIC**") in the Super Smart Store, which is expected to be established before the end of calendar Q4, 2020.

To date, the Company has not incurred any costs and expenses in connection with the Company's arrangement with Super Smart. In order to launch iMIC at the Super Smart Store, RadixMotion must complete and deliver to the Company a functional VR Module, following which, the Company will need to purchase and provide Super Smart with the hardware required to support and launch the VR Module and undertake or supervise site-specific installation, testing, and staff training, in connection with which the Company expects to incur costs and expenses in an estimated amount of up to $6,600. The Company may also incur additional costs and expenses in an estimated amount of up to $4,650 associated with the printing and distribution of informational materials and/or user manuals, as well as setting up product displays and associated marketing material.

7. SR Wholesale Acquisition

In November 2020, the Company entered into a non-binding letter of intent ("**SR Wholesale LOI**") to acquire SR Wholesale B.V. ("**SR Wholesale**"), a distributor of truffles in the Netherlands with a distribution network of over 300 companies. Under the terms of the SR Wholesale LOI, it is contemplated that SR Wholesale and the Company will enter into a binding agreement on or before December 18, 2020 for the Company to acquire all equity interest in SR Wholesale. The Company expects to pay 900,000€ (which is approximately $1,397,106 CAD as of the date of this MD&A) on closing of the purchase transaction, and an additional 300,000€ (approximately $465,702 CAD) through the issuance of a convertible promissory note with a maturity date of two (2) years. The Company expects the acquisition to close on or before the 45th day upon signing of the binding agreement. The Company is currently conducting due diligence on SR Wholesale which it expects to complete on or before December 18, 2020. As of the date of this MD&A, the Company has incurred approximately $9,500 in costs and expenses related to negotiating the SR Wholesale LOI, and expect to incur approximately $50,000 in costs and expenses to enter into a binding agreement.

8. Joint Venture with Halo Labs Inc.

On November 20, 2020, the Company entered into a non-binding letter of intent with Halo Labs Inc. (the "**Oregon LOI**") for the purposes of creating a joint venture to become a licensed psilocybin manufacturer to supply psilocybin products to licensed service centers in the State of Oregon. The parties entered into the Oregon LOI following the results of Oregon Measure 109 whereby citizens of Oregon voted in favour of authorizing the Oregon Health Authority ("**OHA**") to create a program to permit licensed service providers to administer psilocybin-producing mushroom and fungi products to individuals 21 years of age or older. The Company intends to explore only those business opportunities in Oregon which are in compliance with all applicable Oregon laws. In the event the Company begins doing business in Oregon, the Company confirms it will provide disclosure with respect to regulatory framework and the licensing in future public filings. As of the date of this MD&A, the Company is waiting for the OHA to create a program and the regulations which will govern the sale of psilocybin products in the State of Oregon. Subject to applicable laws and regulations, the Company anticipates entering to a definitive agreement within the next 12 months and building out a facility in Oregon. The Company anticipates incurring approximately $150,000 in the build out of a facility in Oregon.

9. Marketing Plans

The Company originally disclosed in the Listing Statement that the Company may engage marketing and brand development firms to roll out the Company's brand of truffles across the Netherlands over the course of twelve (12) to twenty four (24) months, with a target of launching its marketing campaign in calendar Q2, 2020. However, as a result of general economic and business interruptions and slowdowns resulting primarily from COVID-19, the Company did not achieve its target of launching its marketing campaign in calendar Q2, 2020, as originally disclosed in the Listing Statement. In light of current uncertainty as to the duration, and the immediate and eventual impact, of COVID-19 on the Company's business and operations, as well as general market and competitive conditions, the Company continues to evaluate market conditions on an ongoing basis, with the goal of determining the appropriate timing to launch the Company's marketing campaign, and where deemed advisable, engage marketing and brand development firms to roll out the Company's brand of truffles across the Netherlands.

To date, the Company has incurred approximately $50,000 in costs and expenses in connection with the Company's marketing efforts (attributable primarily to costs and expenses associated with the hosting and promotion of the Company's product launch event). Amid current uncertainty as to the duration, and the immediate and eventual impact, of COVID-19 on the Company's business and operations, as well as general market and competitive conditions, the Company continues to carefully evaluate market conditions on an ongoing basis, in order to devise an effective marketing campaign which is appropriately tailored to market demand within the Netherlands. In order to undertake such marketing efforts, the Company anticipates that it will be required to work closely with its Chief Creative Officer to devise a marketing campaign and determine the timing of the launch thereof, and consider and, if deemed advisable, engage one or more social media influencers to amplify and extend the reach of the Company's marketing efforts within the Netherlands. The Company expects to incur an estimated amount of up to approximately $30,000 in monthly costs and expenses in connection with such efforts.

Use of Proceeds

During the period beginning from the beginning of the Company's current fiscal year and ending on the date of this MD&A, the Company raised an aggregate amount of approximately $7,500,000 in net cash proceeds through private placements completed by the Company and Finco (together, the "**Private Placements**").

As described in the Company's press releases disseminated in connection with each Private Placement, the Company intends to use the aggregate gross proceeds of the Private Placements for operational expansion, business development, and working capital and general corporate purposes, with the foregoing general categories encompassing the business objectives and milestones described in the Listing Statement.

As of the date of this MD&A, there have not been, and the Company does not anticipate, any changes to its previously made disclosure about the Company's intended use of proceeds from the Private Placements.

The following table is intended to provide further details on, and update and clarify, the Company's previously disclosed allocation of the gross proceeds raised in the Private Placements.

	Allocated	**Spent to Date**	**Difference[6]**	**Significant Project Reference**
Operational Expansion[1]	$86,153	$Nil	$86,153	
Establish partnerships with retailers within the Netherlands, to distribute the Company's brand of truffles	$30,769[2]	$Nil	$30,769[7]	(6) SuperSmart Distribution Arrangement
Establish partnerships with existing producers within the Netherlands, to source the substrate required for the Company's brand of truffles	$55,384[2]	$Nil	$55,384[8]	(6) SuperSmart Distribution Arrangement
Business Development[3]	$1,713,845	$97,000	$1,616,847	
Begin and complete construction of the Facility	$1,230,769 [2]	$33,000	$1,197,769	(1) The Facility
Launch the E-Commerce Platform	$21,538[2]	$14,000	$7,538	(2) E-Commerce Platform
Launch the Company's marketing campaign	$461,538[2]	$50,000	$411,538	(9) Marketing Plans
Business Acquisitions[4]	$2,000,000	$Nil	$2,000,000[9]	(7) SR Wholesale Acquisition
Working Capital and General Corporate Purposes[5]	$3,700,000	$1,482,800	$2,717,200	
Total:	**$7,500,000**	**$1,579,800**	**$5,920,200**	

Notes:

1. Includes funds allocated for establishing relationships with existing retailers within the Netherlands to distribute the Company's brand of truffles and related products.
2. As previously disclosed in the Listing Statement. Figures presented in Euros in the Listing Statement have been converted into Canadian dollars at the exchange rate applicable as of the date of the Listing Statement, of $1.00 = €0.65.
3. Includes (i) approximately $33,000 allocated and incurred for the build-out and construction of the Facility to accommodate it for non-EU-GMP growth, and (ii) approximately $1,242,080 allocated to obtain EU-GMP certification of the Facility which shall include the build-out of the Facility in accordance with EU-GMP certification standards as set out in page 12 of this MD&A, and (iii) funds allocated for marketing and brand development efforts within the Netherlands.
4. Includes funds allocated to complete one or more strategic corporate transactions (such as acquisitions) intended to accelerate the growth and development of the Company's businesses, which funds remain subject to reallocation by the Company towards budgets and expenditures which are identified and/or otherwise unidentified or unforeseen, as at the relevant date. As at the date of this MD&A, the Company has allocated approximately $$1,922,308 CAD to fund the Company's proposed acquisition of SR Wholesale.
5. Includes (i) funds allocated for the payment of (a) general corporate and administrative expenses, (b) ongoing legal fees and other professional and consulting fees, and salaries, and (c) ongoing costs associated with being a reporting issuer, and (ii) funds generally reserved for (a) allocation towards future expenditures which are otherwise unidentified or unforeseen as of the relevant date, and (b) re-allocation towards the budgets allocated for identified purposes as of the relevant date.
6. Except with respect to the Launch of the E-Commerce Platform, the amounts listed in this column represent the amount of funds still allocated towards the initiative as of the date of this MD&A. The difference listed with respect to the Launch of the E-Commerce Platform is an overallocation.
7. Approximately $5,625 of this amount is allocated to the SuperSmart Distribution Agreement, and the remainder of this amount is not allocated to a specific project as at the time of this MD&A.
8. Approximately $5,625 of this amount is allocated to the SuperSmart Distribution Agreement, and the remainder of this amount is not allocated to a specific project as at the time of this MD&A.

9. Approximately $1,922,308 of this amount is allocated to the SR Wholesale Acquisition, and the remainder of this amount is not allocated to a specific project as at the time of this MD&A.

In light of the current uncertainty as to the duration, and the immediate and eventual impact, of COVID-19 on the Company's business and operations, as well as general market and competitive conditions, the Company continues to maintain its fiscally responsible approach to its growth and expansion initiatives. In particular, the Company continues to evaluate market conditions on an ongoing basis, with the goal of, among other things, (i) identifying the appropriate time to initiate certain of the Company's business objectives, as expressed as at the date of this MD&A, and (ii) exploring potential alternative, viable opportunities to further develop and expand the Company's business. As such, the Company notes that there may be circumstances where, for sound business reasons, the Company may be required to reallocate funds, including due to demands for shifting focus or investment in marketing and business development activities, requirements for accelerating, increasing, reducing, or eliminating initiatives in response to changes in market, regulations and/or developments in research and design, unexpected setbacks, and strategic opportunities, such as partnerships, strategic partners, joint ventures, mergers, acquisitions, and other opportunities.

Overall Performance and Outlook

As a result of general economic and business interruptions and slowdowns resulting primarily from COVID-19, the Company did not achieve its target of (i) introducing its own brand of truffles as early as calendar Q2 2020 under the name "Bicycle Day" or "Bliss", or (ii) commencing construction of the Facility in calendar Q2, 2020, in each case as originally disclosed in the Listing Statement. However, the Company commenced the build out of the Facility in calendar Q3, 2020. As result of implementing the business decision to fit the Facility for the cultivation and production of non-EU-GMP certified truffles while the Company further considered and evaluated the costs and procedures associated with building-out the Facility to obtain EU-GMP certification, the Company also began growing its first crop of non-EU-GMP certified truffles in calendar Q3, 2020. For additional details, please see the section entitled "*Significant Projects*" in this MD&A.

Similarly, although the Company did not achieve its target of introducing its own brand of truffles as early as calendar Q2 2020 under the name "Bicycle Day" or "Bliss", in calendar Q3, 2020, the Company solidified its arrangement with McSmart and launched its own brand of truffles under the re-branded name, "iMicrodose" within the Netherlands. Accordingly, and consistent with the Company's disclosure in the Listing Statement, the product launch marked the Company's first step towards generating a steady stream of revenues from its operations. As of the date of this MD&A, the iMicrodose Packs are available in approximately eight (8) Smart Shops operated by third parties within the Netherlands (including McSmart), with such Smart Shops located in the municipalities of Amsterdam, Rotterdam, 's-Hertogenbosch, Oss, and Tiel within the Netherlands, as well as on the E-Commerce Platform and McSmart's e-commerce platform. The Company has sold approximately 159 units of the iMicrodose Packs as at September 30, 2020 and an aggregate of 287 units as at the date of this MD&A. As of the date of this MD&A, the Company has not entered into any further arrangements for the sale of additional units of the iMicrodose Packs.

Following market research (into, among other things, consumer preferences, competitive conditions, and marketability), and consultation with its marketing and branding advisors, the Company has determined not to introduce the Company's truffles under the "Bicycle Day" or "Bliss" brands, as initially disclosed in the Listing Statement. The Company's business decision resulted, in part from, the Company's belief that, among other things, the various assumptions (relating to, among other things, consumer preferences and marketability) underlying the forward-looking information contained in the Listing Statement with respect to the introduction of the "Bicycle Day" and "Bliss" brands of truffles were no longer accurate. In particular, the factors and assumptions underlying such forward-looking information which the Company's believed were no longer accurate included (i) the Company's ability to successfully enter the non-microdose truffle product market using the brand names "Bicycle Day" and "Bliss", and (ii) the favourability of market trends and preferences with respect to non-microdose truffle products.

The Company anticipates the proposed acquisition of SR Wholesale will have a positive effect on the business as it would expand the Company's distribution network for the iMicrodose Packs. As of the date of this MD&A, the Company is in the process of conducting due diligence on SR Wholesale. However, the Company anticipates that the proposed acquisition would have no negative effects on the business of the Company. While the acquisition would reduce the Company's immediate cash flows, SR Wholesale is a cash flow positive company and would positively affect the Company's working capital and future revenue.

Update on Stated Milestones and Business Objectives

The below table is intended to provide an update, as at the date of this MD&A, on the Company's business objectives and milestones, as disclosed in the Listing Statement. As noted in the below table, the Company established additional partnerships with both retailers and existing producers within the Netherlands, within the timelines originally anticipated by the Company in the Listing Statement. However, the launch of the E-Commerce Platform was completed with a delay of approximately three (3) months. The Company attributes the delay to general economic and business interruptions and slowdowns in the pace of the progress of the development of the E-Commerce Platform, resulting primarily from COVID-19. For additional details, please see the section entitled "*Significant Projects*" in this MD&A.

As of the date of this MD&A, the Company continues to face difficulty in assessing the potential impact of COVID-19 on, among other things, the Company's specific business objectives in respect of, and the reasons for, the EU-GMP certification for the Facility, as well as market and competitive conditions in respect of such objectives. As a result, and as further discussed in the section entitled "*Significant Projects*" in this MD&A, the Company fitted the Facility for the cultivation and production of non-EU-GMP certified truffles, in order to create a revenue stream as the Company further considered and evaluated the costs and procedures associated with building-out the Facility to obtain EU-GMP certification for the Facility. In order to complete the Facility to obtain EU-GMP certification for the Facility, the Company must undertake Phase 3 (the details of which phase are discussed in the section entitled "*Significant Projects*" in this MD&A). As of the date of this MD&A, the Company anticipates that it will commence with building-out the Facility to obtain EU-GMP certification for the Facility in calendar Q1, 2021. In the event that the Company proceeds with the build-out of the Facility to obtain EU-GMP certification for the Facility, the Company expects to be able to complete the build-out within the timelines originally anticipated by the Company in the Listing Statement (being, twelve (12) to twenty four (24) month period following the Build-Out Commencement Date, and not later than June 2022), and in particular, expects to complete construction within 12 months following commencement of Phase 3. There can be no guarantee that the Company will commence (or if commenced, completed) Phase 3. For additional details, please see the section entitled "*Significant Projects*" in this MD&A.

As earlier discussed in the section entitled "*Significant Projects*" in this MD&A, as a result of general economic and business interruptions and slowdowns resulting primarily from COVID-19, the Company did not achieve its target of launching its marketing campaign in calendar Q2, 2020, as originally disclosed in the Listing Statement. As of the date of this MD&A, the Company continues to evaluate market conditions on an ongoing basis, with the goal of determining the appropriate timing to launch the Company's marketing campaign, and where deemed advisable, engage marketing and brand development firms to roll out the Company's brand of truffles across the Netherlands. However, the Company anticipates that, in light of current market, economic, and competitive conditions, the Company will likely launch its marketing campaign, if at all, in calendar Q1, 2021.

Milestone	Original Target Date	Status	New Target Date	Estimated Cost (In CAD$)	Differences in Estimated Costs
Establish additional partnerships with retailers within the Netherlands, to distribute the Company's brand of truffles	Q2, 2020	Completed, Q2 2020	N/A	$30,769	0
Establish additional partnerships with existing producers within the Netherlands, to source the substrate required for the Company's premium brand of truffles	Q2, 2020	Completed, Q2 2020	N/A	$55,384	0
Launch the E-Commerce Platform	Q2, 2020	Completed, Q3 2020	N/A	$21,538	$7,538
Commence Phase 3 and begin construction to obtain EU-GMP certification for the Facility	Q2, 2020	Pending	Q1, 2021	$1,230,769	0
Launch the Company's marketing campaign	Q2, 2020	Pending	Q1, 2021	$461,538	0

Notes:

1. All quarterly references in this table refer to calendar quarters, in order to ensure conformance and continuity with the anticipated target dates originally disclosed in the Listing Statement.
2. The Company notes an error in the disclosure provided in the table under the heading "*Business Objectives and Milestones*" on page 25 of the Listing Statement. The said table indicates that the Company will both begin *and* complete construction of the Facility in

calendar Q2, 2020. The reference to the Company completing construction of the Facility in calendar Q2, 2020, is an error. Instead, the correct timeline for completing construction of the Facility is described in the disclosure included under the heading "*Facility*" on pages 20 and 21 of the Listing Statement, wherein the Company notes that the Company intends to begin construction of the Facility as early as calendar "Q2, 2020, which construction is projected to be completed over the course of a twelve (12) to twenty four (24) month period thereafter." Further, the Company clarifies that the timelines disclosed in the Listing Statement were determined by the Company at a point in time when the Company was still further evaluating its proposed strategy to commence operations, amid heightened uncertainty as to the duration, and the immediate and eventual impact, of COVID-19. Accordingly, the timeline for completing construction of the Facility contained therein included the time period necessary to build out the Facility to the standard necessary to obtain EU-GMP certification for the Facility, with the goal of commencing the growth of non-EU-GMP certified truffles upon completion of construction, and subsequently, applying to obtain EU-GMP certification for the Facility.

Results of Operations for the three and six months ended September 30, 2020 compared to the three and six months ended September 30, 2019

As at September 30, 2020, the Company is well positioned with $6,661,261 in cash and cash equivalents, $7,494,552 in current assets, and $6,884,853 in working capital. The Company reports a consolidated net loss of $495,947 and $1,350,092 for the three and six months ended September 30, 2020, compared to a net loss of $5,000 and $10,000 for the three and six months ended September 30, 2019. During the comparative period, the Company was not operating, as it was seeking a corporate transaction. Therefore, all expense categories have increased in the current period with the closing of the Transaction and commencement of business activity.

	Three months ended September 30		Six months ended September 30	
	2020	**2019**	**2020**	**2019**
OPERATING EXPENSES				
General and administrative (i)	$ 557,458	$ 5,000	$ 1,167,821	$ 5,000
Share based payments (ii)	174,185	-	1,057,903	-
Interest expense	1,634	-	1,634	-
Research and development (iii)	14,023	-	14,023	-
LOSS BEFORE OTHER ITEMS	(747,300)	(5,000)	(2,241,381)	(10,000)
OTHER ITEMS				
Gain on sale of marketable securities (iv)	$ 475,038	-	585,162	-
Gain on sale of subsidiary (v)	843,411	-	843,411	
Unrealized change in fair value of marketable securities	(1,068,000)	-	(540,000)	-
Interest income	904	-	2,716	-
NET LOSS AND COMPREHENSIVE LOSS	$ (495,947)	$ (5,000)	$ (1,350,092)	$ (10,000)

(i) The following is a breakdown of General and Administrative expenses for the three and six months ended September 30:

	Three months ended September 30		Six months ended September 30	
	2020	**2019**	**2020**	**2019**
Consulting	$ 25,086	$ -	$ 120,876	$ -
Legal, audit and other professional fees	16,062	5,000	354,494	10,000
Management fees	68,000	-	151,000	-
Business development	124,712	-	157,842	-
Office and general	28,472	-	42,897	-
Regulatory	3,750	-	14,105	-
Shareholder communication	374,431	-	409,662	-
Amortization and depreciation	3,714	-	3,714	-
Write off of expired payables	(86,768)	-	(86,768)	-
	$ 557,458	$ 5,000	$ 1,167,821	$ 10,000

(ii) Share based payments includes the value of options that vested during the period ($429,346), and the value of shares and warrants issued to various consultants for assisting with the Transaction ($628,557).

(iii) Research on the medical applications of psilocybin.

(iv) Gain on sale of marketable securities represents the realized gains generated from the sale of shares of

Revive Therapeutics Ltd. (“Revive”). Revive participated in the Subscription Receipt financing for 2,500,000 subscription receipts. In exchange, the Company received 3,000,000 common shares of Revive with a deemed valued of $150,000. As at September 30, 2020, all Revive shares have been sold.

(v) Represents the gain on the sale of Northern Securities Inc., an inactive subsidiary of the Company.

Quarterly Financial Information

For the quarters ended	Revenue ($'s)	Net Loss ($'s)	Loss per share ($'s)	Weighted Average Shares
September 30, 2020	-	(495,947)	(0.00)	226,747,374
June 30, 2020	-	(854,145)	(0.01)	80,925,926
March 31, 2020	-	(306,218)	(0.35)	851,335
December 31, 2019	-	(8,955)	(0.01)	851,335
September 30, 2019	-	(5,000)	(0.01)	851,335
June 30, 2019	-	(5,000)	(0.01)	851,335
March 31, 2019	-	(6,783)	(0.01)	851,335
December 31, 2018	84	(57,540)	(0.07)	851,335

Liquidity, Capital Resources and Cash Flows

As at September 30, 2020, the Company had cash of $6,661,261 (March 31, 2020 - 1,963,492) and $nil (March 31, 2020 - $1,804,290) of funds held in escrow.

The Company used cash in operations of $1,713,675 for the six months ended September 30, 2020 compared to $nil in 2019 (as in 2019 the Company was inactive).

Cash from investing activities amounts to $2,306,785 and consisted of $1,804,290 of funds released from escrow, and $735,161 proceeds from the sale of Revive shares. The cash inflows were offset by the purchase of marketable securities in the amount of $200,000, and $32,666 for leasehold improvements and equipment purchases.

Cash from financing activities amounted to $3,991,665 and consisted of net proceeds from private placements ($3,512,365), and $112,994 from the exercise of warrants.

As at September 30, 2020, the Company had a working capital position of $6,884,853, which will fund operations and growth strategy in the short term.

The primary need for liquidity is to fund the construction of the Facility, execute the business plan to commence sales and to fund working capital requirements. The primary source of liquidity has been primarily from private and/or public financing. The ability to fund operations, to make planned capital expenditures and execute the growth/acquisition strategy depends on the future operating performance and cash flows, which are subject to prevailing economic conditions, regulatory and financial, business and other factors, some of which are beyond the Company’s control.

The Company intends to grow rapidly and expand its operations within the next twelve to twenty-four months. This growth, along with the expectation of operating at a loss for at minimum the next 12 months, will place a significant strain on the Company’s financial resources. As such, further financings may be required to develop the Company’s facility and products, make acquisitions, meet ongoing obligations, and discharge its liabilities in the normal course of business. There is no assurance that additional funds can be raised upon terms acceptable to the Company or at all and funding for small companies remains challenging.

The Company manages liquidity risk by reviewing, on an ongoing basis, its sources of liquidity and capital requirements. As of September 30, 2020, the Company had working capital of $6,884,853 and cash and cash equivalents of $6,661,261, which are invested in investment-grade short-term deposit certificates issued by the Company’s banking institutions. In evaluating the Company’s capital requirements, including the impact of COVID-19 on the Company’s business, and its ability to fund the execution of its business strategy, the Company believes that it has adequate available liquidity to enable it to meet its working capital and other operating

requirements, fund current growth initiatives (please see the section entitled "*Significant Projects*" in this MD&A) and other capital expenditures and settle its liabilities for at least the next twelve (12) months. The Company's objective is to maintain sufficient cash to fund the Company's operating requirements and expansion plans identified from time to time. While the Company expects to incur losses for at minimum the next twelve (12) months, management of the Company continues to work towards the success and eventual profitability of the business.

The Company's ability to access both public and private capital is dependent upon, among other things, general market conditions and the capital markets generally, market perceptions about the Company and its business operations, and the trading prices of the Company's securities from time to time. When additional capital is required, the Company intends to raise funds through the issuance of equity or debt securities. Other possible sources include the exercise of stock options and warrants of the Company. There can be no assurance that additional funds can be raised upon terms acceptable to the Company, or at all, as funding for early stage companies remains challenging generally. Given the nature of the Company's business as of the date of this MD&A, and in particular, the fact that its operations are undertaken exclusively within a foreign jurisdiction, the Company may face difficulty in accessing traditional sources of financing, notwithstanding that its business operations are conducted in a regulatory environment within which the Company's activities are neither illegal nor subject to conflicting laws.

The Company's current expenditure obligations include commitments for those projects described in the section entitled "*Significant Projects*" in this MD&A. The Company expects to continue funding these projects with available cash and cash equivalents, and therefore, is subject to risks including, but not limited to, an inability to raise additional funds through debt and/or equity financing to support the Company's continued development, including capital expenditure requirements, operating requirements and to meet its liabilities and commitments as they become due.

The Company's monthly operating cash requirement is approximately $100,000. The $100,000 is based on average historical actuals in the past six months. Historical numbers, as adjusted for non-recurring operating costs, are as follows:

Cash flow from operations for the six months ended September 30, 2020	$ (1,713,675)
Add back consulting fees whose contracts ended in May 2020	102,440
Add back non-recurring business development (Consulting fee re M&A, Capital Market, business development) (1)	232,500
Add back non-recurring shareholder communication (CEO interviews, distribution of press releases, podcasts, presentations) (1)	167,500
Add back non-recurring Marketing (various investor marketing programs, calls and emails to brokers and potential investors) (1)	248,878
Add back professional fees relating to the change business and listing	268,074
Add back HST not yet received back	142,601
Total adjusted cash used in operations	$(551,681)
Average per month	$(91,947)

Notes:
(1) These contracts were entered into concurrent with our going public and the May/June/July private placements, with the purpose of bringing awareness and exposure of the Company to the marketplace. The contracts have a term varying from 6-12 months, were all one-off contracts, with no expectation of renewals.

The following capital commitments (as described in the section entitled "*Significant Projects*" in this MD&A) are expected to be paid from existing working capital:

- *The Facility* – As detailed earlier, the Company has entered into a lease agreement in respect of the Facility, with a lease commitment of 5 years, commencing August 1, 2020, with an annual commitment of $30,000. As at September 30, 2020, the additional costs incurred to set up the Facility was approximately $24,000 and included the cost of coating the floors and ceiling, setting up the heating, ventilation, and air conditioning systems, and other leasehold improvements. The costs were incurred during Q2 of the current fiscal year.

- *E-Commerce Platform* – In September 2020, the Company entered into an agreement for the design and development of the E-Commerce Platform, for a fee of $5,200 to be paid in two instalments. The first instalment was paid on commencement of the project (paid in September 2020), the second on completion (paid in November 2020). Additional consulting fees related to the development were approximately $8,000 (of which $2,600 was paid during the Q2 2020).

- *Scarlette Lillie Science Innovation* – As at September 30, 2020 and the date of this MD&A, the Company has no capital commitments for funding this division. As previously noted, the Company is still assessing the nature of it future operations and investments of this division.

- *VR Module* **–** On July 15, 2020, the Company entered into a consulting agreement for the development of the VR Module and VR Avatar, for an all-in cost of $26,000 (paid in July 2020). The VR Avatar was completed in September 2020 while the module is expected to be completed in November 2020. There are no further capital commitments required on this project, other than ordinary course costs and expenses associated with launching the VR Module at potential launch sites in an estimated amount of up to $6,600, per each such site.

- *Super Smart Distribution Arrangement* – In connection with the Super Smart Distribution Arrangement, the Company is committed to provide Super Smart with a VR Headset, an iPad and train the employees on iMIC Centre and incur approximately $5,000 in hard costs and expenses. To date, no expenses have been incurred.

- *SR Wholesale Acquisition* – In connection with the Company's proposed acquisition of SR Wholesale, the Company is currently not committed to spending any funds. However, if the Company enters into a binding agreement, the Company anticipates committing to spending approximately 900,000€ (which is approximately $1,397,106 CAD as of the date of this MD&A) on closing of the purchase transaction, and an additional €300,000 (approximately $465,702 CAD) through the issuance of a convertible promissory note with a maturity date of two (2) years.

Management of Capital

The capital managed by the Company includes the components of shareholders' equity as described in the unaudited interim condensed financial statements for the three and six months ended September 30, 2020. The Company is not subject to externally imposed capital requirements.

The Company's objectives of capital management are to create long-term value and economic returns for its shareholders. It does this by seeking to maximize its resources to fund the growth and development of its business, and to support the working capital required to maintain its ability to continue as a going concern. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its assets by seeking to limit shareholder dilution and optimize its cost of capital while maintaining an acceptable level of risk. In order to maintain or adjust its capital structure, the Company considers all sources of financing reasonably available to it, including but not limited to the issuance of new capital and the issuance of new debt.

Dividends

The Company did not pay dividends in the current period, 2020 or 2019 financial years.

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements as of September 30, 2020 and the date of this MDA.

Critical Accounting Estimates

Significant judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported

amount of revenues and expenses during the year.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

(a) Income and other taxes
Income, value added, withholding and other taxes The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

(b) Provisions and contingencies
Provisions are recorded by the Company when it has determined that it has a present obligation, whether legal or constructive, and that it is probable that an outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. Provisions are recorded based on management's best estimates of timing, and quantum of future outflows.

(c) Share based payments
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

(d) Determination of functional currency
Management uses its judgment to determine the functional currency that most appropriately represents the economic effects of the underlying transactions, events and conditions. The functional currency of a company is the currency of the primary economic environment in which the company operates in consideration with other indicators. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

Risk Management

The following is a description and analysis of the risks associated with financial instruments that may affect the Company:

Fair value of financial assets and financial liabilities
Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from its financial instruments. The fair values of the Company's financial assets and financial liabilities approximate their carrying amounts due to their imminent or short-term maturity.
Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at September 30, 2020, the Company had no interest-bearing loans.

Foreign exchange risk
Foreign exchange risk is the risk that the market value of financial instruments and the associated revenues will fluctuate due to changes in exchange rates. The Company does not use derivatives to modify the foreign exchange risk. The Company holds minimal financial instruments in foreign currencies.

The Company's functional and reporting currency is the Canadian dollar. Foreign exchange risk arises from transactions denominated in currencies other than the Canadian dollar. The Company's primary foreign exchange exposures is the Euro, being the local currency in the Netherlands where the Company's subsidiary RLH NL operates.

The Company is exposed to currency risk through the assets and liabilities denominated in currencies other than Canadian dollar. As at September 30, 2020, the Company does not have a material risk as 97% of its assets and liabilities are denominated in the Canadian dollar.

Liquidity risk
Liquidity risk is the risk that results from the Company's potential inability to meet its financial obligations as they come due. The Company manages liquidity risk by reviewing the amount of cash available, on a daily basis, to ensure that it can meet its current obligations.

The Company has loans outstanding of $nil as at September 30, 2020 (March 31, 2020 - $86,768).

Credit risk
The Company's credit risk is primarily attributable to cash and cash held in escrow. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable financial institutions and cash held with a law firm, from which management believes the risk of loss to be remote.

Share Capital Information

Outlined below is selected current share capital information related to the Company as at the date of this MDA:

Description	Number
Common shares issued and outstanding	229,934,979
Stock options outstanding	10,616,667
Common share purchase warrants issued and outstanding	43,831,376

Related Party Transactions

The Company had related party transactions with directors or officers of the Company, or companies with which they were associated, as follows:

Compensation to key management personnel
Compensation paid or payable during the three and six months ended September 30, 2020 and 2019 to persons and corporations in charge of the planning, direction and control of the Company, including executive and non-executive directors, is as follows:

(a) During the six months ended September 30, 2020, the Company was charged $89,000 in fees by the Todd Shapiro, the Chief Executive Officer for his management services.

(b) During the six months ended September 30, 2020, the Company was charged $20,000 in management fees by CFO Advantage Inc a corporation controlled by Kyle Appleby, the Chief Financial Officer of the Company.

(c) During the six months ended September 30, 2020, the Company was charged $42,000 in fees by Hans Derix, the President, for management services.

Equity Transactions: During the six months ended June 30, 2020 and the year ended March 31, 2020 and 2019, the Company issued the following securities to persons and corporations in charge of the planning, direction and control of the Company, including executive and non-executive directors:

On May 27, 2020, the Company issued 3,700,000 stock options to directors and officers of the Company, as follows:

- Todd Shapiro, Chief Executive Officer and Director – 1,200,000 stock options
- Lowell Kamin, Director – 1,000,000 stock options
- Anne Barnes, Director – 500,000 stock options
- Kyle Appleby, Chief Financial Officer – 250,000 stock options
- Brad Lamb, Director – 500,000 stock options
- Binyomin Posen, Director – 250,000 stock options

During the year ended March 31, 2020, the Company issued 22,867,184 common shares in settlement of $416,406 in indebtedness owing to related parties (2019 - $nil).

- CFO Advantage Inc., Consultant - 500,000 common shares
- Hans Derix, Officer - 3,750,000 common shares
- Binyomen Posen, Director - 166,667 common shares
- Lowell Kamin, Director - 833,336 common shares
- Donal Carroll, Director - 7,992,181 common shares
- Todd Shapiro, Chief Executive Officer and Director - 9,625,000 common shares

During the year ended March 31, 2020, the Company issued 2,333,333 common shares in settlement of $46,667 in indebtedness owing to related parties in connection with the Debtco financing in January 2020.

- Anne Barnes, Director - 1,000,000 common shares
- Brad Lamb, Director - 1,333,333 common shares

During the year ended March 31, 2020, the Company issued $200,000 worth of subscription receipts to related parties through the issuance of 3,333,333 subscription receipts through the Subco 1 financing.

- Anne Barnes, Director - 3,333,333 subscription receipts

Commitments, Provisions and Contingencies

The Company is party to legal proceedings and other claims in the ordinary course of its operations. Litigation and other claims are subject to many uncertainties and the outcome of individual matters is not predictable. Where management can estimate that there is a loss probable, a provision has been recorded in its financial statements, where proceedings are at a premature stage or the ultimate outcome is not determinable, then no provision is recorded. It is possible that the final resolution of these matters may require the Company to make expenditures over an extended period of time and in a range of amounts that cannot be reasonably estimated and may differ significantly from any amounts recorded in these consolidated financial statements. Should the Company be unsuccessful in its defense or settlement of one or more of these legal actions, there could be a materially adverse effect on the Company's financial position, future expectations, and cash flows.

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $244,000 which are due within one year.

Future Accounting Policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning on or after April 1, 2020 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

COVID-19 Pandemic

General

In March 2020, the World Health Organization declared a global pandemic related to the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19". The COVID-19 outbreak resulted in governments worldwide enacting emergency measures to combat the spread of COVID-19 (including the implementation of travel bans, self-imposed quarantine periods, and social distancing). COVID-19 has had a profound and unprecedented impact on the global economy and has caused material disruption to individual businesses and the global economy. As of the date of this MD&A, the duration and the immediate and eventual impact of COVID-19 remains unknown, and in particular, it is not possible to reliably estimate the immediate and eventual impact of COVID-19 on the financial results and condition of the Company and its industry partners.

Impact on the Company

The Company commenced its operations within the Netherlands in fiscal Q2 2020, and during the interim period ended September 30, 2020, COVID-19 did not have a direct, material impact on the operations, financial condition, cash flows and financial performance of the Company. However, the Company believes that the direct and indirect impact of COVID-19 on the Company's industry partners indirectly delayed the Company's ability to establish and commence its operations within the Netherlands in accordance with the timelines originally anticipated by the Company.

The Company continues to monitor the latest developments on COVID-19 on an ongoing basis, and continues to assess the more immediate impact of COVID-19 on the operations of the Company and its industry partners within the Netherlands, with a focus on maintaining business continuity. The Company's approach to maintaining business continuity during COVID-19 is focused on, among other things:

- prudent cash management, which is reflected by among other things, the Company's decision to carefully assessing further expansion efforts and temporarily delaying both the build-out of the Facility to obtain EU-GMP certification for the Facility, and the launch of its marketing campaign, until such time as the Company can fully appraise itself of market and economic conditions;

- implementing appropriate measures tailored to mitigate unanticipated impacts of COVID-19, which is reflected in part by, among other things:

    - the Company's expedited build-out of the Facility for the cultivation and production of non-EU-GMP certified truffles in order to both (i) create a revenue stream as the Company further considers and evaluates the costs and procedures associated with building-out the Facility to obtain EU-GMP certification for the Facility amid COVID-19, and (ii) offset unanticipated interruptions in the supply of truffles sourced from its industry partners due to COVID-19; and

    - the Company's experimental launch of a subscription-based model for the sales of its brand of truffles through the E-Commerce Platform.

Amid COVID-19, the Company's success will depend on its ability to ensure that consumers in the Netherlands continue to have safe and uninterrupted access to the Company's truffles, as well as maintaining high quality cultivation, production, and distribution capabilities. The Company intends to continue to assess its business and operational needs, and implement cost reductions in salaries and consulting fees, marketing and other administrative functions, where necessary. Although COVID-19 has not significantly impacted the Company's operations to date, there can be no assurance that there will not be disruptions to its operations in the future. COVID-19 presents several unpredictable variables on the economy and the truffles market within the Netherlands, making it difficult to accurately forecast upcoming results.

In spite of this, the Company's core focus will be on closely monitoring the development of COVID-19 to focus its resources on navigating and adapting to emerging situations as they unfold. See also the section below entitled "*Risk Factors*" for further discussion on the potential impacts of COVID-19.

Risk Factors

Due to the nature of the Company's business, its limited operating history, and its stage of development, an investment in the securities of the Company is highly speculative and involves significant risks and uncertainties. As the Company continues to develop its business, the Company will face numerous challenges, and additional risks and uncertainties not presently known to the Company, or which the Company believes to be immaterial. In the event that such risks and uncertainties materialize, the Company's business, financial condition, and results of operations could be materially adversely affected, and shareholders of the Company could lose all or part of their investment in the Company. Such risks and uncertainties could also cause actual events to differ materially from those described in forward looking statements relating to the Company described in this MD&A and in certain documents incorporated by reference into this MD&A.

The following section summarizes certain of the risks and uncertainties relating to the business of the Company as of the date of this MD&A. The summary of such risks and uncertainties is not intended to be exhaustive, and such risks are in addition to the usual risks associated with investment in a business. Investors should carefully consider the following risks and uncertainties as well as the risk factors set out in the Listing Statement.

Introduction of, or Changes in, Laws, Regulations and Guidelines

Although the cultivation, production and distribution of fresh, unprocessed truffles within the Netherlands is not, as of the date of this MD&A, subject to regulation as, for example, the cannabis industries in Canada and the United States, the Company's operations in the Netherlands remain subject to compliance with the Opium Act, as well as other laws, regulations, and guidelines in effect from time to time enacted by applicable governmental authorities. Although the Company is, to its knowledge, in compliance with all applicable laws and regulations (and intends to continue to comply), there can be no guarantee that new laws, regulations, and guidelines will not be enacted, or that existing or future laws and regulations will not be changed. Any introduction of new (or changes to existing) laws, regulations, and guidelines, or other unanticipated events could require extensive changes to the Company's operations, increase compliance costs, and give rise to material liabilities, which could have a material adverse effect on the business, financial condition and operating results of the Company.

No Assurance of Commercial Success or Profitability

The successful commercialization of the Company's brand of truffles and its future products in the Netherlands will depend on many factors, including, (i) the Company's ability to establish and maintain new and existing working partnerships with industry partners in order to source, distribute, and market its brand of truffles and other product offerings within the Netherlands, (ii) the Company's ability to supply a sufficient amount of its brand of truffles to meet market demand, and (iii) the number of competitors from time to time competing with the Company within the Netherlands. As the Company continues to grow and expand its operations within the Netherlands, there is a risk that the Netherlands truffles industry may become increasingly competitive in all its phases, and in particular as a result of the possibility that new entrants (including from jurisdictions outside of the Netherlands) could attempt to mirror the Company's business model and establish operations in the Netherlands. There can be no assurance that the Company or its industry partners will be successful in their respective efforts to develop and implement, or assist the Company in developing and implementing, a commercialization strategy for the Company's brand of truffles and future products. Further, there can be no assurance that consumer demand for the Company's truffles and other product offerings will be as anticipated, or that the Company will become profitable.

Limited Operating History in Truffles Industry

The Company began operations in the Netherlands in fiscal Q2 2020, and has a limited operating history within the truffles industry. As such, the Company will be subject to all of the business risks and uncertainties associated with any early staged enterprise, including the risks that it will be unable to (i) successfully cultivate, produce, distribute truffles, (ii) establish a market for its products, (iii) achieve its growth objectives and targets, and/or (iv) successfully assess and meet consumer demand and become profitable. The Company's future growth will depend substantially on its ability to address these and the other risks described in this section of this MD&A, and any failure to successfully address such risks could have a material adverse effect on the business, financial condition and operating results of the Company.

Difficulty to Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the truffles industry in the Netherlands. A failure in the demand for the Company's brand of truffles and future product offerings to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, financial condition and operating results of the Company.

Unfavourable Publicity or Consumer Perception

The Company's success within the truffles industry may be significantly influenced by consumer perception of truffles generally, or the Company's brand of truffles and future products, any of which can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of truffles and products produced or manufactured using truffles. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the truffles industry or any particular product offering of the Company, or consistent with earlier publicity. Any adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the business, financial condition and operating results of the Company.

Reliance on Key Personnel

The Company success has depended, and will continue to depend, on the efforts and talents of its executives and employees, including its Chief Executive Officer, and its ability to attract, develop, motivate and retain highly qualified and skilled employees, staff and consultants. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. In addition, the loss of any of the Company's senior management or key employees could materially adversely affect its ability to execute its business plan and strategy, and it may not be able to find adequate replacements on a timely basis, or at all. The loss of any such key persons or the inability to find and retain new key persons could have a material adverse effect on the business, financial condition and operating results of the Company.

Reliance on a Single Facility

The Company's cultivation and production activities are conducted exclusively within the Facility, which is located in Horst, the Netherlands, and the Company anticipates that such activities will continue to be conducted within the Facility for the foreseeable future. The Company's operation and the condition of the Facility is, and will be, subject to hazards inherent in the truffles industry, including structural or equipment defects, malfunctions, natural disasters, fire, explosions, or other accidents that may cause damage to the Facility. Any adverse changes or developments (whether in the Netherlands generally or within the Facility) affecting the Facility could have a material and adverse effect on the Company's ability to continue to cultivate and produce its brand of truffles, and could have a material adverse effect on the business, financial condition and operating results of the Company.

Difficulty in Obtaining, or Unviability in Pursuing, EU-GMP Certification of Facility

The Company's business objectives include obtaining EU-GMP certification for the Facility, in order to enable the Company to grow and sell EU-GMP certified truffles within the Netherlands. However, as of the date of this MD&A, in light of among other things the existing uncertainty brought about by COVID-19, the Company is further considering and evaluating the economic viability and benefits of proceeding with building-out the Facility in order to obtain EU-GMP certification for the Facility.

As discussed elsewhere in this MD&A, in order to complete the EU-GMP certification for the Facility, the Company must undertake Phase 3, as part of which the Company must engage a consultancy firm to, among other things, obtain a build-out plan that is tailored to suit the Company's business objectives at the time of such consultation process, as the same may exist in light of the impact of COVID-19 on, among other things, the Company's specific business objectives in respect of, and the reasons for, the EU-GMP certification for the Facility, as well as the then prevailing market and competitive conditions in respect of such objectives. Although obtaining EU-GMP certification for the Facility could potentially provide the Company with a competitive edge, by enabling it to cultivate and sell EU-GMP certified truffles, there can be no guarantee that the Company will commence Phase 3, or that, if Phase 3 is commenced, that the Company will be successful in obtaining EU-GMP certification for the Facility. In particular, as of the date of this MD&A, there is a heightened risk that the Company

may ultimately determine that it is not in the best interest of the Company to pursue EU-GMP certification for the Facility. In the event that the Company determines not to obtain, or pursues but fails to obtain, EU-GMP certification for the Facility (including as a result of factors beyond the control of the Company), any such decision or failure could have a material adverse effect on the business, financial condition and operating results of the Company. Further, in the event that the Company is successful in obtaining EU-GMP certification for the Facility, any failure to comply with the requirements of the EU-GMP certification or any failure to maintain the conditions and requirements associated with such EU-GMP certification could have a material adverse effect on the business, financial condition and operating results of the Company.

The Company believes that the following events and circumstances may reasonably be likely to cause actual results with respect to the timing and commencement of Phase 3 to differ materially from those anticipated by the Company and expressed in this MD&A:

- the impact of COVID-19 on general market conditions, and particularly, on (A) the market demand for EU-GMP certified truffles, and (B) the business operations of entities and institutions (and in particular, those engaged in the health and sciences industries) which might otherwise have presented the Company with business-to-business sales channels for the sale of the Company's for EU-GMP certified truffles;
- the impact of measures from time to time implemented by the Company to mitigate unanticipated impacts of COVID-19 on the Company's business operations, including, but not limited to, a potential reallocation of funds to (A) establish and implement new business initiatives, (B) accelerate, increase, reduce, or eliminate existing initiatives, (C) address unexpected setbacks, and (D) pursue strategic opportunities, such as partnerships, strategic partners, joint ventures, mergers, acquisitions, and other opportunities; and
- unanticipated setbacks which may materialize following the date of this MD&A, including, among other things, changes in the rules and regulations established by the European Union in respect of the minimum requirements that a producer must meet to obtain EU-GMP certification, and the Company's inability to identify a cost-effective build-out plan to obtain EU-GMP certification for the Facility.

Liability, Enforcement Complaints, etc.

As a company engaged in the truffles industry within the Netherlands, the Company and/or its subsidiaries may from time to time become subject to litigation, formal or informal complaints, enforcement actions, and inquiries, including by one or more federal or local governmental authorities in the Netherlands. Any such litigation, complaints, and/or enforcement actions involving the Company and/or its subsidiaries could consume a considerable amount of financial and other corporate resources and the time of the Company's management, and could have a material adverse effect on the business, financial condition and operating results of the Company.

Reliance on Operations in Foreign Jurisdictions

As of the date of this MD&A, the Company's operations are conducted exclusively within the Netherlands. As such, the Company's operations at various times may be exposed to political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to: (i) renegotiation, nullification, termination or rescission of concessions, licenses, permits and contracts, from time to time held by the Company or to which the Company a party, (ii) changing political conditions, (iii) currency exchange rate fluctuations, (iv) taxation policies, and (v) changing government policies and legislation. The Company's operations within the Netherlands may also be affected in varying degrees by changes to laws, regulations, and guidelines applicable to foreign entities with respect to, but not limited to, the production of truffles, price controls, currency remittance, income taxes (including VAT), foreign investment, environmental legislation, and use of real property. Any change in such or similar laws, regulations, and guidelines, or shifts in political attitude, could have an adverse effect on the Company's future cash flows, earnings, results of operations and financial condition. The Company cannot accurately predict the full impact of any such occurrence on the Company's operations and profitability. Finally, the Company may be subject to the exclusive jurisdiction of courts of the Netherlands in the event of any dispute arising from the Company's operations in the Netherlands.

Product Liability

As a cultivator, producer and distributor of products intended be ingested by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory actions and litigation if the Company's product

offerings are alleged to have caused loss or injury. In addition, the sale of the Company's product offerings involves the risk of injury or loss to consumers due to tampering by unauthorized third parties, product contamination and unauthorized use by consumers or other third parties. Previously unknown adverse reactions resulting from human consumption of the Company's truffles alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including that the Company's product offerings caused death, injury, illness, or other loss. A product liability claim or regulatory action against the Company could result in increased costs, adversely affect the Company's reputation with consumers, and could have a material adverse effect on the business, financial condition and operating results of the Company.

Product Viability

In general, truffles have minimal long-term data with respect to efficacy, unknown side effects and/or interaction with individual human biochemistry or other supplements or medications. As a result, the Company's brand of truffles could have certain side effects if not used as directed or if taken by an end user that has certain known or unknown medical conditions. If the Company's brand of truffles and future product offerings are not perceived to have the effects intended by the end user, the Company's business and its reputation may suffer, any of which could have a material adverse effect on the business, financial condition and operating results of the Company.

Product Recalls

The Company's brand of truffles and future product offerings may be subject to the recall or return for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the Company's product offerings are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention and otherwise distract from day to day operations. As such, any product recall could have a material adverse effect on the business, financial condition and operating results of the Company.

Competitive Conditions

The Netherlands is an ideal location to establish and operate a vertically integrated truffles company, primarily due to its favourable regulatory regime, and access to a strong and established consumer base for the sale of truffles. The truffles industry within the Netherlands is an established industry that is highly competitive. The market for access to truffles in the Netherlands has created a competitive environment for truffles producers as well as for Smart Shop operators. The Company faces direct competition to attract and retain end-users, and competes with other industry participants that may have greater financial resources and longer operating histories. The chief competitors of the Company's product offerings are expected to be existing producers as well as Smart Shop operators. Although reliable data is limited, the Company believes that, as of the date of this MD&A, there are at least two (2) major producers of truffles within the Netherlands, and more than one hundred (100) Smart Shop operators that offer truffles for sale. To remain competitive, the Company will require a continued high level of investment in acquisitions and investments, research and development, and marketing. The Company may not have sufficient resources to maintain such activities on a competitive basis which could have a material adverse effect on the business, financial condition and operating results of the Company.

Liquidity and Future Financing

The Company is in its early stage of development, and has not yet generated meaningful revenue and will likely operate at a loss until such time as its business becomes established. Although the Company has, as of the date of this MD&A, sufficient capital to fund its ongoing business development and future growth and expansion plans for the foreseeable future, the Company may in the future require additional financing in order to fund such purposes. The Company's ability to secure any such required financing will depend, in part, upon investor perception of the Company's ability to build and maintain a successful business, as well as other factors beyond the Company's control. There can be no assurance that the Company will be able to successfully obtain additional financing, or that future financing will occur on terms satisfactory to the Company and/or its shareholders. If adequate funds are not available to the Company, or are not available on acceptable terms, the Company may be required to scale back its business plan or cease operating. Future financing conducted by issuing securities of the Company may result in shareholders suffering additional dilution.

Dependence on Third Parties

As a company in its early stage of development, the Company has established relationships with various industry partners in the truffles industry in order to begin operations, develop its brand and product recognition, and generate revenue within the Netherlands. As of the date of this MD&A, the Company has established working relationships with 4 industry partners in the truffles industry within the Netherlands, and to date, the Company's relationships with McSmart, Super Smart, SR-Wholesale B.V. and the operator of a Smart Shop under the name "House of Smart" have been a significant contributor to its ability to introduce its brand of truffles within the Netherlands. In particular, as of the date of this MD&A, the Company's brand of truffles is sold exclusively within retail establishments operated by industry partners which may be considered competitors of the Company within the truffles industry in the Netherlands, with certain of such industry partners having both their own dedicated Smart Shops and cultivation and production facilities. In the event that one or more of the Company's industry partners were to cease providing the Company with an adequate supply of truffles or cease distributing the Company's brand of truffles through their own dedicated Smart Shops, any such occurrence could have a material adverse effect on the business, financial condition and operating results of the Company.

There can be no assurance that the Company will be able sustain its existing relationships with industry partners, or establish and maintain new relationships with industry partners necessary to meet its ongoing business needs. Further, there can be no assurance that industry partners with which the Company has established relationships with will continue to meet the Company's business needs from time to time, on a timely basis, or at all.

Reliance on Informal Arrangements

As of the date of this MD&A, the Company has not entered into any binding written agreements with any of its existing industry partners. Instead, the Company's present business relationships with the Current Industry Partners are based on informal arrangements of a nature customarily entered into by participants in the truffles industry within the Netherlands. As a result, in contrast to companies operating in other industries which may have written agreements with their respective industry partners, the Company is subject to the increased and unique risk that its existing arrangements with its industry partners may be terminated. Any such termination could have a material adverse effect on the business, financial condition and operating results of the Company.

Additional Information

Additional information on the Company has been filed electronically through the System for Document Analysis and retrieval ("SEDAR") and is available online at www.sedar.com.