FORM 5

QUARTERLY LISTING STATEMENT
for period ended October 31, 2019

Name of Listed Issuer: HARRYS MANUFACTURING INC. (the "Issuer").

Trading Symbol: HARY

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

Please see Schedule "A" attached hereto.

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.

Please refer to Schedule A – Financial Statements – Note 8.

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,

No securities were issued during the period. On October 11, 2019, 8,000,000 common shares held in escrow were returned to treasury and cancelled. Please refer to Schedule A – Financial Statements – Note 9.

(b) summary of options granted during the period,

700,000 options were granted during the period. Please refer to Schedule A – Financial Statements – Note 9.

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,

Authorized Share Capital	Number of Shares Authorized	Dividend Rates	Redemption/Conversion Provisions
Common Shares	Unlimited	Not Applicable	Not Applicable
Preferred Shares	Unlimited	Not Applicable	Not Applicable

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

Number of Shares	Value
Common Shares	69,916,358 (as at October 31, 2019)
Nil Preferred Shares	Nil (as at October 31, 2019)

(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

Type of Security[(1)]	Number Outstanding	Exercise/Conversion Price	Expiry Date	Recorded Value
Options	175,000	$0.10	January 16, 2022	$17,500.00
Options	240,000	$0.17	January 17, 2022	$40,800.00
Options	200,000	$0.30	February 3, 2022	$60,000.00
Options	1,000,000	$0.125	July 5, 2024	$125,000.00
Options	700,000	$0.125	September 4, 2024	$87,500.00
Total:	**2,315,000**			
Warrants	3,328,738	$0.50	December 4, 2019	$1,664,369.00
Warrants	6,664,197	$0.50	December 19, 2019	$3,332,098.50
Warrants	1,933,780	$0.50	January 12, 2020	$966,890.00
Total:	**11,926,715**			

Notes:

(1) Please refer to Schedule A – Financial Statements – Note 9.

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

Name of Securityholder	Designation of Class Held in Escrow	Number of Securities Held in Escrow[(1)]
ABORIGINAL IMPORT EXPORT LTD.	Common Shares	1,275,000
GOLD MEDAL PERFORMANCE CORP.[(2)]	Common Shares	688,500
KEVIN EDWARD FRANCIS KOHANIK	Common Shares	3,506,270
ASHLEY FRANCIS HARRY	Common Shares	2,656,271
HAINRDER SINGH DHESI	Common Shares	2,656,272
GLENN ALLEN SODERBERG	Common Shares	318,751
LARRY MARSALL	Common Shares	159,375
ROB GERLING	Common Shares	159,375
Total:		**11,419,814**

Notes:

(1) Please refer to Section 11 *Escrowed and Pooled Securities* of the Issuer's Form 2A Filing Statement dated October 5, 2018, filed on October 19, 2018, and available under the Issuer's profile on www.SEDAR.com.

(2) Gold Medal Performance Corp. is a company controlled by Michael Young, CFO and Director of the Issuer.

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	Position
Michael Young	CFO, Corporate Secretary and Director
Kevin Kohanik	CEO, President and Director
Henry Chow	Director
Harinder Dhesi	Director, Vice President of Corporate Development
Daniel Polus	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

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

Please see Schedule "C" attached hereto.

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 December 23, 2019

Kevin Kohanik
Name of Director or Senior Officer

"Kevin Kohanik"
Signature

CEO
Official Capacity

Issuer Details Name of Issuer **Harrys Manufacturing Inc.**	For Quarter Ended **October 31, 2019**	Date of Report YY/MM/D **December 23, 2019**
Issuer Address **1070 – 1055 West Hastings Street**		
City/Province/Postal Code **Vancouver, BC V6E 2E9**	**Issuer Fax No.** **( )**	**Issuer Telephone No.** **(604) 565-5100**
Contact Name **Michael Young**	Contact Position **CFO**	Contact Telephone No. **(604) 565-5100**
Contact Email Address **michael@harrysmfg.com**	Web Site Address **www.HarrysMFG.com**	

Schedule “A”

Financial Statements

[*See Next Page***]**

Condensed Interim Consolidated Financial Statements of

HARRYS MANUFACTURING INC.
October 31, 2019

Expressed in Canadian Dollars

(Unaudited)

HARRYS MANUFACTURING INC.
Condensed Interim Consolidated Statements of Financial Position
Expressed in Canadian dollars

As at	Note	October 31, 2019	July 31, 2019
		(Unaudited)	
		$	$
ASSETS			
Current			
Cash		383,322	526,682
Receivables	5	5,546	6,707
Total current assets		388,868	533,389
Equipment	6	759,376	812,856
Total assets		1,148,244	1,346,245
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	50,873	29,767
Wages payable	8	200,187	200,187
Total current liabilities		251,060	229,954
SHAREHOLDERS' EQUITY			
Share capital	9	19,490,552	19,490,552
Reserves	9	3,023,991	2,940,202
Deficit		(21,617,359)	(21,314,463)
Total shareholders' equity		897,184	1,116,291
Total liabilities and shareholders' equity		1,148,244	1,346,245

Nature and continuance of operations (Note 1)
Going concern (Note 2)
Commitments (Note 12)
Subsequent events (Notes 13)

On behalf of the Board of Directors:

"Kevin Kohanik" Director *"Michael Young"* Director

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

HARRYS MANUFACTURING INC.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
Expressed in Canadian dollars
(Unaudited)

	Note	**Three months ended October 31, 2019**	**Three months ended October 31, 2018**
		$	$
Revenue		–	–
Cost of sales	6	58,660	25,262
		(58,660)	(25,262)
Expenses			
Depreciation		179	–
Consulting fees		45,000	31,250
Management fees	8	35,550	35,550
Office and administrative		24,988	9,077
Professional fees		31,887	25,263
Research and development		250	–
Share-based payments	9	83,789	–
Salaries and wages		–	52,939
Shareholder communications		3,091	–
Transfer agent and filing fees		19,502	12,976
		(244,236)	(167,055)
Net loss before other items		(302,896)	(192,317)
Other items			
Interest income		–	21,890
Net and comprehensive loss		(302,896)	(170,427)
Basic and diluted loss per common share		(0.00)	(0.00)
Weighted average number of common shares outstanding, basic and diluted		76,177,228	57,370,634

HARRYS MANUFACTURING INC.
Condensed Interim Consolidated Statements of Changes in Equity
Expressed in Canadian dollars
(Unaudited)

	Number of Common shares	Amount	Reserves	Deficit	Shareholders Equity
		$	$	$	$
July 31, 2018	49,316,258	9,497,915	1,810,116	(7,241,670)	4,066,361
Shares issued to acquire HIMI	28,500,100	9,975,035	–	–	9,975,035
Loss for the period	–	–	–	(170,427)	(170,427)
October 31, 2018	77,816,358	19,472,950	1,810,116	(7,412,097)	13,870,969
July 31, 2019	77,916,358	19,490,552	2,940,202	(21,314,463)	1,116,291
Shares returned for cancellation	(8,000,000)	–	–	–	–
Share-based payments	–	–	83,789	–	83,789
Loss for the period	–	–	–	(302,896)	(302,896)
October 31, 2019	69,916,358	19,490,552	3,023,991	(21,617,359)	897,184

HARRYS MANUFACTURING INC.
(Formerly Westridge Resources Inc.)
Condensed Interim Consolidated Statements of Cash Flows
Expressed in Canadian dollars

	Three months ended October 31, 2019	Three months ended October 31, 2018
	$	$
Operating activities		
Net loss for the period	(302,896)	(170,427)
Adjustment for non-cash items		
Share based payments	83,789	–
Depreciation	58,839	24,487
Changes in non-operating working capital items:		
Receivables	1,161	411,602
Prepaid expenses	–	31,250
Accounts payable and accrued liabilities	21,106	(877,848)
Net cash used in operating activities	(138,001)	(580,936)
Investing activities		
Cash acquired upon acquisition of HIMI	–	18,549
Purchase of equipment	(5,359)	–
Net cash provided by (used in) investing activities	(5,359)	18,549
NET CASH (OUTFLOW) INFLOW	(143,360)	(562,387)
Cash, beginning of period	526,682	1,526,070
Cash, end of period	383,322	963,683

Non-cash investing and financing activities		
Value of shares issued for acquisition of HIMI	–	9,975,035

1. Nature and continuance of operations

Harrys Manufacturing Inc. (the "Company") was incorporated under the laws of the Province of British Columbia on July 31, 2007. The Company's common shares are listed for trading on the Canadian Securities Exchange (the "CSE") under the symbol "HARY".

On October 4, 2018, the Company acquired all of the issued and outstanding common shares of Harrys International Manufacturing Inc. ("HIMI") in exchange for the issuance of 28,500,100 common shares of the Company (the "Acquisition"). HIMI's principal business is the sale and distribution of tobacco products exclusively to purchasers located outside of Canada and the United States. On October 4, 2018, the Company also changed its name from Westridge Resources Inc. to Harrys Manufacturing Inc.

The head office and registered address and records office of the Company are located at Suite 1070 - 1055 West Hastings Street, Vancouver, BC V6E 2E9.

The condensed interim consolidated financial statements were authorized for issuance on December 20, 2019, by the Board of Directors.

2. Basis of preparation

Going Concern

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. To date the Company has incurred losses and further losses are expected in the future. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months from working capital and if necessary from loans from directors and companies controlled by directors and/or private placement of common shares. Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Management believes that the Company's capital resources should be adequate to continue operating and maintaining its business strategy. However, if the Company is unable to raise additional capital, management expects that the Company may need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. These condensed interim consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

3. Significant accounting policies

Statement of compliance and principals of consolidation

These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim consolidated financial statements, including IAS 34, Interim Financial Reporting. The interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended July 31, 2019, which have been prepared in accordance with IFRS as issued by the IASB. The Company uses the same accounting policies and methods of computation as in the annual financial statements

3. Significant accounting policies (continued)

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, HIMI. All intercompany transactions and balances have been eliminated on consolidation.

Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency. The preparation of the Company's condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates by a material amount. Matters that require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to: assumptions used in estimating share-based payments; the recoverability of deferred tax assets; the going concern assumption; the useful lives of long-lived assets; and the recoverability of long-lived assets.

4. Adoption of new accounting pronouncements and recent developments

The Company has adopted new accounting standard IFRS 16 *Leases*, effective for annual periods beginning on or after January 1, 2019. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. As the Company did not have any leases, the adoption of IFRS 16 did not have a material effect on the consolidated financial statements.

Certain pronouncements have been issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after January 1, 2020 or later years. Management does not believe the adoption of these future standards will have a material impact on the Company's consolidated financial statements.

5. Receivables

		October 31, 2019		July 31, 2019
Recoverable sales taxes	$	5,546	$	6,707
	$	5,546	$	6,707

(Expressed in Canadian dollars)

6. Equipment

	Furniture and Fixtures $	Manufacturing Equipment $	Total $
Cost:			
Balance, July 31, 2019	–	1,006,200	1,006,200
Additions	5,359	–	5,359
Balance, October 31, 2019	5,359	1,006,200	1,011,559
Accumulated depreciation:			
Balance, July 31, 2019	–	193,344	193,344
Depreciation	179	58,660	58,839
Balance, October 31, 2019	179	252,004	252,183
Carrying amounts:			
Balance, July 31, 2019	–	812,856	812,856
Balance, October 31, 2019	5,180	754,196	759,376

During the three months ended October 31, 2019 and 2018, the Company recognized 100% of the depreciation of manufacturing equipment as cost of sales.

7. Accounts payable and accrued liabilities

		October 31, 2019		July 31, 2019
Accounts payable	$	25,373	$	4,500
Accrued liabilities		25,500		25,267
	$	50,873	$	29,767

8. Related party transactions and balances

The Company incurred key management compensation as follows:

Three months ended October 31,	2019	2018
Management fees accrued or paid to current CEO, CFO and directors	$ 35,550	$ 59,250

On January 10, 2017, the Company entered into a consulting agreement with the Chief Financial Officer of the Company for $120,000 per year for consulting services. The term of the agreement is for an initial period of one year and renews automatically for additional one-year periods unless either the Company or the CFO provide notice of non-renewal 30 days prior to the expiry of the term of the agreement.

Wages Payable

As at October 31, 2019 and July 31, 2019, $148,793 in wages payable is outstanding in relation to transactions with related parties, which are non-interest bearing, unsecured and due on demand.

(Expressed in Canadian dollars)

9. Share capital and reserves

(a) Authorized:

Unlimited number of common shares without nominal or par value.

(b) Issued

As at October 31, 2019, there were 69,916,358 (July 31, 2019 - 77,916,358) issued and outstanding common shares.

As at October 31, 2019, there were 11,419,813 (July 31, 2019 – 21,435,075) shares held in escrow. Escrow releases will be scheduled as follows, 10% will be released upon completion of the Acquisition followed by six subsequent releases of 15% every six months thereafter. On October 11, 2019, 8,000,000 common shares held in escrow were returned to the Company and cancelled. On October 18, 2019, 2,015,262 shares were released from escrow.

(c) Share transactions

During the three months ended October 31, 2019

On October 11, 2019, the Company cancelled 8,000,000 held in escrow for no consideration.

During the three months ended October 31, 2018

On October 4, 2018, the Company issued 28,500,100 common shares at $0.35 per share in exchange for 28,500,100 Class A shares of HIMI.

(d) Share purchase warrants

The changes in warrants during the three months ended October 31, 2019 and year ended July 31, 2019 were as follows:

	October 31, 2019		July 31, 2019	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of the period	11,926,715	$ 0.50	11,926,715	$ 0.50
Issued	-	-	-	-
Expired	-	-	-	-
Warrants outstanding, end of the period	11,926,715	$ 0.50	11,926,715	$ 0.50

A summary of the Company's outstanding warrants as at October 31, 2019 is as follows:

Number of warrants	Exercise price *	Expiry date *
3,328,738	$ 0.50	December 4, 2019
6,664,197	0.50	December 19, 2019
1,933,780	0.50	January 12, 2020
11,926,715	$ 0.50	

** Refer to Note 13*

(Expressed in Canadian dollars)

9. Share capital and reserves (continued)

(e) Stock options

The Company has a stock option plan under which it is authorized to grant options to the Company's officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years with vesting determined by the board of directors.

On September 4, 2019, the Company granted 700,000 stock options exercisable at $0.125 per share for five years after the date of grant pursuant to a consulting agreement. The options vested upon grant.

A summary of stock option transactions during the three months ended October 31, 2019 and year ended July 31, 2019 were as follows:

	October 31, 2019		July 31, 2019	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding, beginning of the period	1,615,000	$ 0.15	2,490,000	$ 0.28
Granted	700,000	0.125	5,525,000	0.27
Cancelled	-	-	(6,300,000)	0.31
Exercised	-	-	(100,000)	0.10
Outstanding, end of the period	2,315,000	$ 0.14	1,615,000	$ 0.15
Exercisable, end of the period	2,315,000	$ 0.14	1,615,000	$ 0.15

No options were exercised during the three months ended October 31, 2019. The weighted average trading price of the Company's shares at the time of exercise was $0.31 during the year ended July 31, 2019.

The following stock options were outstanding and exercisable as at October 31, 2019:

Number of Options	Exercise price	Expiry date
175,000	$ 0.10	January 16, 2022
240,000	0.17	January 17, 2022
200,000	0.30	February 3, 2022
1,000,000	0.125	July 5, 2024
700,000	0.125	September 4, 2024
2,315,000	$ 0.15	

(f) Reserves

Reserves relates to stock options, agent's unit options, and compensatory warrants that have been issued by the Company. The Company uses the Black-Scholes valuation model to value stock options.

Share-based payments recognized and expensed during the three months ended October 31, 2019 was $83,789 (2018 - $Nil).

(Expressed in Canadian dollars)

9. Share capital and reserves (continued)

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted or vested during the three months ended October 31, 2019 and 2018:

	October 31, 2019	October 31, 2018
Risk-free interest rate	1.15%	–
Expected life of options	5 years	–
Annualized volatility	270%	–
Forfeiture rate	0%	–
Dividend rate	0%	–

(g) Loss per share

The calculation of basic and diluted loss per share for the quarter ended October 31, 2019 was based on the weighted average number of common shares outstanding of 76,177,228 (2018 – 57,370,634).

10. Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Audit and Risk Management Committee, which is responsible for developing and monitoring the Company's compliance with risk management policies and procedures. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company also has minimal risk relating to a small amount of refundable sales taxes.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

As at October 31, 2019, the Company's liabilities consisted of accounts payable and accrued liabilities of $50,873 and wages payable of $200,187. The Company's cash was $383,322 at October 31, 2019 and was sufficient to pay these liabilities.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements, and loans from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant funding.

10. Financial risk management (continued)

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price risk is comprised of three types of market price changes: foreign currency exchange rates, interest rates and commodity prices.

(i) Foreign currency exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's risk to foreign exchange is limited since it holds only Canadian dollars.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of six months or less and are therefore exposed to interest rate fluctuations on renewal. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. Accordingly, the Company is not subjected to interest rate risk.

(iii) Commodity price risk

The Company does not hold any financial instruments that have direct exposure to other price risks.

11. Capital disclosures

The Company manages its capital in a manner consistent with the risk characteristics of the assets it holds. All financing, including equity and debt, are analyzed by management and approved by the Board of Directors.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and provide returns for shareholder. The Company is meeting its objective of managing capital through its detailed review and performance of due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity and monthly review of financial results. The Company considers cash, shareholder loans and shareholders' equity (deficiency) to be capital. The Company does not have any externally imposed requirements on its capital.

There have been no changes in the Company's approach to capital management from the previous years.

12. Commitments

(a) On November 16, 2018, the Company entered into a sales and distribution agreement. Pursuant to the agreement, the Company granted distribution rights to sell products manufactured by the Company in Asia and Europe for a term of two years.

(b) On July 5, 2019 the Company entered into a Consulting Agreement with Aboriginal Import Export Ltd. (the "Consultant") to provide consulting services for a term of 7 months. As per the terms of the agreement, the Company granted 500,000 stock options to the Consultant. In addition, the Company agreed to pay the Consultant $60,000 (paid) and $15,000 per month starting August 1, 2019 for the balance of the term of the agreement. Either party may terminate the agreement by giving 30 days' notice and upon expiration of the 30 days, all obligations between the parties shall be terminated.

12. Commitments (continued)

(c) On September 3, 2019 the Company signed and announced a Strategic Production Agreement (the "Strategic Agreement") with Sopatyk Seed Farms Ltd. (the "Sopatyk Farms") for the operation of hemp cultivation facilities in Canada (the "Transaction").

Pursuant to the terms of the Strategic Agreement, the Company and Sopatyk Farms intend to jointly manage a facility on Sopatyk Farms property (the "Facility") located in Saskatoon, Saskatchewan for the cultivation of hemp. Under the terms of the Strategic Agreement, the Company will fund the operation of the Facility and Sopatyk Farms will provide its farming expertise to cultivate and grow hemp.

Pursuant to the terms of the Strategic Agreement, Sopatyk Farms will initially plant a test plot of 50 acres upon receipt of the requisite licenses required under the Cannabis Act (Canada) and other applicable laws, with the option to increase up to 2,000 acres. The Company is responsible for engaging a licensed processor to process the hemp using the Company's rolling technology.

The continuation of the Strategic Agreement is subject to the satisfaction of a number of conditions, including but not limited to: receipt of all licenses required to cultivate and grow hemp and hemp related products; the parties obtaining all consents, waivers and corporate and third party approvals necessary, including any required approval of the Canadian Securities Exchange; finding a suitable licensed third party processor to produce the hemp cigarettes; and receipt of all permits, licenses, zoning approvals and any other related approvals required for the Facility.

The Company also entered in a consulting agreement with Sopatyk Farms for consulting services in cultivating and growing hemp. In consideration, the Company granted 500,000 stock options exercisable at $0.125 per share for five years after the date of grant.

13. Subsequent Events

a) On November 18, 2019, the Company amended the exercise price and term of an aggregate of 11,244,737 common share purchase warrants issued in connection with the non-brokered private placements that closed on December 4, 2017, December 19, 2017 and January 12, 2018. The exercise price of the Warrants is being re-priced to $0.39 from $0.50 and the term is being extended to January 12, 2021. Finder's Warrants issued in connection with the Offerings were not amended.

b) On December 18, 2019, the Company entered into a sales agreement with a consultant. Pursuant to the agreement the Company will pay the consultant $5,000 per month for three months and issue the consultant 250,000 stock options exercisable at $0.25 per share. The Company issued the consultant 250,000 stock options as part of the option grant described in Note 13(c).

c) On December 18, 2019, the Company granted 450,000 stock options exercisable at $0.25 per share for five years after the date of grant to consultants. The options vested upon grant.

Schedule “C”

Management’s Discussion & Analysis

[*See Next Page***]**

HARRYS MANUFACTURING INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED OCTOBER 31, 2019

The following Management's Discussion and Analysis ("MD&A") is dated December 20, 2019 and should be read in conjunction with the condensed interim consolidated financial statements of Harrys Manufacturing Inc. ("Harrys" or the "Company") for the three months ended October 31, 2019.

FORWARD-LOOKING INFORMATION

Statements herein that are not historical facts are forward-looking statements that are subject to risks and uncertainties. Words such as "expects", "intends", "may", "could", "should", "anticipates", "likely", "believes" and words of similar import also identify forward-looking statements. Forward-looking statements are based on current facts and analyses and other information that are based on forecasts of future results, estimates of amounts not yet determined and assumptions of management, including, but not limited to, the Company's ability to raise additional debt and/or equity financing to fund operations and working capital requirements. Actual results may differ materially from those currently anticipated due to a number of factors including, but not limited to, general economic conditions, the Company's ability to generate sufficient cash flows from operations and financing to support general operating activities and capital expansion plans, and laws and regulations and changes thereto that may affect operations, and other factors beyond the reasonable control of the Company.

Management periodically reviews information reflected in forward-looking statements. The Company has and continues to disclose in its Management's Discussion and Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur.

Historical results of operations and trends that may be inferred from the above discussions and analysis may not necessarily indicate future results from operations.

BUSINESS DESCRIPTION AND READER GUIDANCE

Harrys was incorporated under the laws of the Province of British Columbia in 2007. Since inception, the Company has been focused on the acquisition, evaluation and exploration of mineral resource properties. In 2012, the Company focused its exploration activities on the Mount Sicker property in the south-eastern area of Vancouver Island, B.C. The Company also acquired an option to acquire certain concessions in the United Mexican States known as the Charay Project. However, in 2013, the Company allowed the leases on the properties to lapse. As a result, the Company was currently pursuing investment opportunities. The Company formerly traded on the TSX Venture Exchange but was relegated to the NEX Exchange. On October 17, 2017, the Company requested that its shares be voluntarily delisted from the NEX Exchange and commenced trading on the Canadian Securities Exchange under the stock symbol WST.

On May 4, 2017, the Company entered into an option agreement with Intact Gold Corp. ("Intact") to acquire a 100% right, title and interest in and to those certain mineral claims comprising the Black Jack Gold Property (the "Agreement"), located in the townships of Kirkup and Manross in the Kenora mining division of Ontario, approximately 20 km south east of the city of Kenora, (the "Property"). Pursuant to the Agreement, the Company was granted the sole and exclusive right and option (the "Option") to acquire a 100% right, title and interest in the Property. In fiscal 2018 Harrys decided not to exercise the Option and has abandoned the mineral property claim.

On December 22, 2017, the Company entered into a Letter of Intent ("LOI") with Harrys International Manufacturing Inc. ("HIMI") to acquire all of the issued and outstanding common shares of HIMI (the "HIMI Shares") in exchange for the common shares of the Company. HIMI's principal business is the sale and distribution of tobacco products to purchasers located outside of Canada and the United States.

On January 22, 2018, the Company entered into a Share Exchange Agreement with HIMI. Pursuant to the agreement, the Company agreed to acquire all of the issued and outstanding shares of HIMI in exchange for the issuance of 28,500,100 shares of common stock of the Company to the shareholders of HIMI. In addition, as a condition precedent to the closing of the Share Exchange Agreement (the "Closing"), the Company has loaned to HIMI an aggregate amount of $2,400,000. The loan bears interest at 5% per annum and matures on the earlier of January 4, 2019 or the termination of the Share Exchange Agreement. Completion of the acquisition resulted in a fundamental change under the policies of the CSE. The acquisition was subject to the approval of the CSE. The Acquisition closed on October 4, 2018. On October 4, 2018, the Company also changed its name from Westridge Resources Inc. to Harrys Manufacturing Inc. On October 17, 2018 the Company shares commenced trading on the CSE under the symbol "HARY".

The Company's financial statements were prepared in accordance with IFRS that are applicable to a going concern, which contemplate the realization of assets and the settlement of liabilities and commitments in the normal course of business. At October 31, 2019, the Company had an accumulated deficit of $21,617,359 since inception (July 31, 2019 - $21,314,463), and net working capital of $137,808 (July 31, 2019 – $303,435).

The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months from working capital, cash flow from operations and, if necessary, from loans from directors and companies controlled by directors and/or private placement of common shares. Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Management believes that the Company's capital resources should be adequate to continue operating and maintaining its business strategy. However, if the Company is unable to raise additional capital, management expects that the Company may need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. The financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

SELECTED QUARTERLY FINANCIAL INFORMATION

The following information is derived from the Company's quarterly financial statements for the past eight quarters and has been prepared using IFRS:

	Three Months Ended October 31, 2019	Three Months Ended July 31, 2019	Three Months Ended April 30, 2019	Three Months Ended January 31, 2019
Revenue	$ Nil	$ Nil	$ 7,500	$ Nil
Loss for the period	(302,896)	(12,276,109)	(273,893)	(1,352,364)
Loss per share – basic & diluted	(0.00)	(0.17)	(0.00)	(0.02)
Total assets	1,148,244	1,346,245	13,467,604	13,692,530

	Three Months Ended October 31, 2018	Three Months Ended July 31, 2018	Three Months Ended April 30, 2018	Three Months Ended January 31, 2018
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Loss for the period	(170,427)	(2,750)	(94,434)	(370,292)
Loss per share – basic & diluted	(0.00)	(0.00)	(0.00)	(0.01)
Total assets	13,935,551	4,086,502	4,080,240	4,173,848

Fluctuations in the Company's expenditures reflect the variations in the timing of general operations, and the ability of the Company to raise capital for its projects, including share-based payments during certain quarters. No additional funds are required for the production of tobacco cigarettes, as the Company requires a 50% deposit upon receipt of all purchase orders, which covers the cost of production. The 50% balance is paid prior to shipping of the finished products.

Net loss decreased during the three months ended April 30, 2018 and July 31, 2018 as a result of a decrease in stock-based compensation, consulting and management fees as well as an increase in interest income.

Net loss increased during the three month period ended October 31, 2018, over the three months ended July 31, 2018 and April 30, 2018, as a result of increased salaries and wages, professional fees, and consulting expenses during the period. During the three months ended October 31, 2018, the Company completed the Acquisition of HIMI and acquired assets totaling $13,419,678, consisting of cash of $18,549, amounts receivable of $449,397, equipment of $1,006,200, and goodwill of $11,945,531.

Net loss increased during the three month period ended January 31, 2019, over the three months ended October 31, 2018 and the three months ended April 30, 2019 as a result of increased stock-based compensation and salaries and wages expense during the period.

Net loss increased during the three month period ended April 30, 2019, over the three months April 30, 2018 as a result of increased management fees and salaries and wages expense during the three months April 30, 2019.

Net loss increased during the three month period ended July 31, 2019, over the three months July 31, 2018 and the three months ended April 30, 2019 and October 31, 2019 as a result of an impairment of goodwill of $11,945,531 recorded during the period.

Net loss increased during the three month period ended October 31, 2019, over the three months October 31, 2018 as a result of increased share-based payments during the three months October 31, 2019.

RESULTS OF OPERATIONS

Operating expenses of $244,236 for the three months ended October 31, 2019 increased as compared to $167,055 in 2018. Significant expenses during the three months ended October 31, 2019 were consulting fees of $45,000 (2018 - $31,250), management fees of $35,550 (2018 - $35,550), share based payments of $83,789 (2018 - $nil), office and miscellaneous of $24,988 (2018 - $9,077), professional fees of $31,887 (2018 - $25,263), transfer agent and filing fees of $19,502 (2018 - $12,976) and salaries and wages of $nil (2018 - $52,939).

During the three months ended October 31, 2019, the Company had a general increase in operations and most operating expenses compared to the three months ended October 31, 2018. The increase was the result of the inclusion of HIMI's operations for the full three months ended October 31, 2019. During the three months ended October 31, 2018, HIMI's operations were only included from the date of acquisition on October 4, 2018 to October 31, 2018. The Company also had an increase in share-based payments during the three months ended October 31, 2019.

LIQUIDITY AND CAPITAL RESOURCES

During the three months ended October 31, 2019, the Company's working capital decreased from $303,435 at July 31, 2019 to working capital of $137,808 at October 31, 2019. The decrease was a result of a decrease in cash from $526,682 on July 31, 2019 to $383,322 on October 31, 2019 along with an increase in accounts payable and accrued liabilities from $29,767 at July 31, 2019 to $50,873 at October 31, 2019.

During the three months ended October 31, 2019, net cash used in operations was $138,001 (2018 - $580,936), net cash used in investing activities was $5,359 (2018 cash provided by investing activities of $18,549).

Investing activities during the three months ended October 31, 2018, was the result of $18,549 cash acquired upon the acquisition of HIMI. Investing activities during the three months ended October 31, 2019, was the result of the purchase of $5,359 of equipment.

The Company had no financing activities during the three months ended October 31, 2019 or 2018.

The Company's entire non-derivative financial liabilities are due within one year.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and exercise of stock options and warrants, and loans from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

BUSINESS RISKS

In the normal course of business, the Company is exposed to a variety of risks and uncertainties. In addition to the risks associated with liquidity and capital resources, critical accounting estimates, financial instruments, credit risk and market risk described in this MD&A, the Company is exposed to various operational, technical, financial and regulatory risks and uncertainties, many of which are beyond its control and may significantly affect future results. Operations may be unsuccessful or delayed as a result of competition for products and services, supplies and equipment, mechanical and technical difficulties, the ability to attract and retain employees and contractors on a cost-effective basis, commodity and marketing risk and seasonality.

The Company is exposed to considerable risks and uncertainties including, but not limited to;

- financial risks including access to debt or equity markets which the Company is dependent upon in order to meet obligations and liabilities as they fall due;
- obtaining timely regulatory approvals;
- fluctuations in commodity prices;
- adverse factors including climate, geographical and weather conditions and labor disputes;
- timing of future debt and other obligations;
- regulatory legislation and policies, including the fulfilment of contractual minimum work programs, the compliance with which may require significant expenditures and non-compliance with which may result in fines, penalties, production restrictions, suspensions or revocations of contracts;
- changes to taxation policies, laws and interpretations thereof; and,
- obtaining comprehensive and appropriate insurance coverage at reasonable rates;

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates by a material amount. Matters that require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to share-based payments, useful life and recovery of long-lived assets, deferred taxes, going concern and business combinations.

CHANGE IN ACCOUNTING POLICY AND NEW ACCOUNTING STANDARDS

Please refer to Note 4 of the Company's condensed interim consolidated financial statements for changes in accounting policy and new accounting standards.

FINANCIAL INSTRUMENTS

Financial assets are classified as amortized cost in accordance with IFRS 9. Financial liabilities are classified as amortized cost in accordance with IFRS 9.

The Company's financial instruments consist of cash, receivables, loan receivable, accounts payable and accrued liabilities, and wages payable. Trade receivables are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

RISKS

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Audit and Risk Management Committee, which is responsible for developing and monitoring the Company's compliance with risk management policies and procedures. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Company is exposed to the following risks:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to this risk is on its receivables. The Company also has minimal risk relating to a small amount of refundable sales taxes.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

As at October 31, 2019, the Company's liabilities consisted of accounts payable and accrued liabilities of $50,873 and wages payable of $200,187. The Company's cash was $383,322 at October 31, 2019 and was sufficient to pay these liabilities.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements, and loans from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant funding.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price risk is comprised of three types of market price changes: foreign currency exchange rates, interest rates and commodity prices.

(i) Foreign currency exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's risk to foreign exchange is limited since it holds only Canadian dollars.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of six months or less and are therefore exposed to interest rate fluctuations on renewal. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. Accordingly, the Company is not subjected to interest rate risk.

(iii) Commodity price risk

The Company does not hold any financial instruments that have direct exposure to other price risks.

OFF-BALANCE SHEET ARRANGEMENTS

Disclosure is required of all off-balance sheet arrangements that are reasonably likely to have a current or future effect on the results of operations or financial condition of the Company. Harrys does not have such off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company incurred key management compensation as follows:

Three months ended October 31,	2019	2018
Management fees accrued or paid to current CEO, CFO and directors	$ 35,550	$ 59,250

On January 10, 2017, the Company entered into a consulting agreement with the Chief Financial Officer of the Company for $120,000 per year for consulting services. The term of the agreement is for an initial period of one year and renews automatically for additional one-year periods unless either the Company or the CFO provide notice of non-renewal 30 days prior to the expiry of the term of the agreement.

Wages Payable

As at October 31, 2019 and July 31, 2019, $148,793 in wages payable is outstanding in relation to transactions with related parties, which are non-interest bearing, unsecured and due on demand.

OUTSTANDING SHARE DATA

Common shares

The following table sets forth the Company's outstanding share data as at December 20, 2019:

Total common shares	69,916,358
Total outstanding warrants	11,926,715
Total outstanding stock options	2,765,000
Total diluted common shares	84,608,073

CONTROLS AND PROCEDURES

Disclosure controls and procedures ('DC&P') are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ('ICFR') are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. TSX Venture listed companies are not required to provide representations in filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument MI- 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding absence of misrepresentations and fair disclosures of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

ADDITIONAL INFORMATION

Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com.