Management's Discussion and Analysis

The following discussion is management's assessment and analysis of the results and financial condition of Mota Ventures Corp. (formerly Primary Energy Metals Inc.) ("Mota" or the "Company"), and should be read in conjunction with the unaudited condensed interim consolidated financial statements and related notes for the three months ended March 31, 2020. The preparation of financial data is in accordance with International Accounting Standard 34 - *Interim Financial Reporting* ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and all figures are reported in Canadian dollars unless otherwise indicated.

The effective date of this report is June 1, 2020.

All dollar amounts are expressed in Canadian dollars, except otherwise indicated.

Caution Regarding Forward Looking Information

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of March 31, 2020. These assumptions, which include, management's current expectations, estimates and assumptions about the Company's future financial and operating performance and the global economic environment may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) inability to locate and identify potential business acquisitions, (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (4) other factors beyond our control. There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. Unless otherwise required by applicable securities laws, the Issuer disclaims any obligation to update any forward-looking statements, whether as a result of new events, circumstances and information, future events or results or otherwise. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

Description of Business

Mota, and its subsidiaries is an established natural health products company focused in the cannabidiol ("CBD") and psychedelic medicine sectors. Through its eCommerce business, Mota is a leading direct-to-consumer provider of a wide range of natural health products throughout the United States and Europe. In the United States, the Company sells a CBD hemp-oil formulation derived from hemp grown and formulated in the United States through its Nature's Exclusive brand. Within Europe, its Sativida brand of award winning 100% organic CBD oils and cosmetics are sold throughout Spain, Portugal, Austria, Germany, France, and the United Kingdom. Mota is also seeking to acquire additional revenue producing CBD brands and operations in both Europe and North America, with the goal of establishing an international distribution network for CBD and other natural health products. In addition, its existing operations in Colombia consist of a 2.5-hectare site that has optimal year-round growing conditions and access to all necessary infrastructure for CBD cultivation and extraction.

The Company is incorporated under the laws of British Columbia, Canada. The address of the Company's corporate office and its principal place of business is Suite 800 – 1199 W Hastings Street, Vancouver BC, Canada V6E 3T5.

Key highlights for the three months ended March 31, 2020

Nature's Exclusive (Utah, USA)

Nature's Exclusive is a direct to consumer online retail distributor business in the United States. Nature's Exclusive offers a range of products using CBD hemp-oil, which include CBD oil drops, CBD gummies, CBD pain relief cream and CBD skin serum.

Acquisition

On January 17, 2020, the Company completed the acquisition (the "Nature's Exclusive Transaction") of the online distributor Nature's Exclusive (formerly First Class CBD), pursuant to the terms of a business combination agreement (the "Nature's Exclusive Agreement") entered into with Unified Funding, LLC ("Unified"). Unified is an arms'-length party which operated Nature's Exclusive through its wholly-owned subsidiary, Natural Brands USA, LLC (formerly First Class USA, LLC) ("Natural Brands").

Transaction Details

Consideration for the Nature's Exclusive Transaction consists of the following:

- US$1,500,000 which was paid upon completion of the Nature's Exclusive Transaction,
- US$1,500,000 which is due and owing within six months and recorded as consideration payable, and
- The issuance of 47,125,000 common shares of the Company.

As at the date of this report, 4,712,500 common shares have been issued to Unified on closing and 7,068,750 common shares were issued to Unified on May 29, 2020.

As at the date of this report, the Company has contributed US$1,300,000 in the working capital of Nature's Exclusive.

Unified will also be entitled to a one-time bonus payment (the "Bonus Payment") based on the revenue and profitability of Nature's Exclusive in the 2020 calendar year. Subsequent to March 31, 2020, the Nature's Exclusive Agreement was amended for the Bonus Payment to be: (i) US$5,000,000, in the event gross revenue exceeds US$40,000,000 (formerly US$42,000,000) with a profit margin of at least ten percent; (ii) US$10,000,000, in the event gross revenue exceeds US$45,000,000 (formerly US$52,000,000) with a profit margin of at least ten percent; or (iii) US$15,000,000, in the event gross revenue exceeds US$50,000,000 (formerly US$62,000,000) with a profit margin of at least ten percent. The Bonus Payment will be payable in common shares of the Company (the "Bonus Shares") based on an exchange rate of US$1.00 to C$1.30 and the greater of: (i) C$0.80; and (ii) the volume-weighted average closing price of the common shares of the Company on the Canadian Securities Exchange in the ten trading days prior to the last trading day of 2020.

In connection with completion of the Nature's Exclusive Transaction, the Company issued 5,200,000 common shares certain arms'-length third-parties who assisted in introducing the parties to the Nature's Exclusive Transaction and facilitating its completion. The Company also issued a further 520,000 common shares to a third-party for successfully administering the Nature's Exclusive Transaction. As a result, $3,718,000 was recorded as transaction costs in the statement of profit (loss).

Following completion of the Nature's Exclusive Transaction, Unified will continue to assist with the management of operations of Nature's Exclusive.

After the definitive close of Nature's Exclusive Transaction, the Company's Board of Directors appointed Ryan Dean Hoggan to Chief Executive Officer.

Operational update

In March and April 2020, the Company launched the Immune Support product line.

The Company plans to continue its significant growth in U.S. operations over the balance of 2020, as well as an expansion into the European market.

Sativida (Madrid, Spain)

Sativida is an arms'-length producer and online retailer of CBD and branded CBD products in various jurisdictions in Europe, including Spain, Portugal, Austria, Germany, France and the United Kingdom. Sativida currently develops and retails a vast range of organic CBD oils and cosmetics across Europe and is in the process of expanding its distribution network internationally to include the United States.

Acquisition

Pursuant to the binding agreement with Sativida OU (Estonia) and Sativida OU's subsidiary, VIDA BCN LABS S.L. (collectively with Sativida OU, "Sativida") dated January 9, 2020 (the "Sativida Agreement"), the Company was granted the right to acquire Sativida in stages (the "Sativida Transaction"), at the discretion of the Company, as certain corporate and intellectual property registrations were completed.

On March 25, 2020, the Company, through its Spanish subsidiary Global Zifar S.L., acquired the intellectual property and trade names of Sativida in Spain, and will license both back to Sativida in exchange for a royalty associated with the gross revenues generated by Sativida. Pursuant to the Sativida Agreement, the Company also holds the right to acquire all of the outstanding share capital of Sativida at any time for no additional consideration.

Transaction Details

Consideration for the Sativida Transaction consists of the following:

- An initial component of €2,000,001 (the "Initial Sativida Consideration"). The Initial Sativida Consideration was paid in 5,496,221 common shares of the Company (the "Sativida Consideration Shares") with a fair value of $1,154,206, based on the Company's share price on the date of the transaction; and
- An earn-out component made up of three milestone payments in each of fiscal year 2020, 2021 and 2022, based upon the revenue of Sativida (each, a "Milestone Payment") for each year end.

Each Milestone Payment will be based on a 400% multiple of Sativida's revenue for each year end until the aggregate of the Initial Sativida Consideration and Milestone Payments reaches €4,000,000, at which point the multiple will be reduced to 100%. In no event will the combined Milestone Payments and the value of the Initial Sativida Consideration exceed €15,000,000. Payment of the Milestone Payments will be satisfied by the Company issuing its common shares ("Milestone Shares") to Sativida. The total number of Milestone Shares issuable to Sativida will be determined by dividing the amount due by the volume weighted average closing price of the Company's common shares on the Canadian Securities Exchange in the ten trading days prior to the day that the Milestone Payment is due.

In connection with completion of the Sativida Transaction, the Company issued 549,622 common shares to certain arms'-length finders that assisted in introducing the Sativida Transaction to the Company. Additionally, the Company issued 109,924 common shares to a consultant who assisted in the administration of the Sativida Transaction. As a result, $138,505 was recorded as transaction costs in the statement of profit (loss).

Operational update

Through Mota, Sativida has an agreement with Unified for the expansion of the brand into the United States. Unified will provide assistance to Sativida with product sourcing, packaging, shipping, payment infrastructure and marketing in the United States. Unified is an ecommerce and technology company focused on serving U.S.-based and international consumers in the CBD and natural health products market.

BevCanna JV agreement (BC, Canada)

On February 5, 2020, the Company entered into a joint venture agreement (the "JV Agreement"), with BevCanna Enterprises Inc. ("BevCanna"), pursuant to which the parties intend to partner in the development of a joint venture (the "Joint Venture") to distribute BevCanna branded products infused with hemp-derived CBD in the European market.

The Joint Venture holds exclusive rights to sell and market BevCanna house brand lines of hemp-derived CBD products in Europe and will operate for an initial five-year term.

Under the JV Agreement, the Company and BevCanna will share equal ownership in the Joint Venture and will be jointly responsible for developing and funding its operations. In addition to capital, BevCanna will contribute proprietary brands, product formulations, formulas for nanoencapsulated water-soluble powders, marketing and manufacturing expertise to the Joint Venture. The Company will provide manufacturing, marketing and distribution infrastructure in the European market.

Finalization of the Joint Venture remains subject to the establishment of a joint venture company by the parties, and the licensing and registration of intellectual property for use in Europe.

Phenome licensing agreement (BC, Canada)

On January 17, 2020, the Company entered into a licensing and royalty agreement (the "Phenome Licensing Agreement") with Phenome One Corporation ("Phenome"), a privately held full-service live genetic and seed preservation cannabis company. The Phenome Licensing Agreement provides the Company with the right to propagate, cultivate, harvest and process a selection of cultivars from Phenome's genetic library, and to sell products of any kind produced from the selected cultivars. The Company is also granted unlimited access to a proprietary nutrient IP and catalogue. Under the Phenome Licensing Agreement, the Company will: (a) issue 1,000,000 common shares of the Company to Phenome upon the Company's successful seed registration in Colombia; and (b) make royalty payments to Phenome each calendar quarter of five percent (5%) of gross sales of products produced from the Phenome genetics. In the event the Company is acquired by a third party or there is a material breach to the Phenome Licensing Agreement, the Company will issue 1,000,000 shares to Phenome. As at March 31, 2020, no amounts have been accrued in relation to the Phenome Licensing Agreement.

Ihuana (Bogota, Colombia)

University agreement

In January 2020, Ihuana entered into a research cooperation agreement (the "University Agreement") with La Fundacion Universitaria de Ciencias de la Salud (The University Foundation of Health Sciences) (the "University") located in Bogota, Colombia. Pursuant to the University Agreement, the parties intend to engage in research and formulation of medicinal products made with non-psychoactive cannabis and cannabis byproducts.

Ihuana and the University will cooperate in the development of scientific investigations related to the medical use of products made with cannabis. The research teams from both groups will work closely to design and execute studies, with the University providing the infrastructure and connections to different researchers and Ihuana supplying various resources, including testing materials. Cost of the research will be negotiated between the two

parties for each individual research product and intellectual property from the study will be divided based on capital input from each side.

The University agrees to enable access and interaction with partner hospitals and research centers that will take part in clinical studies and trials and will allow access to institutional resources to finance research through existing relationships.

R&D facility

In January 2020, Ihuana completed its 2,000 square foot research and development facility in Guasca, Colombia (the "R&D Facility"). The purpose-built R&D Facility will be used for a seed registration program on Ihuana's licensed land. This is a significant step, as it will allow Ihuana to begin the important process of registering the genetics of our high-CBD, low-THC strains of cannabis with the Colombian Agricultural Institute (Instituto Colombiano Agroprecuario, or ICA).

The R&D Facility is located on Ihuana's fully-licensed 2.5-hectare agricultural site located in the Bogotá savannah region of Colombia. This area of Colombia has a fertile landscape that is world renowned for its flower production and exportation. Cannabis plants thrive in the region's mild and stable climate, consistent sunlight (about 12 hours per day year-round) and fertile soil. The Bogotá savannah is also an excellent region for cannabis cultivation due to its strong agricultural infrastructure, low labour costs and proximity to free trade zones and major airports for agricultural exportation.

The R&D Facility uses a market-leading agricultural cover film produced by Ginegar for use in greenhouses. Its unique thermal, mechanical and optical properties make it ideal for protecting crops and enhancing growth. The Company will use an existing structure on the property for cannabis propagation, cloning and drying.

Key highlights subsequent to March 31, 2020

Unified

On May 21, 2020, the Company entered into a letter of intent (the "Unified LOI") to evaluate the acquisition (the "Proposed Unified Transaction") of Unified. Founded in 2015, Unified has created an eCommerce ecosystem to scale its brands and achieve profitability targets through data analysis, strategic customer acquisition and supply chain management. Unified generates revenue from; licensing, marketing and product fulfillment fees, supporting brands in skin care, essential oils, men's health, weight management and CBD including the Company's recently acquired Nature's Exclusive brand.

The Unified LOI does not set forth the terms of the Proposed Unified Transaction, nor have such terms been finalized. Completion of the Proposed Unified Transaction is subject to a number of conditions, including, not limited to, completion of due diligence, negotiation of definitive documentation, and the receipt of any required regulatory approvals. The Proposed Transaction cannot be completed until these conditions are satisfied and there can be no assurance that the Proposed Transaction will be completed at all.

Verrian

On May 14, 2020, the Company entered into a binding term sheet (the "Verrian Term Sheet"), with Verrian Ontario Limited ("Verrian"), pursuant to which it proposes to acquire all of the outstanding share capital of Verrian (the "Verrian Transaction"). Verrian is an arms'-length privately-held company that is focused on delivering and developing products related to addiction reduction, with a focus on alcohol and opiates. Verrian owns and operates an EU-GMP, ISO 14001 compliant 110,000 square foot pharmaceutical manufacturing facility in Radebeul, Germany.

The Verrian Term Sheet contemplates that the Company would acquire all of the outstanding share capital of Verrian in consideration for $20,000,000, through the issuance of common shares (the "Verrian Consideration Shares") of the Company. The Verrian Consideration Shares will be issued at a deemed price of equivalent to the volume weighted average closing price of the common shares of the Company in the ten trading days immediately prior to the entering into of definitive documentation in respect of the Verrian Transaction. The Verrian Consideration Shares will be subject to terms of a thirty-six month time release pooling arrangement, during which time they may not be transferred, assigned, pledged or otherwise traded. The Verrian Consideration Shares will be released from the pooling arrangement in tranches, of which ten-percent will be released after four months, fifteen percent after six months, and the balance in five equal tranches every six months thereafter.

In addition to the Verrian Consideration Shares, upon closing of the Verrian Transaction, the Company has arranged for repayment of $150,000 of existing shareholder loans of Verrian, and will arrange for repayment of the balance of $950,000 within sixty days of closing.

The Company is at arms-length from Verrian, and each of its shareholders.

Upon completion of the Verrian Transaction, an administrative fee of $422,000, payable in common shares of the Company, will be owing to a consultant who assisted with the Verrian Transaction.

The Verrian Transaction remains subject to a number of conditions, including completion of due diligence, receipt of any required regulatory approval and the negotiation of definitive documentation.

Option grant

On May 5, 2020, the Company granted an aggregate of 7,995,000 share options to its officers, directors and consultants. Each share option is exercisable for a period of five years, until May 5, 2025, at a price of $0.30 per common share. All share options were vested and exercisable upon grant.

Financing

On April 21, 2020, the Company completed an offering (the "Offering") of 9,944,000 units (each, a "Unit") on April 21, 2020 and 6,142,859 Units on April 1, 2020, by way of non-brokered private placement at a price of $0.28 per Unit for total gross proceeds of $4,504,320. Each Unit consists of one common share of the Company, and one common share purchase warrant (each, a "Warrant") exercisable to acquire an additional share at a price of $0.38 for a period of twenty-four months, expiring on April 21, 2022 and April 1, 2022 respectively.

The Company anticipates utilizing the proceeds of the Offering to further develop and market products in North America and Europe using its ecommerce sales channels, to satisfy compensation obligations based on services provided to the Company and the satisfaction of performance metrics and for general working capital purposes. In connection with completion of the Offering, the Company has paid $75,120 and issued 441,072 common shares and 268,287 Warrants to certain arms-length parties who assisted in facilitating the Offering. The Company has also issued 142,857 Warrants to an arms-length consultant, as partial consideration for services provided to the Company. The Company also paid $45,043 to a third-party for successfully administering the Offering.

Debt settlement

On April 1, 2020, the Company settled outstanding indebtedness of $283,500, owing to an arms-length creditor, in consideration for services previously provided to the Company (the "Debt Settlement"). Under the terms of the Debt Settlement, the Company issued 1,012,500 Units, at a price of $0.28 per Unit, in settlement of the indebtedness. Each Unit consists of one common share of the Company, and one common share purchase warrant exercisable to acquire an additional share at a price of $0.38 for a period of twenty-four months from April 1, 2020.

Folium acquisition

On April 7, 2020, the Company acquired all of the outstanding share capital of 1244780 B.C. Ltd. ("1244780") (the "Folium Acquisition"). The Folium Acquisition was completed pursuant to a share exchange agreement (the "Folium Purchase Agreement"), and entered into with an arms-length third party (the "Vendor"). The sole asset of the 1244780 consists of a 20% equity interest in Folium Life Sciences Inc. ("Folium"), which is in the process of developing a licensed indoor cannabis production facility located on Vancouver Island. In consideration for the Folium Acquisition, the Company issued 21,000,000 common shares.

Each of the Vendor, 1244780, and Folium are at arms-length from the Company. The Folium Acquisition does not constitute a fundamental change for the Company, nor has it resulted in a change of control of the Company within the meaning of applicable securities laws and the policies of the Canadian Securities Exchange. In connection with completion of the Folium Acquisition, the Company issued 210,000 common shares to a consultant who assisted with the Folium Acquisition.

Folium is a Health Canada licensed cannabis cultivator with facilities located on Vancouver Island. Folium is nearing completion of the expansion of its existing cultivation facility. Its business plan calls for a further phase 2 expansion of the facility. Folium aims to produce a high quality and consistent cannabis product through its facilities.

Key highlights from April 12, 2019 to December 31, 2019

Reverse takeover and acquisition of Ihuana

On November 28, 2019, the Company completed the acquisition of all of the issued and outstanding shares of a private company, NNZ Consulting Corp. ("NNZ"), through a reverse takeover transaction (the "RTO Transaction"), resulting in the name change to Mota Ventures Corp. The net assets of the Company at the date of the RTO Transaction are deemed to have been acquired by NNZ. Accordingly, this report include the results of operations of the company from November 28, 2019.

Pursuant to the RTO Transaction, the Company completed a subscription receipt financing (the "Financing") of 12,196,249 units ("Units") at a price of $0.30 per Unit for gross proceeds of $3,658,875. Each Unit consisted of one common share, and one common share purchase warrant, each of which exercisable at $0.50 until November 29, 2021.

On June 12, 2019, NNZ completed its purchase of Ihuana S.A.S. ("Ihuana"), a Colombian company incorporated on January 25, 2017.

Colombian Operations

License

Through Ihuana, the Company currently holds the "Cannabis Non-Psychoactive Cultivation License" (the "Colombian License"), which is granted by the Colombia Ministry of Justice in April 2018 and is intended for authorizing production and cultivation of cannabis grain, derivatives fabrication, industrial or scientific purposes, or for storage and final disposition. The Colombian License grants the Company the right to cultivate non-psychoactive cannabis plans for: (a) seed sowing production; (b) crops; and (c) scientific purposes. In addition, it grants the Company the right to manufacture and export non-psychoactive cannabis derivatives and extracts. The Company is not subject to any quotas for production under the Colombian License.

Duration of License

The Colombian government grants the Colombian License, when the applicant fulfills the general criteria described in the article 2.8.11.2.1.5 of the Decree, and the specific requirements for each type of license. The

license validity is up to five (5) years. The Colombian government maintains the right to monitor the activities performed by the corresponding licensee.

Approval from Instituto Colombiano Agropecuario (Colombian Agricultural Institute)

The Company has received approval from the Instituto Colombiano Agropecuario or the Colombian Agricultural Institute (the "ICA"), which means that the Company has been certified to begin cultivating non-psychoactive cannabis. The Company has one registered cultivar with the ICA, which is "*IH1*".

Lease

As at the date of this report, the Company has entered into a lease agreement for the Guasca land effective July 1, 2019. The Company has specifically located its cultivation and operations in close proximity to a free trade zone. The land is 2.5 hectares of flat, cleared grass fields located in the town of Guasca, approximately 55 km or 1.5 hours from Bogota, the capital city of Colombia. The location allows for quick access to Colombia's largest business center and is in a safe and secure area. The lease payment is COP 10,000,000 (or approximately $3,900) per month, expiring in May 2024, with a renewal option.

Summary of Quarterly Results

	Q1 2020	Q4 2019	Q3 2019	Period from April 12, 2019 to June 30, 2019
Revenue	$ 7,652,752	$ -	$ -	$ -
Loss for the period	(4,631,227)	(10,614,400)	(157,228)	(144,359)
Basic and diluted loss per share	(0.05)	(0.19)	(0.00)	(0.01)

In Q4 2019, loss increased to $10,614,400 as compared to the previous quarter after giving effect to the RTO Transaction. In Q1 2020, revenue comprised of sales from the Nature's Exclusive and Sativida brands.

As at March 31, 2020, the Company had working capital of $3,463,575. During the three months ended March 31, 2020, the Company incurred a net loss of $4,631,227, and at March 31, 2020, the Company has not achieved profitable operations, has accumulated losses of $15,547,214 since inception. The above material uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations to generate funds and its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Results of Operations

Total assets as at March 31, 2020 was $56,213,059, which primarily consist of the following:

- Cash of $2,114,541. The change in cash during the three months ended March 31, 2020, was primarily the result of $788,942 used in operating activities, $1,959,300 paid as consideration for Nature's Exclusive, $181,206 cash acquired from business acquisitions, $1,720,001 received from share subscriptions, and $309,000 received from exercise of warrants.
- Amounts receivable of $4,857,725, which was comprised primarily from amounts receivable from credit card processors for sales made to customers.
- Prepaid expenses and deposits of $870,983 primarily from prepaid consulting, advertisement, and promotion fees and for deposit on the Choconta land in Colombia.
- Inventory of $84,248 for finished goods inventory held.
- Notes receivable of $2,208,662 for advances made to companies which provide product fulfillment, customer acquisition services and risk mitigation technology.
- Right-of-use assets of $195,138, which represents the right-of-use assets for the Vancouver office lease and Guasca land lease.
- Intangible assets of $28,878,307 for the Colombian License, and acquired Nature's Exclusive and Sativida brands; and
- Goodwill of $16,983,455, acquired from the acquisition of Nature's Exclusive and Sativida.

Due to the timing of this acquisition of Nature's Exclusive and Sativida, the purchase price allocation for the business acquisitions during the three months ended March 31, 2020 is provisional. The fair value assigned to the consideration paid, intangible assets and net assets acquired is based on management's best estimate using the information currently available and may be revised by the Company as additional information is received.

Three months ended March 31, 2020

During the three months ended March 31, 2020, the Company recorded revenue of $7,652,752 which primarily due to the operations of Nauture's Exclusive, and a loss and comprehensive loss of $4,631,227.

Loss and comprehensive loss for these periods were primarily due to the following expenses:

- Cost of goods sold of $7,047,602 during the three months ended March 31, 2020. Cost of goods sold included costs for product fulfillment, and eCommerce campaign costs including customer acquisition and risk mitigation technology.

- Advisory and consulting fees of $170,293 during the three months ended March 31, 2020. Advisory and consulting fees included consulting services rendered to assist the various acquisitions, and monthly consulting fees for Vancouver office management and Colombia operations.

- Customer service fees of $284,430 during the three months ended March 31, 2020. Customer service fees were incurred from the operation of Nature's Exclusive.

- Marketing, advertising and promotional fees of $407,467 during the three months ended March 31, 2020. These fees primarily consist of electronic advertising services and investor relations media services for the current period.

- Professional fees of $652,047 during the three months ended March 31, 2020. Professional fees primarily included legal fees, due diligence fees, and accrued audit fees.

- Transaction costs of $3,856,505 during the three months ended March 31, 2020. These are one-time costs related to the acquisition of Nature's Exclusive and Sativida for finders' and administrative success fees.

Liquidity, Going Concern and Capital Resources

The Company's ability to continue on a going concern basis depends on economic stability and management's capacity to identify additional sources of capital and to raise sufficient resources to fund its current expenditures and its future plans. The Company's ability to raise cash depends on capital market conditions, commodities prices, and the results of potential projects. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company. The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. Actual funding requirements may vary from those planned due to a number of factors. The uncertainty of the Company's success in raising additional capital funding may cast significant doubt on the Company's ability to continue as a going concern.

The Company has no bank debt or banking credit facilities in place.

As at March 31, 2020, the Company had cash on hand of $2,114,541 and had working capital of $3,463,575.

Subsequent to March 31, 2020, the Company completed a financing for total gross proceeds of $4,504,320. See Key Highlights Subsequent to March 31, 2020 note above.

The Company's liquidity needs for the next twelve months are expected to be met by cash on hand, cash generated from operations of Nature's Exclusive and Sativida in addition to raising funds through a variety of sources including additional equity subscriptions, such as private placements or through the exercise of warrants and options. The Company's management will continue to pursue further sources of equity financing to continue its current operations and potential acquisitions. There is no assurance that the Company will be successful in obtaining the funds it may require for its operations or that the terms of any financing obtained will be acceptable. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Off Balance Sheet Arrangements

As at March 31, 2020, there were no off-balance sheet arrangements to which the Company was committed.

Related Party Transaction and Balances

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. All related party transactions are incurred in the normal course of business at their exchange value.

During the three months ended March 31, 2020, the Company incurred the following related party transactions:

		March 31, 2020
Transactions:		
Consulting fees and salaries		
President and Director	**$**	**30,000**
Chief Executive Officer		**17,042**
	$	**47,042**

The Company had the following related party balances:

		March 31, 2020		December 31, 2019
Balances:				
Due to related parties: a former director and former Chief Executive Officer, or company controlled by him	**$**	**8,250**	$	8,250
Amounts payable and accrued liabilities:				
President and Director	**$**	**95,000**	$	77,051
Chief Executive Officer	**$**	**26,910**	$	-
Commitment to issue shares: Former Director - NNZ	**$**	**-**	$	100,000

As at March 31, 2020, the Company owed $8,250 (December 31, 2019: $8,250) to a former director and former Chief Executive Officer of the Company and to a company controlled by this person. The loan was provided as working capital, and included in amounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and with no fixed repayment terms.

As at March 31, 2020, the Company owed $95,000 (December 31, 2019: $77,051) to the President of the Company and $26,910 (December 31, 2019: $nil) to the Chief Executive Officer for accrued salaries, which were included in amounts payable and accrued liabilities. The amount owed to the President and Chief Executive Officer of the Company is non-interest bearing, unsecured, and with no fixed repayment terms.

During the three months ended March 31, 2020, the Company issued 250,000 shares to settle consulting fees of $100,000 owed to a former director of NNZ.

Financial Instruments and Other Instruments

Financial Risk Management and Fair Value Measurement

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments include cash, amounts receivable, notes receivable, amounts payable and accrued liabilities, and loan payable. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. The fair value of these financial instruments approximates their carrying value because of the current nature.

IFRS 13 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities,
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly (i.e.: As prices) or indirectly (i.e.: derived from prices); and
- Level 3: Inputs that are not based on observable market data.

The fair value of cash is measured using Level 1 inputs. The carrying values of amounts payable and accrued liabilities, amounts due to related parties and loan payable approximate their respective fair values due to the short term nature of these instruments.

Financial risk management objectives and policies

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company is has exposure to the U.S. dollar, Colombian peso, and Euro, through its investments in foreign operations. Consequently, fluctuations in the Canadian dollar exchange rate against these currencies increase the volatility of net loss and other comprehensive loss. The Company has not entered into any foreign currency contracts to mitigate this risk.

(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's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. Changes in short-term interest rates would not have a significant effect on the Company.

(iii) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. As at March 31, 2020, the Company has cash of $2,114,541, which is held at a Canadian chartered bank and the Company considers the credit risk to be minimal.

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The maximum credit exposure at March 31, 2020 is the carrying amount of cash, amounts receivable and notes receivable. The Company does not have significant credit risk with respect to customers as it primarily sells to individual end users of clients that have a low transaction value and payment is conducted at the time of purchase. In relation to sales in the USA, the Company reduces its credit risk on cash by maintaining its operating bank account at a large international financial institution. The use of independent business operators ("IBO's") and multiple merchant accounts with the IBO's for the benefit of the Company also reduces credit risk as the Company does not have all of its merchanting with a single bank or single merchant account.

(iv) Liquidity risk

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and expansion activity. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's acquisitions and operations. The Company's amounts payable and accrued liabilities, and loan payable are all current and due within 90 days of the statement of financial position date. As at March 31, 2020 the Company had working capital of $3,463,575.

Share Capital

As at March 31, 2020, there were:

- 99,698,544 common shares issued and outstanding;
- 18,430,871 share purchase warrants issued and outstanding;
- 4,770,000 share options issued and outstanding; and
- 14,660,251 common shares held in escrow.

As at the date of this report, there were:

- 146,321,392 common shares issued and outstanding;
- 35,137,707 share purchase warrants issued and outstanding;
- 12,765,000 share options issued and outstanding; and
- 14,660,251 common shares held in escrow.

Risks and Uncertainties

The risks and uncertainties described below are not exhaustive. Additional risks not presently known or currently deemed immaterial may also impair the Company's business operation. If any of the events described in the following business risks actually occur, overall business, operating results and the financial condition of the Company could be materially adversely affected. Additional risks and uncertainties can be found in other public filings of the Company on www.sedar.com.

Compliance with Laws

The Company's operations are subject to various laws, regulations and guidelines that may change over time. The Company will endeavour to comply with all relevant laws, regulations and guidelines at all times but may not maintain internal policies and procedures adequate to ensure compliance with the various laws, regulations and guidelines to which they are subject. There is also a risk that the Company's interpretation of laws, regulations and guidelines, including, but not limited to, cannabis and hemp related regulations, various U.S. state regulations and applicable stock exchange rules and regulations, may differ from those of others, including those of government authorities, securities regulators and exchanges, and the Company's operations may not be in compliance with such laws, regulations and guidelines. While the Company may be compliant today, it may not be compliant following changes to any laws, regulations or guidelines. In addition, achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and, where necessary, obtaining regulatory approvals. The impact of regulatory compliance regimes, and the impact of any delays in obtaining or failures to obtain regulatory approvals required by the Company may significantly delay or impact the development of the Company's business and operations and could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, any potential noncompliance could cause the Company's business, financial condition and results of operations to be adversely affected. Further, any amendment to or replacement of applicable rules and regulations governing the Company's activities may cause adverse effects on the Company's business, financial condition and results of operations. The risks to the Company's business associated with any amendment or replacement of applicable laws or any subsequent regulatory changes in Canada, the United States, and Europe could reduce the available market for products or services and could materially and adversely affect the Company's business, financial condition and results of operations.

The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws and regulations may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures or remedial actions. The Company may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, court rulings or more stringent application of existing laws or regulations, may have a material adverse impact on the Company, resulting in increased capital expenditures or production costs, reduced levels of cannabis production or abandonment or delays in the development of facilities, or other significant changes in the Company's business plans, which could have a material adverse effect on the Company's business, financial condition and results of operations.

The introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in any of the countries in which the Company may operate could result in an increase in the Company's taxes, other governmental charges, duties or impositions. No assurance can be given that new tax laws, regulations or rules will not be enacted or that existing tax laws, regulations or rules will not be changed, interpreted or applied in a manner which could result in the Company's profits being subject to additional taxation or which could otherwise have a material adverse effect on the Company.

Due to the complexity and nature of the Company's operations, various legal and tax proceedings may be in progress from time to time. If the Company is unable to resolve any of these proceedings favourably, there may be a material adverse effects on the Company.

International Laws

Cannabis-related financial transactions are subject to a variety of laws that vary by jurisdiction, many of which are unsettled and still developing. While the interpretations of these laws are unclear, in some jurisdictions, financial benefit, directly or indirectly, arising from conduct that would be considered unlawful in such jurisdiction may be viewed to be within the purview of such laws, and persons receiving any such benefit, including investors in an applicable jurisdiction, may be subject to liability. Each prospective investor should contact his, her or its own legal advisor.

Litigation

The Company may from time to time be involved in various claims, legal proceedings and disputes arising in the ordinary course of business. If the Company is unable to resolve these disputes favourably, it may have a material adverse effect on the Company. Even if the Company is involved in litigation and wins, litigation can redirect significant resources. Litigation may also create a negative perception of the Company. Securities litigation could result in substantial costs and damages and divert management's attention and resources. Any decision resulting from any such litigation that is adverse to the Company could have a negative impact on its financial position.

Operational, Regulatory and Other Risks

Cannabis operations generally involve a high degree of risk. The Company is subject to the hazards and risks normally encountered in the cannabis industry. Should the Company be affected by any of these risks or hazards, it may (i) cause the cost of development or production to increase, (ii) cause delays or stoppage of operations, (iii) cause personal injury or death and related legal liability, or (iv) result in the loss of insurance coverage. The occurrence of any of these risks or hazards could have a material adverse effect on the Company and the price of the common shares.

The Company may continue to expand into other geographic areas, product categories or market segments, which could increase the Company's operational, regulatory, compliance, reputational and foreign exchange rate risks. The failure of the Company's operating infrastructure to support such expansion could result in operational failures and regulatory fines or sanctions. Future international expansion could require the Company to incur a number of up-front expenses, including those associated with obtaining regulatory approvals, as well as additional ongoing expenses, including those associated with infrastructure, staff and regulatory compliance. The Company may not be able to successfully identify suitable acquisitions, investment and/or expansion opportunities or integrate such operations successfully with the Company's existing operations.

Competition

The markets for businesses in the CBD and hemp extracts industries are competitive and evolving. In particular, the Company faces strong competition from both existing and emerging companies that offer similar products to the Company. Some of the Company's current and potential competitors may have longer operating histories, greater financial, marketing and other resources and larger customer bases.

Given the rapid changes affecting the global, national and regional economies generally and the CBD industry, in particular, the Company may not be able to create and maintain a competitive advantage in the marketplace. The Company's success will depend on its ability to keep pace with any changes in such markets, especially in light of legal and regulatory changes. The Company's success will depend on its ability to compete in an environment when many competitors do not adhere to FDA and/or other federal, state and international rules, law and/or guidelines. The Company's success will also depend on its ability to respond to, among other things, changes in the economy, market conditions, and regulatory and competitive pressures. Any failure to anticipate or respond adequately to such changes could have a material adverse effect on the Company's financial condition, operating results, liquidity, cash flow and operational performance.

Reliance on Licenses

In addition, the Company's ability grow its business is dependent on securing and maintaining certain new licences, particularly retail licences and licences in international jurisdictions. Failure to comply with the requirements of any licence application or failure to obtain and maintain the appropriate licences with the relevant authorities would have a material adverse impact on the Company's business, financial condition and results of operations. There can be no guarantees that regulatory authorities will issue the required licences.

Colombian License

The licensing and regulations around the licensing, may change based on the legislation in the Colombian government. As this is a new industry, the government may decide to revise laws currently in place in Colombia. The Company cannot predict the nature of any future laws, regulations, interpretations or applications, nor can it determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on the Company's business.

The Company's ability to grow, store and sell hemp and CBD Products in Colombia is dependent on the Company's ability to sustain or obtain the necessary licenses and authorizations by certain authorities in Colombia, including, but not limited to, the Colombian License. The licenses and authorizations are subject to ongoing compliance and reporting requirements, and the ability of the Company to obtain, sustain or renew any such licenses and authorizations on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies in foreign jurisdictions. Failure to comply with the requirements of the licenses or authorizations or any failure to maintain the licenses or authorizations would have a material adverse impact on the business, financial condition and operating results of the Company. Although the Company believes that it will meet the requirements to obtain, sustain or renew the necessary licenses and authorizations, there can be no guarantee that the applicable authorities will issue these licenses or authorizations. Should the authorities fail to issue the necessary licenses or authorizations, the Company may be curtailed or prohibited from the production or distribution of cannabis or from proceeding with the development of its operations as currently proposed and the business, financial condition and results of the operation of the Company may be materially adversely affected.

Intellectual Property

The Company's success is heavily dependent upon its intangible property and technology. The Company relies upon copyrights, trade secrets, unpatented proprietary know-how and continuing innovation to protect the intangible property, technology and information that is considered important to the development of the business. The Company relies on various methods to protect its proprietary rights, including confidentiality agreements with consultants, service providers and management that contain terms and conditions prohibiting unauthorized use and disclosure of confidential information. However, despite efforts to protect intangible property rights, unauthorized parties may attempt to copy or replicate intangible property, technology or processes. There can be no assurances that the steps taken by the Company to protect its intangible property, technology and information will be adequate to prevent misappropriation or independent third-party development of the Company's intangible property, technology or processes. To the extent that any of the above would occur, revenue could be negatively affected, and in the future, the Company may have to litigate to enforce its intangible property rights, which could result in substantial costs and divert management's attention and other resources.

The Company may be unable to obtain registrations for its intellectual property rights for various reasons, including refusal by regulatory authorities to register trademarks or other intellectual property protections, prior registrations of which it is not aware, or it may encounter claims from prior users of similar intellectual property in areas where it operates or intends to conduct operations. This could harm its image, brand or competitive position and cause the Company to incur significant penalties and costs.

In addition, in any infringement proceeding, some or all of the trademarks, patents or other intellectual property rights or other proprietary know-how, or arrangements or agreements seeking to protect the same may be found invalid, unenforceable, anti-competitive or not infringed. An adverse result in any litigation or defence proceedings could put one or more of the trademarks, patents or other intellectual property rights at risk of being invalidated or interpreted narrowly and could put existing intellectual property applications at risk of not being issued. Any or all of these events could materially and adversely affect the Company's business, financial condition and results of operations.
In addition, other parties may claim that the Company's products infringe on their proprietary and perhaps patent protected rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, legal fees, result in injunctions, temporary restraining orders and/or require the payment of damages. As well, the Company may need to obtain licences from third parties who allege that the Company has infringed on their lawful rights. However, such licences may not be available on terms acceptable to the Company or at all. In addition, the Company may not be able to obtain or utilize on terms that are favorable to it, or at all, licences or other rights with respect to intellectual property that it does not own.

Product Liability

The Company's products will be produced for sale directly to end consumers, and therefore there is an inherent risk of exposure to product liability claims, regulatory action and litigation if the products are alleged to have caused loss or injury. In addition, the manufacture and sale of the Company's products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation, and could have a material adverse effect on the business and operational results.

Product Recalls

Product manufacturers and distributors are sometimes required to recall or initiate returns of their products for various reasons, including product defects such as contaminations, unintended harmful side effects or interactions with other products, packaging safety and inadequate or inaccurate labeling disclosure. If any of the Company's products are recalled, it could incur unexpected expense relating to the recall and any legal proceedings that might arise in connection with the recall. The Company may lose significant revenue due to loss of sales and may not be able to compensate for or replace that revenue. There can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory actions or lawsuits. A recall of products could lead to adverse publicity, decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition.

Product Returns

Product returns are a customary part of the business. Products may be returned for various reasons, including expiration dates or lack of sufficient sales volume. Any increase in product returns could reduce the results of operations.

Customer Acquisitions

The Company's success depends on its ability to attract and retain customers. There are many factors which could impact the Company's ability to attract and retain customers, including but not limited to its ability to continually produce desirable and effective product, the successful implementation of customer-acquisition plans and the continued growth in the aggregate number of customers. The failure to acquire and retain customers would have a material adverse effect on the Company's business, operating results and financial condition.

Effectiveness and Efficiency of Advertising and Promotional Expenditures

The Company's future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional expenditures, including the Company's ability to (i) create greater awareness of its products; (ii) determine the appropriate creative message and media mix for future advertising expenditures; and (iii) effectively manage advertising and promotional costs in order to maintain acceptable operating margins. There can be no assurance that advertising and promotional expenditures will result in revenues in the future or will generate awareness of the Company's brands and products. In addition, no assurance can be given that the Company will be able to manage its advertising and promotional expenditures on a cost-effective basis.

Maintaining and Promoting Brands

Management believes that maintaining and promoting the Company's brands is critical to expanding its customer base. Maintaining and promoting the brands will depend largely on the Company's ability to continue to provide quality, reliable and innovative products, which we may not be successful. The Company may introduce new products that customers do not like, which may negatively affect the brands and reputation. Maintaining and enhancing the Company's brands may require substantial investments, and these investments may not achieve the desired goals. If the Company fails to successfully promote and maintain its brand or if there are excessive expenses in this effort, the business and financial results from operations could be materially adversely affected.

Changing Consumer Preferences

As a result of changing consumer preferences, many nutraceutical and other innovative products attain financial success for a limited period of time. Even if the Company's products find retail success, there can be no assurance that any of the products will continue to see extended financial success. The Company's success will be dependent upon its ability to price, develop new, and improve product lines. Even if the Company is successful in introducing new products or further developing current products, a failure to continue to properly price or update products with compelling content could cause a decline in the products' popularity that could reduce revenues and harm the business, operating results and financial condition. Failure to introduce new features and product line, or failure to achieve and sustain market acceptance, could result in the Company being unable to meet consumer preferences and generate revenue, which could have a material adverse effect on profitability and financial results from operations.

Obtaining Insurance

Due to the Company's involvement in the cannabis and hemp industry, it may have a difficult time obtaining the various insurances at normal industry rates that are desired to operate the business, which may expose the Company to additional cost, risk and financial liability. Insurance that is otherwise readily available, such as general liability, and directors and officer's insurance, may be more difficult to find, and more expensive because of the regulatory regime applicable to the industry. There are no guarantees that the Company will be able to find such insurances in the future, or that the cost will be affordable. If the Company is forced to go without such insurances, it may prevent it from entering into certain business sectors, may inhibit growth, and may expose the Company to additional risk and financial liabilities.

Banking Risks

Cannabis-related businesses that operate in the U.S. may have difficulty accessing the services of banks and processing credit card payments, which may make it difficult for the Company to operate in the United States. In February 2014, the FCEN issued guidance with respect to financial institutions providing banking services to cannabis business, including burdensome due diligence expectations and reporting requirements. This guidance does not provide any safe harbors or legal defences from examination or regulatory or criminal enforcement actions by the Department of Justice, FCEN or other federal regulators. Thus, most banks and other financial institutions do not appear to be comfortable providing banking services to cannabis-related businesses. In addition to the foregoing, banks may refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related businesses. As a result, the Company may have limited or no access to banking or other financial services in the U.S. The inability or limitation on the Company's ability to open or maintain bank accounts in the U.S., obtain other banking services and/or accept credit card and debit card payments may make it difficult to operate and conduct its business as planned in the United States.

Reliance on Third-Party Suppliers and Service Providers

The Company intends to maintain a full supply chain for the material portions of the production process of its products. Despite maintaining full federal compliance and legality, the Company's suppliers and service providers may elect, at any time, to cease to engage in supply or service agreements in respect of the Company's products. Loss of suppliers or service providers could have a material adverse effect on the business and operational results.

The Company has concentrations with respect to supply management. The Company relies on these companies for product fulfillment, customer acquisition services and risk mitigation technology.

Reliance on International Advisors and Consultants

The legal and regulatory requirements in the foreign countries in which the Company operates with respect to the cultivation and sale of cannabis, banking systems and controls, as well as local business culture and practices are different from those in Canada. The Company's officers and directors must rely, to a great extent, on local legal counsel and consultants in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Company's business operations, and to assist with governmental relations. The Company must rely, to some extent, on those members of management and the Board of Directors who have previous experience working and conducting business in these countries, if any, in order to enhance its understanding of and appreciation for the local business culture and practices. The Company also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of the cultivation and sale of cannabis as well as in respect of banking, financing, labor, litigation and tax matters in these jurisdictions. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond the Company's control. The impact of any such changes may adversely affect the Company's business.

Liquidity and Additional Financing

The Company's continued development may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of the Company's current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Global Economic Uncertainty

Demand for the Company's products is influenced by general economic and consumer trends and regulatory environments beyond the Company's control. There can be no assurance that the Company's business and corresponding financial performance will not be adversely affected by general regulatory economic or consumer trends. In particular, global economic conditions are still tight, and if such conditions continue, recur or worsen, there can be no assurance that they will not have a material adverse effect on the Company's business, financial condition and results of operations.

Furthermore, such economic conditions have produced downward pressure on stock prices and on the availability of credit for financial institutions and corporations. If these levels of market disruption and volatility continue, the Company might experience reductions in business activity, increased funding costs and funding pressures (as applicable), a decrease in the market price of its shares, a decrease in asset values, additional write-downs and impairment charges and lower profitability.

COVID-19

To the date of this report, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", 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 business 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 outbreaks 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.

Subsequent Events

Subsequent to March 31, 2020, the Company completed various significant transactions as noted in the subsequent event note above. The Company is currently assessing the risks and uncertainties to the Company as a result of these transactions.

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited annual financial statements and respective accompanying management's discussion and analysis.

The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Outlook

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