STILLCANNA INC.
(FORMERLY EVI GLOBAL GROUP DEVELOPMENTS CORP.)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE PERIOD ENDED APRIL 30, 2019

FORM 51-102F1

DATE AND SUBJECT OF REPORT

The following Management Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of STILLCANNA INC. (hereinafter "STIL" or the "Company") for the three months ended April 30, 2019

The MD&A has been prepared with an effective date of July 2, 2019 and should be read in conjunction with the Company's April 30, 2019 condensed consolidated interim financial statements and audited consolidated financial statements for the year ended July 31, 2018 as filed on SEDAR.

SCOPE OF ANALYSIS

The following is a discussion and analysis of StillCanna Inc. The Company reports its financial results in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS"). All reported financial information includes the financial results of EVI and its subsidiaries.

FORWARD LOOKING STATEMENTS

Certain information included in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements.

Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in

disputes and litigation, fluctuations in commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and economic return; the need for cooperation of government agencies and native groups in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty in meeting anticipated program milestones; the assumption that the Company will become fully compliant with regulatory filing and continued listing requirements, in addition uncertainty as to timely availability of permits and other government approvals and other risks and uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are as of July 2, 2019 and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and other factors such as those described above and in "Risks and Uncertainties" below. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

GENERAL BUSINESS AND DEVELOPMENT

StillCanna Inc. (formerly EVI Global Group Developments Corp.) was incorporated under the Business Corporations Act (British Columbia) on February 14, 2011 and was classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4.

On April 30, 2012, the Company completed its Initial Public Offering ("IPO") and its shares commenced trading on the Exchange ("TSX-V").

On August 6, 2014, the Company completed a "Qualifying Transaction" ("QT") as defined in Policy 2.4 of the TSX-V, and changed its name to Blackeagle Development Corp. The Company moved to Canadian Stock Exchange ("CSE") and changed its name to EVI Global Group Developments Corp. during the year ended July 31, 2016.

On February 26, 2019, the Company acquired all of the issued and outstanding shares of Borganic Consulting Inc. ("Borganic") in exchange for 15,000,000 common shares of the Company (the "Transaction"). In connection with the Transaction, the Company also issued 1,800,000 common

shares to certain finders and 2,000,000 common shares to certain consultants in exchange for financial advisory services. Upon closing of the Transaction, Borganic became a wholly owned subsidiary of the Company.

Subsequently, on March 14, 2019, the Company received shareholder approval regarding its proposed change of business, change of name and symbol resulting from the acquisition of Borganic Consulting Inc. Following the closing of the transaction, the Company had 57,943,000 common shares of the Company issued and outstanding.

Upon completion of the acquisition, the Company transitioned from a mining issuer to an early-stage life sciences company that plans to carry out the business of extracting CBD oils and crystals from hemp. Effective March 14, 2019 the Company changed its name to StillCanna Inc. and began trading under a new symbol STIL on the Canadian Securities Exchange.

On May 7, 2019, the Company acquired all of the issued and outstanding shares of Olimax NT SP. Z .O.O. ("Olimax") in exchange for $2,000,000 in cash and 24,000,000 common shares of the Company. The Company issued 450,000 common shares to certain finders and 700,000 common shares to certain consultants in exchange for financial advisory services.

The head office, principal address and records office of the Company are located at 503-905 West Pender St., Vancouver, BC, Canada V6C 1L6.

Selected Annual Information – For the years ended July 31, 2016, 2017 and 2018.

Year Ended:	July 31, 2018	July 31, 2017	July 31, 2016
Expenses	$ 301,013	$ 23,153	$ 74,004
Net loss for the year	(596,933)	(287,426)	(69,731)
Basic and diluted loss per share	(0.03)	(0.03)	(0.01)
Balance Sheet Data:			
Cash and short-term investment	97,575	617	-
Total assets	101,868	263,306	264,720
Accounts payable and accrued liabilities	34,791	46,412	36,953
Shareholders' deficit	67,077	201,574	226,500
Cash Flow Data:			
Increase (decrease) in cash for the year	96,958	634	(121,841)

RESULTS OF OPERATIONS

The Company incurred a net loss of $596,933 for the year ended July 31, 2018. The total expenses of $301,013 for the year ended July 31, 2018 related primarily to share based payments totaling $186,200, consulting fees of $51,500 and professional fees of $32,717. The total other expenses of $33,420 related primarily to the write down of mineral property of $276,584 due to insufficient funds to continue working and loss on debt settlement of $18,000 in connection with the settlement of a loan payable.

During the year ended July 31, 2018, the Company closed a non-brokered private placement financing for gross proceeds of $265,000 consisting of the issuance of 5,300,000 units of the Company at a price of $0.05 per unit. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant is exercisable into one common share at a price of $0.10 per share for a period of five years.

During the year ended July 31, 2017, the Company issued 7,500,000 common shares at a fair value of $0.035 per common share for $262,500 pursuant to the purchase agreement in connection with the Company's mineral property interest (Northern Silica Property).

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the eight most recent quarters:

Quarter Ended	Revenue	Total expenses	Loss for the period	Basic and Diluted Loss per share
April 30, 2019	$ -	$ 12,413,002	$ 12,413,002	$ (0.23)
January 31, 2019	$ -	$ 157,253	$ 157,253	$ (0.00)
October 31, 2018	$ -	$ 437,755	$ 437,755	$ (0.02)
July 31, 2018	$ -	$ 500,773	$ 500,773	$ (0.01)
April 30, 2018	$ -	$ 64,813	$ 64,813	$ (0.00)
January 31, 2018	$ -	$ 28,254	$ 28,254	$ (0.00)
October 31, 2017	$ -	$ 3,093	$ 3,093	$ (0.00)
July 31, 2017	$ (5,311)	$ 272,123	$ 277,434	$ (0.03)

During the third quarter ended April 30, 2019, the Company had no material operations.

The Company incurred a net loss of $12,413,002 for the three months ended April 30, 2019. The total expenses of $12,413,002 related primarily to the loss recognized on the acquisition of Borganic of $8,873,354. The acquisition of Borganic was accounted for as an asset acquisition. There were no intangible assets identified that met the recognition criteria under IFRS and therefor the excess of consideration paid over the fair value of the monetary assets and liabilities was expensed. The Company also recognized $2,520,965 in consulting charges during the three-month period ended April 30, 2019. Of the $2,520,965, $1,134,000 resulted from the issuance of 1,800,000 common shares of the Company as a finder's fee and $1,260,000 resulted from the issuance of 2,000,000 common shares of the Company as an advisory fee. Both the finder's fee

and the advisory fee were issued in connection with the acquisition of Borganic. The Company also incurred advertising expenditures of $577,615 in the three-month period ending April 30, 2019 consistent with the Company's budget to increase brand recognition and raise shareholder awareness as a result of the recent change in business activity from a mining issuer to a life sciences issuer. The Company incurred a net loss of $64,813 for the comparable three-month period ended April 30, 2018. The loss was primarily due to consulting fees, transfer agent and filing fees and a mineral property write-down of $18,768.

The Company incurred a net loss of $157,253 for the three months ended January 31, 2019. The total expenses of $157,253 related primarily to consulting fees of $63,000, professional fees of $63,513 and transfer agent and travel expenditures of $14,921. For the prior year comparable period ended January 31, 2018, the Company incurred a net loss of $28,254. The total expenses of $28,254 related primarily to financing charges of $18,000, listing fees of $1,950, professional fees of $2,880 and transfer agent and filing fees of $4,686. The increase in consulting payments and professional fees during the three months ended January 31, 2019 relates to extensive work done to help the Company achieve financing goals as well as secure a definitive agreement with Borganic Consulting Inc. and the contracts agreed to with key officers of the Company.

The Company incurred a net loss of $437,755 for the three months ended October 31, 2018 compared to a net loss of $3,093 for the comparable period ended October 31, 2017. The loss in the quarter ended October 31, 2018 relates primarily to share based payments which were issued to certain consultants, directors and officers of the Company and consulting payments of $153,084 compared to Nil in the comparable period of the prior year.

The Company incurred a net loss of $500,773 for the three months ended July 31, 2018 compared to a net loss of $272,123 for the comparable period ended July 31, 2017. The loss in the quarter ended July 31, 2018 relates primarily to share based payments which were issued to certain consultants, directors and officers of the Company. The loss for the comparable period in 2017 related primarily to write down of mineral property of $195,000 due to insufficient funds to continue working and write off of loan receivable of $69,273 as a result of unlikely collectability

CHANGE IN FINANCIAL CONDITION

During the nine months ended April 30, 2019, the Company issued 1,873,805 common shares resulting from the exercise of warrants for proceeds of $325,403.

During the nine months ended April 30, 2019, the Company issued 330,000 common shares resulting from the exercise of stock options for proceeds of $62,700.

Subsequent to April 30, 2019, the Company issued 724,305 common shares resulting from the exercise of warrants, for proceeds of $173,717.

On May 7, 2019, the Company announced the completion of a brokered financing of an aggregate of 21,187,587 subscription receipts at a price of $1.15 per subscription receipt for aggregate gross proceeds of approximately $24,365,000. The net proceeds of the financing were released to the Company in connection with the satisfaction of the escrow release conditions by the Company through its successful acquisition of Olimax NT Sp .Z.O.O ("Olimax"). The subscription receipts automatically converted into one common share of the Company and on-half of one common

share purchase warrant. Each full warrant is exercisable to acquire one common share for a period of 12 months at an exercise price of $1.73. In connection with the acquisition of Olimax, the Company issued 450,000 common shares to certain finders. It also issued 700,000 common shares to certain consultants in exchange for financial advisory services.

On October 10, 2018, the Company closed a non-brokered private placement financing of gross proceeds of $4,000,000 consisting of issuance of 16,000,000 units of the Company at a price of $0.25 per unit. Each unit consists of one common share and one-half of one share purchase warrant. Each whole share purchase warrant is exercisable into one common share at a price of $0.50 per share for a period of 1 year. The units issued in the offering are subject to a four-month hold period. In connection with the private placement, the Company paid cash finders' fees of $87,900 and 421,200 finder's warrants. Each warrant is exercisable into one common share at a price of $0.50 per share until October 10, 2019.

LIQUIDITY AND CAPITAL RESOURCES

As at April 30, 2019, the Company had working capital of $314,779 (April 30, 2018: $67,077).

During the nine months ended April 30, 2019, the Company advanced $1,185,000 to Olimax in exchange for a note receivable. The note is non-interest bearing and repayable on demand.

On May 7, 2019, the Company announced the completion of a brokered financing of an aggregate of 21,187,587 subscription receipts at a price of $1.15 per subscription receipt for aggregate gross proceeds of approximately $24,365,000. The net proceeds of the financing were released to the Company in connection with the satisfaction of the escrow release conditions by the Company through its successful acquisition of Olimax NT Sp .Z.O.O ("Olimax").

The Company has no operations that generate cash flows and its long-term financial success is dependent on the completion of existing CBD extraction facilities or engaging in other profitable business ventures and opportunities.

The Company is currently dependent on the sale of treasury shares to finance its construction and general and administrative costs. The Company will have to raise additional funds in the future to continue its operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities.

PROJECT SUMMARIES AND ACTIVITIES

<u>Borganic Consulting Inc.</u>

On February 26, 2019, the Company acquired 100% of the issued and outstanding shares of Borganic Consulting Inc. ("Borganic") in exchange for 15,000,000 common shares of the Company with a fair value of $9,450,000.

The acquisition was accounted for as an asset acquisition. There were no intangible assets identified that met the recognition criteria under IFRS and therefore the excess of the

consideration paid over the fair value of the monetary assets and liabilities assumed was expensed.

The Company granted 1,800,000 common shares of the Company as a finder's fee for a fair value of C$1,134,000 and 2,000,000 common shares of the Company as an advisory fee with a fair value of C$1,260,000.

During the period the Company has continued its construction of the Romanian Extraction facility that is a joint venture with Dragonfly Biosciences. The company anticipates all construction to be completed by the end of July 2019 and is waiting on various government approvals to allow production. Over the past quarter the Company has obtained its Environmental approval, its fire plan, its geo-technical evaluation, approved electrical, water contract, anti-drug agency and approval from the health ministry. The company has installed a backup power generator and has placed and tested all equipment using food grade ethanol in a full functional closed loop system as engineered. The company is waiting on final approvals from the Ministry of Health, final building inspections, and final approval from the anti-drug agency.

Olimax NT Sp .Z.O.O

On May 7, 2019, the Company announced the execution of a share purchase agreement with Olimax NT Sp .Z.O.O ("Olimax"), a licensed producer of cannabidiol in Poland, to acquire 100% of the issued and outstanding shares of Olimax for consideration of 24,000,000 common shares of the Company and $2,000,000 cash consideration.

In Poland, since its acquisition of Olimax, the Company has been planting 1500 Hectares of hemp for its 2019 harvest. The Company intends to begin harvesting its crop late July early August. The Company, through its Olimax acquisition, has the licenses required to process its 2019 hemp and has begun construction of its first of two extraction facilities in Poland. The first facility, called Nexus, is optimized to make pure CBD crystal an is anticipated to be operational in Q4 2019, while the second facility, named Horizon, is scheduled to be operational Q4 2020. All equipment for the first extraction facility in Poland is ordered and currently being shipped to the company's facility. The company has ordered custom designed harvesting equipment to be delivered at the end of July or early August. Finally, the Company has designed and build proprietary hemp drying equipment which will be utilized during the harvesting process.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the three months ended April 30, 2019, the following related party transactions occurred:

(a) The Company paid consulting fees $21,000 to JCL Partners Chartered Professional Accountants, a Company controlled by a director of the Company.
(b) The Company paid consulting fees $30,000 to Tilehead Enterprises Ltd., a Company controlled by a director of the Company.

(c) The Company paid consulting fees of $30,000 to Marc Crimeni, a director of the Company.
(d) The Company has a demand loan payable of $250 owing to JCL Partners Chartered Professional Accountants, a Company controlled by the CFO of the Company and $66,807 to Marc Crimeni, a director of the Company. These amounts are unsecured, have no set terms of repayment and bear no interest.

During the three months April 30, 2018, the following related party transactions occurred:

(a) No management or consulting fees were expensed and accrued for any officers or directors.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

CONTINUING AND CONTRACTUAL OBLIGATIONS

In September 2018, the Company entered into a sublease agreement for their head office, with sublease term of 3 years. The base rent for the first year of the sublease is $28,800.

On October 12, 2018, the Company entered into a definitive share exchange agreement with Borganic under which the Company has agreed to acquire all the issued and outstanding shares of Borganic in exchange for an aggregate of 15,000,000 common shares of the Company.
On March 14, 2019, the Company received shareholder approval regarding its proposed change of business, change of name and symbol with the acquisition of Borganic Consulting Inc. in which the Company acquired all the issued and outstanding shares of Borganic, being 13,098 common shares, in exchange for 15,000,000 common shares of the Company. Following the closing of the transaction, the Company had 57,943,000 common shares of the Company issued and outstanding. In connection with the Transaction, the Company also issued 1,800,000 common shares to certain finders. It also issued 2,000,000 common shares to certain consultants in exchange for financial advisory services.

With the acquisition, the Company has completed a change of business from a mining issuer to a life sciences issuer.

On May 7, 2019, the Company announced the execution of a share purchase agreement with Olimax NT Sp .Z.O.O ("Olimax"), a licensed producer of cannabidiol in Poland, to acquire 100% of the issued and outstanding shares of Olimax for consideration of 24,000,000 common shares of the Company and $2,000,000 cash consideration.

As part of the acquisition of Olimax, the Company also announced the completion of a brokered financing of an aggregate of 21,187,587 subscription receipts at a price of $1.15 per subscription receipt for aggregate gross proceeds of approximately $24,365,000. The net proceeds of the financing were released to the Company in connection with the satisfaction of the escrow release conditions by the Company through its successful acquisition of Olimax. The subscription receipts automatically converted into one common share of the Company and on-half of one common share purchase warrant. Each warrant is exercisable to acquire one common share for a period of 12 months at an exercise price of $1.73. In connection with the acquisition of Olimax,

the Company issued 450,000 common shares to certain finders. It also issued 700,000 common shares to certain consultants in exchange for financial advisory services.

On May 28, 2019, the Company signed a definitive agreement to supply Bioscience Enterprises of California with up to C$36,000,000 worth of CBD isolate over an initial term of 6 months.

RISKS AND UNCERTAINTIES

The Company is an early stage life sciences company that plans to carry out the business of extracting CBD oils and crystals from hemp. Companies in this industry are subject to many risks both specific to its business activities and of a general nature. These risks may either individually or in combination materially adversely impact the future operating and financial performance of the Company.

There can be no guarantee that the Company will achieve its objectives or that any forward-looking statements or forecasts will eventuate. This Section describes the areas, which the Company believes are the major risks associated with an investment in the Company.

The occurrence or consequences of some of the risks described here are partially or completely outside of the control of the Company, its Directors and management team. Investors should note that this section does not purport to list every risk that may be associated with the Company's business or the industry in which it operates, or an investment in Shares, now or in the future. The selection of risks has been based on the Company's assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. This assessment is based on the knowledge of the Directors, but there is no guarantee or assurance that the risks will not change or that other risks will not emerge. There can be no guarantee that the Company will achieve its stated objectives, or that any forward-looking statement contained in this document will be achieved or realized.

<u>Failure to comply with laws, regulations and standards</u>

Any changes to the existing regulatory framework or the imposition of new legislation or regulations applicable to the Hemp and/or Cannabis industry in which the Company operates may adversely affect the financial and operating performance of the Company. This risk factor applies to government policy and legislative changes in Europe and North America, as well as the other countries in which the Company operates and intends to operate in the future.

The legal Hemp and Cannabis industries are relatively new industries and the Company anticipates that regulations governing the industry will be subject to change as governments monitor producers and distributors of hemp, CBD and Cannabis products. Changes to government regulations, including those relating to taxes and other government levies, could significantly affect the financial condition of market participants, including the Company.

Regulatory reform could significantly delay, hamper or otherwise adversely impact the development of the legal Hemp, CBD and Cannabis industries, as well as have a material adverse effect on the Company's business, results of operations, and financial condition.

Although hemp and CBD and the commercial medical Cannabis industry have been legalized in parts of Europe and North America, the transport, production, distribution, storage, sale and possession of CBD and Cannabis for non-medical purposes remains illegal in many jurisdictions. In addition, governments may require that technology providers in the CBD and Cannabis industries require specific licenses to operate. Obtaining a license would significantly impact revenue forecasts and costs associated with compliance.

Product Liability Risk

The Company aims to use its Extraction System to distill Cannabinoid Oil to sell. The products are subject to stringent safety standards and are otherwise highly regulated. If components or equipment manufactured using the Extraction System do not meet manufacturing standards or are found to be faulty, defective or unsafe, the Company may face product liability claims from clients, regulators or members of the public, which may affect Company's brand reputation, revenue-earning potential and operating results. StillCanna may not be able to successfully secure or renew product liability insurance or defend itself against product liability claims. Any product liability claims may disrupt StillCanna's business operations and financial performance.

Competition

Competitors may be working on developing new products and technologies that are superior to the Company's extraction, refinement and distillation technology. The development of a new and superior product by a competitor could affect the Company's ability to successfully exploit its products. The Company may be unable to develop further products or keep pace with developments in its market space and may lose market share to competitors. If the Company's competitors develop a more efficient product or undertake a more aggressive marketing campaign, it would likely adversely affect the Company's financial performance and marketing strategies. There is no guarantee that licensed growers and manufacturers will purchase or lease or use the Company's Extraction Systems and the Company may be unable to compete successfully with more established distillation or processing companies on price or quality or may be unsuited to the established preferences of potential users. The Company is unable to influence or control the conduct of its competitors and such conduct may detrimentally affect the Company's financial and operating performance.

Reliance on Key Members

The Company's research and development and its operational success will substantially depend on the continued employment of senior executives, technical staff and other key members. The loss of key management personnel may have a detrimental impact on the Company.

Commercialization Risk

There can be no assurance that the Company will successfully commercialize the business model of its Extraction System. There can be no assurance that existing distillation products will continue to develop or that new markets will develop, and that the Company's technology becomes obsolete.

Customer Preferences

The Company's business is dependent upon consumer awareness and market acceptance of the Oil Extraction System, which can be consumed as an edible oil and can also be made into a variety of infused products for consumers, including; infused edible foods, cartridges for vape pens, topical creams and gel capsules. New methods of consumption may adversely affect demand for edible products, and therefore adversely impact demand for the Company's Extraction Systems. Failure to respond to changes in preferences or anticipate market trends may adversely affect the Company's future revenues and performance. Although the Company has strived to establish market recognition for its products in the industry, it is too early in the life cycle of the Company's brand to determine whether the Company's Extraction Systems will achieve and maintain satisfactory levels of acceptance and sustained take-up by consumers.

There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's products and services, and, correspondingly, on the Company's business, results of operations, financial condition and cash flows. The effect of consumer perceptions on the legal CBD and Cannabis market means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the demand for the Company's products and services, and, correspondingly, on the Company's business, results of operations, financial condition and cash flows.

Limited Operating History

In addition to being subject to general business risks and to risks inherent in the nature of an early stage business, the Company will be exposed to risks inherent to participating in an early stage industry. The Company will need to build consumer awareness of its brand in the emerging CBD and Cannabis industries and markets through significant investments in its strategy, its production capacity, quality assurance, and compliance with regulations. These activities may not promote the Company's brand, products and services as effectively as intended, or at all. The Company must rely largely on its own market research to forecast sales and demand for its products and services, as detailed forecasts are not generally obtainable from other sources at this early stage of the CBD and Cannabis industries. If demand for the Company's products or services fails to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business and financial condition of the Company.

ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

Refer to the Company's consolidated financial statements for the year ended July 31, 2018 for description of accounting policies and other disclosures.

OUTSTANDING SHARE DATA

As of April 30, 2019, the Company had 59,561,805 issued and outstanding common shares. As of the date of this MD&A, the Company has 107,524,392 issued and outstanding shares.

On March 14, 2019, the Company acquired all of the issued and outstanding shares of Borganic Consulting Inc. ("Borganic") in exchange for 15,000,000 common shares of the Company (the "Transaction"). In connection with the Transaction, the Company also issued 1,800,000 common shares to certain finders and 2,000,000 common shares to certain consultants in exchange for financial advisory services.

During the nine months ended April 30, 2019, the Company issued 1,873,805 common shares for exercise of warrants for proceeds of $292,903. The Company also received proceeds of $32,500 pursuant to the exercise of 65,000 warrants. Subsequent to the period ended April 30, 2019, these shares were issued.

During the nine months ended April 30, 2019, the Company issued 330,000 common shares resulting from exercise of stock options for total proceeds of $62,700.

On May 7, 2019, the Company announced the execution of a share purchase agreement with Olimax NT Sp .Z.O.O ("Olimax"), a licensed producer of cannabidiol in Poland, to acquire 100% of the issued and outstanding shares of Olimax for consideration of 24,000,000 common shares of the Company and $2,000,000 cash consideration. As part of the acquisition of Olimax, the Company also announced the completion of a brokered financing of an aggregate of 21,187,587 subscription receipts at a price of $1.15 per subscription receipt for aggregate gross proceeds of approximately $24,365,000. The net proceeds of the financing were released to the Company in connection with the satisfaction of the escrow release conditions by the Company through its successful acquisition of Olimax. The subscription receipts automatically converted into one common share of the Company and on-half of one common share purchase warrant. Each warrant is exercisable to acquire one common share for a period of 12 months at an exercise price of $1.73. In connection with the acquisition of Olimax, the Company issued 450,000 common shares to certain finders. It also issued 700,000 common shares to certain consultants in exchange for financial advisory services.

On May 28, 2019, the Company announced 1,800,000 stock options were granted to certain officers and consultants pursuant to the Company's stock option plan. The options are exercisable after three months from the grant date for a period of five years at a price of $1.23 per share.

Options:

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, July 31, 2017	3,500	$0.20
Issued July 31, 2018	980,000	0.19
Balance, July 31, 2018	**1,015,000**	**$0.20**
Issued August 2, 2018	100,000	0.20
Issued October 12, 2018	1,050,000	0.63
Exercised, March 25, 2019	(125,000)	0.19
Exercised, March 29, 2019	(125,000)	0.19
Exercised, April 5, 2019	(80,000)	0.19
Balance, April 30, 2019	**1,835,000**	**$0.40**

On February 5, 2018, the Board approved the adoption by the Company of a new fixed number share option plan (the "Fixed Option Plan"), subject to shareholder and regulatory approval. The Fixed Option Plan is designed to provide certain directors, officers and other key employees of the Company with incentive share options at the discretion of the Board. Under the Fixed Option Plan, the number of Common Shares which will be reserved for issuance, including any options currently outstanding which were granted under the Company's 10% rolling Option Plan will not exceed 10,752,349 Common Shares. Options are to be granted at the discretion of the Board to Service Providers as defined in the Fixed Option Plan. Capitalized terms used but not defined have the meanings ascribed to them in the Fixed Option Plan.

On February 5, 2018, the Board approved the adoption by the Company of a restricted share unit plan (the "RSU Plan"), which RSU Plan is designed to provide certain directors, officers, consultants and other key employees (an "Eligible Person") of the Company and its related entities with the opportunity to acquire restricted share units ("RSUs") of the Company. The acquisition of RSUs allows an Eligible Person to participate in the long-term success of the Company thus promoting the alignment of an Eligible Person's interests with that of the Shareholders.

The RSU Plan allows the Company to grant RSUs awarding up to a maximum of 3,888,300 Shares, under and subject to the terms and conditions of the RSU Plan, which RSUs may be exercised by any holder of RSUs to receive an Award Payout of either: (a) one Common Share of the Company for each whole vested RSU; or (b) a cash amount equal to the Vesting Date Value as at the Trigger Date of such vested RSU. Fractional Shares will not be issued pursuant to the RSU Plan; instead an RSU Plan Recipient entitled to a fractional Share is entitled to receive payment from the Company of cash value equal to the Vesting Date Value of such fractional Share

Warrants:

A summary of the Company's warrant activity for the three months ended April 30, 2019 and as of the date of this MD&A are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, July 31, 2017	-	$ -
Issued January 12, 2018	5,450,000	0.10
Balance, July 31, 2018	**5,450,000**	**$0.10**
Issued October 10, 2018	8,421,200	0.50
Exercised	(1,610,000)	0.10
Exercised	(263,805)	0.50
Balance, April 30, 2019	**13,816,200**	**$0.37**

APPOINTMENTS AND RESIGNATION OF DIRECTORS AND EXECUTIVE OFFICERS

On May 30, 2019, the Company appointed Warren Robinson to its Board of Directors. In conjunction with the appointment of Mr. Robinson as director, the Company's CFO Joel Leonard resigned from the Board of Directors. Mr. Leonard will continue to operate as the Company's CFO.

On June 19, 2019, the Company appointed William Macdonald to its Board of Directors. In conjunction with the appointment of Mr. Macdonald as director, Denis Semenov provided his resignation from his position as director.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

During the three months ended April 30, 2019, there has been no significant change in the Company's internal control over financial reporting since last year.

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's condensed consolidated interim financial statements for the period ended April 30, 2019 (together the "Interim Filings").

The Chief Executive Officer and Chief Financial Officer of the Company have filed the Venture Issuer Basic Certificate with the Interim Filings on SEDAR at www.sedar.com.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting

("ICFR"), as defined in NI 52-109. 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 NI 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.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A and the Company will be provide copies upon request.