



Management Discussion and Analysis
(Expressed in Canadian Dollars)

WAVERLEY PHARMA INC.

Three and nine months ended September 30, 2018

Prepared by Management without review from the Company's auditor

BACKGROUND

This Management's Discussion and Analysis ("**MD&A**") of Waverley Pharma Inc. ("**Waverley**" or the "**Company**") is dated November 28, 2018 and provides an analysis of the Company's operations for the three and nine months ended September 30, 2018. This MD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2017 which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All amounts are in Canadian dollars unless otherwise specified. The audited consolidated financial statements are available on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com under the Company's profile. The common shares of the Company are listed on the TSX Venture Exchange (the "**Exchange**" or the "**TSX-V**") under the symbol "**WAVE**".

FORWARD-LOOKING INFORMATION

Certain statements in this MD&A are forward-looking statements or information (collectively – forward-looking statements). The Company is hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: lack of operating history; regulatory risks; substantial capital and liquidity requirements; financing risks and dilution to shareholders; competition; reliance on management and dependence on key personnel; conflicts of interest of management; exposure to potential litigation, and other factors beyond the control of the Company.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statements are made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See "Risks and Uncertainties".

Forward looking statements are based on estimates and assumptions made by management in light of their experience of historical trends, current conditions and expected future developments, as well as factors that are believed to be appropriate. Forward looking statements in this MD&A include, but are not limited to, statements relating to:

- the Company's intention to sell and market its oncological products, Capecitabine and Temozolomide in the United Kingdom (the "**UK**");
- the intention, cost, progress and success of the Company's product development program for WAV-101 and WAV-102;
- the timing of and ability to achieve regulatory approval for marketing authorization ("**MA**") of WAV-101 and WAV-102 in the United States and its territories (the "**USA**"), Canada, and the European Union (the "**EU**") and applicable milestones payable to RLS (as defined below);
- the Company's intention to sell and market WAV-101 and WAV-102 in the USA, Canada, and the EU;
- the ability to achieve profitability;
- the Company's ability to establish and maintain relations with collaborators with acceptable development, regulatory and commercialization expertise, and the benefits to be derived from such collaborative efforts;
- the implementation of a business model and strategic plans;
- estimates of the size of the potential markets for Capecitabine, Temozolomide, WAV-101 and WAV-102;
- expectations regarding market risk, including changes in interest rate and foreign currency movements;
- estimates of expenses, future revenue, capital requirements and availability of future financing;
- the Company's intentions regarding the protection of the Company's intellectual property;
- the Company's intention to identify, negotiate and complete business development transactions (e.g. the sale, purchase or license of pharmaceutical products or services);
- the Company's business strategy and the expectations that it will not pay dividends for the foreseeable future.

FORWARD-LOOKING INFORMATION (continued)

Inherent in forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to predict or control that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such risk factors include, among others, the Company's future product revenues, stage of development, additional capital requirements, risks associated with the completion and timing of clinical trials and obtaining regulatory approval to market the Company's products, the ability to protect its intellectual property, dependence upon collaborative partners, changes in government regulation or regulatory approval processes and rapid technological change in the industry. These factors should be considered carefully and readers are cautioned to not place undue reliance on such forward-looking statements.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the impact of changes between the Canadian dollar and the US dollar, European Euro, British Pound and other foreign exchange rates on the Company's revenues, costs and results;
- the timing of the receipt of regulatory and government approvals for the Company's product development projects;
- the availability of financing for the Company's commercial operations and/or product development projects, or the availability of financing on reasonable terms;
- results of future clinical trials;
- the uncertainties associated with the acceptance and demand for new products;
- government regulation not imposing requirements that significantly increase expenses or that delay or impede the Company's ability to bring new products to market;
- the Company's ability to attract and retain skilled management and employees;
- the Company's ability, amid circumstances and decisions that are out of the Company's control, to maintain adequate supply of product for commercial sale;
- inaccuracies and deficiencies in the scientific understanding of the interaction and effects of pharmaceutical treatments when administered to humans;
- market competition;
- tax benefits and tax rates; and
- the Company's ongoing relations with its employees and with its business partners.

COMPANY OVERVIEW

The Company was incorporated as Buffalo Capital Inc. ("**Buffalo**") pursuant to the provisions of the Canada Business Corporations Act ("**CBCA**") on December 14, 2016, and was classified as a Capital Pool Corporation ("**CPC**") as defined by Policy 2.4 of the Exchange. On October 24, 2017, Buffalo completed a Qualifying Transaction ("**QT**") by entering into a non-arm's length business combination transaction by way of amalgamation (the "**Amalgamation**") with Waverley Pharma Inc. ("**Old Waverley**") pursuant to the CBCA to continue as a new company, Waverley Pharma Inc. (the "**Resulting Issuer**").

The Company is domiciled and incorporated in Canada and as of October 27, 2017, its Common Shares are listed on Tier 2 of the Exchange under the symbol "WAVE". The address of the Company's registered office and head office is 4-1250 Waverley Street, Winnipeg, Manitoba, Canada, R3T 6C6.

The Company is a biopharmaceutical company that is dedicated to the development and commercialization of safe, effective and affordable oncology drugs. Through its subsidiary, Waverley Pharma International Inc. ("**WPII**"), the Company has entered into a license, manufacture, supply, marketing and distribution agreement with Reliance Life Sciences Inc. ("**RLS**" or the "**Licensor**") by which the Licensor granted the Company an exclusive territorial license to market and sell Capecitabine in the UK and Germany as well as a non-exclusive territorial license to market and sell Temozolomide in the UK. Additionally, the Company has acquired exclusive territorial licenses from RLS to two oncologic drugs currently under development, WAV-101 and WAV-102 in the USA, Canada, and the EU, excluding the UK, where a non-exclusive territorial license has been acquired from RLS. Subsequent to September 30, 2018, the Company's planned principal commercial operations have commenced and the Company began to record revenue from the sale of its products. The Company's fiscal year end is December 31st.

OVERALL PERFORMANCE

The Company recorded a net loss of \$212,109 (\$0.00 per Common Share) for the three months ended September 30, 2018 compared to a net loss of \$13,611 (\$0.00 per Common Share) for the three months ended September 30, 2017. The Company recorded a net loss of \$1,170,683 (\$0.02 per Common Share) for the nine months ended September 30, 2018 compared to a net loss of \$28,707 (\$0.00 per Common Share) for the nine months ended September 30, 2017. Factors contributing to the increased net loss of \$198,498 during the three months ended September 30, 2018 compared to the same period in the prior year are mainly the result of increases in general and administrative expenses of \$204,759 and research and development expenses of \$9,189 as a result of the Company commencing activities relating to its product development. Offsetting the increases in general and administrative as well as research and development expenditures was an increase in finance income totaling \$16,867.

The Company incurred general and administrative expenses of \$218,620 for the three months ended September 30, 2018 compared to \$13,861 for the three months ended September 30, 2017. The Company incurred general and administrative expenses of \$510,894 for the nine months ended September 30, 2018 compared to \$29,054 for the nine months ended September 30, 2017. As a result of completion of the QT, the Company began its operations in late-2017, and began to incur incremental costs including those related to the Company's transfer agent, insurance, rent and travel. Additionally, another factor in the increased general and administrative costs during the current periods compared to the same periods in the prior year were the result of the Company hiring its first employee and compensation for its Former CEO (as defined below), and the subsequent appointment of the Current CEO (as defined below). The Company incurred stock-based compensation expense relating to the service expense of the issuance of 1,000,000 incentive stock options (the "Options") to certain directors, an officer and a consultant of the Company during the fourth quarter of fiscal 2017, as well as 400,000 Options issued to certain directors and officers of the Company and a subsidiary during the third quarter of fiscal 2018.

The Company incurred research and development expenses of \$9,189 for the three months ended September 30, 2018 compared to nil during the three months ended September 30, 2017. The Company incurred research and development expenses of \$707,833 during the nine months ended September 30, 2018 compared to nil for the nine months ended September 30, 2017. Following completion of the QT, the Company began its operations in late-2017, with research and development activities during the period including payments to regulatory authorities associated with the filing of drug formulation dossiers relating to the Company's current drug development programs. During the three months ended September 30, 2018, the Company was not required to make payments of the significant magnitude as it had made in the immediately preceding quarters for the same activities.

The Company earned finance income totaling \$16,820 during the three months ended September 30, 2018 compared to finance expense totaling \$47 during the three months ended September 30, 2017. The Company earned finance income totaling \$48,861 during the nine months ended September 30, 2018 compared to finance expense totaling \$117 during the nine months ended September 30, 2017. The increase in finance income in the three and nine months ended September 30, 2018 compared to the same periods in the prior year was the result of interest earned on the remaining funds from the Concurrent Financing (as defined below) which was completed on October 27, 2017 and were held within the Company's bank accounts through September 30, 2018.

The following tables provide an overview of the financial results for the three months ended September 30, 2018 compared to the three months ended September 30, 2017:

<i>For the three months ended September 30</i>	2018		2017		Change
Revenue	\$	-	\$	-	\$ -
General and administration		(218,620)		(13,861)	(204,759)
Research and development		(9,189)		-	(9,189)
Finance income (expense), net		16,820		(47)	16,867
Foreign exchange (loss) gain, net		(1,120)		297	(1,417)
Net loss	\$	(212,109)	\$	(13,611)	\$ (198,498)
Translation adjustment		(17,166)		5,807	(22,973)
Comprehensive loss	\$	(229,275)	\$	(7,804)	\$ (221,471)

OVERALL PERFORMANCE (continued)

The following tables provide an overview of the financial results for the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017:

<i>For the nine months ended September 30</i>	2018		2017		Change
Revenue	\$	-	\$	-	\$ -
General and administration		(510,894)		(29,054)	(481,840)
Research and development		(707,833)		-	(707,833)
Finance income (expense), net		48,861		(117)	48,978
Foreign exchange (loss) gain, net		(817)		464	(1,281)
Net loss	\$	(1,170,683)	\$	(28,707)	\$ (1,141,976)
Translation adjustment		27,186		5,807	21,379
Comprehensive loss	\$	(1,143,497)	\$	(22,900)	\$ (1,120,597)

GENERAL AND ADMINISTRATION

	Three months ended September 30, 2018		Three months ended September 30, 2017	Change		Nine months ended September 30, 2018		Nine months ended September 30, 2017	Change			
Administrative and other	\$	28,557	\$	-	\$	28,557	\$	63,752	\$	110	\$	63,642
Professional and consulting fees		62,748		13,861		48,887		75,248		28,944		46,304
Salaries, wages & benefits		54,165		-		54,165		171,661		-		171,661
Stock-based compensation		73,150		-		73,150		200,233		-		200,233
Total, general and administration	\$	218,620	\$	13,861	\$	204,759	\$	510,894	\$	29,054	\$	481,840

General and administrative costs for the three and nine months ended September 30, 2018 were \$218,620 and \$510,894, respectively (2017 - \$13,861 and \$29,054). Significant differences during the three and nine months ended September 30, 2018 compared to the three and nine months ended September 30, 2017 are as follows:

- Administrative and other expense totaled \$28,557 and \$63,752 for the three and nine months, respectively ended September 30, 2018 (2017 – nil and \$110). The increase was the result of the Company's commencement of operations in late-2017 and includes expenditures related to the Company's transfer agent, insurance, rent and travel that were not incurred in the prior year comparative periods.
- Professional and consulting fees totaled \$62,748 and \$75,248 for the three and nine months, respectively ended September 30, 2018 (2017 - \$13,861 and \$28,944). The increase during the three and nine months ended September 30, 2018 compared to the same periods in the prior year was due to fees incurred by the Company relating to contracted pharmacovigilance services initially in respect of the Products (as later defined) to be provided by an arms-length third party.
- Salaries, wages & benefits totaled \$54,165 and \$171,661 for the three and nine months, respectively ended September 30, 2018 (2017 – nil and nil). The increase in costs incurred during the three months ended September 30, 2018 compared to the same period in the prior year were the result of the Company's commencement of operations in late-2017 and subsequently included the hiring of its first employee and for its contracted Former CEO (as defined below) and Current CEO (as defined below). Offsetting the increase in such expenditures is government assistance received from the Industrial Research Assistance Program ("IRAP") during the three and nine months ended September 30, 2018, the proceeds of which have been netted against the salaries, wages & benefits expenditures during these reporting periods.
- Stock-based compensation totaled \$73,150 and \$200,233 for the three and nine months, respectively ended September 30, 2018 (2017 – nil and nil). The cost incurred during the year represents the service expense of 1,400,000 Options issued to directors and a consultant of the Company which will vest in tranches over three years.

RESEARCH AND DEVELOPMENT

	Three months ended		Change	Nine months ended		Change
	September 30, 2018	September 30, 2017		September 30, 2018	September 30, 2017	
Filing fees	\$ -	\$ -	\$ -	\$ 679,645	\$ -	\$ 679,645
Professional and consulting fees	9,189	-	9,189	28,188	-	28,188
Total, research and development	\$ 9,189	\$ -	\$ 9,189	\$ 707,833	\$ -	\$ 707,833

Research and development costs for the three and nine months ended September 30, 2018 were \$9,189 and \$707,833, respectively (2017 – nil and nil). Increases in research and development expenditures for the three and nine months ended September 30, 2018 were the result of the Company commencing its operations in late-2017 and its subsequent commencement of development activities. During the three months ended September 30, 2018, the Company was not required to make payments of the significant magnitude as it had made in the immediately preceding quarters for the same activities, which were included in filing fees for the nine months ended September 30, 2018.

DISCUSSION OF OPERATIONS

The Company has successfully raised funding through its Concurrent Financing (as defined below) of 11,000,000 Common Shares at \$0.50 per Common Share providing gross proceeds to the Company of \$5,500,000. This Concurrent Financing (as defined below) has provided the Company with the necessary capital to advance its research and development programs as well as the required working capital for its general and administrative expenses.

On July 23, 2018, the Company announced that its Board of Directors (the “**Board**”) has accepted the resignation of Dr. George Thomas as President and Chief Executive Officer (the “**Former CEO**”), effective July 26, 2018. Additionally, the Company announced the concurrent appointment of Dr. Theron (Ted) Odlaug as Chief Executive Officer (the “**Current CEO**”) effective August 1, 2018. Dr. Odlaug currently holds the role of Executive Chairman of Impopharma Inc. and was the most recent Chief Executive Officer of leon-nanodrugs GmbH, based in Munich, Germany. Additionally, he has previously held the role of Executive Chairman of Cedarburg Pharmaceuticals in addition to more than 35 years of experience in senior leadership roles at Astellas, Fujisawa, Bayer AG and Baxter.

On July 23, 2018, the Company announced the authorization of 400,000 Options to certain directors and officers of the Company and its subsidiaries in accordance with the Company’s stock option plan. Each Option will be exercisable into one common share of the Company at the closing market price of the Company’s common shares on the date of grant, for a period of five years from the date of grant.

On June 27, 2018, the Company announced that its wholly-owned Barbadian subsidiary, WPIL had submitted two abbreviated new drug applications (the “**ANDAs**”) with the United States Food and Drug Administration (the “**FDA**”) for two high value anti-cancer drugs. These ANDA filings are the result of an exclusive product supply and development agreement executed with RLS on August 30, 2017.

On June 25, 2018, the Company announced that its wholly-owned Barbadian subsidiary, WPIL had acquired two generic oncology products, Temozolomide and Capecitabine (the “**Products**”), currently marketed in the UK, from RLS. In addition to the Products, the Company acquired the binding contracts with the UK National Health Service for the supply of the Products. The Products will be manufactured by RLS at its Medicines and Healthcare products Regulatory Agency approved facility in Mumbai, India and supplied to the Company. The Company anticipates modest profit margins relating to the sale of the Products following the payment of transfer prices to RLS and subsequent to distributor and analytical testing charges in the UK.

On April 17, 2018, the Company announced that its wholly-owned Irish subsidiary, Waverley Pharma Europe Limited (“**WPEL**”), had submitted its second marketing authorization application in select EU countries through the EU’s De-Centralized Procedure for an anti-cancer generic drug.

On March 12, 2018, the Company announced that WPEL had submitted a marketing authorization application in select EU countries through the EU’s De-Centralized Procedure for an anti-cancer generic drug.

DISCUSSION OF OPERATIONS (continued)

On October 24, 2017, the Company completed its QT with Old Waverley. Pursuant to the QT, the Company and Old Waverley completed a non-arm's length business combination transaction by way the Amalgamation pursuant to the CBCA to continue as the Resulting Issuer, Waverley Pharma Inc. Each common share in the capital of Buffalo (the "**Buffalo Shares**") that was outstanding immediately prior to the Amalgamation (other than Buffalo Shares held by shareholders of Buffalo who exercised their dissent rights) was converted into one (1) issued and fully paid and non-assessable common share in the share capital of the Resulting Issuer (a "**Resulting Issuer Share**") at a deemed price of \$0.50 per Resulting Issuer Share (the "**Buffalo Exchange Ratio**"). Each Class "A" common share in the capital of Old Waverley (an "**Old Waverley Share**") that was outstanding immediately prior to the Amalgamation (other than Old Waverley Shares held by shareholders of Old Waverley who exercised their dissent rights) was converted into 400,000 issued and fully paid and non-assessable Resulting Issuer Shares at a deemed price of \$0.50 per Resulting Issuer Share (the "**Waverley Exchange Ratio**"). As a result of the QT, immediately after the Amalgamation, the former holders of Buffalo Shares held, in the aggregate, 14,000,000 Resulting Issuer Shares representing 25.9% of the outstanding Resulting Issuer Shares and the former holder of Old Waverley Shares held, in the aggregate, 40,000,000 Resulting Issuer Shares representing approximately 74.1% of the outstanding Resulting Issuer Shares.

A condition to the completion of the Amalgamation was that Buffalo complete a financing for gross proceeds of up to \$5,000,000. Immediately prior to the completion of the Amalgamation, Buffalo completed a brokered private placement of 11,000,000 Buffalo Shares at an issue price of \$0.50 per share for aggregate gross proceeds of \$5,500,000 (the "**Concurrent Financing**") and representing an oversubscription of 1,000,000 Buffalo Shares (10%) over the amount that had previously been announced. PI Financial Corp ("**PI**") acted as lead agent in connection with the Concurrent Financing and was paid a cash commission of 7% of the gross proceeds of the Concurrent Financing, as well as receiving 770,000 warrants (the "**Agents' Warrants**") which shall entitle PI to acquire one (1) Resulting Issuer Share for each warrant at a price of \$0.50 for a period of 24 months following the completion of the Amalgamation.

PRODUCT DEVELOPMENT

The Company's initial research project was the development of a novel PARP-1 inhibitor for cancer treatment. In an effort to augment the product pipeline and vastly reduce the time to revenue and profitability, the Company's current focus is on the generic oncology injectable market in the EU and North America.

The Company commenced filing applications in certain member states of the EU in late-2017 and has continued to file and incur related costs thus far in 2018 for the approval of its two generic oncology products, WAV-101 and WAV-102. Additionally, the Company has completed filings for WAV-101 and WAV-102 with the FDA and has incurred related costs during the nine months ended September 30, 2018.

Increasing incidences of cancer, patent expiry of a number of blockbuster oncology drugs and the high cost of cancer treatment, has led to a robust growth in the market for generic oncology drugs. In addition to their strong growth, these drugs also enjoy high product differentiation and entry barriers. As a result, competitive intensity in the injectable oncology segment is also relatively low. This has enabled manufacturers to enjoy higher pricing power and margins compared to commoditized generics.

WAV-101 is an injectable generic chemotherapy drug, developed for the treatment of non-small cell lung cancer and pleural mesothelioma. Currently the brand generates annual revenue of over USD \$1 billion. Regulatory filings have been made in the USA and the EU and the Company is currently seeking a sales and marketing partner for the EU.

WAV-102 is also an injectable generic chemotherapy drug, developed for the treatment of multiple myeloma and mantle cell lymphoma. Currently the brand generates annual revenue of over USD \$800 million. Regulatory filings have been made in the USA and the EU and the Company is currently seeking a sales and marketing partner for the EU.

As the drug substance and drug product patents for the branded version of these two drugs near expiry, several generics are expected to compete in these therapeutic segments.

PRODUCT DEVELOPMENT (continued)

Through its extensive contacts and marketing relationships, the Company plans to commercialize WAV-101 and WAV-102. In addition to its presence in Canada, Waverley has wholly-owned subsidiaries in Barbados and Ireland to help the Company navigate the regulatory process and realize commercial potential of Waverley's innovative products in the region.

HISTORIC USE OF PROCEEDS

Concurrent to the completion of the Company's QT, the Company completed its Concurrent Financing in which it issued 11,000,000 Buffalo Shares at an issue price of \$0.50 per share for aggregate gross proceeds of \$5,500,000 and representing an oversubscription of 1,000,000 Buffalo Shares (10%) over the amount of the Concurrent Financing that had previously been announced. Upon completion of the QT, these 11,000,000 Buffalo Shares were converted into 11,000,000 Resulting Issuer shares. PI acted as lead agent in connection with the Concurrent Financing and was paid a cash commission of 7% of the gross proceeds of the Concurrent Financing, as well as receiving 770,000 warrants (converted into Resulting Issuer Warrants upon the Amalgamation) which shall entitle PI to acquire one Resulting Issuer Share for each warrant at a price of \$0.50 for a period of 24 months following the completion of the Amalgamation.

The following table sets out a comparison of the stated use of proceeds for the Concurrent Financing and how the Company actually used the proceeds from the Concurrent Financing.

Intended Use of Proceeds	Actual Use of Proceeds
To fund development costs associated with the Company's two generic drugs and for working capital and general corporate purposes.	<p>The proceeds have been used as intended, to further the Company's product development activities while meeting the Company's general and administrative and working capital requirements, including the payment of milestone payments to RLS relating to the development of WAV-101 and WAV-102.</p> <p>As at September 30, 2018, the Company had not fully expended the funds raised in the Concurrent Financing</p>

SUMMARY OF QUARTERLY RESULTS

The Company has not earned revenue as of September 30, 2018, but subsequently as of November 28, 2018, the Company has begun to generate revenue from the sale of products to customers.

The following table sets forth selected unaudited consolidated financial information for the periods indicated. Other selected financial information provided below is derived from the Company's unaudited quarterly condensed consolidated interim financial statements in the 2018, 2017 and 2016 year ends for each of the last eight quarters. These historic results may not be indicative of the Company's future performance.

	Three months ended			
	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
Revenue	\$ -	\$ -	\$ -	\$ -
General and administration	(218,620)	(157,614)	(134,660)	(123,761)
Research and development	(9,189)	(468,335)	(230,309)	(31,330)
Listing costs	-	-	-	(2,173,296)
Finance income, net	16,820	14,756	17,285	8,930
Foreign exchange (loss) gain	(1,120)	258	45	(9,376)
Net loss	(212,109)	(610,935)	(347,639)	(2,328,833)
Other comprehensive (loss) income	(17,166)	22,545	21,807	(6,275)
Basic loss per share	(0.00)	(0.01)	(0.01)	(0.05)
Diluted loss per share	(0.00)	(0.01)	(0.01)	(0.05)

	Three Months Ended			
	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
Revenue	\$ -	\$ -	\$ -	\$ -
General and administration	(13,861)	(15,063)	(130)	-
Research and development	-	-	-	-
Finance expense, net	(47)	(70)	-	-
Foreign exchange gain	297	167	-	-
Net loss	(13,611)	(14,966)	(130)	-
Other comprehensive income	5,807	-	-	-
Basic loss per share	(0.00) ^(*)	(0.00) ^(*)	(0.00) ^(*)	..(*)
Diluted loss per share	(0.00) ^(*)	(0.00) ^(*)	(0.00) ^(*)	..(*)

^(*) Basic and diluted loss per share restated to reflect Waverley Exchange Ratio of 400,000 Resulting Issuer shares for each previously held share in Old Waverley.

Variations in the Company's net losses and expenses for the periods above resulted primarily from the following factors:

- Revenue: The Company has not earned revenue as of September 30, 2018, but subsequently, the Company has begun to generate revenue from the sale of products to customers.
- General and administrative: Subsequent to the completion of the Company's QT and Concurrent Financing, in Q4 2017 the Company commenced operations and has since incurred costs related to administrative expenses, professional and consulting fees, staffing and stock-based compensation expense relating to Options issued to directors, officers and a consultant. In Q3 2018, the Company began to incur costs from a contract with an arms-length third party for pharmacovigilance services to be provided to the Company.
- Research and development: Subsequent to the completion of the Company's QT and Concurrent Financing, in Q4 2017 the Company commenced operations and incurred fees relating to the filing of drug formulation dossiers related to the Company's current drug development programs. During the three months ended September 30, 2018, the Company was not required to make payments of the significant magnitude as it had made in the two immediately preceding quarters for the same activities.
- Listing costs: Incurred during the three months ended December 31, 2017 were directly associated with the QT completed October 24, 2017.

LIQUIDITY AND CAPITAL RESOURCES

The Company's consolidated financial statements have been prepared in accordance with IFRS with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. The consolidated financial statements do not include any adjustments to assets or liabilities should the Company be unable to continue in existence.

Sources and Uses of Cash

As at September 30, 2018, the Company had cash resources of \$3,205,682 compared to \$4,856,242 as at December 31, 2017. As at September 30, 2018 the Company had working capital of \$2,301,165 compared to working capital of \$4,241,304 at December 31, 2017.

For the nine months ended September 30	2018	2017
Cash flows (used in) provided by operating activities	\$ (1,182,109)	\$ 271,333
Cash flows used in financing activities	(488,798)	(243,960)
(Decrease) increase in cash	\$ (1,670,907)	\$ 27,373

Cash flows used in operating activities for the nine months ended September 30, 2018 was \$1,182,109 compared to cash provided from operating activities of \$271,333 for the nine months ended September 30, 2017 an increase of \$1,453,442. Cash flows used in operating activities of \$1,182,109 for the nine months ended September 30, 2018 were a result of a net loss of \$1,170,683 and working capital adjustments for an increase in amounts receivable of \$67,797, increase in prepaid expenses and other current assets of \$36 and a decrease in accounts payable and accrued liabilities of \$143,826, offset by a non-cash adjustment for stock-based compensation totaling \$200,233. Cash flows provided by operating activities totaling \$271,333 for the nine months ended September 30, 2017 was the result of a working capital adjustment for an increase in accounts payable and accrued liabilities of \$325,691 offset by working capital for increases in prepaid expenses and other current assets of \$24,908 and amounts receivable of \$743 and net loss for the nine months ended September 30, 2017 totaling \$28,707.

Cash flows used in financing activities for the nine months ended September 30, 2018 was \$488,798 compared to \$243,960 for the nine months ended September 30, 2017 an increase of \$244,838. Cash used in financing activities during the nine months ended September 30, 2018 and 2017 related to payments due to RLS upon meeting specified milestones relating to the development of WAV-101 and WAV-102.

Funding requirements

As the Company has not earned revenue as of September 30, 2018, it has been required to finance its operating expenditures and capital costs. Operational activities during the three and nine months ended September 30, 2018 were financed by the proceeds from the Concurrent Financing.

The Company will consider investments through public or private financings. The Company's development programs are modular and can be scaled to accommodate the Company's financing strategy and timing.

Working Capital

The Company had working capital of \$2,301,165 at September 30, 2018, compared to working capital of \$4,241,304 at December 31, 2017. The decrease in working capital of \$1,940,139 was the result of a decrease in cash of \$1,650,560 and increase in current portion of license fee payable of \$500,437, offset by increases in amounts receivable of \$67,771, prepaid expenses and other current assets of \$43 and decreases in accounts payable and accrued liabilities of \$143,044.

CONTRACTUAL OBLIGATIONS

On August 30, 2017, the Company, through WPIL, acquired exclusive territorial licenses from RLS to sell and market two generic cancer drugs in the USA, Canada and the EU (excluding the UK where a non-exclusive territorial license was acquired). An up-front payment of US \$20,000 was made upon signing of the term sheet on July 5, 2017 and a US \$180,000 payment was made upon signing of the signing of definitive documentation on August 30, 2017. Additional payments of US \$1,200,000 are payable upon certain development and approval based milestones being met and as at September 30, 2018, the Company has paid US \$450,000 of this amount. Additionally, the Company will purchase inventory and pay a royalty of 7.5% of its net sales from these two products to the Licensor.

On June 7, 2018, the Company through WPIL, entered into a license, manufacture, supply, marketing and distribution agreement with RLS by which the Licensor granted the Company an exclusive territorial license to market and sell Capecitabine in the UK and Germany and non-exclusive territorial license to market and sell Temozolomide in the UK. Additionally, the Company will purchase inventory and has entered into a profit sharing arrangement resulting in a portion of the net profits of Capecitabine and Temozolomide to be paid to the Licensor. Additionally, the Company has assumed the obligations associated with a binding contract held by the Licensor for the supply of these products to the UK National Health Service.

As at September 30, 2018, and in the normal course of business, the Company has obligations to make future payments representing contracts and other commitments that are known and committed. The Company has committed to purchase inventory totaling £105,540 (\$178,099 CAD) and committed \$8,939 for professional services to be provided to the Company.

Subsequent to September 30, 2018, the Company, through WPEL, entered into an office space lease agreement at a rate of €881.10 per month for a term ending October 31, 2019.

Subsequent to September 30, 2018, on November 1, 2018, WPEL committed to purchase inventory totaling £20,809.

LIQUIDITY RISK

Since the Company's inception, the Company has financed its operations primarily through the cash it acquired in the QT and Concurrent Financing. The Company manages liquidity risk through maintaining sufficient cash to finance its operations and may seek additional financing from investors, if it is required to sustain the Company's operations and continue with its product development work. The Company intends to use its existing cash on hand to satisfy its continuing operating expenditures, commercial launch of Temozolomide and Capecitabine, as well as continued product development costs incurred with respect to WAV-101 and WAV-102. As at September 30, 2018, the Company did not have any debt recorded in its condensed consolidated interim financial statements.

OUTSTANDING SHARE CAPITAL

As of November 28, 2018, 54,000,000 Common Shares were issued and outstanding. Other outstanding securities convertible into Common Shares are summarized in the following table:

	Number Outstanding as of November 28, 2018	Number of Common Shares issuable upon exercise as of November 28, 2018	Number Outstanding as of September 30, 2018
Common shares issued and outstanding ⁽¹⁾⁽²⁾	54,000,000	54,000,000	54,000,000
Options ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	1,700,000	633,333	1,700,000
Warrants ⁽⁷⁾⁽⁸⁾	970,000	970,000	970,000

Notes:

- (1) On October 24, 2017, pursuant to the Amalgamation, 14,000,000 Buffalo Shares held by the shareholders of Buffalo converted into 14,000,000 Resulting Issuer Shares at the Buffalo Exchange Ratio at a deemed price of \$0.50 per Resulting Issuer Share.
- (2) On October 24, 2017, pursuant to the Amalgamation, 100 Old Waverley Shares held by the shareholder of Waverley converted into 40,000,000 Resulting Issuer Shares at the Waverley Exchange Ratio at a deemed price of \$0.50 per Resulting Issuer Share.
- (3) On October 24, 2017, pursuant to the Amalgamation, 300,000 Buffalo Options to purchase one (1) Buffalo Share were converted into Resulting Issuer Options at a 1:1 exchange ratio entitling the holder to purchase one (1) Resulting Issuer Share per Resulting Issuer Option at an exercise price of \$0.20 per Resulting Issuer Share.
- (4) On October 24, 2017, the Company granted 1,000,000 Options to certain directors and a consultant of the Company with each Option giving the holder the right to purchase one (1) Resulting Issuer Share at an exercise price of \$0.50 per Resulting Issuer Share.
- (5) On August 1, 2018 the Company granted 400,000 Options to certain directors and an officer of the Company and its subsidiaries with each Option giving the holder the right to purchase one (1) common share of the Company at an exercise price of \$0.26 per common share.
- (6) Subsequent to September 30, 2018, on October 24, 2018, 333,333 Options vested and became fully exercisable. Each Option provides the holder the right to purchase one (1) common share of the Company at an exercise price of \$0.50 per common share.
- (7) On October 24, 2017, pursuant to the Amalgamation, 200,000 Buffalo Warrants to purchase one (1) Buffalo Share were converted into Resulting Issuer Warrants at a 1:1 exchange ratio entitling the holder to purchase one (1) Resulting Issuer Share per Resulting Issuer Warrant at an exercise price of \$0.20 per Resulting Issuer Share.
- (8) On October 24, 2017, the Company granted 770,000 Buffalo Warrants as compensation to an agent of the Concurrent Financing to purchase one (1) Buffalo Share per Warrant which were converted into Resulting Issuer Warrants at a 1:1 exchange ratio entitling the holder to purchase one (1) Resulting Issuer Share per Resulting Issuer Warrant at an exercise price of \$0.50 per Resulting Issuer Share.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Board, the Chief Financial Officer ("CFO"), and effective August 1, 2018 the Current CEO of the Company are key management personnel. The Former CEO was considered key management during the three and nine months ended September 30, 2017 and during the three and nine months ended September 30, 2018 until his resignation, effective July 26, 2018. Compensation paid to CanAm (as defined below) for the services provided by the Former CEO was included within the compensation paid to key management personnel for the three and nine months ended September 30, 2018.

The following table details the compensation paid to key management personnel during the three and nine months ended September 30, 2018 and 2017:

	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Salaries, fees and short-term benefits	\$ 43,789	\$ -	\$ 106,289	\$ -
Stock-based compensation	66,690	-	181,065	-
	\$ 110,479	\$ -	\$ 287,354	\$ -

During the three and nine months ended September 30, 2018, the Company paid CanAm BioResearch Inc. ("CanAm"), a company controlled by a director of the Company a total of \$14,118 and \$79,743 (2017 – nil and nil) for contract CEO services, provided by the Former CEO.

During the three and nine months ended September 30, 2018, the Company paid Genesys Venture Inc. ("GVI"), a company controlled by a director of the Company, a total of \$2,363 and \$7,088, respectively (2017 – nil and nil) for rental of office space. Additionally, during the three and nine months ended September 30, 2018, the Company paid GVI \$8,528 and \$8,528, respectively for business administration expenses. During the three and nine months ended December 31, 2017, GVI paid expenses on behalf of the Company totaling nil and \$130, respectively.

During the three and nine months ended September 30, 2018, the Company paid GVI Clinical Development Solutions ("GVI CDS"), a company controlled by a director of the Company, a total of \$3,874 and \$12,645 (2017 – nil and nil) for regulatory affairs consulting. During the three and nine months ended September 30, 2017, GVI CDS advanced Canadian amounts totaling \$100,000 and \$106,000, respectively and US amounts totaling nil and \$26,125, respectively to fund the Company's operations.

As at September 30, 2018, included in accounts payable and accrued liabilities is \$1,069 (December 31, 2017 - \$2,186) payable to GVI, \$2,807 (December 31, 2017 - \$32,774) payable to GVI CDS, nil (December 31, 2017 - \$21,875) payable to CanAm, and \$8,684 payable to the Current CEO. These amounts are unsecured, payable on demand and non-interest bearing.

CRITICAL ACCOUNTING ESTIMATES

The preparation of condensed consolidated interim financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances.

Information about key assumptions and estimation uncertainties that have a risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

- Estimates of inputs into the valuation of stock based compensation
- Measurement and period of use of intangible assets
- Estimates of future enacted corporate tax rates

CRITICAL ACCOUNTING ESTIMATES (continued)

The condensed consolidated interim financial statements for the three and nine months ended September 30, 2018 have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Company is a research and development stage company and as such is primarily dependent on the funding of new investors to continue as a going concern. In the future, the Company's ability to continue as a going concern will be dependent upon its ability to attain profitable operations and generate funds therefrom, and if required, to continue to obtain borrowings from third parties sufficient to meet current and future obligations and/or restructure the existing debt and payables. The condensed consolidated interim financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue its operations.

OFF BALANCE SHEET ITEMS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company has no proposed transactions.

FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments at September 30, 2018 and December 31, 2017 consist of the following:

	September 30, 2018	December 31, 2017
Financial Assets		
Cash	\$ 3,205,682	\$ 4,856,242
Amounts receivable	95,997	28,226
Financial Liabilities		
Accounts payable and accrued liabilities	\$ (46,782)	\$ (189,826)
Current portion of license fee payable	(970,875)	(470,438)
License fee payable	-	(940,875)

Upon recognition of a financial asset, classification is made based on the business model for managing the asset and the asset's contractual cash flow characteristics. The financial asset is initially recognized at its fair value and subsequently classified and measured as (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). Financial assets are classified as FVTPL if they have not been classified as measured at amortized cost or FVOCI. Upon initial recognition of an equity instrument that is not held-for-trading, the Company may irrevocably designate the presentation of subsequent changes in the fair value of such equity instrument as FVTPL. As a result of the adoption of IFRS 9, the Company measures its cash and amounts receivable at amortized cost.

The Company recognizes a financial liability on the trade date in which it becomes a party to the contractual provisions of the instrument at fair value plus any directly attributable costs. Financial liabilities are subsequently measured at amortized cost or FVTPL, and are not subsequently reclassified. As a result of the adoption of IFRS 9, the Company measures its accounts payable and accrued liabilities, current portion of license fees payable and license fees payable at amortized cost.

An "expected credit loss" impairment model applies which requires a loss allowance to be recorded on financial assets measured at amortized cost based on their expected credit losses. An estimate is made to determine the present value of future cash flows associated with the asset, and if required, an impairment loss is recorded. The impairment loss reduces the carrying value of the impaired financial asset to the value of the estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate is recorded either directly or through the use of an allowance account and the resulting impairment loss is recorded in profit or loss.

FINANCIAL INSTRUMENTS AND RISKS (continued)

The Company is exposed to United States dollar currency risk through the following United States dollar denominated financial assets and liabilities:

(Expressed in United States dollars)	September 30, 2018	December 31, 2017
Cash	\$ 107,750	\$ 174,790
Amounts receivable	22,539	20,000
Accounts payable and accrued liabilities	(6,649)	(76,118)
Current portion of license fee payable	(750,000)	(375,000)
License fee payable	-	(750,000)
	\$ (626,360)	\$ (1,006,328)

As at September 30, 2018, the Company is exposed to European euro currency risk associated with accounts payable totaling €11,307 at September 30, 2018. The Company was not exposed to any known currency risk associated with the European euro as at December 31, 2017.

NEW STANDARDS AND INTERPRETATIONS

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements for the three and nine months ended September 30, 2018 are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2017, except for the adoption of new standards effective as of January 1, 2018. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Set out below is the impact of the mandatory adoption of new standards:

IFRS 9, *Financial Instruments* ("IFRS 9")

Effective January 1, 2018, the Company has adopted IFRS 9 retrospectively. Prior periods were not restated and no material changes resulted from adoption of this new standard. IFRS 9 introduced a revised model for classification and measurement, which has resulted in several financial instrument reclassification changes by the Company. There were no quantitative impacts from adoption of IFRS 9.

Upon recognition of a financial asset, classification is made based on the business model for managing the asset and the asset's contractual cash flow characteristics. The financial asset is initially recognized at its fair value and subsequently classified and measured as (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). Financial assets are classified as FVTPL if they have not been classified as measured at amortized cost or FVOCI. Upon initial recognition of an equity instrument that is not held-for-trading, the Company may irrevocably designate the presentation of subsequent changes in the fair value of such equity instrument as FVTPL. As a result of the adoption of IFRS 9, the Company measures its cash and amounts receivable at amortized cost.

The Company recognizes a financial liability on the trade date in which it becomes a party to the contractual provisions of the instrument at fair value plus any directly attributable costs. Financial liabilities are subsequently measured at amortized cost or FVTPL, and are not subsequently reclassified. As a result of the adoption of IFRS 9, the Company measures its accounts payable and accrued liabilities, current portion of license fees payable and license fees payable at amortized cost.

An "expected credit loss" impairment model applies which requires a loss allowance to be recorded on financial assets measured at amortized cost based on their expected credit losses. An estimate is made to determine the present value of future cash flows associated with the asset, and if required, an impairment loss is recorded. The impairment loss reduces the carrying value of the impaired financial asset to the value of the estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate is recorded either directly or through the use of an allowance account and the resulting impairment loss is recorded in profit or loss.

NEW STANDARDS AND INTERPRETATIONS (continued)

IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15")

Effective January 1, 2018, the Company has adopted IFRS 15 retrospectively. Prior periods were not restated and no material changes resulted from adoption of this new standard. IFRS 15 provides a model for the recognition and measurement of gains or losses from sales of some non-financial assets. The core principle is that revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple element arrangements. There were not quantitative impacts from adoption of IFRS 15.

As at September 30, 2018, the following standard has been issued but is not yet effective:

IFRS 16, *Leases* ("IFRS 16")

In January 2016, the IASB issued IFRS 16 which requires lessees to recognize assets and liabilities for most leases. Lessees will have a single accounting model for all leases, with certain exemptions. The new standard is effective January 1, 2019, with limited early application permitted. The new standard permits lessees to use either a full retrospective or a modified retrospective approach on transition for leases existing at the date of transition, with options to use certain transition reliefs. The Company is currently evaluating the impact of the above amendments on its condensed consolidated interim financial statements.

RISKS AND UNCERTAINTIES

The following are certain factors relating to the business of the Company. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also impair operations of the Company. If any such risks actually occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its plans could be adversely affected.

Lack of Operating History

The Company has not commenced commercial operations, has no significant assets other than cash, has no history of earnings and shall not generate earnings or pay dividends until at least after approval of the products in its territories.

Substantial Capital Requirements

Substantial additional funds for the establishment of the Company's planned operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities. To meet such funding requirements, the Company may be required to undertake additional equity financing, if available, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Competition

The health care industry is intensely competitive in all its phases. The Company competes with other companies that have greater financial resources. Competition could adversely affect the Company's ability to acquire suitable prospects in the future.

Financing Risks and Dilution to Shareholders

The Company has limited financial resources, no operations and no revenues as of September 30, 2018, but subsequently has started operations and begun to generate revenue. If the Company's business plan is successful, additional funds will be required. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favorable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

RISKS AND UNCERTAINTIES (continued)

Price Volatility of Public Stock

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's shares will be subject to market trends generally and the value of the Company's shares on a stock exchange may be affected by such volatility.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Conflicts of Interest

The Company's directors and officers may serve as directors and officers, or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the CBCA in dealing with conflicts of interest. These provisions state, where a director/officer has such a conflict, that the director/officer must at a meeting of the Board, disclose his interest and refrain from voting on the matter unless otherwise permitted by the CBCA. In accordance with the laws of Canada, the directors and officers of the Company are required to act honestly, in good faith and in the best interest of the Company.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning Waverley's expenses are provided in the Company's statement of loss and note disclosures contained in its financial statements for the year ended December 31, 2017. These statements are available on Waverley's SEDAR page accessed through www.sedar.com.

Dividends

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for corporate and business development activities. Any future determination to pay dividends will be at the discretion of the Board and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the Board deems relevant.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

In contrast to the certificate required under National Instrument 52-109 Certificate 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, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. 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.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Qualifying Transaction

On October 24, 2017, the Company closed the QT involving the Company and Old Waverley. As a result, the Company is listed as a Tier 2 issuer on the Exchange under the symbol "WAVE". In conjunction with the QT, the Company raised \$5,500,000 through a brokered private placement led by PI.

Under the agreement, the Company and Old Waverley completed a non-arm's length business combination transaction by way of the Amalgamation pursuant to the CBCA to continue as the Resulting Issuer, Waverley Pharma Inc. Each Buffalo Share that was outstanding immediately prior to the Amalgamation (other than Buffalo Shares held by Buffalo Shareholders who exercised their dissent rights) was converted into one (1) issued, fully paid and non-assessable Resulting Issuer Share at a deemed price of \$0.50 per Resulting Issuer Share. Each Class "A" Old Waverley Common Share that was outstanding immediately prior to the Amalgamation (other than Waverley Shares held by Old Waverley Shareholders who exercised their dissent rights) was converted into 400,000 issued and fully paid and non-assessable Resulting Issuer Shares at a deemed price of \$0.50 per Resulting Issuer Share. As a result, the former holders of Buffalo Shares held, in the aggregate 14,000,000 Resulting Issuer Shares representing approximately 25.9% of the outstanding Resulting Issuer Shares and the former holder of Old Waverley Shares held, in the aggregate 40,000,000 Resulting Issuer Shares representing approximately 74.1% of the outstanding Resulting Issuer Shares.

A condition to the completion of the Amalgamation was that the Company complete a financing for gross proceeds of up to \$5,000,000. Immediately prior to the completion of the Amalgamation, The Company completed a brokered private placement of 11,000,000 Buffalo Shares at an issue price of \$0.50 per share for aggregate gross proceeds of \$5,500,000 and representing an oversubscription of 1,000,000 Buffalo Shares (10%) over the amount of the Concurrent Financing previously announced. PI was engaged to act as lead agent in connection with the Concurrent Financing and will be paid a cash commission of 7% of the gross proceeds of the Concurrent Financing, as well as receiving 770,000 warrants which shall entitle PI to acquire one Resulting Issuer Share per warrant, at a price of \$0.50 for a period of 24 months following the completion of the Amalgamation.

Qualifying Transaction (continued)

Proceeds of the Concurrent Financing are anticipated to be used for planning, preparation and execution of the Company's regulatory strategy and business development and partnering activities, to pay the costs associated with the Concurrent Financing and for working capital and other corporate purposes.

Concurrent with the completion of the QT, the Resulting Issuer also issued an aggregate of 1,000,000 Options to certain directors, an officer and a consultant of the Company. The options have an exercise price of \$0.50, vest in tranches over a period of three years and expire 10 years from the date of grant.

On October 27, 2017, the Resulting Issuer began trading on the Exchange under the symbol "WAVE". As a result of the foregoing, and as at October 27, 2017, the Resulting Issuer had an aggregate of 54,000,000 common shares issued and outstanding and 1,300,000 Options and 970,000 warrants to purchase common shares outstanding.

Approval

The Board oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee intends to meet periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board and submitted to the shareholders of the Company. The Board of the Company has approved the financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Dated: November 28, 2018