EASTWOOD BIO-MEDICAL CANADA INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED JULY 31, 2018

GENERAL

Set out below is a review of the activities, results of operations and financial position of Eastwood Bio-Medical Canada Inc. ("EBMC" or the "Company"). This Management's Discussion and Analysis ("MD&A"), dated as of October 1, 2018 should be read in conjunction with the audited financial statements of the Company for the year ended October 31, 2017, and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The presentation and functional currency of the Company is the Canadian dollar, unless otherwise stated. The Company is a reporting issuer in the provinces of British Columbia, Alberta, and Ontario in Canada and is listed on the TSX Venture Exchange under the symbol "EBM". Additional information related to the Company is available on SEDAR at www.sedar.com.

CAUTIONARY NOTES REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking information and forward-looking statements within the meaning of applicable securities legislation (collectively "forward-looking statements"). Forward-looking information may include financial and other projections, as well as statements regarding future events, plans, objectives or economic performance, or the assumption underlying any of the foregoing. The use of any of the words "may", "would", "could", "will", "likely", "except", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", and other similar expressions are intended to identify forward-looking statements.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. In evaluating these statements, the prospective purchasers should not place undue reliance on any such forward-looking information and should specifically consider various factors, including the risks outlined under 'Risk Factors'. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business 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 statements.

As at July 31, 2018, the Company has working capital of $1,932,708, and has incurred accumulated loss of $2,473,052 since incorporation. The Company possesses $804,659 in cash. The continuation of the Company as a going concern is dependent upon its ability to attain profitable operations. In the event that the cash flow from operations are insufficient to meet the Company's current operating expenses, the Company will be required to scale back and re-evaluate its planned expenditures and allocate its resources in such a manner as the Board of Directors and the management deems to be in the Company's best interest. To the extent that the Company is unable to cover its ongoing cash requirements through operations, additional financing will be needed. However, there can be no assurance that such financing will occur in the amounts and with the terms expected in favor of the Company.

BUSINESS OVERVIEW AND OPERATIONS

Eastwood Bio-Medical Canada Inc. (the "Company") was incorporated under the provincial Business Corporations Act (British Columbia) on December 10, 2010 and its registered office is at Unit 1130-4871 Shell Road, Richmond, BC, Canada, V6X 3Z6. The Company was formerly 100% owned by Eastwood Bio-Medical Research Inc. ("EBMR"), a privately owned Canadian company engaged in the development and commercialization of safe and effective treatment for non-insulin dependent diabetes mellitus (NIDDM-Type II diabetes). EBMR has commenced commercial operations to market and distribute its core technology, Eleotin®, to facilitate the management of metabolic disorders such as diabetes. The Company was listed on the TSX Venture Exchange (the "Exchange") as "EBM" on September 5, 2014.

BUSINESS OVERVIEW AND OPERATIONS (CONTINUED)

On July 4, 2013, EBMR subdivided the one issued and outstanding common share of the Company into 48,000,000 common shares of the Company. All share and per share information presented in these financial statements has been adjusted to reflect the impact of the stock split.

During the year ended October 31, 2014, the Company successfully completed its initial public offering. Jordan Capital Markets Inc. acted as agent in connection with the offering. Pursuant to the offering, the Company issued 3,135,400 common shares of the Company at 25 cents per common share for gross proceeds of $783,350. In addition to the common shares sold under the offering, the distribution of 16,220,569 common shares issued upon the conversion of 15,062,270 special warrants previously distributed by the Company was qualified under the prospectus prepared in connection with the initial public offering. The Company now has 68,885,969 common shares issued and outstanding. The full disclosure concerning the Company's share capitals is included and discussed in Note 7.

Effective on November 1, 2012, the Company entered into a Distribution and Licensing Agreement with its EBMR Company ("License Agreement"), pursuant to which the Company became the exclusive distributor in Canada and non-exclusive distributor in the US for sales and distributing the EBMR Company's products. Pursuant to the Distribution and Licensing Agreement, the Company shall purchase the products from the EBMR Company at pre-agreed upon purchase prices. The agreement will be valid for a period of ten years, and will automatically renew for subsequent terms of five years. Effective March 17, 2014, the Company amended and restated the License Agreement. Pursuant to this Amended and Restated Distribution and License Agreement (the "Current Agreement"), the pre-agreed upon purchase price was amended to pre-agreed upon percentage of the suggested retail price set by EBMR on products sold.

On December 12, 2012, the Company entered into Management and Administrative Service Agreement with the EBMR Company ("Management Agreement"), pursuant to which the Company will make a payment of $253,000 per year to the EBMR Company in return for the management and support services provided by EBMR to the Company. This amount will cover the general administration expenses that would otherwise be incurred by EBMC, including payroll and related employee expenses, office premise and equipment rental, meals and entertainment expenses, bank charges, depreciation expenses, general insurance and general office expenses, etc. EBMR has the right to change the management fee amount from time to time on 30 days notice. There has been no change to the Management Agreement since 2012.

On June 19, 2015, the Company entered into a Memorandum of Understanding with EBMR ("MOU"), pursuant to which the Company is permitted to sell certain products to selected sub-distributors located in Asia. The Company shall purchase the products from EBMR at pre-agreed upon purchase price. EBMR retains the right to revoke the MOU at any time

The principal business carried on by the Company is marketing and distributing natural health products in North America. The Company is a licensed distributor of the Eleotin® line of products, which include formulations based on natural ingredients that are presented in tea or capsule forms. The Eleotin® products include natural remedies for certain metabolic disorders such as blood glucose disorders, hypertension and obesity, and can be used as a dietary supplement. Nine (9) of the Company's licensed products have secured Health Canada product license numbers to date and are (a) Eleotin® A 700 (treatment for spleen deficiency, lack of appetite, and fatigue); (b) Eleotin® AL88 (laxative); (c) Eleotin® Cal20 (bone and teeth maintenance); (d) Eleotin® V3D (development and maintenance of bones, teeth and good health); Eleotin® G2000 (cardiovascular health); (f) Eleotin® H55 (sedative and tension relief); and (g) Eleotin® Zn330 (tissue formation and metabolism). Additionally, Eleotin® Bentley and Eleotin® LBM recently received Health Canada product license numbers. Eleotin® Bentley is used to promote healthy glucose levels while Eleotin® LBM is recommended for hypertension relief. The Company also intends to allocate resources towards research and development of new products.

RISK FACTORS

Risks Related to the Business and Industry

Inability to Implement Our Business Strategy

The growth and expansion of EBMC's business is heavily dependent upon the successful implementation of its business strategy. There can be no assurance that EBMC will be successful in the implementation of its business strategy.

Limited Operating History in Marketing

While EBMR has been operating since 1996, EBMC itself has a limited operating history on which to evaluate is business. EBMC's management has limited experience in marketing. EBMC may not be successful in addressing its operating challenges such as developing brand awareness and expanding its market presence. EBMC's prospects for profitability must be considered in light of its evolving business model. These factors make it difficult to assess EBMC's prospects. There can be no assurance that EBMC will be able to achieve its growth objectives or maintain rates of growth.

Pricing and Marketing Strategies

EBMR has devised a marketing strategy for the next 12 months and has developed product pricing strategies based on past experience and assessment of comparable products in the natural health products sector. Management expects that the Company's marketing and pricing strategies will play a significant role in determining whether the Company can increase sales revenues over the next 12 months. There is no guarantee that the marketing and pricing strategies that will be implemented by the Company will be successful.

Reliance Upon Management

EBMC's success is dependent on key management personnel, as well as the personal efforts and commitment of management. Should EBMC lose the services of one or more key management personnel, the ability of EBMC to achieve its objectives could be adversely affected if EBMC is unable to attract and retain qualified replacements. EBMC does not currently maintain key person insurance on any members of management.

Negative Cash Flow

The Company plans to use the proceeds from the Offering to carry out marketing activities with a view to increasing sales revenues. There is no guarantee that the Company's marketing efforts will be successful or that revenues will increase significantly over the next 12 months. Consequently, there is a risk that the Company will experience negative cash flow as it attempts to increase sales through increased expenditure on more wide-scale marketing of its products.

Competition

EBMC will compete with a number of other companies, suppliers and scientists, including multinational corporations that have established market shares. No assurances can be given that EBMC will be able to effectively compete with its competitors. Market acceptance of the products and services of EBMC will depend up on aggressive efforts on EBMC's part to inform potential customers of the products' distinctive characteristics and attributes. Although EBMC may have products and services offering advantages over the products and services offered by its competitors, there can be no assurance that the necessary market share will be attained. Competitors and potential competitors of EBMC may have substantially greater product development capabilities and financial, scientific, marketing and human resources than EBMC.

Regulation

In both the U.S. and Canadian markets, the labeling, handling, distribution, import, export, licensing, sale and storage of EBMC's products are affected by a body of laws, governmental regulations, administrative determinations, court decisions, and similar constraints. Such laws, regulations and other constraints can exist at the federal, provincial, or local levels in Canada, and at federal, state, or local levels in the U.S. The legal requirements with which EBMC will need to comply relate to the following:

RISK FACTORS (CONTINUED)
Risks Related to the Business and Industry

- the formulation, manufacturing, packaging, labelling, distribution, importation, sale, and storage of Eleotin® products;
- the health and safety of dietary supplements, cosmetics and foods;
- trade practice laws and direct marketing laws;
- product claims and advertising by EBMC's independent consultants and distributors; and
- export and import restrictions.

There can be no assurance that EBMC is in compliance with all of these laws, regulations, and other constraints. Failure by EBMC to comply with these laws, regulations and other constraints or new laws, regulations or constraints could lead to the imposition of significant penalties or claims and could negatively impact EBMC's business. In addition, the adoption of new laws, or other constraints in the interpretations of such requirements, might result in significant compliance costs or lead EBMC to discontinue product sales and could have an adverse effect on the marketing of EBMC's products.

There has been an increasing movement in the U.S. and other markets to increase the regulation of dietary supplements, which will impose additional restrictions or requirements. In addition, there has been increased regulatory scrutiny of nutritional supplements and marketing claims under existing and new regulations. For example, the United States Food and Drug Administration has implemented good manufacturing practices for the U.S. nutritional supplement industry. Increased regulatory scrutiny of nutritional supplements as well as new regulations that are being adopted in some markets with respect to nutritional supplements could result in more restrictive regulations and harm EBMC's operations if EBMC's products or advertising activities are found to violate existing or new regulations or if EBMC is not able to affect necessary changes to EBMC's products in a timely and efficient manner to respond to new regulations.

Regulations Governing Product Claims and Advertising
The Company intends to use the proceeds of the Offering in part to carry out marketing activities to promote the sale of its products. The Company will strive to comply with applicable regulations in relation to claims regarding its products in its marketing efforts, on its website and in product packaging and promotional material. Nonetheless, it is possible that the Company could unknowingly violate regulations applicable to claims it makes regarding its products. The Company's failure to comply with regulations that cover product claims and advertising may result in enforcement actions and imposition of penalties or otherwise materially and adversely affect the distribution and sale of the Company's products.

Technological and Product Development Risks
The industry in which EBMC operates is characterized by intense competition, and rapid and substantial change. There can be no assurance that developments by others will not render EBMC's products or technologies non-competitive or that EBMC will be able to keep pace with technological developments. EBMC's competitors may have developed or may be developing product candidates that could become the basis for competitive products.

Some of EBMC's larger competitors may have greater financial and other resources, more products that have received regulatory approvals, greater pricing flexibility, greater knowledge of local market conditions where it seeks to increase sales; stronger brand recognition, and larger sales and distribution networks. As a result, EBMC may be unable to market its products as effectively as its competitors or otherwise respond successfully to competitive pressures.

RISK FACTORS (CONTINUED)
Risks Related to the Business and Industry

Consumer Preferences and Discretionary Spending
EBMC is subject to changing consumer trends and preferences, including rapid and frequent changes in demand for products, new product introductions, and enhancements. The failure to accurately predict these trends could negatively impact consumer opinions of EBMC products, which in turn could harm EBMC's relationships with independent consultants and cause a loss of sales. The success of new product offerings and enhancements depends upon a number of factors, including the ability to accurately anticipate consumer needs, innovate and develop new products or product enhancements that meet these needs, successfully commercialize new products or product enhancements in a timely manner, price Eleotin® products competitively, manufacture and deliver products in sufficient volumes and in a timely manner, and differentiate Eleotin® product offerings from those of its competitors.

Adverse or Negative Publicity
EBMC's business will depend, in part, on the public's perception of its integrity and the safety and quality of its products. Any adverse publicity could negatively affect the public's perception about the company's products or the reputation of EBMC could result in a significant decline in EBMC's operations. Specifically, EBMC is susceptible to adverse or negative publicity regarding skeptical consumers, competitors, the safety and quality of Eleotin® products and/or ingredients, regulatory investigations of Eleotin® products or competitors' products, and the actions of EBMC's distributors.

Lack of Product Liability Insurance
EBMC does not currently have insurance covering liabilities that may result from the use of its products. EBMC intends to obtain such insurance coverage but there can be no assurance that it will be able to obtain such insurance or, if obtained, that such insurance can be acquired in sufficient amounts to protect EBMC against liability or at a reasonable const. The obligation to pay any product liability or related claim in excess of whatever insurance EBMC is able to acquire, or the recall of any of its products, could have a material adverse effect on the business, financial condition, and future prospects of EBMC.

Product Liability Claims
As a retailer and marketer of products designed for human consumption, the Company may be subject to product liability claims if the use of its products is alleged to have resulted in injury. The Company's products could contain contaminated substances and even if this is not the case, previously unknown adverse reactions resulting from human consumption could occur. The Company's products are produced by a third-party manufacturer. As a result, the Company may be liable for various product liability claims for products it does not manufacture. The Company may in the future be subject to various product liability claims, including, among others, that the Company's products include inadequate instructions for use or inadequate warnings concerning possible side effects and interactions with other substances. A product liability claim against the Company could result in increased costs and could adversely affect its reputation with its customers, which in turn could have a material adverse effect on the Company's business, results of operations, financial condition and cash flows.

Product Recalls
The Company may be exposed to product recalls and adverse public relations if its products are alleged to cause injury or illness or if the Company is alleged to have violated governmental regulations. A product recall could result in substantial and unexpected expenditures, which would reduce operating profit and cash flow. In addition, a product recall may require significant management attention. Product recalls may hurt the value of the Company's brand and lead to decreased demand for its products. Product recalls may also lead to increased scrutiny by federal, provincial or international regulatory agencies of the Company's operations and increased litigation and could have a have a material adverse effect on the Company's business, results of operations, financial condition and cash flows.

RISK FACTORS (CONTINUED)
Risks Related to the Business and Industry

Failure to Expand Business in Existing Markets
EBMC's current market is in the U.S. and Canada. Failure to further penetrate existing markets may negatively impact EBMC's operating results. The ability to further penetrate existing markets is subject to numerous factors, many of which are beyond the control of EBMC, including government regulations, and the finite number of individuals in a given area inclined to pursue direct marketing opportunities. Growth will depend upon improved training and other activities that enhance retention of independent consultants in EBMC's current markets.

Limited Product Line
The Company currently offers a limited number of products under the Eleotin® brand. If demand for any of these products decreases significantly, government regulation restricts the sale of these products, the Company is unable to adequately source or deliver these products, or ceases offering any of these products for any reason without a suitable replacement, its business, financial condition and results of operations could be materially and adversely affected.

Reliance on Third Party Manufacturer and Suppliers
All of the Company's products are currently manufactured by a third party manufacturer for EBMR. Raw materials are supplied by specialized growers of natural compound bearing plants in China. There is no assurance that EBMR's current manufacturer and suppliers will continue to reliably supply products to EBMR at the level of quality the Company requires. If any of these third parties suffer liquidity or operational problems, the supply of the Company's products by EBMR could be affected. If the manufacturer becomes insolvent or is forced to lay off employees assisting with the production of the Company's products, the Company's business could be adversely affected. In the event any of EBMR's suppliers or product manufacturer becomes unable or unwilling to continue to provide the products in required volumes and quality levels at acceptable prices, EBMR will be required to identify and obtain acceptable replacement manufacturing or supply sources. There is no assurance that reliable manufacturers or suppliers could be located and retained on a timely basis. An extended interruption in the supply of the Company's products would result in a substantial loss of sales. In addition, any actual or perceived degradation of product quality as a result of the Company's reliance on third party manufacturers and suppliers may have an adverse effect on sales or result in increased product returns and buybacks. The risk related to supply is mitigated by the fact that EBMR sources raw materials from suppliers in bulk and retains healthy supplies. The Company intends to mitigate the risk related by manufacturing by eventually carrying out its own production.

Patent Infringement
While management believes that the Company's products and operations do not violate the intellectual property rights of any third parties, other parties could bring legal actions against the Company (or EBMR, from which the Company licenses the right to distribute its products) claiming damages and seeking to enjoin the marketing of the Company's products for allegedly conflicting with patents held by them. Any such litigation could result in substantial cost to the Company and diversion of effort by its management and technical personnel. If any such actions are successful, in addition to any potential liability for damages, EBMR or the Company could be required to obtain a license in order to continue to market the affected products. There can be no assurance that EBMR or the Company would prevail in any such action or that any license required under any such patent would be made available on acceptable terms, if at all. Failure to obtain needed patents, licenses or proprietary information held by others may have a material adverse effect on the Company's business. In addition, if the Company were to become involved in such litigation, it could consume a substantial portion of the Company's time and resources. If EBMR alone, and not the Company, is named in any action involving intellectual property rights, there can be no assurance that EBMR will have the resources, financial or otherwise, to defend against any challenges involving such intellectual property rights.

RISK FACTORS (CONTINUED)
Risks Related to the Business and Industry

Infrastructure Capabilities
If EBMC's advertising is extremely successful and results in a large increase in affiliate recruitment, it may be unable to handle the growth from an operational perspective. Increasing demands on its infrastructure could cause long hold times in EBMC's call center as well as delays on its website. In addition, there could be delays in order processing, packaging and shipping. EBMC could run out of a majority of its inventory if growth exceeds its production capacity. If these difficulties are encountered in a period of hyper-growth, then EBMC's operating results could suffer.

Failure of Information Technology System
EBMC's operations could suffer as a result of a failure of its information technology system. EBMC's business is dependent upon an information technology infrastructure to effectively manage and operate several key business functions, including order processing, customer service, commission processing, and payments. These systems and operations are vulnerable to damage and interruption from fires, earthquakes, telecommunications failures, and other events. They are also subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct. Any such errors or inadequacies in the software that may be encountered could adversely affect operations, and such errors may be expensive or difficult to correct in a timely manner.

Global Economic and Financial Downturn
The economic and financial downturns of recent years, including declining consumer spending and reduced access to credit, is indicative of the risks which may adversely affect EBMC's business. A prolonged downturn in the economy could adversely impact sales of EBMC products and its ability to attract independent consultants. During the recent downturns, consumer purchases of discretionary items such as Eleotin® products were adversely affected, which could continue to have an adverse effect on EBMC' business, financial condition, profitability and cash flows.

Economic deterioration may limit EBMC's access to capital. Any significant reduction in sales or of the number of affiliates could materially and adversely impact EBMC's results of operations, financial condition and liquidity, which, in turn, could adversely affect its access to additional capital. There can be no assurance that the current economic and financial crisis will not require EBMC to obtain additional capital or financing or that such capital or financing will be available on commercially reasonable terms.

Currency Exchange Rates
Fluctuations in currency exchange rates could reduce the overall profits of EBMC. There is a risk EBMC's reported sales, operating expenses, and net income could significantly fluctuate according to the changes in value of the U.S. and Canadian dollars. EBMC is not able to predict the degree of exchange rate fluctuations, nor can it estimate the effect any future fluctuations may have upon its future operations.

Other Risks
Acts of God, war, sabotage and terrorist attacks or any similar risk may affect EBMC's operations in unpredictable ways, including disruptions of the shopping and commercial behaviour of customers, changes in the insurance markets and disruptions of financial markets. Circumstances and conditions may change. Accordingly, additional risks and uncertainties not currently known, or that are not currently deemed material, may also adversely affect business operations.

OVERALL PERFORMANCE

As at July 31, 2018, the Company has working capital of $1,932,708, compared to $2,762,203 as at October 31, 2017 a decrease of $829,495. The Company has incurred accumulated loss of $2,473,052 since incorporation. The Company possesses $804,659 in cash. During the nine months ended July 31, 2018 and 2017, the Company generated a total of $329,836 and $391,428 in total revenue, respectively, a decrease of $61,592. The decrease in sales was primarily driven by the poor sales performance in Asian's market. The Company reported higher general and administrative expenses for the nine months ended July 31, 2018. These expenses amounted to $731,427 and $594,121 for the nine months ended July 31, 2018 and 2017, respectively, an increase of $137,306. The Company recorded a net loss and comprehensive loss of $527,174 for the nine months ended July 31, 2018, compared to $365,515 for the nine months ended July 31, 2017.

SUMMARY OF COMPARATIVE FINANCIAL INFORMATION

For the Period	Three Months Ended July 31, 2018 $	Nine Months Ended July 31, 2018 $	Three Months Ended July 31, 2017 $	Nine Months Ended July 31, 2017 $
Total Revenue	164,688	329,836	126,329	391,428
Net Loss and Comprehensive Loss	162,570	527,174	131,886	365,515
Loss Per Common Shares	0.00	0.00	0.01	0.01
Cash		804,659		1,238,447
Short-Term Loan Receivable from Related Parties		1,135,000		1,392,928
Total Assets		2,385,364		2,833,321
Total Liabilities		123,335		41,650
Long-Term Liabilities		N/A		N/A

For the Year Ended	Year Ended October 31, 2017 $	Year Ended October 31, 2016 $
Revenue	479,729	463,933
Net Loss and Comprehensive Loss	502,764	468,479
Loss Per Common Shares	0.01	0.01
Cash	1,271,380	1,530,227
Purchase Deposits and Prepaid Expenses	81,650	257,914
Short-Term Loan Receivable from Related Parties	1,455,909	1,405,653
Total Assets	2,836,730	3,243,084
Total Liabilities	55,755	35,565
Long-Term Liabilities	N/A	N/A

RESULTS OF OPERATIONS

Sales

Effective on November 1, 2012, the Company entered into a Distribution and Licensing Agreement with EBMR, pursuant to which the Company became the exclusive distributor in Canada, and non-exclusive distributor in the US for EBMR's products. On June 19, 2015, the Company entered into a Memorandum of Understanding with EBMR ("MOU"), pursuant to which the Company is permitted to sell certain products to selected sub-distributors located in Asia. The Company shall purchase the products from EBMR at pre-agreed upon purchase price. EBMR retains the right to revoke the MOU at any time. During the three and nine months ended July 31, 2018, the Company generated a total sales revenue of $164,688 and $329,836, respectively, compared to $126,329 and $391,428 for the three and nine months ended July 31, 2017, an increase of $38,359 and a decrease of $61,592, respectively. The overall decrease in sales was primarily driven by the poor sales performance in Asian's segment. Sales consisted of sales revenue and freight revenue. Canadian sales accounted for 28.1%, US sales accounted for 45.4% and Asian sales accounted for 26.5% of the total sales revenue. Sales to date have been generated mostly through word of mouth and Internet sales, with limited additional sales made through conventional distributors.

The Company has almost 18,000 registered clients in the US and Canada who became the clients of the Company mostly through word of mouth and referrals. Given the significant historical success with referral sales, the Company expects to capitalize on this within the natural health products industry, by also offering its products through direct marketing companies. As people are most comfortable trying health related products recommended by family and friends rather than products initially brought to their attention through traditional advertising channels, direct marketing has been a successful medium in the past, for natural health related products.

The Company has moved in the direction of launching a direct marketing program in North America. Occasionally, the Company will be hosting sales parties. Eleotin® products serve the clients better when close personal communications and extensive education about metabolism disorders accompany them. These meetings would not only familiarize potential clients with Eleotin® products, but also with a wide range of life style improvements such as scheduling exercise times into busy lifestyles, and recommending foods to avoid or add to diets.

The Company also plans to hire health care professionals such as licensed nutritionists, nurses, diabetes educators, medical doctors, and alternative medical service providers to give health related opinions and counseling. These professionals would be providing their insight both during and outside the sales events the Company hosts.

Cost of Purchases

Under the terms of the Distribution and Licensing Agreement, EBMR is the supplier of the Eleotin® products and the Company shall purchase the products from EBMR at a pre-agreed price. For the three and nine months ended July 31, 2018, the cost of purchases were $105,653 and $184,660, respectively, representing 64.2% and 56.0% of the total sales, respectively, compared to $53,000 and $229,364, representing 42.0% and 58.6%, respectively, of the total sales for the corresponding period of 2017. Cost of purchases consisted of the purchase cost of Eleotin® products, freight expenses as well as the processing fees paid to merchant accounts. The increase in cost of purchases mainly due to the higher costs paid to EBMR for certain custom-made products.

Gross Profit

For the three and nine months ended July 31, 2018, the Company recorded a gross profit of $59,035 and $145,176, respectively, representing 35.8% and 44.0%, respectively of the total sales revenue, compared to $73,329 and $162,064, respectively, representing 58.0% and 41.4%, respectively of the total sales revenue for the three and nine months July 31, 2017. In comparison, gross profit has fluctuated significantly as a percentage of sales over the reported periods. The increase in gross profit was driven primarily by the higher margins of certain custom-made products.

Accounting and Audit Fees
Accounting and audit fees amounted to $nil and $42,000 for the three and nine months ended July 31, 2018, respectively, compared to $nil and $40,660 for the corresponding periods of previous year. Accounting and audit fees consisted of consultation fees and auditing of the Company's annual financial statements.

Advertising and Marketing Fees
Advertising and marketing activities amounted to $39,083 and $126,990 for the three and nine months ended July 31, 2018, respectively, compared to $58,193 and 65,172 for the same corresponding periods in prior year, an overall increase of $61,818. New marketing efforts have been introduced and implemented by the Company during the periods. The Company continues to rely heavily on word of mouth, referrals, Internet sales and its current conventional distributors. In addition to the traditional marketing efforts, the Company spent a significant amount of advertising and marketing fees on online social networking such as Facebook. The Company intends to increase its advertising and marketing budgets to bring its sales to the next level by implementing series of strategic marketing plans.

Consulting Fees
Consulting fees for the three and nine months ended July 31, 2018 amounted to $15,000 and $47,450, respectively, compared to $16,200 and $46,200 for the three and nine months ended July 31, 2017, respectively, an overall increase of $1,250. The consulting fees consisted of remuneration paid to the CEO, CFO and directors of the Company for their services provided to the Company. During the nine months ended July 31, 2018, amount of $27,000 (2017: $27,000) consulting fee was incurred/paid to the CEO and director of the Company for services provided. During the nine months ended July 31, 2018, amount of $18,000 (2017: $18,000) consulting fee was incurred/paid to the CFO and director of the Company for services provided. During the nine months ended July 31, 2018, amount of $2,450 (2017: $1,200) accounting fee was incurred/paid to the director of the Company for services provided. Information on related party transactions is provided in Note 8 of the condensed interim financial statements for the nine months ended July 31, 2018.

Legal Fees
The Company incurred $17,202 in legal fees for the nine months ended July 31, 2018, compared to $9,776 for the same corresponding period in prior year. The legal fees consisted primarily of the cost of general legal matters, the preparation of legal documents and filing of the Company's interim financial statements.

Management Fees
In December of 2012, the Company entered into the Management and Administrative Service Agreement pursuant to which the Company will make a payment of $253,000 per year to EBMR in return for the management and support services provided by EBMR. This amount will cover the general administration expenses that would otherwise be incurred by the Company, including payroll and related employee expenses, office premise and equipment rental, meals and entertainment expenses, bank charges, depreciation expense, general insurance and general office expenses, etc. EBMR has the right to change the management fee amount from time to time on 30 days' notice. There has been no change to Management Agreement since 2012. During the three and nine months ended July 31, 2018, the Company incurred $63,250 and $189,750, respectively, compared to $63,250 and $189,750 for the three and nine months ended July 31, 2017, in management fee to the EBMR.. Information on related party transactions is provided in Note 8 of the condensed interim financial statements for the nine months ended July 31, 2018.

Other Income
During the year ended October 31, 2017, the Company entered into loan extension agreements with EBMR, for a total loan amount of $1.44 million. The loan is secured against EBMR's real estate assets, repayable in 12 months and bears interest at 2 per cent per annum, payable annually in arrears. The proceeds of the loan will be used by EBMR for production facility improvements, equipment purchases, additional staffing, and research and development related to natural health products currently sold by the EBMR and the Company. Pursuant to the loan agreement, EBMR has granted the Company the right to purchase the manufacturing business, comprising the land, buildings, equipment, manufacturing licenses, permits and other rights, operations, and know-how. The purchase right may be exercised at any time up to 24 months from the advance of the loan, at the market price of the business determined at the time of purchase.

During the year ended October 31, 2017, the Company arranged a financial loan in the amount of $40,000 to EBMR. The loan bears the same interest of 2% per annum with a maturity date of June 24, 2018 and is secured against EBMR's real estate assets.

Since the interest rate of the loan is lower than market rates for similar loans, this loan is considered as a below market interest rate loan. Fair market value of the loan is computed by discounting the future cash flows of the loans at the market rate of 5.7% per annum. The excess of the loan principal over the initial carrying amount of the loan is recorded as a reduction to share capital. Amount of $53,245 is recorded as a reduction to share capital during the year ended October 31, 2017 (2016: 50,332).

During the nine months ended July 31, 2018, the Company received a repayment of $10,000 towards the principle of the loan from EBMR, $50,729 (2017: $66,542) interest revenue was included in other income in the statements of loss and comprehensive loss.

During the nine months ended July 31, 2018, the Company received a payment of $nil (2017: $28,879) in interests from EBMR.

In addition, interest income earned from GICs for the nine months ended July 31, 2018 was $8,348, compared to $7,316 for the same corresponding quarter ended July 31, 2017.

Loss and Comprehensive Loss
The Company continued to incur losses from operations of $162,570 and $527,174 for the three and nine months ended July 31, 2018, respectively, compared to $131,886 and $365,515 for the three and nine months ended July 31 2017, respectively. The Company observed lower sales revenue and higher expenses in comparative periods. The management of the Company intends to invest heavily in the sales and marketing of Eleotin® products. Marketing new products that are unknown to the selected markets is expected to be very expensive and will lead to increased losses for an indeterminate amount of time before revenues and profits grow enough to offset these new expenditures. As a result, further losses are anticipated for the foreseeable future.

SUMMARY OF QUARTERLY RESULTS

Period Ended	July 31, 2018	April 30, 2018	January 31, 2018	October 31, 2017	July 31, 2017	April 30, 2017	January 31, 2017	October 31, 2016	July 31, 2016
	$	$	$	$	$	$	$	$	$
Total Revenue	164,688	71,731	93,417	88,301	126,329	156,272	108,827	97,106	82,139
Net Loss	(162,570)	(210,257)	(154,347)	(137,249)	(131,886)	(113,018)	(120,611)	(117,043)	(145,187)
Earning/(Loss) per Share*	(0.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Due to/ (from) Related Parties	88,563	(6,372)	(4,853)	(22,116)	5,398	4,889	(11,762)	(18,724)	2,538
Total Assets	2,358,364	2,482,674	2,634,506	2,836,730	2,833,321	3,021,027	3,154,489	3,243,084	3,404,740

Total Liabilities	123,335	85,075	26,650	55,755	41,650	47,136	67,581	35,565	29,846
Long-Term Liabilities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
(Deficit)	(2,473,052)	(2,310,482)	(2,100,225)	(1,959,018)	(1,821,769)	(1,689,882)	(1,576,865)	(1,456,254)	(1,339,211)

The fundamental changes in the Company occurred during the first quarter of 2013 when the Company entered into the Distribution and Licensing Agreement with EBMR whereby the Company acquired certain rights to market and sell the Eleotin® products and related products in North America. Sales declined gradually since this first quarter of 2013 and slowly picked up in the fourth quarter of 2014 as a result of increased marketing efforts via online social networking. The sales increased in the second and third quarters of 2015 due to the receipt of purchase orders from Asia. Poor sales performance in Asia's segment led to decline in sales in 2016 fiscal year. An increase in sales over the quarters in 2017 was primarily driven by the sales of manufacturing orders from third-party distributors. Operating expenses vary from quarter to quarter depending on the activities taking place. Higher general and administrative expenses were reported in 2016 and 2017 fiscal year as a result of the audit bills received, the recruitment of sales and marketing staff and the launch of advertising and marketing programs. Higher general and administrative expenses were also observed in second and third quarter of 2018 due to an increase in advertising and marketing expenses and an expansion of the sales team. As at July 31, 2018 the Company has incurred accumulated loss of $2,473,052 since incorporation.

LIQUIDITY

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. At July 31, 2018, the Company had accounts payable and accrued liabilities of $23,201 (October 31, 2017: $19,622), which are due in the short term (0 - 3 months) and due to investors of $100 (October 31, 2017: $100) and due to related parties of $88,563 (October 31, 2017: $22,116), which are due on demand.

CAPITAL RESOURCES

As the Company is still in the early stage of business and does not have strong operating cash flows, the Company has had to rely on the external financing. However, the Company has no intention to rely on debt financing. The Company has been successful since incorporation in attracting potential investors who subscribed for Share Purchase Warrants. There can be no assurance, however, that the Company will be able to attract more potential investors in the future to fulfill its business objectives, or that the terms will be favourable to the Company. In the event that cash flow from operations, together with the proceeds for any future financing, if any, are insufficient to meet the Company's operating expenses, the Company will be required to re-evaluate its planned expenditures and allocate its total resources in such a manner as the Board of Directors and management deem to be in the Company's best interest.

The authorized share capital of the Company consists of an unlimited number of Common Shares. On July 4, 2013, EBMR subdivided the one issued and outstanding common share of the Company into 48,000,000 common shares of the Company. All outstanding common shares are owned by EBMR. The incorporation share is subject to the Escrow Agreement dated June 16, 2014 as well as the Performance Escrow Agreement dated June 16, 2014. Pursuant to the Performance Escrow Agreement dated June 16, 2014, the performance shares will be released from escrow pool upon the achievement of certain financial performance targets by the Company. As of the date of reporting, the Company has NIL outstanding Share Purchase Warrants. 15,062,270 share purchase warrants have been exercised and converted into common shares of the Company. In connection with the initial public offering, the Company issued 3,135,400 common shares of the Company at a price of $0.25 per share. As of the date of reporting, the Company has 68,885,969 common shares issued and outstanding.

CAPITAL RESOURCES (CONTINUED)

As at July 31, 2018, the Company possesses $804,659 in cash and has a working capital of $1,932,708. The Company's objectives when managing capital is to ensure that there is adequate working capital to sustain operations and to continue as a going concern.

COMMITMENTS AND AGREEMENTS

In November 2012, the Company entered into the Distribution Agreement with EBMR whereby the Company acquired certain rights to market and sell Eleotin® products and related products in North America. Pursuant to the Distribution Agreement, the Company was appointed the exclusive distributor of Eleotin® products in Canada, and an initial distributor of Eleotin® products in the United States, with a right to become the exclusive distributor upon the Company achieving an agreed annual quota. Under the terms of the Distribution Agreement, EBMR is the supplier of the Eleotin® products and the Company purchases the products from EBMR at a pre-agreed upon price. The agreement will be valid for a period of ten years, and will automatically renew for subsequent terms of five years. Effective March 17, 2014, the Company amended and restated the License Agreement.

On June 19, 2015, the Company entered into a Memorandum of Understanding with EBMR ("MOU"), pursuant to which the Company is permitted to sell certain products to selected sub-distributors located in Asia. The Company shall purchase the products from EBMR at pre-agreed upon purchase price. EBMR retains the right to revoke the MOU at any time.

In December of 2012, the Company entered into the Management and Administrative Service Agreement with EBMR, pursuant to which the Company will make a payment of $253,000 per year to the EBMR Company in return for the management and support services provided by EBMR.

During the year ended October 31, 2017, the Company entered into loan extension agreements with EBMR for another 12 months, for a total loan amount of $1.44 million. The loan is secured against EBMR's real estate assets, repayable in 12 months and bears interest at 2 per cent per annum, payable annually in arrears. Pursuant to the original loan agreement, EBMR has granted the Company the right to purchase the manufacturing business, comprising the land, buildings, equipment, manufacturing licenses, permits and other rights, operations, and know-how. The purchase right may be exercised at any time up to 24 months from the advance of the loan, at the market price of the business determined at the time of purchase.

During the year ended October 31, 2017, the Company arranged a financial loan in the amount of $40,000 to EBMR. The loan bears the same interest of 2% per annum with a maturity date of June 24, 2018 and is secured against EBMR's real estate assets.

During the nine months ended July 31, 2018, the Company has entered into an asset purchase agreement with EBMR, pursuant to which the Company exercised its right to purchase certain manufacturing assets from EBMR by paying a purchase price of $325,000. The principal amount of the loan has been reduced by the purchase price. The Company expensed $4,223 in manufacturing expenses.

Subsequent to the nine months ended July 31, 2018, the Company proposes to settle the remaining outstanding balance of a loan in the amount of $1,140,700 owed by Eastwood Bio-Medical Research Inc. (EBMR) under a loan agreement dated June 24, 2016.

Subject to approval by the TSX Venture Exchange, the Company proposes to settle the loan balance owed by EBMR in the following manner:

- The transfer of certain assets in and improvements to premises owned by EBMR and in which the Company's natural health products are produced, pursuant to a bill of sale for construction agreement to be entered into between the Company and EBMR: The purchase price for these assets will be $265,000 and will be settled by the forgiveness by the company of $265,000 of the loan balance owed by EBMR.

COMMITMENTS AND AGREEMENTS (CONTINUED)

- Leasing commercial space in premises owned by EBMR (and to which the improvements were made) at a cost of $72,000 per year for six years ($432,000 total): The leasing cost will be paid by the forgiveness by the company of $432,000 of the loan balance owed by EBMR.

- EBMR will enter into a consulting agreement with the company, pursuant to which the EBMR will manage the production of the Company's natural health products and pass on know how to the Company related to the production of those products. The services will be provided for a monthly consulting fee of $3,000 over a period of six years. The aggregate consulting fees of $216,000 will be paid through the forgiveness by the company of $216,000 of the loan balance owed by EBMR. As part of this process, the Company will develop the expertise necessary to produce natural health products on its own, which will reduce future production costs.

- The Company and EBMR are parties to a management and administrative services agreement dated Dec. 12, 2012, as amended by an amending agreement dated June 1, 2014, pursuant to which EBMR provides management services to the Company. EBMR has agreed to reduce the management fees under the management agreement by 15 per cent over a six-year period. This amounts to a reduction of $227,700 over this period. This amount of the loan balance will be forgiven by the Company as a result of said reduction in management fees.

CONTINGENT LIABILITIES

There has been an increasing movement in the U.S. and other markets to increase the regulation of dietary supplements, which will impose additional restrictions or requirements. In addition, there has been increased regulatory scrutiny of nutritional supplements and marketing claims under existing and new regulations. It is not possible to estimate the future impact on operating results, if any, as a result of future governmental regulations of dietary and nutritional supplements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company is not aware of any off-balance sheet transactions requiring disclosure.

TRANSACTIONS WITH RELATED PARTIES

Except as disclosed elsewhere in these financial statements, related party transactions are as follows. The following related party transactions were incurred in the normal course of business and are non-interest bearing, unsecured, due on demand and were measured at their fair value as determined by management.

(i) Transactions and balances with EBMR

During the nine months ended July 31, 2018, the Company incurred $189,750 (2017: $189,750) in management fee to EBMR, in return of the management and administrative services provided by EBMR.

During the nine months ended July 31, 2018, the Company incurred $170,372 (2017: $221,582) in purchase costs for purchases of products from EBMR at the pre-agreed upon purchase price as described in Note 1. The Company owed EBMR $85,765 (2017: $nil) in purchase costs.

(ii) Compensation of key management personnel

There was no remuneration of directors and other members of key management personnel during the nine months ended July 31, 2018 except below:

During the nine months ended July 31, 2018, amount of $18,000 (2017: $18,000) consulting fee was incurred/paid to the CFO and director of the Company for services provided.

TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

During the nine months ended July 31, 2018, amount of $27,000 (2017: $27,000) consulting fee was incurred/paid to the CEO and director of the Company for services provided.

During the nine months ended July 31, 2018, amount of $2,450 (2017: $1,200) consulting fee was incurred/paid to the director of the Company for services provided.

Key management personnel were not paid post-employment benefits, termination benefits, or other long term benefits during the nine months ended July 31, 2018 and 2017.

THIRD QUARTER EVENTS, 2018

Health Canada has granted the Company 35 new natural product numbers.

The Company engaged NAI Interactive Ltd. to conduct a 23-month market visibility program.

The Company began negotiating an export agreement with a third party company based in Asia. The contemplated deal would involve the third party purchasing unspecified volumes of five unique Eleotin® products developed for the Asian market.

The Company agreed on binding terms with an Asian distribution company for a purchase order. The first segment will total $1.05 million (U.S.). This initial segment of the purchase orders will include products already well established in Canada, such as Eleotin Kalimera and Eleotin Ma5, as well as new advanced formulas made especially for Asian markets.

PROPOSED TRANSACTIONS

The Company is not aware of any proposed transactions requiring disclosure.

SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual outcomes could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Areas of Judgments

(i) Revenue

The Company assesses its revenue arrangement against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. Determining whether the Company acts as principal or agent is based on an evaluation of which party has substantial risks and rewards of ownership under the terms of an arrangement. The most significant factors that the Company considers include identification of the primary obligor, as well as which party has credit risk, general and inventory risk (or equivalent) and latitude in establishing prices.

SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(ii) Impairment of loan receivable

The Company exercises judgment when evaluating the evidence of impairment for loan receivable from EBMR. Management's judgment in this area is based on information available from EBMR at that time. In assessing impairment, management has considered a number of factors, including EBMR's revenue sources, projected cash flow, the fair value of the real estate assets secured for the loan and the amount of other assets held by EBMR. As of July 31, 2018, there is no evidence of impairment identified by management. Actual results could differ from the judgment.

(iii) Deferred Taxes

The Company recognizes the deferred tax benefit related to deferred tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in the future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

(iv) Loans at Below-Market Interest Rate

Loans provided to the related company with below-market interest rates are valued at inception using fair market interest rate for arm's length loans. Such interest rate requires management's estimate by reference to loan interest paid by comparable companies in the similar sector. The Company estimates 5.7% being the reasonable interest rate that EBMR would likely pay in obtaining loans.

FINANCIAL INSTRUMENTS

All financial instruments are classified into one of five categories: fair value through profit and loss, held-to-maturity investments, loans and receivables, available-for-sale financial assets, or other financial liabilities. All financial instruments are initially measured at fair value less transaction costs. All financial instruments are subsequently measured in the statement of financial position at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost.

Subsequent measurement and changes in fair value will depend on their initial classification, as follows:

- Fair value through profit and loss financial instruments are measured at fair value and changes in fair value are recognized in profit or loss;
- Available-for-sale financial assets are measured at fair value with changes in fair value recorded in other comprehensive income until the asset is derecognized or impaired at which time the amounts would be recorded in profit or loss;
- Loans and receivables, held to maturity investments, and other financial liabilities are measured at amortized cost using the effective interest method.

The Company has classified its financial instruments as follows:

- Fair value through profit and loss- cash
- Loans and receivables – due from related parties, accounts receivable and other receivables, and short-term loan receivable from related parties
- Other financial liabilities – accounts payable and accrued liabilities and due to investors

Financial assets measured at amortized cost are assessed at the end of each reporting period whether there is any objective evidence of impairment.

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

FINANCIAL INSTRUMENTS (CONTINUED)

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash is measured as level 1 input.

FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Overview

The Company's financial instruments consist of cash and cash equivalents, accounts receivable and other receivables, short-term loan receivable, due from related parties, accounts payable and accrued liabilities and due to investors. The fair value of these financial instruments approximates their carrying value due to short term nature.

Credit Risk

Credit Risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held with reputable institutions in Canada. The Company is not exposed to any material credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. At July 31, 2018, the Company had accounts payable and accrued liabilities of $23,201 (2017: $19,622), which are due in the short term (0 - 3 months) and due to investors of $100 (2017: $100) and due to related parties of $88,563 (2017: $22,116), which are due on demand.

Market Risks

The Company will be subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. For the nine months ended July 31, 2018, the Company held $nil (2017: $nil) financial instruments subject to significant foreign exchange or interest rate risks.

CAPITAL MANAGEMENT

The Company defines capital as all components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business.

The Company does not pay dividends and is not subject to any externally imposed capital requirements. There were no changes to the Company's approach to capital management for the nine months ended July 31, 2018

CHANGES IN ACCOUNTING POLICIES & NEW ACCOUNTING STANDARDS

For information on the Company's accounting policies and new accounting standards, please refer to Note 2 of the Company's condensed interim financial statements for the nine months ended July 31, 2018.

OTHER MD&A REQUIREMENTS

(a) Additional Information
Additional information relating to the Company may be available upon request.

Additional relevant disclosure, such as sales, general and administration expenses, share capitals, significant accounting policies adopted are disclosed in the Company's condensed interim financial statements for the nine months ended July 31, 2018 and the audited financial statements for the year ended October 31, 2017.

(b) Disclosure of Outstanding Share Data

Security in Number	July 31, 2018	The reporting date October 1, 2018
Each class and series of voting or equity securities for which there are securities Common Shares Outstanding:	68,885,969	68,885,969
Each class and series of securities for which there are securities outstanding if the securities are convertible into, or exercisable or exchangeable for, voting or equity securities Special Purchase Warrants	-	-
Each class and series of voting or equity securities that are issuable on the conversion, exercise or exchange of outstanding securities above Common Shares	68,885,969	68,885,969
Fully diluted	68,885,969	68,885,969

The Company's authorized share capital consists of an unlimited number of voting Common Shares. As of the date of this report, the Company had 68,885,969 Common Shares issued and outstanding and 400 Special Warrants outstanding. The incorporation share is subject to the Escrow Agreement dated June 16, 2014 as well as the Performance Escrow Agreement dated June 16, 2014.

(c) Disclosure Controls and Procedures
Management of the Company is responsible for establishing and maintaining disclosure controls and procedures for the Company and has designed such disclosure controls and procedures, or caused them to be designed under the Company management's supervision, to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to management by others within those entities particularly during the period covered by this MD&A.

Management has evaluated the effectiveness of the Company's disclosure controls and procedures for the period covered by this MD&A and based on that evaluation, Management has concluded that the disclosure controls and procedures are effective.