EASTWOOD BIO-MEDICAL CANADA INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED JULY 31, 2019

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 September 27, 2019 should be read in conjunction with the condensed interim financial statements for the nine months ended July 31, 2019 and the audited financial statements of the Company for the year ended October 31, 2018, 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, 2019, the Company has working capital of $1,029,579, and has incurred accumulated loss of $3,197,478 since incorporation. The Company possesses $620,833 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.

On September 7, 2018, the Company entered into the following agreements with EBMR for the period from November 1, 2018 to October 31, 2024, to which the funds will be used toward reducing the remaining outstanding loan receivable balance:

- Leasing agreements where the Company will lease the commercial space in premises owned by EBMR for $72,000 per year for six years;
- Management and Administrative Service Agreement ("Management Agreement") to reduce the management fee under the Management Agreement dated December 12, 2012 to $215,050 per year to EBMR in return for management and support services provided by EBMR;
- Consulting agreement where 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 at $3,000 per month. 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 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

BUSINESS OVERVIEW AND OPERATIONS (CONTINUED)

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. Over seventy (70) of the Company's licensed products have secured Health Canada product license numbers to date and include (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

RISK FACTORS (CONTINUED)

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:

- 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

RISK FACTORS (CONTINUED)

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.

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.

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

RISK FACTORS (CONTINUED)

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.

Failure to Expand Business in Existing Markets

EBMC's current market is in the U.S., Canada and select Asian countries. 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 EBMR. Raw materials are supplied by specialized growers of natural compound bearing plants. 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.

RISK FACTORS (CONTINUED)

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.

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

RISK FACTORS (CONTINUED)

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, 2019, the Company has working capital of $1,029,579, compared to $1,626,448 as at October 31, 2018 a decrease of $205,757. The Company has incurred accumulated loss of $3,197,478 since incorporation. The Company possesses $620,833 in cash. During the three and nine months ended July 31, 2019, the Company generated a total of $211,250 and $1,009,944 in total revenue, respectively, compared to $164,688 and $329,836 for the same corresponding periods ended July 31, 2018, respectively, an overall increase of $680,108. The increase in sales was attributable to the appointment of new distributor and the expansion of new clienteles in Asia. The Company reported higher general and administrative expenses for the nine months ended July 31, 2019. These expenses amounted to $763,693 and $716,474 for the nine months ended July 31, 2019 and 2018, respectively, a slight increase of $47,219. With the support of sales from the operations, the Company recorded lower net loss and comprehensive loss of $389,623 for the nine months ended July 31, 2019, compared to $527,174 for the nine months ended July 31, 2018.

SUMMARY OF COMPARATIVE FINANCIAL INFORMATION

For the Period	Three Months Ended July 31, 2019 $	Nine Months Ended July 31, 2019 $	Three Months Ended July 31, 2018 $	Nine Months Ended July 31, 2018 $
Revenue	211,250	1,009,944	164,688	329,836
Net Loss and Comprehensive Loss	106,231	389,623	162,570	527,174
Loss Per Common Shares	0.01	0.01	0.01	0.01
		July 31, 2019		July 31, 2018
Cash		620,833		826,590
Short-Term Loan Receivable from Related Parties		-		802,399
Total Assets		1,938,879		2,250,449
Total Liabilities		439,467		361,414
Long-Term Liabilities		N/A		N/A

For the Year Ended	Year Ended October 31, 2018 $	Year Ended October 31, 2017 $
Revenue	743,973	479,729
Net Loss and Comprehensive Loss	(861,977)	(489,624)
Loss Per Common Shares	(0.01)	(0.01)
Cash	826,590	1,271,380
Purchase Deposits and Prepaid Expenses	3,183	81,650
Short-Term Loan Receivable from Related Parties	802,399	1,437,136

Total Assets	2,250,449	2,817,958
Total Liabilities	361,414	55,755
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, 2019, the Company generated a total sales revenue of $211,250 and $1,009,944, respectively, compared to $164,688 and $329,836 for the three and nine months ended July 31, 2018, an increase of $46,562 and $680,108, respectively. The increase in sales was attributable to the appointment of new distributor and the expansion of new clientele in Asia. Sales consisted of sales

RESULTS OF OPERATIONS (CONTINUED)

revenue and freight revenue. Canadian sales accounted for 18.99%, US sales accounted for 11.73% and Asian sales accounted for 69.27% of the total sales revenue. During the nine months ended July 31, 2019, the Company had one customer that provided 36% of the Company's sales revenue. Sales to date have been generated mostly through word of mouth and Internet sales, with limited additional sales made through conventional distributors in North America.

The Company has more than 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, 2019, the cost of purchases were $93,988 and $647,936 respectively, representing 44.5% and 64.16% of the total sales, respectively, compared to $111,732 and $199,613, representing 67.84% and 60.52%, respectively, of the total sales for the corresponding period of 2018.

Cost of purchases consisted of the purchase cost of Eleotin® products, freight expenses, the processing fees paid to merchant accounts, amortization expenses related to the manufacturing equipments, and direct factory labors. The increase in cost of purchases mainly due to the inclusion of the amortization expenses and wages and salaries paid to factory labor.

Gross Profit
For the three and nine months ended July 31, 2019, the Company recorded a gross profit of $117,263 and $362,008, respectively, representing 55.51% and 35.84%, respectively of the total sales revenue, compared to $52,956 and $130,223, respectively, representing 32.15% and 35.84% of gross margin.

Accounting and Audit Fees
Accounting and audit fees amounted to $9,000 and $54,000 for the three and nine months ended July 31, 2019, respectively, compared to $nil and $42,000 for the corresponding periods of previous year. Accounting and audit fees consisted of consultation fees and auditing of the Company's annual financial statements.

RESULTS OF OPERATIONS (CONTINUED)

Advertising and Marketing Fees
Advertising and marketing activities amounted to $2,958 and $23,130 for the three and nine months ended July 31, 2019, respectively, compared to $39,083 and $126,990 for the same corresponding periods in prior year, an overall decrease of $103,860. 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 re-strategize its advertising and marketing efforts 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, 2019 were $13,506 and $47,016, respectively, compared to $15,000 and $47,450 for the same corresponding periods of prior year, an overall decrease of $434. The consulting fees consisted of remuneration paid to the CEO, CFO and directors for their services provided to the Company.

Legal Fees
The Company incurred $3,572 and $29,369 in legal fees for the three and nine months ended July 31, 2019, compared to $9,957 and $17,202 for the same corresponding periods in prior year. The legal fees consisted primarily of the cost of general legal matters, the preparation of legal documents in connection to the loan settlement agreements 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. On September 7, 2018, the Company entered into a loan settlement agreement with EMBR whereby the management fee under the Management Agreement dated December 12, 2012 will be reduced to $215,050 per year from $253,000 to EBMR in return for management and support services provided by EBMR. During the three and nine months ended July 31, 2019, the Company incurred $58,486 and $177,076, respectively, compared to $63,250 and $189,750 for the three months and nine ended July 31, 2018, respectively, 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, 2019.

Loss and Comprehensive Loss
The Company continued to incur losses from operations of $106,231 and $389,623 for the three and nine months ended July 31, 2019, respectively, compared to $162,570 and $527,174 for the three and nine months ended July 31 2018, respectively. The Company observed a spike in sales revenue during quarter of 2019 while the expenses were maintained at a comparative level . The overall sales, however, are not yet sufficient to cover all of the ongoing expenditures of the Company. The management of the Company intends to invest heavily in the sales and marketing of Eleotin® products and to open up new markets in Asia. 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, 2019	April 30, 2019	January 31, 2019	October 31, 2018	July 31, 2018	April 30, 2018	January 31, 2018	October 31, 2017
	$	$	$	$	$	$	$	$
Total Revenue	211,250	318,643	480,051	414,137	164,688	71,731	93,417	88,301
Net Income (Loss)	(106,231)	(287,029)	3,637	(334,803)	(162,570)	(210,257)	(154,347)	(137,249)
Earning/(Loss) per Share*	(0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Due to (from) Related Parties	406,600	400,366	300,471	314,543	88,563	(6,372)	(4,853)	(22,116)
Total Assets	1,938,879	2,078,111	2,243,610	2,250,449	2,358,364	2,482,674	2,634,506	2,836,730
Total Liabilities	439,467	472,465	350,937	361,414	123,335	85,075	26,650	55,755
Long-Term Liabilities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
(Deficit)	(3,197,478)	(3,091,244)	(2,804,218)	(2,807,855)	(2,473,052)	(2,310,482)	(2,100,225)	(1,959,018)

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. A spike increase in sales was observed starting from the third quarter of 2018 to the second quarter of 2019. The increase in sales was attributable to the appointment of new distributor and the expansion of new clientele in Asia. Operating expenses vary from quarter to quarter depending on the activities taking place during the periods. Higher general and administrative expenses were reported in 2018 fiscal year as a result of the audit bills received, the recruitment of sales & marketing and manufacturing staff and the launch of advertising and marketing programs, which led to a dramatic increase in net loss. As at July 31, 2019, the Company has incurred accumulated loss of $3,197,478 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, 2019, the Company had accounts payable and accrued liabilities of $15,542 (October 31, 2018: $32,455), which are due in the short term (0 - 3 months) and due to investors of $100 (October 31, 2018: $100), and due to related parties of $406,600 (October 31, 2018: $314,543), 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

CAPITAL RESOURCES (CONTINUED)

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.

As at July 31, 2019, the Company possesses $620,833 in cash and has a working capital of $1,029,580. 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.

The table below shows the commitments resulting from the above agreements with EBMR.

	Amount
	$
2019	134,604
2020	323,050
2021	323,050
2022+	592,258
	1,372,962

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, 2019, the Company incurred $177,076 (2018: $189,750) in management fee to EBMR, pursuant to the revised management agreement, in return of the management and administrative services provided by EBMR.

During the nine months ended July 31, 2019, the Company incurred $45,785 (2018: $nil) in rent, pursuant to the leasing agreements.

During the nine months ended July 31, 2019, the Company incurred $15,016 (2018: $nil) in consulting fee to EBMR, pursuant to the consulting agreement.

During the nine months ended July 31, 2019, the Company incurred $421,888 (2018: $170,372) in purchase costs for purchases of products from EBMR at the pre-agreed upon purchase price as described in Note 1.

During the nine months ended July 31, 2019, the Company received $7,729 (2018: $nil) in manufacturing orders from EBMR.

As of July 31, 2019, amount of $406,600(2018: $85,765) was due to EBMR, at zero interest and due on demand.

Also see financial statement Note 5 and Note 9.

(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, 2019 except below:

During the nine months ended July 31, 2019, amount of $26,000 (2018: $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, 2019, amount of $12,000 (2018: $nil) accounting fee was incurred/paid to the CFO and director of the Company for services provided.

During the nine months ended July 31, 2019, the CEO and director of the Company received $27,000 in salaries (2018: $nil) as remuneration for services provided to the Company.

TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

During the nine months ended July 31, 2019, amount of $6,000 (2018: $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, 2019, amount of $Nil (2018: $2,450) 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 three and nine months ended July 31, 2019 and 2018.

BUSINESS COMBINATION

On September 7, 2018, the Company entered into the following agreements with EBMR for the period from November 1, 2018 to October 31, 2024, to which the funds will be used to settle the remaining outstanding loan receivable balance (Note 5):

- Leasing agreements where the Company will lease the commercial space in premises owned by EBMR for $72,000 per year for six years;

- Management and Administrative Service Agreement ("Management Agreement") to reduce the management fee under the Management Agreement dated December 12, 2012 to $215,050 per year to EBMR in return for management and support services provided by EBMR;

- Consulting agreement where 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 at $3,000 per month. 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.

During the period ended as at July 31, 2019, the Company received approval from TSX Venture Exchange for above settlement transaction. Management has assessed this transaction as a business combination under common control and has accounted for this transaction using the acquisition method under IFRS 3. The total consideration for the transaction was $ 790,237.

The total consideration for the acquisitions and the purchase price allocation is as follows:

Consideration	
Short-Term Loan Receivable from Related Parties	790,237
Total Consideration	790,237

Identifiable Assets Acquired and Liabilities Assumed	
Property, Plant and Equipment	216,901
PV of a lease on November 28, 2018	353,825
PV of consulting services on November 28, 2018	106,861
PV of services on November 28, 2018	112,650
	790,237

BUSINESS COMBINATION (CONTINUED)

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Property, Plant and Equipment	Market comparison technique and cost technique: The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Lease	by discounting the total payment using a market annual interest rate of 5.7%.
Consulting and Management services	by discounting the total payment using a market annual interest rate of 24.5%.

As at July 31, 2019, the purchase price allocation is preliminary and is subject to adjustments within the measurement period not exceeding one year from the date of the acquisition.

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
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 are 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. Actual results could differ from the judgment.

Areas of Assumptions and Estimates
(i) 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.

(ii) 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.

(iii) Useful Lives of Depreciable Assets
The useful lives of depreciable assets have been determined based on management's estimated utility of the assets. Uncertainties in these estimates relate to technological obsolescence and wear and damage of assets.

(iv) Business combination

For business combinations, the Company must make assumptions and estimates to determine the purchase price accounting of the business being acquired. To do so, the Company must determine the acquisition date fair value of the identifiable assets acquired. The determination of the fair market values involves the use of discounted cash flow analyses. These assumptions and estimates have an impact on the asset and liability amounts recorded in the statement of financial position on the acquisition date.

FINANCIAL INSTRUMENTS
Classification

On initial recognition, the Company determines the financial instruments classification as per the following categories:

• instruments measured at amortized cost;
• instruments measured at fair value through other comprehensive income (FVOCI) or through net income (FVTPL).

The financial instruments' classification under IFRS 9 is based on the business model in which a financial asset is managed and on its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial instrument in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

FINANCIAL INSTRUMENTS (CONTINUED)

• it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
• its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments held for trading are classified as FVTPL. For all other equity investments that are not held for trading, the Company, on initial recognition, may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

Financial liabilities are measured at amortized cost unless they must be measured at FVTPL (such as derivatives) or if the Company elects to measure them at FVTPL.

Measurement

Financial instruments at amortized cost
Financial instruments at amortized cost are initially measured at fair value, and subsequently at amortized cost, using the effective interest method, less any impairment loss. Interest income, foreign exchange gains and losses and impairment are recognized in the consolidated statements of income (loss) and comprehensive income (loss) .

Financial instruments at fair value
Financial instruments are initially and subsequently measured at fair value and transaction costs are accounted for in the consolidated statements of income (loss) and comprehensive income (loss). When the Company elects to measure a financial liability at FVTPL, gains or losses related to the Company's own credit risk are accounted for in the consolidated statements of income (loss) and comprehensive income (loss).

Impairment

Since November 1, 2018, the Company prospectively estimates the expected credit losses associated with the debt instruments accounted for at amortized cost. The impairment methodology used depends on whether there is a significant increase in the credit risk or not. For trade receivables, the Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL) as allowed by IFRS 9 under the simplified method.

Derecognition

Financial assets

The Company derecognizes a financial asset when, and only when, the contractual rights to the cash flows from the financial asset have expired or when contractual rights to the cash flows have been transferred.

Financial liabilities

The Company derecognizes a financial liability when, and only when, it is extinguished, meaning when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of the extinguished financial liability and the consideration paid or payable, including non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of income (loss) and comprehensive income (loss).

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, accounts receivable and other receivables, 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 refers to the risk of losses due to failure of the Company's customers and counterparties to meet their payment obligations. In the normal course of business, the Company is exposed to credit risk from its end-users and distributors. The Company performs ongoing credit evaluations of new and existing customers' financial condition, and reviews the collectability of its trade accounts receivable in order to mitigate any possible credit losses. The Company has accounts receivable outstanding greater than 90 days past due and maintains an allowance for doubtful accounts relating to specific losses estimated on individual exposure. Average accounts receivable days sales outstanding for the year is consistent with historic trends. The Company views credit risk on accounts receivables as minimal.

The Company is also exposed to credit risk on its short-loan receivable as described in Note 5. Management believes that this credit risk is limited given that the loan has been settled.

Furthermore, the Company's cash is held with reputable institutions in Canada. The Company views credit risk on cash as minimal.

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, 2019, the Company had accounts payable and accrued liabilities of $15,542 (October 31, 2018: $32,455), which are due in the short term (0 - 3 months) and due to investors of $100 (October 31, 2018: $100), and due to related parties of $406,600 (October 31, 2018: $314,543), which are due on demand.

Interest Risk
The Company will be subject to fluctuations in 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.

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. The Company has net financial assets of approximately $17,573 (2018: $1,658) that are denominated in US dollars. A 10% change in the US dollars to the Canadian dollar exchange rate would impact the Company's net loss and comprehensive loss by $2,311 (2018: $166)

The Company also has net financial assets of approximately $45,677 (2018 – $103,935) that are denominated in South Korean Won. A 10% change in the South Korean Won to the Canadian dollar exchange rate would impact the Company's net loss and comprehensive loss by $4,579 (2018 - $10,393).

FINANCIAL RISK MANAGEMENT(CONTINUED)

Concentration Risk
At July 31, 2019, one customer represented 97% of the Company's accounts receivable balance (October 31, 2018: 99%). During the nine months ended July 31, 2019, the Company had one customer that provided 36% of the Company's sales revenue.

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, 2019.

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, 2019 and the audited financial statements for the year ended October 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, 2019 and the audited financial statements for the year ended October 31, 2018.

(b) Disclosure of Outstanding Share Data

Security in Number	April 30, 2019	The reporting date September 30, 2019
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 Fully diluted	68,885,969 68,885,969	68,885,969 68,885,969

OTHER MD&A REQUIREMENTS (CONTINUED)

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.