LIVEWELL CANADA INC.

Management Discussion & Analysis
Years Ended December 31, 2018 and 2017
(In Canadian Dollars)

LiveWell Canada Inc. is a public traded corporation, incorporated in Canada, with its principal office located at 179 Promenade du Portage, Suite 300, Gatineau, Québec. LiveWell Canada Inc. recently changed its name to Eureka 93 Inc. ("Eureka93") following the Special Meeting of Shareholders held on April 11, 2019, Its common shares trade on the Canadian Securities Exchange ("CSE") and its ticker symbol will change from "LVWL" to "ERKA"

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of LiveWell Canada Inc. and its wholly-owned subsidiaries (herein referred collectively as "LiveWell", "Company", "we", "us", and "our") should be read in conjunction with the audited Consolidated Financial Statements for the years ended December 31, 2018 and 2017 and related notes included therein (the "Consolidated Financial Statements").

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts presented herein are stated in Canadian dollars, unless otherwise indicated. Amounts in tables may not reconcile due to rounding differences. This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 "Continuous Disclosure Obligations" ("NI 51-102") of the Canadian Securities Administrators. Additional information regarding LiveWell is available on our website at www.eureka93.com.

This MD&A is dated as of April 29, 2019 and is current to this date. The Consolidated Financial Statements and MD&A have been reviewed by LiveWell's Audit Committee and were approved by LiveWell's Board of Directors on April 29, 2019.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information in this MD&A contains or incorporates comments that constitute forward-looking information within the meaning of applicable securities legislation. Forward-looking information may be identified by such terms as "plan", "continue", "expect", "schedule", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements (including negative variations) that certain events or conditions "may" or "will" occur. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties.

Although LiveWell believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. They include, but are not limited to, statements with respect to expectations, projections or other characterizations of future events or circumstances, and LiveWell's financial results, expected growth of cash flows, business strategy, budgets, projected costs, projected capital expenditures, potential synergies, objectives, beliefs, intentions, plans, estimates or predictions of actions of customers, suppliers, competitors, or regulatory authorities; industry trends and growth opportunities; and statements regarding its future economic performance. These statements are not historical facts but rather represent management beliefs regarding future events, many of which, by their nature are inherently uncertain and beyond management control. We have based these forward-looking statements on our current expectations about future events. However, these may not occur by certain specified dates or at all and could differ materially as a result of unknown and known risk factors and uncertainties affecting LiveWell, including but not limited to risks associated with:

- *general economic conditions and global events;*
- *adverse industry events;*
- *marketing costs;*
- *loss of markets;*
- *future legislative and regulatory developments involving sufficient capital from internal and external*

sources, and/or inability to access sufficient capital on favourable terms;

- *the food production and medical cannabis industry in Canada generally, income tax and regulatory matters;*
- *the ability of LiveWell to implement its business strategies financial risks;*
- *the ability of LiveWell to integrate successfully acquisitions of Acenzia Inc. and Vitality CBD Natural Health Products Inc.*
- *industry competition;*
- *emerging state regulatory framework in the United States for cultivating, processing and distributing cannabidiol ("CBD") following the 2018 Farm Bill;*
- *FDA's position re CBD;*
- *dispute with strategic partners;*
- *product development;*
- *crop failure / agriculture risks / supply risks;*
- *facility and technological risks;*
- *product risks;*
- *dependence on senior management;*
- *sufficiency of available insurance at reasonable terms,*
- *the financial market conditions, including currency and interest rate fluctuations; and*
- *other risks and factors described from time to time in the documents filed by LiveWell with securities regulators.*

For more information on the risk factors that could cause our actual results to differ from current expectations, see "Risk Factors". All forward-looking information is provided as of the date of this MD&A. We do not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise, except as required by law.

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COMPANY OVERVIEW

Business Overview

LiveWell Canada Inc. ("LiveWell" or the "Company"), formerly known as Percy Street Capital Corporation ("Percy Street") is a corporation incorporated pursuant to the *Canada Business Corporations Act* ("CBCA") on June 18, 2014. The Company's registered address is 1400-340 Albert Street, Ottawa, Ontario, Canada and its principle address is 179 Promenade du Portage, Suite 300, Gatineau, Canada.

LiveWell is an innovative Canadian health and wellness company focused on advanced research in cannabidiol ("CBD") and other cannabinoids, as well as development and distribution of prescription and consumer health products. We are a late stage applicant under the Cannabis Act and awaiting final approval for our cultivation license from Health Canada. Currently, we have two cannabis facilities under construction. The first location is based in Ottawa, Canada (herein referred as the "Artiva Cannabis Project") and the second location is based in Litchfield, Québec which will also house our research and innovation centre (herein referred as the "Litchfield Project").

During 2018, LiveWell became a public company and expanded its operations in North America by entering the following transactions:

- On June 19, 2018, LiveWell Foods Canada Inc. ("LiveWell Foods") completed a reverse takeover transaction under a Qualifying Transaction ("QT") by way of a three-cornered amalgamation among Percy Street, its wholly-owned subsidiary (108311891 Canada Inc.) and LiveWell Foods. After the closing of the QT, Percy Street was renamed to LiveWell Canada Inc. and its trading symbol was changed to "LVWL" on the TSXV. On November 23, 2018, LiveWell was also approved to list its common shares on the CSE and began trading on November 26, 2018. As a result of this listing, LiveWell voluntarily delisted from the TSXV.

- On December 3, 2018, LiveWell entered a binding letter of agreement ("LOA") to acquire 100% of Vitality CBD Natural Health Products Inc. ("Vitality") common shares. This was subsequently amended to also include the acquisition of Mercal Capital Corp. via an amalgamation (collectively referred as the "Amalgamation"). At closing, the Amalgamation will result in an RTO by Vitality as the shareholders of Vitality will own approximately 83% of the fully diluted outstanding and issued common shares of the combined companies, with potentially an additional 5% subject to achieving a milestone by June 30, 2019 as defined in the LOA. On April 11, 2019, our shareholders approved the Amalgamation and we closed it on April 24, 2019.

- On December 14, 2018, LiveWell entered a definitive agreement to acquire 100% of the issued and outstanding shares of Acenzia Inc. ("Acenzia"), a company offering scientific research, product development, and advanced manufacturing services in the nutraceutical industry

Following the Special Meeting of Shareholders on April 11, 2019, we renamed the Company's name to Eureka 93, Inc. With the approval of the Amalgamation, it was an opportunity to begin with a new corporate name and brand identity that reflect the corporate vision, and the ingenuity, discoveries, insight and house of brands that form the key value proposition for the combined organizations.

Strategy

Our vision is to become a global life sciences company, vertically integrated from farm to shelf allowing for high quality, high volume, and high margin product. We plan to drive success through value chain ownership: cultivation (via partnership), extraction, product development and manufacturing, and distribution.

The value proposition we offer is to design, develop and deliver original, wholesome, and effective health, wellness and beauty solutions for targeted markets.

In regard to the current state of our industry, we believe the global hemp and cannabis market is growing rapidly worldwide, particularly the acceptance of hemp-based CBD. We anticipate CBD will offer the potential to positively and significantly impact the health and wellness of millions of consumers around the world on a medical basis.

On December 20, 2018, the 2018 Farm Bill became law in the United States. The 2018 Farm Bill provides that any cannabinoid, a set of chemical compounds found in the cannabis plant, that is derived from hemp will be legal, if that hemp is produced in a manner consistent with the 2018 Farm Bill, associated federal regulations, associated state regulations, and by a licensed grower. Amongst other requirements under the 2018 Farm Bill, hemp cannot contain more than 0.3% Tetrahydrocannabinol (THC). We believe this 2018 Farm Bill presents a significant opportunity for LiveWell to grow rapidly its CBD business in the United States. In anticipation of the passage of the 2018 Farm Bill, we have positioned LiveWell to capitalize on the opportunity by entering into CBD supply arrangements and making strategic acquisitions.

For 2019, one of our goals is to become one of the largest CBD extraction operations in North America and a global leader in the CBD health and wellness space by:

- Leveraging creative solutions in systems, products, packages, and services.
- Having trusted, proven, and innovative research driven product manufacturing.
- Optimizing our supply chain management from seed to shelf strategy to drive profitable growth.

With the Vitality acquisition, we have an extraction facility in Eureka, Montana, with plant capacity of up to 5,000 kilograms per day of hemp biomass. Subject to securing additional capital, we intend to also retrofit our recent investment in another extraction facility in Las Cruces, New Mexico to potentially reach capacity output of up to 100,000 kilograms per day of hemp biomass.

Our business growth focus in the United States will be strictly on hemp-based CBD. We will not pursue any marijuana related activities in the United States. We believe that it is also important to have a presence in the Canadian market. During 2019, we expect to receive our cannabis cultivation license from Health Canada based on recent inquiries received from Health Canada from their review of our application file. Our plan will be to cultivate cannabis on a small scale at the Artiva Cannabis Site and will consider the feasibility of outdoor grow in 2020 to improve the overall cannabis business margin. Further, a license in Canada will also enable us to proliferate our CBD strategy to the Canadian market.

We will also continue to invest in innovation and science in 2019. With the recent acquisition of Acenzia, we will further explore the effective use of the zebra-fish model for CBD research and product development, coupled with building an artificial intelligence platform. Subject to securing funding, we plan to build a research and innovation center to develop and launch innovative health and wellness related products in 2019.

KEY DEVELOPMENTS IN THE YEAR ENDED DECEMBER 31, 2018

First Quarter

- During the first quarter ended March 31, 2018, we closed a non-brokered private placement of 18.1 million common shares at $0.46 each for total gross proceeds of $8.3 million, before $0.7 million cash share issuance costs.

Second Quarter

- In April 2018, we began our Litchfield Project by acquiring from a third party 458 acres of land and building located in the Pontiac region of Québec for a total purchase consideration of $4.7 million, comprising $0.6 million cash payment (net of $0.1 million deposit paid in 2017) and a one-year 8% interest only vendor take-back ("VTB") mortgage of $3.9 million with the principal amount due on April 23, 2019.

- In April 2018, we entered an Amended Agreement with our strategic partners, Canopy Growth and Canopy Rivers, to extend their strategic, logistic, and regulatory support services to include the Litchfield Project in addition to the Artiva Cannabis Project. In return, we agreed to issue 15% of LIveWell's fully diluted total common shares at March 31, 2018, with 5% held in escrow pending licensing at each location.

- In June 2018, we closed a brokered private placement of 9.4 million units at $1.00 each for total gross proceeds of $9.4 million, before $0.8 million cash share issuance costs.

- On June 19, 2018, we became a public company as a result of closing the QT with Percy Street and began trading on the TSXV under the ticker symbol "LVWL".

- By the quarter ended of June 2018, approximately 61,000 sq. ft. at the Artiva Cannabis Project was being retrofitted, with 20,000 sq. ft for growing space and 41,000 sq. ft for support area. Via our partner, Canopy Growth, we submitted our evidence package (including video of our facility) to Health Canada for approval of our cultivation license. We also made some additional capital investment in the Litchfield Project, primarily site preparation and building demolition.

Third Quarter

- In July 2018, we received an interest from the Government of Québec, through the Ministère de l'Économie, to partially finance the Litchfield Project. Subject to due diligence and financing terms to be negotiated, the government expressed an interest to finance up to 25% of the overall financing of the project. During the first quarter of 2019, we held several discussions with the government to conclude on this potential financing.

- During the quarter, we also commenced positioning LiveWell to be a significant CBD market player. We agreed to purchase from Vitality 1,000 acres of industrial hemp biomass based in Alberta for total cash consideration of USD$10 million, negotiated at arm's length and payable over a defined payment schedule. Vitality is a related party to LiveWell - see MD&A section "*Transactions between Related Parties*". We also announced a 5,000 kilograms annual CBD supply agreement with a Brazilian distributor; however, this was put on hold until such time we were able to secure sufficient CBD supply from Vitality and consequently there is no assurance that the party will still commit to this purchase.

- In September 2018, we closed a non-brokered private placement of approximately 4 million units at $1.25 each for total gross proceeds of $5.0 million, before $0.1 million commissions.

Fourth Quarter

- In October 2018, through our strategic partner, Canopy Growth, we submitted our cultivation license application (evidence package) to Health Canada for review and approval.

- In October 2018, we signed another CBD supply binding term sheet with Global Wellness Distributors, LLC – "Global Wellness") (a Nevada entity controlled by a U.S. private equity firm) and Vitality. To date, no delivery has yet taken place due to delays in scaling production at Vitality; however, we continue to have active discussions with Global Wellness and plan to finalize the supply agreement in the second quarter of 2019.

- In November 2018, another non-brokered private placement for net proceeds of $1.6 million.

- In December 2018, we entered a definitive agreement to acquire 100% of the issued and outstanding shares of Acenzia Inc. ("Acenzia") for a total consideration of $20 million. With Acenzia's blending science and advanced manufacturing in a certified, FDA-registered facility (NSF certification for GMP and a USDA-Certified Organic Manufacturer), we believe this acquisition will further advance our business goals and in health-related research in hemp and cannabis and product development. See "*Acquisition of Acenzia*" section of this MD&A

- In December 2018, we signed a binding letter of agreement to acquire 100% of Vitality CBD Natural Health Products Inc. and its wholly-owned U.S. subsidiaries ("Vitality"), to further advance our investment in the CBD market, particularly in the United States in anticipation of the passage of the 2018 Farm Bill which was signed into law by President Trump on December 20, 2018.

- In December 2018, we also signed a binding term sheet to supply Tilray Inc. (NASDAQ: TLRY) with hemp-derived CBD isolate in North America. This was formalized into a supply agreement during the first quarter of 2019. Under the terms of the agreement and subject to the governing laws of the local jurisdictions (possession, sale and distribution), we will supply Tilray a minimum of 150 kilograms per month of wholesale CBD isolate and/or CBD distillate cultivated and processed from hemp, commencing in February 2019, through to July 2019. The amount may then be increased to a minimum of 300 kg/month for the remainder of the contract until December 2019. Tilray has the option to increase the amount of CBD supply purchased to 500 kg/month, and there is an additional 12-month renewable option. Shipment to Tilray has been delayed and we anticipate shipments will commence in May 2019.

KEY DEVELOPMENTS SUBSEQUENT TO DECEMBER 31, 2018

- In February 2019, we entered into a promissory note agreement with Vitality ("Vitality Note") to transfer prior unsecured advances to Vitality. Future advances will also be made under the provision of this Vitality Note. On April 25, 2019, the total outstanding amount was $6.7 million. This Vitality Note bears interest rate of 15% per annum and is repayable after six months from the closing date of the Amalgamation. As security for this Vitality Note, Vitality grant to LiveWell a general security agreement encumbering all of the property, assets and undertaking of Vitality in favour of LiveWell.

- During the first quarter of 2019, we raised gross proceeds of USD $15 million in Secured Senior Secured Convertible Notes ("Notes") and $1.7 million in Equity Units. See "Capital Resources" section of this MD&A for further details.

- Holders of Series 1 and 2 Preferred Shares converted 854,684 and 854,684 preferred shares at $0.23 and $0.43, respectively, for a total of 5,703,652 common shares during the first quarter of 2019. A further 10,683 of each Series 1 and Series 2 Preferred Shares were converted for a total of 71,291 common shares in April 2019. This resulted in reclassifying $1.6 million from preferred shares to common shares in shareholders' equity.

- In April 11, 2019, at the special meeting of shareholders, our shareholders approved the following resolutions:

  - ✓ The amalgamation of LiveWell, Vitality and Mercal Capital Corp. ("Mercal") – the "Amalgamation". Mercal was Canadian Pool Company ("CPC") which previously entered into a letter of intent to complete a QT under the TSX-V rules. All parties agreed for Mercal to discontinue the QT effort and be included in the combined amalgamation transaction with LiveWell and Vitality. As Vitality shareholders will own approximately 83% of the total issued and outstanding common shares of the combined companies and as a result the above transaction will be accounted for as a reverse takeover by Vitality. Accordingly, Vitality is the accounting acquiror whereas LiveWell and Mercal are the accounting acquirees under IFRS. LiveWell and Mercal shareholders will own approximately 15% and 2%, respectively, of the combined companies's total issued and outstanding common shares.

    Our shareholders have also approved renaming the Company to Eureka 93 Inc. ("Eureka93"). Subject to final approval by the Canadian Securities Exchange (the "CSE"), Eureka93 common shares will resume trading on the CSE with a new stock ticker: ERKA. We have also applied to list Eureka 93's common shares on NASDAQ. There is no guarantee that this listing will be accepted or at what time in the future.

  - ✓ A share consolidation of 15 to 1 immediately prior to the closing of the Amalgamation.

  - ✓ An amended and restated stock option plan ("2019 Option Plan") to adjust the aggregate number to 14.5 million of Eureka93 common shares reserved for issuance under the 2019 Option Plan and under any other share compensation arrangement granted or made available by Eureka93. This represents 20% of the issued and outstanding common shares of Eureka93 at the closing of the share consolidation and amalgamation.

  - ✓ The appointment of new directors: Mike Mueller, David Rendimonti, William Mackinnon, Owen Kenney, Kent Hoggan and Paul Smith.

- In April 2019, we have also entered into a mortgage loan commitment agreement with private lenders for a five-year interest-only mortgage of $1.8 million bearing interest at 10.5% per annum and payable monthly to replace the current BDC mortgage loan of $1.7 million. The mortgage loan will have a first charge on Acenzia's property. The $1.8 million is held in escrow until the closing of the transaction which is expected to close in May 2019.

- We have further augmented our senior management team with the appointments of Patrick McGrade (General Counsel and Chief Administrative Officer) and Leslie Cooke-Bithrey (Chief Talent Officer). Also, Peter Geimer (Vice President, Sales and Marketing) was promoted to the position of Chief Brand Officer with effect from April 15, 2019.

GOING CONCERN

LiveWell is in the development stage and is currently seeking additional capital, acquisitions, joint ventures, strategic partnerships and other business arrangements to generate and grow its revenues and expand its product offerings in the health and wellness industry.

We have incurred significant operating losses from inception and as of December 31, 2018, we have not generated significant revenues. At December 31, 2018, LiveWell had an accumulated deficit of $25.3 million (December 31, 2017 - $6.3 million) and incurred a net loss of $18.9 million for the year ended December 31, 2018 and $5.7 million for the year ended December 31, 2017. At December 31, 2018, LiveWell's cash was $1.2 million and working capital was negative $17.0 million. These events or conditions indicate that a material uncertainty exists that casts substantial doubts on LiveWell's ability to continue as a going concern.

Prior to the Acenzia acquisition and Vitality RTO, our ability to generate and grow future revenue to cover our working capital requirements was dependent on securing the cultivation, processing, and sales licenses for hemp and cannabis from Health Canada under *The Cannabis Act*. However, with the addition of Acenzia and Vitality, we are no longer dependent on this Canadian license for future revenues. During 2019, we will be expanding Acenzia's customer base to drive revenue. Further, through Vitality, we will be selling CBD related health and wellness products and gain access to the US markets to drive sales growth and cash flows for the combined companies.

LiveWell's ability to continue as a going concern is dependent upon its ability to achieve profitable operations and obtain the necessary financing to meet its near-term obligations such that it can repay its liabilities when they become due.

Subsequent to December 31, 2018, we raised gross proceeds of $21.7 million, before agent fees and legal expenses of $3.1 million in a brokered private placement with institutional investors. While Management is confident in raising additional capital during 2019 to fund LiveWell's working capital and capital expenditures, there can be no certainty that such financing will be available on a timely basis and at reasonable terms to LiveWell.

We have prepared the consolidated financial statements for the year ended December 31, 2018, on a going concern basis and assume LiveWell will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

ACQUISITION OF ACENZIA

On December 14, 2018, we entered a definitive agreement to acquire 100% of the issued and outstanding shares of Acenzia for $20 million in cash and common shares, including $8 million contingent consideration subject to attaining performance milestone in 2019. This acquisition closed on March 29, 2019.

Strategically located 15 kilometers from the Canada-U.S. border, in Tecumseh, Ontario, Acenzia researches and manufactures next-generation natural health products, such as powders, sports drinks, functional foods, probiotics and other therapeutics, as well as individualized diagnostics. Acenzia's 36,000 square-foot facility includes 20 pharmaceutical-grade clean rooms. It is certified by Health Canada and has NSF certifications for Good Manufacturing Practices (GMP), for Sport, is a USDA-Certified Organic Manufacturer and is an FDA-registered facility. Acenzia has achieved several significant milestones, including but not limited to:

- a global-patented in-vivo zebrafish research model for pre-clinical trials, allowing more rapid product development at a lower cost;

- an easy-to-access diagnostic toolkit that enables consumers to measure product efficacy at an individual level;

- a new patent-pending delivery technology (oral time-released pouch) for the sports nutrition market in a partnership with PRO-DIP. Acenzia is negotiating a 10-year exclusive manufacturing agreement for this technology, and in return it will receive 6% of gross sales revenue generated from this partnership.

- evidence-based nutritional supplement developed with batch-to-batch efficacy

Of particular note is its global-patented animal research model using zebrafish modified to mimic the human physiology. The zebrafish models allow for faster, more economical and effective trials that maximize safety and efficacy. Importantly, the research model optimizes product development to meet functional outcomes. Acenzia is currently applying its global-patented zebrafish research model to oncology, to predict metastasis and support therapeutic decisions, and it holds much wider applications, including cannabinoids.

With Acenzia's blending science and advanced manufacturing, we believe these capabilities will further advance LiveWell's leadership in health-related research in hemp and cannabis, and fast-track development at a lower cost than conventional product development.

Based on our ability to control Acenzia's financial and operating policies effective from December 14, 2018, this was deemed to be the acquisition date under IFRS. Accordingly, LiveWell's Consolidated Financial Statements include Acenzia's financial position and its results from operations from December 14, 2018. The total purchase consideration of $20 million for the acquisition comprised of the following:

- $2 million of promissory notes bearing interest at 10% per annum and maturing on June 30, 2019; and

- $10 million of LiveWell common shares at closing; and

- $8 million of LiveWell common shares in escrow, subject to achieving a minimum adjusted EBITDA in calendar 2019 as defined in the definitive agreement.

The fair value of LiveWell common stock was set at $0.84 per share to settle the $18 million in common shares, based on the 20-day weighted average up to November 30, 2018 in accordance with the definitive agreement. Accordingly, at December 31, 2018, 21.4 million common shares of LiveWell were reserved for this acquisition, of which 9.5 million common shares will be held in escrow. The common shares were issued in March 2019.

For financial reporting purposes, we have adjusted the fair value of the common shares issued to $0.74 from $0.84 to reflect the last closing stock price of LiveWell on December 3, 2018 prior to the stock halt for the pending the RTO by Vitality. This resulted in decreasing the purchase consideration payable from $20.0 million to $16.5 million with the following breakdown ('000s).

Promissory notes	$ 2,000
Common shares	14,499
Total purchase price	**$ 16,499**

The value of the common shares was recorded in "Equity reserves – other" in LiveWell's consolidated statements of financial position at December 31, 2018.

Following a third-party business valuation of Acenzia's intangible assets, we allocated the $16.5 million purchase consideration as follows (in '000s):

Net assets acquired	$	9,661
Goodwill		6,838
Total purchase price	**$**	**16,499**

Refer to Note 7 of the Consolidated Financial Statements for further details on the net assets acquired from Acenzia.

VITALITY REVERSE TAKEOVER

Following various meetings held during the fall of 2018, LiveWell and Vitality agreed to join forces in order to create a global CBD life sciences company as announced on December 3, 2018. By combining strategically aligned U.S. and Canadian assets, we believe this merger will drive significant shareholder value over the long-term. Specifically, management anticipates the following benefits from this merger coupled with the acquisition of Acenzia.

- Become one of the first fully integrated CBD companies: one of the largest hemp cultivation and CBD extraction operations in North America; CBD research, product development and GMP manufacturing facilities; international sales networks; and experienced leadership.
- With Vitality's industrial grade extractor facility to process CBD isolates at large scale, the combined companies will be in good position to attract tier one customers in North America.
- Immediate access to the United States market - the passage of the 2018 Farm Bill signed by President Trump in December 2018 positions LiveWell very well to capitalize on the multi-billion dollar market for wellness products made from hemp-based CBD and other hemp-derived cannabinoids.
- By combining forces, we will be more successful in raising capital. For instance, as previously noted we successfully closed on US$15 million Notes during the first quarter of 2019. This capital raise was possible only as a result of combining our capital offering i.e. Vitality agreed to issue warrants as part of the Notes.
- With a greater combined market capitalization, LiveWell can now consider a listing on the NASDAQ, a more liquid exchange for the shareholders.
- The merger significantly mitigates the material uncertainty to continue as a going concern in light of LiveWell still waiting for its cultivation license from Health Canada (see "Going Concern" section of this MD&A).

While LiveWell will acquire 100% of Vitality's total issued and outstanding common shares via a three-cornered amalgamation, the transaction will result in a reverse takeover by Vitality. At closing, Vitality's shareholders will own approximately 83% of the total fully diluted issued and outstanding common shares of the combined companies, renamed as Eureka 93 Inc. LiveWell and Mercal shareholders will own 15% and 2%, respectively, of the combined companies.

The following table provides selected financial information of Vitality at December 31, 2018 and 2017 (in '000s).

Balance Sheet Snapshot	December 31, 2018		December 31, 2017	
Current assets	$	24,906	$	-
Non-current assets	$	2,961	$	561
Total assets	**$**	**27,867**	**$**	**561**
Current liabilities	$	34,547	$	2,850
Non-current liabilities	$	65	$	-
Total liabilities	**$**	**34,612**	**$**	**2,850**
Shareholders' Equity	**$**	**(6,745)**	**$**	**(2,289)**

The following table provides selected financial information of Vitality for the year ended December 31, 2018 and the period from August 4, 2017 (incorporation date) to December 31, 2017 as well as for the fourth quarter of 2018 and 2017 (in '000s).

Operating Results Snapshot	Q4 2018	Q4 2017	Year 2018	Aug 4, 2017 to Dec 31, 2017
Revenue	**$ 81**	**$ 61**	**$ 839**	**$ 61**
FV Adjustment on Biological Assets	**$1,944**	**$ -**	**$ 7,777**	**$ -**
Gross Profit/(Loss):				
Before FV Adjustment - biological assets	**$ 17**	**$ (511)**	**$ 171**	**$ (517)**
After FV Adjustment - biological assets	**$1,961**	**$ (511)**	**$ 7,948**	**$ (517)**
Operating Expenses ("OPEX")	**$1,930**	**$ 124**	**$ 3,972**	**$ 140**
Income/(Loss) from operations	**$ 30**	**$ (635)**	**$ 3,976**	**$ (657)**
Gain/(Loss) on debt settlement	**$3,547**	**$ -**	**$(11,714)**	**$ -**
Finance expense	**$ 514**	**$ 1,249**	**$ 8,842**	**$ 1,631**
Tax expense/(recovery)	**$ -**	**$ -**	**$ -**	**$ -**
Net Profit/(Loss)	**$3,396**	**$(1,886)**	**$(16,446)**	**$ (2,290)**
Net Profit/(Loss) per share	**$ 0.03**	**$ -**	**$ (0.19)**	**$ -**
Weighted average common shares outstanding	**129,043**	**-**	**86,025**	**-**

As the amalgamation was signed on April 24, 2019, the reverse takeover accounting will take effect from this date.

FINANCIAL HIGHLIGHTS

The following table provides selected audited financial information of LiveWell at December 31, 2018 and 2017 (in '000s).

	December 31, 2018	December 31, 2017
Financial Position:		
Current assets	$ 9,509	$ 2,153
Total assets	$ 69,476	$ 15,910
Current liabilities	$ 26,551	$ 1,908
Total liabilities	$ 31,775	$ 8,835
Shareholders' equity	$ 37,701	$ 7,075

The significant growth in the financial position of LiveWell at December 31, 2018 compared to December 31, 2017 was driven primarily by acquisition of Acenzia and investment in our facilities. The following provides further explanation on the significant variances for each item noted in the table.

- **Current assets** increased by $7.4 million primarily due to $3.8 million in deposit for hemp CBD biomass, $2.5 million shares held in escrow for Canopy relating to be released upon receipt of cultivation license for the Artiva Cannabis Project and Litchfield Project, and $2.1 million from the Acenzia acquisition.
- **Total assets** increased by $53.6 million mainly due to $17.8 million from the Acenzia acquisition and $22.4 million capital investments relating to the Artiva Cannabis Project and Litchfield Project.
- **Current liabilities** increased by $24.6 million primarily due to $6.0 million from the Acenzia acquisition, $10.0 million in mortgages due in 2019, and $2.0 million in promissory notes to selling shareholders of Acenzia.
- **Shareholders' equity** increased by $30.6 million mainly due to $14.3 million net proceeds from equity raises in private placements, $14.5 million of shares to be issued to selling shareholders of Acenzia, $7.6 million non-cash share issuance to Canopy under the Investment Agreement, offset partially by net loss of $19.0 million.

Summary of Results of Operations

The following table provides selected audited financial information of LiveWell for the years ended December 31, 2018 and 2017 (in '000s).

	Q4 2018	Q4 2017	December 31, 2018	December 31, 2017
Results of Operations:				
Revenue	$ 293	$ 16	$ 751	$ 16
Gross profit	$ 17	$ (15)	$ (626)	$ (15)
OPEX	$ 2,897	$ 4,651	$ 13,696	$ 5,753
Other	$ 622	$ (43)	$ 4,658	$ 3
Net loss	$ (3,502)	$ (4,623)	$ (18,980)	$ (5,728)
Adjusted EBITDA (1)	$ (2,513)	$ (1,409)	$ (6,777)	$ (2,385)
Weighted average common shares outstanding	130,458	50,469	112,734	43,778
Net loss per share	$ (0.03)	$ (0.09)	$ (0.17)	$ (0.13)

Revenue

As LiveWell is still in the development phase and waiting for its cultivation licence for cannabis from Health Canada, it has yet to meaningfully generate revenues. However, with the acquisition of Acenzia and the amalgamation with Vitality, we expect significant revenue growth in 2019.

The revenue in the fourth quarter of 2018 was solely from Acenzia for the post acquisition period from December 15, 2018 to December 31, 2018.

For the year ended December 31, 2018, the revenue of $0.8 million was driven by $0.5 million from sale of nutritional hemp products and vegetable produce attributable to the acquisition of Sole Produce on December 31, 2017, coupled with $0.3 million of revenue from the Acenzia.

Gross Profit

Gross profit in the fourth quarter of 2018 was 5.8% of revenue. This gross margin was negatively impacted by overhead costs from Artiva with no associated revenue.

Our gross profit was negative $0.6 million for the year ended December 31, 2018, compared to a negative $15 thousand for the year ended December 31, 2017. The gross margin loss in 2018 was driven primarily by $0.5 million impairment charge for our nutritional O'Hemp products due to a change in business strategy, margin loss on the vegetable produce business due to wind down of the business, and fixed overhead costs for the Artiva Cannabis facility with no revenue.

Operating Expenses ("OPEX")

The following table provides a breakdown of our OPEX by major function for the quarter and year ended December 31, 2018 and 2017 (in '000s).

	Q4 2018	Q4 2017	Inc/(Dec)	**Year 2018**	Year 2017	Inc/(Dec)
G&A:						
Professional fees	**$ 707**	$ 874	$ (167)	**$ 2,189**	$ 1,337	$ 853
Employee compensation and benefits	**844**	346	498	**2,011**	500	1,510
Office expenses	**194**	61	133	**794**	112	683
Insurance expense	**126**	12	114	**259**	6	253
Travel and other employee expenses	**102**	25	77	**387**	106	281
Bad debt	**(3)**	1,770	(1,773)	**247**	1,770	(1,523)
Other	**242**	62	180	**127**	68	60
Total G&A	**2,212**	3,150	(938)	**6,015**	3,899	2,116
R&D						
Employee compensation and benefits	**$ 101**	-	101	**$ 254**	-	254
Professional fees	**2**	-	2	**23**	16	7
Office expenses	**1**	-	1	**3**	-	3
Other	**13**	1	12	**16**	-	16
Total R&D	**117**	1	116	**296**	16	280
Sales & Marketing:						
Employee compensation and benefits	**$ 115**	$ 30	85	**$ 338**	$ 103	236
Professional fees	**6**	-	6	**110**	-	110
Travel and other employee expenses	**35**	-	35	**61**	-	61
Advertising promotions	**11**	75	(64)	**58**	193	(135)
Office expenses	**-**	-	-	**2**	-	2
Other	**-**	-	-	**8**	22	(14)
Total S&M	**168**	105	63	**577**	318	259
Non-cash charge for Canopy Transaction	**-**	-	-	**5,049**	-	5,049
Share-based compensation	**234**	1,390	(1,156)	**1,226**	1,515	(289)
Depreciation	**167**	5	162	**533**	5	529
Total operating expenses	**$ 2,897**	$ 4,651	$(1,753)	**$ 13,696**	$ 5,753	$ 7,944

Our total OPEX in 2018 increased by $7.9 million over prior year and reduced by $1.8 million over the prior quarter.

The quarterly reduction in Q4 2018 OPEX is driven by the following key factors:

- Reduction in bad debt charge of $1.8 million as the prior quarter included an impairment charge on our receivables from Delisse Fine Cuisine (see Note 9 of the Consolidated Financial Statements).

- Reduction in share-based compensation of $1.2 million as the prior quarter had a higher charge driven mainly by 6.2 million options granted to two consultants for corporate advisory services. These options vested immediately and were exercised at $0.46 which resulted in a share-based compensation charge of $1.2 million in Q4 2017.

  Offset By:

- Increase in other G&A expenses of $1.0 million driven mainly by increase in headcount and related costs as a result of scaling our operations.

- Increase in R&D of $0.1 million and depreciation expenses of $0.2 million.

The significant increase in the annual OPEX was primarily driven by:

G&A – Increase of $2.1 million due to:

- Increase in headcount, primarily senior personnel, to expand and manage our business growth including acquisitions.
- Significant professional fees driven by legal, accounting and audit fees associated with LiveWell going public and potential M&A activities.
- New office lease rentals for LiveWell's principal location in Gatineau, Québec.
- Increase in compliance and regulatory costs associated with public company status.

Offset by:

- Decrease in bad debt expense for the year ended December 31, 2018 compared to the year ended December 31, 2017 where the higher bad debt charge of $1.8 million was driven by the recoverability uncertainty of our receivables from Delisse Fine Cuisine.

R&D – Increase of $0.3 million due to:

- Increase in headcount to focus on advanced research on CBD and other cannabinoids.

S&M - Increase of $0.3 million due to:

- Increase in employee compensation and related travel expenses driven by higher headcount, including the hire of a new VP, Sales & Marketing.

Non-cash charge for Canopy Transaction:

- As disclosed in Note 19(b) of the Consolidated Financial Statements, we issued 16.4 (17.6 post QT) million common shares to Canopy Growth and Canopy Rivers, including 5.5 (5.9 post QT) million held in escrow to be released in two tranches – first upon receiving the cultivation license for Artiva and the second upon receiving the cultivation license for Litchfield site. As 11.0 (11.7 post QT) million common shares were not subject to escrow and vested on April 15, 2018, we recorded a charge of $5.0 million for the fair value of these shares. Under IFRS, we are required to record the fair value of the services to be received from Canopy, except in the event it cannot be determined reliably. Management concluded that the fair value of these services could not be determined reliably and therefore relied on the fair value of the consideration given i.e. the common shares of LiveWell. The fair value of these shares was set at $0.46 each based on the pricing for the March 2018 non-brokered private placement.

Share-based compensation:

- We have issued options to two executives during the year ended December 31, 2018. Refer to Note 19(c) of the Consolidated Financial Statements for further details.

Depreciation:

- In 2017, we had little depreciable assets. As a result of the acquisition of Sole Produce on December 31, 2017, we acquired $9.8 million of property and equipment in which most of this total would be subject to depreciation. During the year ended December 31, 2018, we have capitalized $15.0 million construction costs in progress for both the Artiva Cannabis Project and Litchfield Project. These are not subject to depreciation until such time the project is complete and operational. See Note 12 of the Consolidated Financial Statements for further details on the construction in progress. We also acquired Acenzia on December 14, 2018 which further added $5 million to our fixed asset base and $12.8 million to our intangible asset base.

Other

Other expenses include primarily $4.1 million of listing expenses associated with going public, including a $3.7 million non-cash item. Additionally, we incurred finance charges of $0.6 million mainly driven by the mortgages on two properties (Artiva Cannabis Facility and Litchfield), net of $0.2 million capitalized as part of the cost of the construction.

Net Loss

Our net loss for the year ended December 31, 2018 and 2017 was $19.0 million and $5.7 million, respectively. The significant net losses in both periods are largely due to the development phase of LiveWell with little revenue to date and an increase in headcount to support the company's growth, coupled with large non-cash charges as previously noted.

Adjusted EBITDA

"Adjusted EBITDA" is a non-GAAP financial measure. It is a financial metric used by management which is based on Net loss as reported under IFRS and adjusted by removing interest, tax, depreciation, non-recurring items and other material non-cash items. Management believes "Adjusted EBITDA" is a useful financial metric to assess LiveWell's operating performance on a cash basis before the impact of non-cash items including stock-based compensation and non-recurring large impairment charges.

The following table provides a reconciliation of Adjusted EBITDA to Net Loss as reported under IFRS for the quarters and years ended December 31, 2018 and 2017 (in '000s).

	Q4 2018	Q4 2017	Year 2018	Year 2017
Net loss as reported under IFRS	**$ (3,502)**	**$ (4,623)**	**$ (18,980)**	**$ (5,728)**
Finance income	-	(2)	(19)	(3)
Finance charge	330	(4)	632	-
Taxes	292	37	-	37
Depreciation	167	5	533	5
EBITDA	***$ (2,713)***	***$ (4,587)***	***$ (17,834)***	***$ (5,689)***
Stock-based compensation	234	1,390	1,226	1,515
Bad debt charge	(3)	1,770	247	1,770
Inventory impairment charge	(31)	19	490	19
Non-cash charge for Canopy	-	-	5,049	-
Listing expense	-	-	4,045	-
Adjusted EBITDA	***$ (2,513)***	***$ (1,409)***	***$ (6,777)***	***$ (2,385)***

SUMMARY OF QUARTERLY RESULTS

The following table sets out certain unaudited financial information for each of the last eight quarters (in '000s).

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Results of Operations:								
Revenue	$ -	$ -	$ -	$ 16	$ 20	$ 87	$ 351	$ 293
Gross profit	$ -	$ -	$ -	$ (15)	$ 1	$ (737)	$ 93	$ 17
OPEX	$ 476	$ 311	$ 315	$ 4,651	$ 1,407	$ 7,513	$ 1,879	$ 2,897
Other	$ -	$ 1	$ 2	$ (43)	$ 28	$ 3,940	$ 68	$ 622
Net loss	$ (476)	$ (312)	$ (317)	$ (4,623)	$ (1,434)	$ (12,190)	$ (1,854)	$ (3,502)
Adjusted EBITDA (1)	$ (351)	$ (311)	$ (315)	$ (1,409)	$ (746)	$ (2,127)	$ (1,391)	$ (2,513)
Weighted average common shares	32,145	43,604	46,906	50,469	81,979	105,003	126,769	130,458
Net loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.09)	$ (0.02)	$ (0.12)	$ (0.01)	$ (0.03)

(1) Adjusted EBITDA is a non-GAAP financial measure.

The following table provides a reconciliation of the quarterly Adjusted EBITDA to Net Loss as reported under IFRS.

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Net loss as reported under IFRS	**$ (476)**	**$ (312)**	**$ (317)**	**$ (4,623)**	**$ (1,434)**	**$ (12,190)**	**$ (1,854)**	**$ (3,502)**
Finance income	-	-	(1)	(2)	(7)	(3)	(9)	-
Finance charge	-	1	3	(4)	35	128	139	330
Taxes	-	-	-	37	-	(230)	(62)	292
Depreciation	-	0	-	5	124	123	119	167
EBITDA	***$ (476)***	***$ (311)***	***$ (315)***	***$ (4,587)***	***$ (1,282)***	***$ (12,172)***	***$ (1,667)***	***$ (2,713)***
Stock-based compensation	125	-	-	1,390	302	434	256	234
Bad debt charge	-	-	-	1,770	175	55	20	(3)
Inventory impairment charge	-	-	-	19	-	521	-	(31)
Non-cash charge for Canopy	-	-	-	-	-	5,049	-	-
Listing expense	-	-	-	-	59	3,986	-	-
Adjusted EBITDA	***$ (351)***	***$ (311)***	***$ (315)***	***$ (1,409)***	***$ (746)***	***$ (2,127)***	***$ (1,391)***	***$ (2,513)***

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Management's objectives when managing LiveWell's liquidity and capital structure are to generate sufficient cash to fund its working capital and both organic and inorganic growth requirements.

LiveWell's ability to reach profitability is contingent on the successful execution of its short and long-term business strategies. With the acquisition of Acenzia and Vitality, we anticipate generating cash flows in 2019, although we expect additional funding will be required from time to time to fund our business growth and capital expenditures.

At December 31, 2018, our cash position was $1.2 million, which is almost at the same level as last year ended December 31, 2017. However, our working capital decreased to negative $17 million at December 31, 2018, from $0.2 million at December 31, 2017.

The following table provides a high-level summary of cash flows by activities and the ending cash position for the respective periods (in '000s):

	December 31, 2018		December 31, 2017	
Operating activities	$	(6,294)	$	(4,615)
Investing activities		(15,969)		(98)
Financing activities		22,228		5,559
Net change in cash		(35)		846
Cash, beginning of year		1,230		384
Cash, end of year	$	1,195	$	1,230

Operating activities

We had negative cash flows from operating activities for both periods primarily due to the lack of meaningful revenue to fund our operating expenses.

Investing activities

For the year ended December 31, 2018, we invested $15.1 million in the construction of the Artiva Cannabis Facility and for the land site preparation and building demolition for the Litchfield Project. Additionally, we made a payment of $0.6 million to the seller of the Litchfield property, with the remaining $4.0 million in the form of an interest-only VTB mortgage (non-cash).

Financing activities

During the year ended December 31, 2018, we raised $22.3 million of equity net of share issuance costs, compared to $5.6 million of equity net of share issuance costs for the year ended December 31, 2017. The following is a summary of equity raises in 2018:

- Through a non-brokered private placement, we issued 18.1 (19.3 post QT) million common shares at $0.46 each for total gross proceeds of $8.3 million, before $0.7 million commissions and other share issuance costs.

- Through a brokered private placement led by Canaccord Genuity Corp., we issued 9.4 (10.0 post QT) million Units at $1.00 each for total gross proceeds of $9.4 million, before $0.8 million commissions and other share issuance costs. Each Unit comprised of one common share and one-half of one common share purchase warrants exercisable at $1.30 each for a period of two years. Additionally, we issued 0.5 million Agent Warrants to the lead broker and syndicate, to buy units at $1 each. Each Agent Warrant consists of one Unit as defined above.

- On September 6, 2018, we closed a non-brokered private placement of 4 million Units at $1.25 each for total gross proceeds of $5.0 million before $0.1 million commissions. Each Unit consists of one common share of LiveWell and one common share purchase warrant of LiveWell (a

"Warrant"). Each Warrant will be exercisable into one common share at a price of $1.50 per Warrant for a period of 24 months from the date of closing. If the volume weighted average price of the common shares on the TSX-V (or any public exchange in which LiveWell's stock is listed) is equal to or greater than $2.00 for any 10 consecutive trading days, we may accelerate the expiry date of the Warrants to the date that is 180 days following the date of such written notice.

- On November 21, 2018, we closed a non-brokered private placement resulting in the issuance of 2 million Units at $0.80 each for gross proceeds of $1.55 million before $0.01 million commissions and other share issue costs. Each Unit consisted one common share and one common share purchase warrant of LiveWell. Each warrant is exercisable into one common share at $1.00 each for a period of 24 months from the date of closing. If the volume weighted average price of the common shares on the TSX-V (or any public exchange in which LiveWell's stock is listed) is equal to or greater than $1.50 for any 10 consecutive trading days, LiveWell Canada may accelerate the expiry date of the Warrants to the date that is 180 days following the date of such written notice.

Contractual Obligations

At December 31, 2018, we had the following contractual obligations and commitments ('000s):

Payment due:	Total	Within 1 Year	1 to 3 years	3 to 5 years	> 5 years
Borrowings	**$ 12,551**	$ 12,107	$ 415	$ 29	$ -
Accounts payable & accrued liabilities	**8,246**	8,246	-	-	-
Customer deposits	**2,111**	-	-	-	-
Bank indebtedness	**2,031**	-	-	-	-
Due to Acenzia selling shareholders	**2,000**	2,000	-	-	-
Total financial liabilities	**$ 26,939**	**$ 22,353**	**$ 415**	**$ 29**	**$ -**

Contingencies

On April 3, 2019, LiveWell received notice from Canopy and Rivers alleging, among other things, that LiveWell had breached a number of covenants in favour of Canopy and Rivers under the Agreements, including an allegation that LiveWell failed to provide notice to Canopy of the proposed merger of LiveWell, Vitality CBD Natural Products Health Inc. and Mercal Capital Corporation. Canopy and Rivers have taken the position that they are terminating the Agreements.

It is our position that Canopy and Rivers have missed a key milestone in two of the Agreements around obtaining the ACMPR license at both the Artiva location and LiveWell Québec location. Management believes there is no factual basis for the position taken by Canopy and Rivers, that their claims are tactical, and that Canopy and Rivers are in breach of all of the Agreements for, among other things, failing in their obligation to assist Artiva and LiveWell in obtaining the ACMPR license, entitling LiveWell and Artiva to terminate the Agreements. Management strongly believes the allegations and claims put forward by Canopy and Rivers are frivolous, and disputes the positions taken by Canopy and Rivers with respect to termination of the Agreements. We will vigorously pursue its rights through the dispute resolution process set out in the Agreements.

Capital Resources

Our key objectives and policies for managing capital are to maintain a strong capital base in order to:

- maintain investor, creditor and market confidence;

- advance LiveWell's corporate strategies to generate attractive risk-adjusted return over the long-term for our shareholders;

- sustain LiveWell's operations and growth through all cycles; and

- ensure compliance with the covenants of any applicable credit facility and other financing facilities.

Our capital resources comprised the following (in '000s):

	December 31, 2018	December 31, 2017
Borrowings (drawn)	**$ 12,551**	$ 6,100
Preferred shares	**5,605**	5,605
Common shares	**49,275**	17,576
Share-based payments	**2,592**	1,377
Warrants	**2,193**	-
Reserve- other	**(11,186)**	(11,186)
Less: deficit	**(25,277)**	(6,297)
Total capital resources	**$ 35,753**	$ 13,175

The significant increase in capital resources during 2018 was driven by:

- $31.7 million increase in common shares is primarily due to equity raises, the Canopy Transaction, and the completion of the Qualifying Transaction with Percy Street. See Note 19(b) of the Consolidated Financial Statements for further details.
- $4.0 million interest-only VTB mortgage for the purchase of the Litchfield property.
- $2.5 million of assumed borrowings from the acquisition of Acenzia.

The above increase was offset partially by an increase in deficit due to the net loss for 2018.

LiveWell's authorized share capital is an unlimited number of common and preferred shares. At December 31, 2018, our total issued and outstanding common shares were 131.7 million and we had the following outstanding preferred shares (in '000s):

	December 31, 2018		December 31, 2017	
	# of Shares	Value	# of Shares	Value
Preferred Shares - Series 1	**1,068**	**$1,000**	1,000	$ 1,000
Preferred Shares - Series 2	**1,068**	**1,000**	1,000	1,000
Preferred Shares - Series 3	**3,605**	**3,605**	3,605	3,605
Total preferred shares	**5,741**	**$5,605**	5,605	$ 5,605

Refer to Note 19 (a) of the Consolidated Financial Statements for further details on the key terms of the preferred shares.

Subsequent to December 31, 2018 Capital Raise Activities

- On February 19, 2019, we completed a brokered private placement of $3 million of Senior Secured Convertible Note, which are convertible into our common shares at CAN$0.74 ("Bridge Notes"). This was a bridge financing to allow more time to close the brokered private placement (see point below). After agent fees and professional fees, the net proceeds were US$2.5 million. The Bridge Notes, secured against various company assets, accrue guaranteed interest at 10% per annum and have a maturity date of February 14, 2020. In addition to the Notes, the investors received warrants from Vitality to purchase 3 million common shares of Vitality priced at US$1.00 each. We assumed these warrants upon closing the amalgamation. We may prepay the Bridge Notes at a 3% premium on 10 trading days' notice. The payment of the Bridge Notes is amortized in six equal monthly payments beginning on September 1, 2019. The Bridge Warrants may be put back to us by the holder at a cost of $0.4 million, beginning six months after the date of issuance and we can force the exercise of the warrants at CAN$3.00 per share subject to certain conditions. Following the share consolidation and Amalgamation, the conversion rate will be adjusted to $11.10 from $0.74 and the number warrants will be adjusted to 1.2 million warrants at US$2.49 each.

- On March 20, 2019, we completed a brokered private placement of $1.7 million of Equity Units at $0.74 each. Each Equity Unit consists of one common share of LiveWell and one common share purchase warrant. Each warrant shall be exercisable into one common share of LiveWell at a price of $0.74. The warrants expire on March 20, 2024. Accordingly, we have issued from treasury 2,299,000 common shares. Following the share consolidation and Amalgamation, the number warrants will be adjusted to 153 thousand warrants at $11.10 each.

- On March 27, 2019, we completed the brokered private placement of US$12 million of our Senior Secured Convertible Promissory Notes, subject to a US$6 million holdback provisions, which are convertible into our common shares at the lower of: (i) the lowest daily VWAP in the previous ten trading days after trading resumes on the CSE or (ii) 75% of the lowest daily VWAP in the 10 trading days prior to the trading day on which the conversion shares are free trading in the United States on the NASDAQ or the CSE; provided however that in no event shall the conversion price be lower than CAD$0.74 per share (referred to herein as the "Notes"). The investors were also issued warrants of to purchase an aggregate of 6 million common shares at an initial exercise price of $1.00 per share. (referred to herein as the "Warrants"). The Notes accrue guaranteed interest at 10% per annum and have a maturity date of April 20, 2020. The Company may prepay the Bridge Notes at a 25% premium on 10 trading days' notice. The payment of the Notes is amortized in eight equal monthly payments beginning September 1, 2019. Following the share consolidation and Amalgamation, the minimum conversion rate will be adjusted to $11.10 from $0.74 and the number warrants will be adjusted to 2.4 million warrants at US$2.49 each.

The total net proceeds from the above capital raises will be used to further invest in Vitality's Eureka, Montana extraction facility, with the balance for general corporate purposes.

The Bridge Notes, Bridge Warrants, Notes, Warrants, and Equity Units described above were offered in private placements under Section 4(a)(2) of the U.S. Securities Act of 1933, as amended (the U.S. Securities Act"), and Regulation D promulgated thereunder and, along with the common shares underlying the Bridge Warrants and Warrants, were not registered under the U.S. Securities Act, or applicable state securities laws. All of such Bridge Warrants and Warrants contain certain ownership limitations that may restrict their exercise, as described under the caption "Selling Shareholders" in the underlying prospectus. In addition, all such warrants are exercisable on a cashless basis if at the time of exercise there is no effective registration statement registering, or the prospectus contained therein is not available for, the resale of Common Shares for which the warrants are exercisable.

The following table outlines the projected fully diluted common shares at December 31, 2018 and 2017 ('000s).

	December 31, 2018	December 31, 2017 (1)
Preferred shares:		
Series 1 at $0.23 each	**4,645**	4,645
Series 2 at $0.43 each	**2,485**	2,485
Common shares	**131,687**	74,207
Stock options:		
At $0.43 each	**16,023**	14,849
At $0.30 each	**317**	-
Warrants at $1.22 each	**5,029**	-
Warrants at $1.50 each	**3,992**	-
Warrants at $1.00 each	**1,938**	-
Agent Warrants:		
Common shares at $0.936 each	**486**	-
Warrants at $1.22 each	**243**	-
Projected fully diluted common shares	**166,845**	96,186

(1) As a result of the Qualifying Transaction completed on June 19, 2018, the securities have been restated to reflect the post-share conversion rate of 1 to 1.0684.

Subsequent to December 31, 2018

- In March 2019, we granted an aggregate of 9.4 million options to purchase common stock of LiveWell to certain officers, employees and consultants. The options are exercisable at a price of $0.74 per share and will vest one third on each December 31st starting with December 31, 2019. These options will expire in five years. All options were granted in accordance with our stock option plan as approved by the shareholders in December 2018.

- In March and April 2019, Holders of Series 1 and 2 Preferred Shares converted 876,050 and 876,049 preferred shares at $0.23 and $0.43, respectively, for a total of 5,774,943 common shares during the first quarter of 2019. A further 10,683 of each Series 1 and Series 2 Preferred Shares were converted for a total of 71,291 common shares in April 2019. This resulted in reclassifying $1.6 million from preferred shares to common shares in shareholders' equity.

As of the date of this MD&A, our total issued and outstanding common shares were 161.7 million, of which 23% is owned by LiveWell's directors and the executive team.

(Expressed in Canadian Dollars, except as otherwise noted)

Further, at the Special Meeting held on April 11, 2019, our shareholders approved a share consolidation of 15 to 1. The following table provides the effect of the share consolidation on LiveWell's common shares, preferred shares, options, warrants and agent warrants at December 31, 2018 and April 26, 2019 (reflecting subsequent events), including adjustments to exercise price and conversion rate:

	December 31, 2018	April 26, 2019
Preferred shares:		
Series 1 at $3.45 each	**310**	**13**
Series 2 at $6.45 each	**166**	**13**
Common shares	**8,779**	**10,777**
Stock options:		
At $11.10 each	**-**	**623**
At $6.45 each	**1,068**	**1,062**
At $4.50 each	**21**	**21**
Warrants at $18.30 each	**335**	**335**
Warrants at $22.5 each	**266**	**266**
Warrants at $15.00 each	**129**	**129**
Agent warrants:		
Common shares at $14.04each	**32**	**32**
Warrants at $18.3 each	**16**	**16**
Convertible debt at minimum $11.10 (1)	**-**	**1,811**
Fully diluted common shares	**11,122**	**15,098**

(1) US$15 million converted to CAD $1.34.

Refer to the Joint Management Information Circular and Proxy Statement dated March 11, 2019, for fully diluted pro forma share capitalization for Eureka 93 Inc., including Mercal and Vitality. A copy is available on our website: www.eureka93.com

OFF-BALANCE SHEET ARRANGEMENTS

We have no off-balance sheet arrangements.

(Expressed in Canadian Dollars, except as otherwise noted)

TRANSACTIONS WITH RELATED PARTIES

LiveWell's related parties, as defined by IAS 24, *Related Party Disclosures*, include our directors, executive officers, key management personnel, and enterprises which are controlled or significantly influenced by these individuals.

The following table lists the related parties and their respective relationship to LiveWell as at December 31, 2018.

Related Party	Relationship
Timothy McCunn, Chairman and Director	Director
Honourable Lawrence Cannon, Director	Director
Hugh Notman, Director	Independent Director
Peter Abboud, Director and Special Advisor	Director
Seann Poli, Director and Special Advisor	Director
David Rendimonti, President and CEO	Management
Steven Archambault, CFO	Management
Robert Leaker, Chief Science & Innovation Officer	Management
Michel Lemieux, Chief Administrative Officer (CAO)	Management
Peter Geimer, VP Sales & Marketing	Management
Jean Bernard, VP Information Security and Technology	Management
Vitality CBD Natural Health Products ("Vitality")	Certain executive officers and directors collectively own 35% of Vitality's voting shares; Timothy McCunn and Robert Leaker are directors of Vitality; Robert Leaker is also the CEO of Vitality.
Relief Effects Inc.	Certain executive officers and directors collectively own 95% of Relief Effects Inc. voting shares; Timothy McCunn, Robert Leaker and David Rendimonti are directors of Relief Effects Inc.
Perley-Robertson, Hill & McDougall LLP	LiveWell's Chairman is a senior partner at the law firm.
Delisse Fine Cuisine	Related to Director and Special Advisor (Peter Abboud)
Grant Bourdeau	Co-President of Acenzia
Indrajit Sinha	Co-President of Acenzia
Derrick Bourdeau	Former shareholder of Acenzia
1710721 Ontario Inc	Owned by parties related to Grant Boudreau
2247865 Ontario Inc	Owned by parties related to Grant Boudreau
Ambour Holdings Inc	Owned by parties related to Grant Boudreau
Avec8 Inc	Owned by Indrajit Sinha

Refer to Note 18 of the Consolidated Financial Statements for detailed disclosures on related party transactions during the years ended December 31, 2018 and 2017. These transactions are in the normal course of business and are at arm's length and at market rate .

(Expressed in Canadian Dollars, except as otherwise noted)

ACCOUNTING MATTERS

Critical Accounting Estimates

The Consolidated Financial Statements include certain amounts that are inherently uncertain and judgmental in nature. As a result, management is required to make assumptions and best estimates in order to determine the reported values. We consider an accounting estimate to be critical if: (1) it requires that significant assumptions be made in order to deal with uncertainties; and (2) changes in the estimate could have a material impact on our results of operations, financial condition or liquidity.

At December 31, 2018, we believe that the material items requiring such subjective and complex estimates are as follows:

- Business combinations
- Share-based compensation
- Provision for bad debts
- Estimated useful lives and depreciation and amortization for property, plant & equipment
- Valuation of deferred tax asset
- Impairment of long-lived assets

Refer to Note 4 of the Consolidated Financial Statements for further details. We believe that the amounts included in these financial statements reflect management's best judgment. However, factors including, without limitation, those noted under "Risks and Uncertainties" below could cause actual events or results to differ materially from our underlying assumptions and estimates. Accordingly, this could lead to a material adverse impact on our results of operations, financial condition and/or liquidity.

Changes in Accounting Policies Including Initial Adoption

We have adopted the following accounting policies for the year ended December 31, 2018.

Accounting Standards	Adoption Date for LiveWell
IFRS 2 – Share-Based Payment	January 1, 2018
IFRS 15 – Revenue from Contracts with Customers	January 1, 2018
IFRS 9 – Financial Instruments	January 1, 2018

There are a number of new standards, and amendments to accounting standards and interpretations, that were not yet effective for the year ended December 31, 2018, and therefore these have not been applied in preparing the Consolidated Financial Statements.

Accounting Standards	Adoption Date for LiveWell
IFRS 16 – Leases	January 1, 2019

Refer to Note 3(v) of the Consolidated Financial Statements for further details on the above new accounting standards.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Refer to Notes 22 and 23 of the Consolidated Financial Statements for disclosure relating to LiveWell's financial instruments and financial risk management objectives and policies.

CONFLICTS OF INTEREST

LiveWell's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other companies. To the extent that such other companies may participate in a transaction with LiveWell, the directors and officers of LiveWell may have a conflict of interest in negotiating and concluding terms with respect to the transaction. If a conflict of interest arises, LiveWell will follow the provisions of the CBCA that address conflicts of interest. The CBCA requires each director and officer to disclose in writing (or request to have entered in the minutes of the board meeting) the nature and extent of the director's or officer's interest in a material contract or transaction, whether made or proposed, with LiveWell. The CBCA further requires such a director to refrain from voting on a resolution to approve the contract or transaction except in narrow circumstances set out in the CBCA. In all circumstances, the directors and officers of LiveWell are required to act honestly, in good faith, and in the best interest of LiveWell.

RISKS AND UNCERTAINTIES

LiveWell is pursuing commercial business activities in hemp and cannabis that encompass the biotechnology and agricultural industries and accordingly LiveWell is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Commencing in 2019, as a result of its acquisition of Acenzia and Vitality, LiveWell is expected to have ongoing revenue from operations. However, LiveWell continues to have limited capital resources and relies upon the sale of its common shares to finance its operations, large cannabis projects, and new investments.

The risks and uncertainties below are not the only ones facing LiveWell. Additional risk and uncertainties not presently known to us or that we currently consider immaterial may also impair LiveWell's business operations and cause the price of LiveWell's common shares to decline. If any of the following risks occur, LiveWell's business may be harmed and its financial condition and results of operations may suffer significantly. In that event, the valuation of LiveWell's common shares could decline, and an investor may lose all or part of his, her or its investment. Accordingly, potential investors are strongly recommended to consult an independent financial advisor before deciding to invest in LiveWell.

Risks Related to the Company

- Our ability to grow, store, process and sell cannabis in Canada is solely dependent on LiveWell's ability to obtain the cultivation, processing and sales licenses under the Cannabis Act for each location we anticipate having a cannabis operation. While we have submitted our final cultivation license application to Health Canada, there is no assurance that Health Canada will grant it to LiveWell.
- LiveWell is in the development stage with less little operating history with significant operating losses from inception.
- There is uncertainty about LiveWell's ability to continue as a going concern and there is no assurance that we will generate profit in the near turn and/or raise sufficient capital at acceptable terms, if any.

Further there is no assurance that LiveWell will realize the projected cash flows for the Artiva Cannabis Facility, which could result in a full or partial impairment of goodwill.

- We may not be able to secure all necessary financing in time to begin, continue and complete the Artiva Cannabis Project and the Litchfield Project.
- While the Government of Québec, through the Ministère de l'Économie, expressed an interest in financing 25% of our investment for our World-Class Innovation Centre at Litchfield, Québec, there is no assurance we will successfully secure financing from the government in the near term, if any.
- LiveWell's actual financial position and results of operations may differ materially from the expectations of LiveWell's management.
- The level of LiveWell's indebtedness from time to time could impair our ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise. Our inability to service LiveWell's debts as required may have a materially adverse impact on the results and operations of LiveWell.
- We expect to incur significant ongoing costs and obligations related to investment in infrastructure, growth, regulatory compliance and operations.
- While we have a signed a CBD supply agreement for distribution in Brazil, given the delay in our ability to supply, there is no assurance that the Brazilian buyer will honour its agreement of purchasing a minimum 5,000 kilograms at $7,000 per kilogram over 12 months starting from the receipt date of the first purchase order.
- We are subject to changes in laws, regulations, and guidelines which could adversely affect LiveWell's future business, financial condition, and results of operations.
- Given the fast pace environment in our emerging hemp and cannabis industry, our business plan and strategies may change in the short-term. Further, our business plan involves a number of strategic partnerships. If these partnerships do not materialize, we may be unable to achieve our strategic goals and profitability.
- We may not be able to develop our products, which could prevent us from ever becoming profitable.
- The price of production, sale and distribution of hemp and cannabis will fluctuate widely due to, among other factors, how young the cannabis industry is and the impact of numerous factors beyond the control of LiveWell including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new production and distribution developments and improved production and distribution methods.
- Our directors and officers control a large percentage of LiveWell's issued and outstanding common shares and therefore such directors and officers may have the ability to control matters affecting LiveWell and its business.
- We may not be able to effectively manage LiveWell's growth and operations, including integration of recent acquisitions, which could materially and adversely affect LiveWell's business.
- We may not be able to adequately protect our proprietary and intellectual property rights. Further, we may be forces to litigate to defend our intellectual property rights, or to defend against claims by third parties against LiveWell relating to intellectual property rights.
- We may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on LiveWell's reputation, business, results from operations, and financial condition.

- Our operations are subject to environmental regulation in the various jurisdictions in which LiveWell operates.
- We face competition from other companies with larger capitalization, more experienced management or more mature as a business.
- If we are unable to attract and retain key personnel, we may not be able to compete effectively.
- Failure to successfully integrate acquired businesses, its products and other assets into LiveWell, or if integrated, failure to advance LiveWell's business strategy, may result in LiveWell's inability to realize any benefit from such acquisition.
- Given the new and emerging cannabis industry, the size of LiveWell's addressable market is difficult to quantify, and therefore investors should rely on their own estimates on the accuracy of the market data.
- Our industry is experiencing rapid growth and consolidation that may cause LiveWell to lose key relationships and intensify competition.
- We continue to sell common shares for cash to fund our operations, capital expansion, mergers and acquisitions that will dilute current shareholdings.
- We currently have insurance coverage; however, because we operate in the cannabis industry, there are additional difficulties and complexities associated such insurance coverage. There is no assurance that we will successfully renew future insurance coverage at reasonable commercial terms.
- The cultivation of industrial hemp and cannabis includes risks inherent in an agricultural business including the risk of crop loss, sudden changes in environmental conditions, equipment failure, product recalls and others.
- The cultivation of hemp and cannabis involves reliance on third party transportation which could result in supply delays, reliability of delivery and other related risks.
- We may be subject to product recalls for product defects self-imposed or impose by regulators.
- We are reliant on key inputs, such as water and utilities, and any interruption of these services could have a material adverse effect on LiveWell's finances and operation results.
- Uncertainty pertaining to future projected cashflows might lead to impairment of goodwill and/or intangible assets.
- Under Canadian regulations, a licensed producer of cannabis may have restrictions on the type and form of marketing it can undertake which could materially impact sales performance.
- We may be liable for fraudulent or illegal activity by our employees, contractors, and consultants resulting in significant financial losses to claims against LiveWell.
- We are reliant on information technology systems and therefore we may be subject to damaging cyber-attacks.
- We may be subject breaches of security at our facilities, or in respect of electronic documents and data storage, and may face risks related to breaches of applicable privacy laws.
- Our directors and officers may be engaged in a range of business activities resulting in conflicts of interest.

Risks Related to LiveWell Common Shares

- Given the current small number of free trading shares, future sales of common shares by existing shareholders could reduce the market price of our common shares.
- The market price for our common shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control.
- We do not anticipate paying cash dividends in the foreseeable future.
- We are subject to uncertainty regarding legal and regulatory status and changes.
- Following the closing of the Amalgamation, we anticipate the majority of shareholders of Eureka 93 Inc. will be residents of the United States and consequently this will result in Eureka 93 will be an "inverted" corporation and therefore it would be treated as both a Canadian and U.S. corporation / taxpayer for Canadian and U.S. corporate income taxes. This classification will likely have significant adverse tax implications and more onerous tax compliance.
- Our directors, officers and insiders that are subject to "Escrowed Securities" under the CSE rules may in the future sell some or all of their common shares upon release from escrow, which could have an adverse impact on our stock price.

For additional description of the risk factors affecting LiveWell, refer to LiveWell's continuous disclosure documents on www.sedar.com.

Additional Information

Additional information related to Eureka 93 Inc. (formerly LiveWell Canada Inc.) is available for view on our corporate website at www.eureka93.com and through our public filings on SEDAR.