



BLISSCO CANNABIS CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
Six Months Ended July 31, 2018

BLISSCO CANNABIS CORP.

Management Discussion & Analysis
July 31, 2018

1.1 Date

This Management Discussion and Analysis (“MD&A”) of BlissCo Cannabis Corp. (the “Company” or “BlissCo”) has been prepared by management as of September 27, 2018 and should be read in conjunction with the condensed interim consolidated financial statements and related notes thereto for the six months ended July 31, 2018 and the audited financial statements and related notes thereto of the Company, as at and for the years ended January 31, 2018 and 2017, which were prepared in accordance with International Financial Reporting Standards (“IFRS”).

This MD&A contains forward-looking information which reflects management's expectations regarding the Company's growth, results of operation, performance and business prospects and opportunities. The use of words such as “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe”, “outlook”, “forecast” and similar expressions are intended to identify forward-looking statements.

The Company has based the forward-looking statements largely on the Company's current expectations, estimates, assumptions, and projections about future events and financial and other trends that the Company believes, as of the date of such statements, may affect its business, financial condition and results of operations. Such expectations, estimates, assumptions, and projections, many of which are beyond the Company's control, include, but are not limited to: management's expectations regarding the future business, objectives and operations of the Company; the Company's anticipated cash needs and the need for additional financing; the Company's ability to successfully complete future financings; the acceptance by the marketplace of new technologies and solutions; the Company's expectations regarding its competitive position; the Company's expectations regarding regulatory developments and the impact of the regulatory environment in which the Company operates; the Company's ability to attract and retain qualified management personnel and key employees; and anticipated trends and challenges in the Company's business and the markets in which it operates. Assumptions underlying the Company's working capital requirements are based on management's experience with other public companies. Forward-looking statements pertaining to the Company's need for and ability to raise capital in the future are based on the projected costs of operating a cryptocurrency company and management's experience with raising funds in current market circumstances. Forward-looking statements regarding treatment by governmental authorities assumes no material change in regulations, policies, or the application of the same by such authorities. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements with the risks set forth.

1.2 Over-all Performance

BlissCo Cannabis Corp., formerly Trigen Resources Inc., was incorporated on January 13, 1981 under the laws of British Columbia.

On February 22, 2018, the Company consolidated its issued and outstanding share capital on a 2.25 old for one new basis and changed its name from Trigen Resources Inc. to BlissCo Cannabis Corp. The Company was previously listed on the NEX board of the TSX Venture Exchange (the “Exchange”) and was delisted from the Exchange effective February 21, 2018. On March 2, 2018, the Company commenced trading on the Canadian Securities Exchange (“CSE”) under the symbol “BLIS”. On April 30, 2018, the Company commenced trading on the Frankfurt Stock Exchange under the symbol “GQ4B”. On September 21, 2018, the Company commenced trading on the OTCQB under the symbol “HSTRF”.

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On February 23, 2018, the Company completed its acquisition of Bliss Co Holdings Ltd. ("BCH"), a private company incorporated under the laws of Canada. BlissCo has constructed an urban Access to Cannabis for Medical Purposes Regulation cultivation facility with a focus on being a high-volume packager, processor and distributor of medical cannabis and recreational cannabis when it becomes legal in Canada.

Summary of the acquisition transaction:

- 69,963,652 post-Consolidation shares of BlissCo were issued to the shareholders of BCH as consideration for 100% of the issued and outstanding common shares of BCH.
- 16,245,750 warrants of BlissCo were issued to holders of BCH warrants, where each warrant entitles the holder to acquire one post-Consolidation share of the Company at an exercise price of \$0.25.
- BlissCo completed a private placement financing of 18,684,043 units of common shares on a post-consolidation basis at a price of \$ 0.30 per unit for aggregate gross proceeds of \$5,605,213 (the "Private Placement"). Each Unit is comprised of one common share ("Share") and one Share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one Share at an exercise price of \$0.60 for a period of two years provided that the Company may accelerate the expiry date by providing 20 days' notice in the event that the Shares have a volume weighted average price of \$0.80 or higher for a period of 10 consecutive trading days. All securities issued under the Financing were issued on a post-consolidated basis and are subject to a four-month hold period in accordance with applicable securities laws.
- Arm's length finder received an aggregate of 833,333 post-Consolidation common shares of BlissCo.
- The board of directors of the BlissCo Cannabis consist of five directors.

General Description of the Business

BlissCo is a vertically integrated distribution focused cannabis cultivation company that earned an *Access to Cannabis for Medical Purposes Regulation* (ACMPR) License to produce medical cannabis in March 2018 and produce medical cannabis oil in August 2018.

BlissCo is licensed to cultivate cannabis plants, prepare dried cannabis and produce cannabis oil. On September 20, 2018, BlissCo completed its three day pre-sales license inspection from Health Canada to sell dried cannabis sourced from its supply agreement with The Supreme Cannabis Company and Green Seal Cannabis both in Ontario, Canada. BlissCo will apply for a license to sell cannabis oil in Q3.

With the ACMPR license to Produce and Sell, BlissCo will begin to cultivate, package, distribute and sell medicinal marijuana to approved patients directly and work closely with their health care providers.

First Half Corporate Highlights

- Completed a \$3 million strategic equity investment with The Supreme Cannabis Company Inc. (TSXV: FIRE). As at the date of this MD&A, Supreme Cannabis owns 9.94% of the Company.
- Completed the acquisition of BlissCo Holdings Ltd.
- Commenced trading on the Canadian Securities Exchange on March 2, 2018 under the symbol "BLIS".
- Completed a financing of 18,684,043 units at \$0.30 per unit for aggregate gross proceeds of \$5,605,213.
- Changed its auditors to MNP LLP.
- Cancelled an aggregate of 2,040,000 stock option previously granted on February 23, 2018 at an exercise price of \$0.30 per share.

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- Increased public exposure from featured articles nationwide and a live interview with Midas Letter on May 24, 2018.
- Praveen Varshney resigns from BlissCo's board.
- Rob Kang resigns as CFO and Secretary.
- Sean Ty is appointed as interim CFO and interim Secretary.
- Sean Dollinger joins BlissCo's board.
- Granted the following stock options during the period:
 - 370,000 stock options at an exercise price of \$0.33 to employees expiring June 8, 2021 with a vesting provision over a 3 year period.
 - 80,000 stock options at an exercise price of \$0.33 to an investor relations consultant expiring June 30, 2019 with a vesting provision over a 1 year period.
 - 260,000 stock options at an exercise price of \$0.38 to employees and consultants expiring July 6, 2021 with a vesting provision over a 3 year period.
 - 25,000 stock options at an exercise price of \$0.38 to an investor relations consultant expiring June 30, 2019 with a vesting provision over a 1 year period.
- Commenced trading on the Frankfurt Stock Exchange under the symbol GQ4B.
- Dr. Hyndman, a former medical director of Qi Integrated Health and a board-certified medical doctor with the Canadian College of Family Physicians (CCFP) and a naturopath, joins BlissCo's advisory board.
- Matt Breech, CEO of TallGrass, a distributor of natural supplements, superfoods and other health and wellness products, joins BlissCo's advisory board.

First Half Operations Highlights

- Entered into a definitive supply agreement with Supreme Cannabis' wholly owned subsidiary, 8528934 Canada Ltd. dba 7ACRES. 7ACRES will supply BlissCo with a minimum of 1,000 kilograms of premium quality dried cannabis over a twelve-month period commencing July 1, 2018. The aggregate value of the Supply Agreement is estimated at \$6 million. 7ACRES will supply BlissCo with an additional 2,000 kilograms of premium dried cannabis in the 2nd year of the agreement after performance milestones are met.
- Received its Access to Cannabis for Medical Purposes Regulation (ACMPR) license to cultivate cannabis plants and prepare dried cannabis.
- Earned its Occupancy Permit from the Township of Langley.
- Received its order of cuttings at the Company's Langley facility from 7ACRES and commenced cultivation.
- Made key hires including Quality Assurance team
- Purchased oil production machinery that uses CO2, producing higher quality product for medical customers and sets BlissCo up to maintain the quality of byproducts for when their use is legal.
- Enlisted an award-winning Vancouver design agency for branding and packaging.
- Received a follow up Health Canada Inspection Report on June 13, 2018 with no critical observations.
- Replied to Health Canada's Inspection Report on June 25 with "BlissCo's Corrective Action Report for Introductory Inspection Report" which was submitted two days before Health Canada's written response due date of June 27, 2018.
- Submitted a license amendment application to Health Canada to produce cannabis oil on June 6, 2018.
- Received an assessment of our amendment application from Health Canada on June 22, 2018 and replied with the additional information requested on June 26, 2018.
- Signs a non-binding letter of intent to sell 720 kilos of dried cannabis flower to a German biomedical and

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distribution company (the "Importer"). BlissCo has initially agreed to provide its German research and distribution partners with dried cannabis flowers which will be processed from two THC-rich and one CBD-rich cannabis strains. Prior to any shipment of dried cannabis flowers to the German market BlissCo must first obtain an export permit from Health Canada as well as a Good Manufacturing Practice ("GMP") certification, in accordance with the rules governing medicinal products in the European Union. The EU-GMP certification is a requirement to distribute medical cannabis to Germany and across the European Union. The Importer must also obtain an import permit.

- Canada legalizes recreational cannabis on October 17, 2018.
- Receives supply of premium dried cannabis from Supreme Cannabis. The dried cannabis will enable BlissCo to apply for a sales amendment to its ACMPR license for the purpose of supplying its domestic and global ecosystem partners in nations where medical cannabis is federally legal.
- Signs an agreement with GreenSeal Cannabis Company Ltd. to purchase 1,700 kilos of dried cannabis and 340 kilos of dried trim in the first two years of the agreement with two annual renewable options. This agreement provides BlissCo with the ability to use GreenSeal's dried cannabis and package, process and sell the cannabis product to BlissCo's medical patients or adult recreational customers in Canada when it is legal or export medical cannabis to other countries where medical cannabis is federally legal.
- Signs an e-commerce and technology services agreement with Namaste Technologies Inc. (TSXV: N), a global leader in the sale of medical cannabis technology and consumption devices. The Agreement provides BlissCo with services including access to Namaste's technology platforms, software integrations and e-commerce services including those powered by Namaste's e-commerce artificial intelligence (AI) platform, Findify.io. Under the terms of this Agreement, Namaste will leverage its proprietary technology platforms to develop an innovative online marketplace in partnership with BlissCo to enhance BlissCo's patient experience.
- Completed a Good Manufacturing Practices (GMP) Gap Assessment bringing BlissCo one step closer to earning its Eudralex GMP certification that will allow the Company to export to European markets, including the German market, once the Company has also earned its sales license.

Recent events

- Damian Kettlewell co-presented as a keynote speaker at the Cannabis Business Europe 2018 conference in Frankfurt, Germany on August 27 and 28, 2018.
- Shannon Khan, a licensed practical nurse who served as a leader in the Dr. Bernstein Diet and Health Clinics, joins BlissCo to serve as Patient Care and Call Center Lead.
- Earned an amendment to its ACMPR License from Health Canada to include the production of cannabis oil in August 2018.
- Health Canada pre-sales license inspection was completed on September 20, 2018.
- Signed an agreement for same day delivery service with Pineapple Express Delivery Inc., a private company specialized in same-day delivery of medical cannabis.
- Granted 80,000 stock options to an officer of the Company at a price of \$0.405 per share for a three year period.
- Commenced trading on the OTCQB under the symbol HSTRF.
- Navdeep Dhaliwal resigns from Blissco's board.

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1.3 Selected Annual Information

January 31,	2018	2017	2016
Loss	\$ (448,610)	\$ (9,431)	\$ (12,018)
Loss per share	\$ (0.01)	\$ (0.00)	\$ (0.00)
Total assets	\$ 4,879,486	\$ 35,077	\$ 51,214
Total long term liabilities	\$ 1,100,000	\$ Nil	\$ Nil
Cash dividends declared per share for each class of share	\$ Nil	\$ Nil	\$ Nil

The increase in net loss for the year ended January 31, 2018 was primarily a result of the Company's increased operations and legal costs incurred in connection with the Company's financing and due diligence associated to the reverse takeover transaction.

During the year-ended January 31, 2018, the Company purchased a property for its operations and commenced construction of building improvements.

1.4 Results of Operations

Six months ended July 31, 2018 and 2017

During the six months ended July 31, 2018, the Company incurred a net loss of \$3,329,189 or \$0.07 per share as compared to a net loss of \$21,571 or \$0.00 per share for the comparative six months ended July 31, 2017, an increase in loss of \$3,307,618.

The increase in net loss during the period was primarily a result of the Company's reverse takeover transaction which incurred listing expenses totaling \$2,045,285.

In addition to the listing expenses, the Company incurred the following increases which significantly attributed to the net loss:

Costs in connection to the facility operations:

- The Company completed construction of improvements to its operating facility and purchased furnishings and equipment to commence cultivation of cannabis. Property, plant and equipment resulted in \$106,748 in amortization.
- Incurred consumables of \$70,531 related to the cultivation of cannabis plants.
- Mortgage interest of \$46,750 paid on the mortgage of the facility property purchased during the year ended January 31, 2018.
- Property taxes of \$11,104, repairs and maintenance of \$5,893 and utilities of \$19,125 incurred in relation to the Company's facility.
- Salaries and benefits of \$133,143 paid to the Company's operational staff.

General business operational costs:

- Interest and bank charges of \$4,022 paid primarily on interest due on a convertible promissory note issued to a company controlled by a director.
- Management fees of \$63,989 paid to a company controlled by a director and CEO of the Company.
- Marketing and promotion of \$232,417 for the Company's branding, promotional videos, conferences and other

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investor awareness promotions.

- Office and administration of \$157,708 for administrative services provided by a company partially controlled by a director of the Company, human resources consulting services, IT services, and increased general costs to set up operations at the new facility.
- Professional fees of \$209,054 for consulting services, January 31, 2018 annual audit, first quarter financial auditor review accrual and legal fees.
- Regulatory and transfer agent fees of \$16,610 for monthly listing fees and transfer agent services in connection to the name change and consolidation, concurrent financing and set up costs for escrow arrangements and QuickCert services.
- Research and development costs of \$1,314 for consulting services on cannabis oil extraction.
- Share based compensation of \$274,605 incurred on vested stock options granted to directors, officers, employees and consultants.
- Travel of \$18,829 for conferences and meetings with investors and business partners.

Three months ended July 31, 2018 and 2017

During the three months ended July 31, 2018, the Company incurred a net loss of \$800,186 or \$0.02 per share as compared to a net loss of \$17,854 or \$0.00 per share for the comparative three months ended July 31, 2017, an increase in loss of \$782,332.

The increase in net loss during the period reflects the Company commencing its active operations and increase in shareholder awareness through the Company's marketing and promotional program.

1.5 Summary of Quarterly Results

The following is a summary of certain financial information concerning the Company for each of the last eight quarters:

Quarter ended	Interest Income	Loss	Loss per share
July 31, 2018	\$ -	\$ (800,186)	\$ (0.02)
April 30, 2018	262	(2,529,003)	(0.06)
January 31, 2018	-	(290,791)	(0.00)
October 31, 2017	-	(136,251)	(0.00)
July 31, 2017	-	(17,851)	(0.00)
April 30, 2017	-	(3,717)	(0.00)
January 31, 2017	-	(9,256)	(0.00)
October 31, 2016	-	-	0.00

Quarters ended July 31, 2017, October 31, 2017, and January 31, 2018 began to increase in spending due to the Company's plans to go public and for the setup of the Company's operations facility.

Quarter ended April 30, 2018 reflects the completion of the reverse takeover and the commencement of cultivation.

Quarter ended July 31, 2018 reflects increased operations and marketing and promotional activities for investor awareness.

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1.6/1.7 Liquidity and Capital Resources

As at July 31, 2018, the Company reported working capital of \$3,178,073 as compared to working capital deficiency of \$905,309 at January 31, 2018, representing an increase of \$4,083,382.

Net cash and cash equivalents increased by \$2,859,190 from \$97,757 at January 31, 2018 to \$2,956,947 at July 31, 2018 as a result of cash generated by financing activities consisting of net cash acquired on reverse takeover of \$174,676 and net proceeds from issuance of shares of \$5,754,819. The Company also used \$1,906,983 in operating activities consisting of general and administrative expenditures and payments of trade payables, and \$1,163,322 in investing activities for the purchase of property, plant and equipment and intangible assets.

Current assets excluding cash, as at July 31, 2018, consisted of receivables of \$230,478 (January 31, 2018 - \$129,906), comprised of sales tax credits, biological assets of \$99,766 (January 31, 2018 - \$nil), inventory of \$144,000 (January 31, 2018 - \$nil), and prepaid expenses of \$49,311 (January 31, 2018 - \$29,335).

Current liabilities decreased by \$859,878 from \$1,162,307 at January 31, 2018 to \$302,429 at July 31, 2018. The Company has, and may continue to have, capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. Although the Company has been successful in raising the above funds, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future. The Company has not had a history of operations or earnings and the overall success of the Company will be affected by its current or future business activities.

Risks and Uncertainties

The Company has not generated any significant revenue and has incurred significant losses since inception.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk and commodity price risk.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk as the Company holds its cash in deposits with high credit quality Canadian financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it does not have sufficient liquidity to meet liabilities when due. As at July 31, 2018, the Company had a cash balance of \$2,956,947 (January 31, 2018 - \$97,757) to settle current liabilities of \$302,429 (January 31, 2018 - \$1,162,307). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

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(a) Interest rate risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits and loan payable. The interest rate risk on bank deposits is insignificant as the deposits are short term. A 10% change in the LIBOR rates will result in an insignificant impact on the profit or loss. The mortgage payable and note payable are subject to fixed interest rates; therefore, the Company is not exposed to interest rate risk on these financial liabilities.

(b) Foreign currency risk

As at July 31, 2018 and January 31, 2018, the Company's expenditures are in Canadian dollars, any future equity raised is expected to be predominantly in Canadian dollars. The Company believes it has no significant foreign exchange rate risk.

The Company does not hold balances in foreign currencies which would give rise to exposure to foreign exchange risk.

1.8 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

1.9 Transactions with Related Parties

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers.

During the period ended July 31, 2018, the remuneration of the key management personnel were as follows:

	July 31, 2018		July 31, 2017	
Chief Executive Officer	\$	60,333	\$	-
Interim Chief Financial Officer ⁽¹⁾		25,404		-
Total	\$	85,737	\$	-

(1) Appointed on July 18, 2018

Other related party transactions and balances:

- The Company owes \$nil (January 31, 2018 - \$67,892) non-interest bearing payable upon demand to the CEO and director of the Company.
- The Company paid or accrued \$16,025 (2017 – \$Nil) to the spouse of the CEO and director of the Company for marketing consulting fees. As at July 31, 2018, \$1,673 was outstanding and the amount was included in accounts payable and accrued liabilities.
- On March 1, 2018, the Company entered into an administrative agreement with Varshney Capital Corp. ("VCC"), a company controlled by a common director.

Pursuant to this agreement for the six months ended July 31, 2018, the Company paid \$32,500 (2017 - \$nil) for administrative fees to VCC.

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- (d) In connection with BCH's private placement, the Company issued 508,275 finder's options to VCC and 300,000 finder's options to NLX Capital, a company controlled by a former common director, at an exercise price of \$0.25 per share expiring July 21, 2020. A fair value of \$130,008 was recorded as a listing expense on these finder's options.
- (e) 600,000 common shares were issued to a director's company for the conversion of its note payable of \$150,000.
- (f) As at July 31, 2018, the Company owed \$4,375 (January 31, 2018 - \$Nil) to a company controlled by two directors and the CEO for reimbursement of business expenses. This amount was recorded in accounts payable and accrued liabilities.
- (g) The Company paid or accrued \$25,404 (2017 - \$Nil) to a company controlled by the interim CFO for accounting services. As at July 31, 2018, \$6,330 (January 31, 2018 - \$Nil) was outstanding and the amount was recorded in accounts payable and accrued liabilities.

1.10 Subsequent events

Subsequent to July 31, 2018, the Company:

- (a) Issued 1,100,000 common shares on the exercise of 1,100,000 share purchase warrants at \$0.25 per share for total gross proceeds of \$275,000.
- (b) Issued 3,333 common shares on the exercise of 3,333 stock options at \$0.30 per share for total gross proceeds of \$1,000.
- (c) Granted 80,000 incentive stock options to an officer of the Company at an exercise price of \$0.405 per share expiring September 18, 2021 with vesting provisions over a three year period.

1.11 Proposed Transactions

There are no proposed transactions for the Company.

1.12 Critical Accounting Estimates

Not applicable to venture issuers.

1.13 Changes in Accounting Policies

Our significant accounting policies are set out in Note 2 of the audited financial statements for the year ended January 31, 2018.

At the date of authorization of this report, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective. The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on its financial statements.

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- *IFRS 16* –New standard contains a single lessee accounting model, eliminating the distinction between operating and financing leases from the perspective of the lessee. The accounting requirements from the perspective of the lessor remains largely in line with previous IAS 17 requirements, effective for annual reporting periods beginning on or after January 1, 2019 for public entities with early adoption permitted.

1.14 Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, and trade payables and accrued liabilities.

The Company has exposures to financial risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are interest rate risk, credit risk and liquidity risk. In management's opinion, the Company's exposure to interest rate and credit risk arising from these financial instruments is minimal, and the Company has significant liquid assets to fund its operations for the next twelve months.

1.15 Other Requirements

Summary of Outstanding Share Data as at September 27, 2018:

Authorized:	Unlimited common shares without par value
Issued and outstanding:	101,980,171 common shares including 40,802,315 escrowed shares
Options:	3,866,667
Warrants:	34,322,086

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors,

"Damian Kettlewell"

Damian Kettlewell
Director & CEO