BLISSCO CANNABIS CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended January 31, 2019

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 May 31, 2019 and should be read in conjunction with the audited consolidated financial statements and related notes thereto for the year ended January 31, 2019, 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 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 Overview

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".

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 a cultivation facility with a focus on being a high-volume processor, packager and distributor of cannabis and cannabis related products.

BlissCo is a standard cultivator and standard processor under the Cannabis Act. It is focused on cultivating, processing and distributing ultra-premium dried cannabis and cannabis related products. BlissCo earned its license to cultivate cannabis plants and to prepare dried cannabis in March 2018 and its license to produce cannabis oil in August 2018. The Company received a comprehensive sales license from Health Canada to sell bulk cannabis and pre-packaged, labeled, and tested cannabis products in November 2018 to medical patients and provinces. In December 2018, the Company submitted its application for a license amendment to sell cannabis oil.

BlissCo currently sells adult-use dried cannabis and processed product to British Columbia, Alberta, Saskatchewan, New Brunswick and has plans to sell to additional Canadian provinces. The Company is also committed to providing exceptional service to its medical clients and plans to launch a telemedicine app to offer clients mobile access to a Nurse Practitioner for easy guidance and access to a prescription for medical cannabis products. The Company is currently developing an e-commerce website for its medical clients that will house a curated shop of premium dried cannabis, cannabis oil and related products.

BlissCo provides processing, extraction and distribution services to the growing market of licensed Canadian cannabis cultivators. The Company leverages cutting-edge technology and is continuously developing its network of top-tier industry cultivators, retailers, and innovators. BlissCo is backed by an experienced team that is deeply in tune and integrated with industry partners and BlissCo's clients.

Reverse Takeover of Bliss Co Holdings Ltd. (“BCH”)

On February 23, 2018 (“RTO Date”), the Company completed a reverse takeover (“RTO”) transaction with BCH, whereby the Company acquired 100% of the issued and outstanding common shares of BCH. For accounting purposes, the acquisition was considered to be a reverse acquisition under IFRS 3 *Business Combinations* (“IFRS 3”) as the shareholders of BCH obtained control of BlissCo. However, as BlissCo does not meet the definition of a business as defined by IFRS 3, it has been accounted for as a share-based payment transaction in accordance with IFRS 2 *Share Based Payments* (“IFRS 2”). The accounting for this transaction resulted in the following:

(i) The consolidated financial statements of the combined entity are issued under the legal parent, BlissCo, but are considered a continuation of the financial statements of the legal subsidiary, BCH.

(ii) As BCH is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.

(iii) Since the shares allocated to the former shareholders of BCH on closing the RTO is considered within the scope of IFRS 2, and the Company cannot identify specifically some or all of the goods or service received in return for the allocation of the shares, the value in excess of the net identifiable assets or obligations of BlissCo acquired on closing was expensed in the consolidated statement of loss and comprehensive loss as a listing expense.

The fair value of the 10,113,309 common shares for all of the Company’s issued and outstanding common shares was determined to be $2,022,662 or $0.20 per share.

(iv) The fair value of all the consideration given and charged to listing expense was comprised of:

Fair value of the common shares at RTO Date	$	2,022,662
Identifiable assets acquired – at February 23, 2018		
Cash	$	174,676
Receivable		2,528
Prepaids		19,583
Note receivable		250,000
Trades payable		(1,250)
		445,537
Unidentified assets acquired		
Listing expense		1,577,125
Total net identifiable assets and transaction costs	$	2,022,662

(v) The Company paid a finder's fee of 833,333 common shares at the completion of the RTO. Accordingly, the Company recorded a fair value of $166,667 as a listing expense. The Company incurred additional listing expenses of $137,294.

Corporate and Operational Highlights

During the 4th quarter ended January 31, 2019, the Company:

- Received a comprehensive sales license from Health Canada to sell bulk cannabis and pre-packaged, labeled, and tested cannabis products to medical patients and to provinces;
- Signed supply agreement with the British Columbia Liquor Distribution Branch;
- Signed distribution agreement with Pharmadrug in Germany; and
- Signed agreements to supply Saskatchewan with cannabis.

Subsequent to January 31, 2019:

- Signed agreements to supply New Brunswick and Alberta with cannabis;
- Received initial Good Manufacturing Practices ("GMP") inspection report;
- Submitted licence amendment to Health Canada to allow sale of cannabis oil;
- Established $4.5 million trade finance facility and a $1.5 million mortgage loan with Trichome Financial Corp.;
- Entered into a promissory note agreement with The Supreme Cannabis Company, Inc. ("Supreme Cannabis") in the principal amount of $500,000 bearing an interest rate of 10% per annum until the principal amount has been paid in full in which interest will be payable on the termination date; and
- Entered into a definitive arrangement agreement (the "Arrangement Agreement") with Supreme Cannabis. Pursuant to the Arrangement Agreement, Supreme Cannabis will acquire all of the issued and outstanding shares of the Company not already owned by Supreme Cannabis. Supreme Cannabis will issue 0.24 common shares of Supreme Cannabis for each common share of the Company (the "Exchange Ratio").

1.3 Selected Annual Information

The following table provides a summary of the financial condition of the Company prepared in accordance with International Financial Reporting Standards ("IFRS"):

		January 31, 2019		January 31, 2018		January 31, 2017
Loss	$	(4,486,939)	$	(448,610)	$	(9,431)
Loss per share	$	(0.09)	$	(0.01)	$	(0.00)
Total assets	$	8,858,347	$	4,879,486	$	35,077
Total long term liabilities	$	Nil	$	1,100,000	$	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, 2019 was primarily a result of the Company's increased operations. The Company recorded a loss of $4,486,939 for the year ended January 31, 2019 comprised of $536,645 in share based compensation, $1,591,488 in general and administrative ("G&A"), $640,301 in selling and marketing and $1,881,085 in listing expense related to the RTO.

1.4 Results of Operations

Three and twelve months ended January 31, 2019 and 2018

G&A for the three months period ended January 31, 2019 and 2018 were $536,344 and $281,163, respectively. The G&A expenses increased as the Company scaled up to be ready for the Canadian legal recreational market primarily from expenses related to the new facility, administrative, human resources and professional and legal costs. G&A includes an increase in employee compensation due to the increased staff levels as a result of commercializing the Company's operations in meeting production and shipping targets. G&A also includes an increase professional and legal costs related to business development and expanded operations.

Selling and marketing for the three months period ended January 31, 2019 and 2018 were $208,684 and $1,341, respectively. Selling and marketing expenses which includes development of marketing, public relations, logo and branding, digital marketing, development of SKUs and the development of recreational product packaging increased during the period as the Company began branding and promotional initiatives.

Share based compensation expense for the three months period ended January 31, 2019 and 2018 related to options granted to directors, officers, employees and consultants of the Company were $85,403 and $nil, respectively.

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:

	January 31, 2019	October 31, 2018	July 31, 2018	April 30, 2018	January 31, 2018	October 31, 2017	July 31, 2017	April 30, 2017
General and Administration	536,344	297,072	447,608	310,464	287,034	113,622	17,692	3,717
Selling and marketing	208,684	199,200	212,236	20,181	2,273	1,099	-	-
Share based compensation	85,403	176,637	161,907	112,698	-	-	-	-
Loss	(466,387)	(691,363)	(800,186)	(2,529,003)	(290,791)	(136,248)	(17,854)	(3,717)
Loss per share	(0.01)	(0.01)	(0.02)	(0.06)	(0.00)	(0.00)	(0.00)	(0.00)

1.6/1.7 Liquidity and Capital Resources

As at January 31, 2019, the Company reported working capital of $1,364,893 as compared to working capital deficiency of $905,309 at January 31, 2018, representing an increase of $2,270,202.

Net cash and cash equivalents increased by $677,218 from $97,757 at January 31, 2018 to $774,975 at January 31, 2019 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 $6,164,330. The Company also used $4,079,354 in operating activities consisting of general and administrative expenditures and payments of trade payables, and $1,511,423 in investing activities for the purchase of property, plant and equipment.

Current assets excluding cash, as at January 31, 2019, consisted of accounts receivable of $185,233 (January 31, 2018 - $129,906), comprised of sales tax credits, biological assets of $96,825 (January 31, 2018 - $nil), inventory of $1,831,516 (January 31, 2018 - $nil), and prepaid expenses of $33,398 (January 31, 2018 - $29,335). Current liabilities increased by $444,747 from $1,162,307 at January 31, 2018 to $1,607,054 at January 31, 2019 as the mortgage payable becomes due.

Under its current business plans, the Company has sufficient liquid assets to fund its operations for the next twelve months. 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 funds in the past, 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.

1.8 Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

1.9 Transactions with Related Parties

Other related party transactions and balances:

(a) The Company owes $nil (2018 - $67,892) non-interest bearing payable upon demand to the CEO and director of the Company.

(b) The Company paid $56,425 (2018 – $nil) to the spouse of the CEO and director of the Company for marketing consulting fees.

(c) On March 1, 2018, the Company entered into an administrative agreement with Varshney Capital Corp. ("VCC"), a company controlled by a former common director. This agreement was terminated on December 31, 2018. Pursuant to this agreement, the Company paid $68,000 (2018 - $nil) for administrative fees to VCC.

(d) 600,000 common shares were issued to a director's company for the conversion of its note payable of $150,000.

(e) $796 (2018 - $nil) owing to the spouse of the CEO and director of the Company included in accounts payable.

Key management remuneration

A Company director is a key management personnel who has the authority and responsibility for planning, directing and controlling the activities of the Company.

During the year ended January 31, 2019, the remuneration of the key management personnel was as follows:

		January 31, 2019		January 31, 2018
Consulting fees	$	**162,295**	$	107,128
Salaries	$	**63,173**	$	-
Share based compensation	$	**263,223**	$	-

1.10 Subsequent Events

Subsequent to January 31, 2019, the Company:

(a) On February 19, 2019, the Company issued 155,000 incentive stock options at an exercise price of $0.40 per share to employees expiring on February 18, 2024 with a vesting provision over 3 year period.

(b) On February 22, 2019, the Company issued 210,000 incentive stock options at an exercise price of $0.38 per share to a director of the Company expiring on August 22, 2021 vesting immediately.

(c) On March 5, 2019, the Company issued 50,000 incentive stock options at an exercise price of $0.35 per share to a director of the Company expiring on March 4, 2024 with a vesting provision over 3 year period.

(d) On April 1, 2019, the Company entered into a promissory note agreement with Supreme Cannabis in the principal amount of $500,000 bearing an interest rate of 10% per annum until the principal amount has been paid in full in which interest will be payable on the termination date.

(e) On May 14, 2019, the Company entered into a receivables purchase and purchase order financing agreement with Trichome Financial Corp. ("Trichome"), which comprised of the Factoring Facility (the "Factoring Facility") and Purchase Order Financing ("PO Financing"), up to $4,500,000 with the following sub-limits: i) $2,500,000 for the purposes of factoring receivables, and ii) $2,000,000 for the purposes of providing credit for purchase orders. The Factoring Facility bears an interest rate of 2.25% per month (0.075% per day) on the gross amount of the invoice inclusive of all taxes and surcharges outstanding, to be calculated daily. The PO Financing bears an interest rate of 3.25% per month (0.108% per day) on the amount of credit advanced by Trichome, to be calculated daily.

(f) On May 14, 2019, the Company entered into a mortgage agreement with Trichome in the principal amount of $1,500,000 less an amount equal to $127,500 to be deposited into the interest reserve account, a set-up fee payable to Trichome of $30,000 and Trichome's expenses of $62,397 and bearing an interest rate of 8.5% per annum with a maturity date on May 14, 2020.

(g) On May 16, 2019, the Company entered into a definitive arrangement agreement (the "Arrangement Agreement") with Supreme Cannabis. Pursuant to the Arrangement Agreement, Supreme Cannabis will acquire all of the issued and outstanding shares of the Company not already owned by Supreme Cannabis. Supreme Cannabis will issue 0.24 common shares of Supreme Cannabis for each common share of the Company (the "Exchange Ratio").

(h) 4,802,500 warrants were exercised for gross proceeds of $1,200,625 and 159,999 stock options were exercised for gross proceeds of $48,000.

1.11 Proposed Transactions

On May 16, 2019, the Company entered into a definitive arrangement agreement (the "Arrangement Agreement") with Supreme Cannabis. Pursuant to the Arrangement Agreement, Supreme Cannabis will acquire all of the issued and outstanding shares of the Company not already owned by Supreme Cannabis. Supreme Cannabis will issue 0.24 common shares of Supreme Cannabis for each common share of the Company (the "Exchange Ratio").

1.12 Critical Accounting Estimates, Judgments and Assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Biological assets and inventory
Biological assets, consisting of cannabis plants and agricultural produce consisting of cannabis, are measured at fair value less costs to sell to the point of harvest.

Determination of the fair values of the biological assets and the agricultural product requires the Company to make assumptions about how market participants assign fair values to these assets. These assumptions primarily relate to the level of effort required to bring the cannabis up to the point of harvest, costs to convert the harvested cannabis to finished goods, sales price, risk of loss, expected future yields from the cannabis plants and estimating values during the growth cycle.

The valuation of biological assets at the point of harvest is the cost basis for all cannabis-based inventory and thus any critical estimates and judgments related to the valuation of biological assets are also applicable for inventory. The valuation of work-in-process and finished goods also requires the estimate of conversion costs incurred, which become part of the varying amount for the inventory. The Company must also determine if the cost of any inventory exceeds its net realizable value, such as cases where prices have decreased, or inventory has spoiled or has otherwise been damaged.

Deferred tax liabilities and assets
Deferred tax liabilities and assets are measured at tax rates expected in the period during which the asset is realized or the liability is settled, based on tax rates (and tax laws) that are enacted or substantively enacted at the end of the reporting period of the financial information. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that result from the manner in which the Company expects, at the end of the reporting period of the financial information, to recover or settle the carrying amount of its assets and liabilities.

Depreciation
Depreciation of property, plant and equipment is dependent upon estimates of useful lives based on management's judgment.

Stock based compensation
The fair value of share based compensation expenses are estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk-free rate of return and the estimated rate of forfeiture of options granted.

Impairment of non-financial assets
The assessment of any impairment of non-financial assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions, the useful lives of assets, definition of the cost generating unit and estimates used to measure impairment losses. The recoverable value of these assets is determined using discounted future cash flow models, which incorporate assumptions regarding future events, specifically future cash flows, growth rates and discount rates.

Going concern
Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the year ended January 31, 2019 and 2018. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors

relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, management concluded that the Company has adequate ability to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

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, 2019.

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

IFRS 9 was issued to replace IAS 39 *Financial Instruments: Recognition and Measurement*. The Company adopted IFRS 9 retrospectively on February 1, 2018. IFRS 9 introduces new requirements for the classification and measurements of financial assets. Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flow. The standard introduces additional charges relating to financial liabilities and amends the impairment model by introducing new "expected credit loss" model for calculating impairment. It also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. The adoption of this standard did not have material impact to the Company's consolidated financial statements. The Company's policies and procedures surrounding the identification of credit risk and the recognition of credit losses comply with the requirements of this standard.

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

The Company has adopted IFRS 15 on the required effective date of February 1, 2018. IFRS 15 was issued to replace IAS 18 Revenue and IAS 11 Construction Contracts and related interpretation. IFRS 15 introduces a sing contract-based five-step model that applies to contracts with customers and two approaches for the recognition of revenue: at a point in time and over time. The Company has no contract in place as at January 31, 2018, therefore no practical expedient to adoption is applied, no retrospective application is necessary and no impact to the Company from adoption.

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.

IFRS 16 – *Leases ("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.

IFRIC 23 – *Uncertainty Over Income Tax Treatments ("IFRIC 23")*

IFRIC 23 is applicable retrospectively for annual reporting periods beginning on or after January 1, 2019 (being February 1, 2019 for the Company). IFRIC 23 clarifies how to recognize and measure income taxes where there is uncertainty over income tax treatments, based on whether it is probable that the relevant tax authority will accept the Company's tax treatments.

1.14 Financial Instruments and Other Instruments

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market 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 has sufficient liquidity to meet liabilities when due. As at January 31, 2019, the Company had a cash balance of $774,975 (2018 - $97,757) to settle current liabilities of $1,607,053 (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.

(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 January 31, 2019 and 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.

Fair value hierarchy
The Company applied the following fair value hierarchy which prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels.

The three levels are defined as follows:
Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As at January 31, 2019 and 2018, cash is assessed to be a Level 1 instrument.

The fair value of cash and accounts payable is equal to its carrying value due to its short-term maturity.

1.15 Other Requirements

Summary of Outstanding Share Data as at May 31, 2019:

Authorized:	Unlimited common shares without par value
Issued and outstanding:	107,392,670 common shares including 32,641,852 escrowed shares
Options:	5,185,316
Warrants:	29,124,586

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