LIVEWELL CANADA INC.

Management Discussion & Analysis
Three Months Ended September 30, 2018
(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. Its common shares trade on the TSX Venture Exchange ("TSX-V") and the Canadian Stock Exchange ("CSE") under the ticker symbol "LVWL". LiveWell Canada Inc. is in the process of delisting from the TSX-V as announced on November 26, 2018.

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 unaudited Condensed Interim Consolidated Financial Statements for the three month period ended September 30, 2018 and notes thereto (the "Interim Financial Statements"), and the audited consolidated financial statements for the six months ended June 30, 2018 and the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). As a result of the Qualifying Transaction (a reverse takeover) which closed on June 19, 2018, LiveWell has adopted the predecessor's fiscal year ended June 30, 2018. Prior to this transaction, LiveWell had a fiscal year ended December 31st.

The accompanying Interim Financial Statements were prepared in compliance with International Financial Reporting Standards 34 – Interim Financial Reporting ("IAS 34"). All intercompany balances and transactions have been eliminated on consolidation. 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.livewellcorp.com.

This MD&A is dated as of November 27, 2018 and is current to this date. The Interim Financial Statements and MD&A have been reviewed by LiveWell's Audit Committee and were approved by LiveWell's Board of Directors on November 27, 2018.

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 close pending acquisitions and successfully integrate these to realize its strategic objectives;*
- *industry competition;*
- *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

LiveWell Canada Inc. (formerly known as Percy Street Capital Corporation) is a corporation incorporated pursuant to the *Canada Business Corporations Act* ("CBCA") on June 18, 2014 and began trading on the TSX Venture Exchange ("TSX-V") on January 12, 2016. LiveWell's registered address is 1400-340 Albert Street, Ottawa, Ontario, Canada and its principle address is located at 179 Promenade du Portage, Suite 300, Gatineau, Canada.

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 Capital Corporation ("Percy Street"), its wholly-owned subsidiary (108311891 Canada Inc.) and LiveWell Foods. As part of the QT, Percy Street changed its name to LiveWell Canada Inc. and its ticker symbol changed to "LVWL" on the TSXV. On November 23, 2018, LiveWell was also approved to list on the CSE and began trading on November 26, 2018. We are in the process of delisting from the TSX-V. With the CSE listing, we are now positioned to pursue CBD opportunities not only in Canada, but globally, including the large and important U.S. market. We see this opportunity as immense and immediate. Listing on the CSE versus the TSX-V allows us to take advantage of this opportunity without restrictions.

LiveWell is an innovative Canadian hemp and cannabis company focused on advanced research in cannabidiol ("CBD") and other cannabinoids, as well as development, distribution, sales and marketing of prescription and consumer health and wellness products, supported by data, discovery, science and technology. The Company is a late stage applicant under the Cannabis Act and is waiting final approval for its cultivation license for medicinal cannabis from Health Canada.

Currently, we have two cannabis facilities under construction. The first location is based in Ottawa, Canada. In late December 2017, we acquired Sole Produce, a family farm business with 100 acres of land and hosting 540,000 square feet ("sq. ft.") of Dutch engineered, gutter connect greenhouses and 200,000 sq. ft. of small greenhouses. A section of the Dutch engineered greenhouses is being retrofitted to cultivate and harvest cannabis (herein referred as the "Artiva Cannabis Project"). The second location is based in Litchfield, Québec. In April 2018, we acquired 458 acres of land and building to build our Word-Class Research and Innovation Centre (see below).

KEY DEVELOPMENTS IN THE THREE MONTHS ENDED SEPTEMBER 30, 2018

- In July 2018, we announced the interest of the Government of Québec, through the Ministère de l'Économie, in the financing of our World-Class Innovation Centre at Litchfield, Québec. 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. We continue to hold active discussions with the government to close this financing by the end of 2018.
- In July 2018, we augmented our senior management team with the appointments of Peter Geimer (VP, Sales & Marketing) and Jean Bernard (VP, Information Security and Technology).
- In July 2018, the World Health Organization released its recommendation to the United Nations stating that "*preparations considered to be pure CBD should not be scheduled within the International Drug Control Conventions*."
- In August 2018, and further amended in September 2018, we entered into an agreement with Vitality CBD Natural Health Products Inc. ("Vitality"), a related party (see MD&A section "*Transactions between Related Parties*"), to purchase 1,000 acres of industrial hemp biomass to be harvested from farmland located in Alberta for total cash consideration of USD$10 million, negotiated at arm's length and payable over a defined payment schedule. Using licensed extraction and isolation technology, we believe we can extract approximately 25,000 kgs of CBD from the

purchase of this industrial hemp biomass. This estimate is based on significant management assumptions, including: achieving an average of 5% yield on biomass on the 1,000 acres and 50% extraction efficiency. Securing this supply is directly in line with our strategic vision to become a global CBD market leader, by delivering high-quality innovative CBD health and wellness products in 2019.

- In August 2018, we signed our first significant cannabidiol ("CBD") supply agreement for distribution in Brazil. Under this agreement, a minimum annual purchase commitment of 5,000 kilograms ("kgs") of CBD isolate at a price of USD$7,000 per kg over 12 months starting from the receipt date of the first purchase order. The contract includes annual renewals for up to five years.
- 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.
- During September, we hosted a CBD Hemp investor event series across Canada to inform the market place about the health and wellness benefits of CBD, and its future global growth prospects.

KEY DEVELOPMENTS SUBSEQUENT TO SEPTEMBER 30, 2018

- In October 2018, our strategic partner, Canopy Growth, submitted our evidence package for a cannabis cultivation license application for medicinal cannabis to Health Canada and we are now waiting for approval.
- During October 2018, we continued with our hosting of the CBD Hemp investor event series across Canada.
- On October 5, 2018, we announced the signing of a binding letter of intent to acquire Acenzia Inc. ("Acenzia"), a leading developer and manufacturer of supplements and natural health products, for a total consideration of $20 million. This was subject to due diligence and execution of definitive agreement. We have made significant progress on the due diligence and we expect to execute the definitive agreement in the near term, with a closing date before December 31, 2018 (see MD&A section "*Proposed Transactions*"). Concurrently, we announced a realignment in leadership in which Mr. David Rendimonti took on the role of CEO in addition to the President role to better position LiveWell for global growth in health and wellness. Mr. Rendimonti is a healthcare leader with 30 years of experience in building and leading #1 brands, including senior roles at some of the world's most prominent organizations such as Johnson & Johnson, Pfizer, and Merck.
- On October 30, 2018, we signed a major CBD supply and marketing binding term sheet with Global Wellness, controlled by a U.S. private equity firm. Partnering with Vitality CBD Natural Health Products Inc, the 15-month deal commences January 2019 for 1,000 kg/month, increasing to 3,000 kg/month in April 2019. At closing of the definitive agreement, Global Wellness will pay a US$3 million deposit for the initial CBD supply. It is expected to close in December 2018.
- On November 21, 2018, LiveWell announced the closing of a non-brokered private placement of 1,937,500 Units at $0.80 each for total net proceeds of $1.5 million after commissions and other share issuance costs. 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 $1.00 per Warrant for a period of 24 months from the date of closing. After March 20, 2019, if the volume weighted average price of the Common Shares on the TSX Venture Exchange is equal to or greater than $1.50 for 10 consecutive trading days, LiveWell may accelerate the expiry date of the Warrants to the date that is 30 days following the date of such written notice. All securities issued under this Offering are subject to a four-month hold period. We intend to use the net proceeds of the Offering for working capital purposes.

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 hemp and cannabis industry.

We have prepared the Interim Financial Statements for the three months ended September 30, 2018, on a going concern basis and assume that LiveWell will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

However, we have incurred significant operating losses since inception and as of September 30, 2018, we have generated little revenue to date. Our ability to generate and grow future revenue to cover our working capital requirements is contingent on securing our cultivation, processing, and sales licenses for medicinal cannabis from Health Canada. In October 2018, we have submitted our final cultivation license application to Health Canada.

At September 30, 2018, LiveWell had an accumulated deficit of $21.8 million (June 30, 2018 - $19.9 million) and incurred a net loss of $1.9 million for the three months ended September 30, 2018, $13.6 million for the six months ended June 30, 2018 and $5.7 million for the twelve months ended December 31, 2017. At September 30, 2018, LiveWell's cash was $1.2 million and working capital was negative $2.5 million.

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

From January 1, 2017 and up to September 30, 2018, we have successfully raised equity of approximately $34 million before commissions and other share issuance costs. Management has the following plans to maintain liquidity in the event that revenues do not increase as quickly as anticipated and to finance acquisitions over the next 12 months:

- Seek an increase to its mortgage on the Artiva Cannabis Facility located in Ottawa in light of the significant year-to-date capital investment in the property.
- In addition to the private placement closed in November 2018, raise funds via capital markets from time to time.
- Secure financing from the Government of Québec by the end of 2018.

While management is confident to execute on the above plans, there can be no certainty that such financing will be available on a timely basis and at terms acceptable to LiveWell.

FINANCIAL HIGHLIGHTS

Summary of Financial Position

The following table provides selected financial position information of LiveWell at September 30, 2018 and June 30, 2018.

	At Sept 30, 2018 (Unaudited)	At Jun 30, 2018 (Audited)	Change $	Change %
Financial Position:				
Current assets	$ 7,540	$ 7,352	$ 188	3%
Total assets	$ 41,579	$ 37,135	$ 4,444	12%
Current liabilities	$ 10,018	$ 8,774	$ 1,244	14%
Total liabilities	$ 16,642	$ 15,466	$ 1,176	8%
Shareholders' equity	$ 24,937	$ 21,669	$ 3,268	15%

The increase in total assets, total liabilities and shareholders' equity at September 30, 2018 since June 30, 2018 was driven primarily by the following key events:

- $5.0 million of equity raises, net of share issuance costs;
- Capital investment for the Artiva Cannabis Facility and Litchfield Project; and
- Offset partially by an increase in net deficit by $1.9 million due to operating losses, including non-cash items.

Summary of Results of Operations

The following table provides selected unaudited financial information of LiveWell for the first quarter ended September 30, 2018, and 2017(in '000s).

	Q1 2019 (Unaudited)	Q1 2018 (Unaudited)	Change $	Change %
Results of Operations:				
Revenue	$ 351	$ -	$ 351	NM
Gross profit	$ 93	$ -	$ 93	NM
OPEX	$ 1,879	$ 315	$ 1,564	497%
Other	$ 68	$ 2	$ 66	NM
Net loss	$ (1,854)	$ (317)	$ (1,537)	485%
Adjusted EBITDA (1)	$ (1,391)	$ (315)	$ (1,076)	342%
Weighted average common shares outstanding	126,769	46,909	79,860	170%
Net loss per share	$ (0.01)	$ (0.01)	$ (0.01)	116%

NM = Not Meaningful

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

(Expressed in Canadian Dollars, except as otherwise noted)

Revenue

The Q1 2019 revenue of $0.4 million is primarily from the sale of vegetable produce as a result of acquiring Sole Produce on December 31, 2017. In the prior comparative period, we had no source of revenue due to the start-up phase of LiveWell.

With the pending acquisition of Acenzia scheduled to close by December 31, 2018, we anticipate our quarterly revenue to increase by $2 million starting with our Q3 ending March 31, 2019.

Gross Profit

Our Q1 2019 gross profit was $0.1 million or 26% of gross margin. We do not intend to continue this vegetable produce business upon receiving a cultivation license for medicinal cannabis from Health Canada.

Operating Expenses ("OPEX")

The following table provides a breakdown of our OPEX by major function for Q1 2019 and Q1 2018.

	Q1 2019	Q1 2018	Variance
G&A:			
Professional fees	**$ 453**	$ 131	322
Employee compensation and benefits	**387**	110	276
Office expenses	**241**	13	228
Insurance expense	**92**	2	90
Travel and other employee expenses	**76**	18	57
Bad debt	**20**	-	20
Other	**6**	1	5
Total G&A	**1,274**	276	999
R&D			
Employee compensation and benefits	**$ 69**	-	69
Other	**1**	-	1
Total R&D	**70**	(0)	70
Sales & Marketing:			
Professional fees	**$ 75**	$ 7	$ 67
Employee compensation and benefits	**62**	30	32
Travel and other employee expenses	**19**	-	19
Advertising promotions	**3**	-	3
Office expenses	**1**	-	1
Total S&M	**160**	37	123
Share-based compensation	**256**	-	256
Depreciation	**119**	2	117
Total operating expenses	**$ 1,879**	$ 315	$ 1,565

The increase of $1.6 million in total OPEX was driven primarily by the following:

G&A – Increase of $1.0 million due to:

- Increase in headcount, primarily senior personnel, to expand and manage business operations.
- Significant professional fees incurred for legal and investor relation activities.
- New office lease rentals for LiveWell's principal location in Gatineau, Québec.
- Increase in insurance expenses to support the expansion of business operations.
- Increase in compliance and regulatory costs associated with public company status.

R&D – Increase of $0.1 million due to:

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

S&M – Increase of $0.1 million due to:

- Increase in headcount, including the hiring of a new VP, Sales & Marketing.
- Attendance to tradeshows.
- Addition of consultants to support sales and marketing activities.

Share-based compensation – Increase of $0.3 million due to:

- Amortization of the cost of the issuance of share-based options issued in December 2017 and the first six months of 2018. There were no options issued prior to December 2017.

Depreciation – Increase of $0.1 million due to:

- Higher depreciable assets led by the acquisition of $9.8 million of property and equipment as a part of the Sole Produce deal in December 2017 coupled with the capitalization of an additional $4.4 million construction costs in progress for both the Artiva Cannabis Project and Litchfield Project. See Note 8 of the Interim Financial Statements for further details on the construction in progress.

With the pending acquisition of Acenzia, we expect our quarterly OPEX cash burn rate to increase by $0.5 million and reach approximately $2.4 million. However, subject to additional financing and the required licenses from Health Canada, we anticipate our quarterly OPEX cash burn rate to further increase significantly, as we expand our business operations and begin cultivating and processing hemp and cannabis.

Net Loss

Our net loss for Q1 2019 and Q2018 was $1.9 million and $0.3 million, respectively. The increase in net loss was primarily driven by the expansion of LiveWell's business operations, in preparation for obtaining its medicinal cannabis cultivation license from Health Canada while also expanding its commercial sales and marketing team to capitalize on the global CBD opportunities.

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 and acquisition related activities.

The following table provides a reconciliation of Adjusted EBITDA to Net Loss as reported under IFRS for Q1 2019 and Q1 2018 (in '000s).

	Q1 2019 (Unaudited)	Q1 2018 (Unaudited)
Net loss as reported under IFRS	**$ (1,854)**	**$ (317)**
Finance income	(9)	(1)
Finance charge	139	3
Taxes	(62)	-
Depreciation	119	-
EBITDA	***$ (1,667)***	***$ (315)***
Stock-based compensation	256	-
Bad debt charge	20	-
Adjusted EBITDA	***$ (1,391)***	***$ (315)***

SUMMARY OF QUARTERLY RESULTS

The following table provides a high-level summary of selected quarterly financial information (in '000s).

	31-Mar-17	30-Jun-17	30-Sep-17	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18
Financial Position:							
Current assets	$ 1,882	$ 1,401	$ 3,063	$ 2,153	$ 6,741	$ 7,352	$ 7,540
Total assets	$ 1,915	$ 2,518	$ 3,137	$ 15,910	$ 23,045	$ 37,135	$ 41,579
Current liabilities	$ 261	$ 185	$ 172	$ 1,908	$ 2,606	$ 8,774	$ 10,018
Total liabilities	$ 261	$ 185	$ 172	$ 8,835	$ 9,529	$ 15,466	$ 16,642
Shareholders' equity	$ 1,654	$ 2,333	$ 2,965	$ 7,075	$ 13,516	$ 21,669	$ 24,937

	31-Mar-17	30-Jun-17	30-Sep-17	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18
Results of Operations:							
Revenue	$ -	$ -	$ -	$ 16	$ 20	$ 87	$ 351
Gross profit	$ -	$ -	$ -	$ (15)	$ 1	$ (737)	$ 93
OPEX	$ 476	$ 311	$ 315	$ 4,651	$ 1,407	$ 7,513	$ 1,879
Other	$ -	$ 1	$ 2	$ (43)	$ 28	$ 3,940	$ 68
Net loss	$ (476)	$ (312)	$ (317)	$ (4,623)	$ (1,434)	$ (12,190)	$ (1,854)
Adjusted EBITDA (1)	$ (351)	$ (311)	$ (315)	$ (1,482)	$ (746)	$ (2,127)	$ (1,391)
Weighted average common shares outstanding	32,145	43,604	46,906	50,469	81,979	105,003	126,769
Net loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.09)	$ (0.02)	$ (0.12)	$ (0.01)

(1) Adjusted EBITDA is a non-GAAP financial measure. Refer to the MD&A dated October 26, 2018, for a reconciliation of the Adjusted EBITDA to Net Loss for prior quarters from Mach 2017 to June 2018.

Summary

Quarterly results prior to January 1, 2017, are not meaningful as LiveWell had little operations and headcount. We began recruiting senior talent in the quarter ended December 31, 2017 and completed the acquisition of Sole Produce, the future site of the Artiva Cannabis Facility. We also took a significant bad debt charge in the quarter ended December 31, 2017 relating to a promissory note made to a related party (refer to Note 6 of the Interim Financial Statements for further details). In the first half of 2018, we continued to acquire talent to build a world-class senior management team in order to take the company public and to well position LiveWell to become a global leader in the health and wellness market place. As previously noted, we also made significant capital expenditures to retrofit a section of the existing Dutch engineered greenhouses for cannabis cultivation at the Artiva Cannabis Facility, coupled with the purchase of 458 acres of land in the Pontiac region of Québec for the future site of our Word-Class Research and Innovation Centre. These activities were funded by significant equity financing via both non-brokered and brokered private placements in the last 18 months.

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 organic growth requirements. LiveWell's ability to reach profitability is contingent on the successful execution of its short and long-term business strategies. While we are confident in LiveWell's future prospects, there can be no assurance that LiveWell will gain adequate market acceptance for its agriculture and hemp produce and/or obtain its medicinal cannabis license from Health Canada in order to reach sustainable profitability and growth.

Due to the lack of revenue, LiveWell is dependent on raising additional equity or debt to carry on its business operations for the next 12 months (see MD&A section "Company Overview - *Going Concern Uncertainty*").

At September 30, 2018, our cash position was $1.2 million, a decrease of $3.3 million since June 30, 2018. Also, our working capital decreased to negative $2.5 million at September 30, 2018, from negative $1.4 million at June 30, 2018.

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

	Q1 2019	Q1 2018
Operating activities	**$ (3,839)**	$ (472)
Investing activities	**(4,374)**	(36)
Financing activities	**4,866**	949
Net change in cash	**(3,347)**	441
Cash, beginning of period	**4,576**	317
Cash, end of period	**$ 1,229**	$ 758

Operating activities

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

Investing activities

For Q1 2019, we invested $4.4 million in the construction of the Artiva Cannabis Facility and for the land site preparation for the Litchfield Project.

Financing activities

During Q1 2019, we raised $4.9 million of equity net of share issuance costs through a non-brokered private placement. We issued 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 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.

Subsequent to Q1 2019, we raised the following additional capital:

- $0.1 million of unsecured borrowing with one employee. The borrowings bear interest at 12% per annum and mature in one year. LiveWell may prepay at any time, subject to payment of accrued interest for a minimum three months.
- $1.5 million of equity net of share issuance costs through a non-brokered private placement. We issued 1.9 million Units, which consists of one common share and one Warrant of LiveWell. Each Warrant will be exercisable into one common share at a price of $1.00 per Warrant for a period of 24 months from the date of closing. After March 20, 2019, if the volume weighted average price of the common shares on the TSX-V is equal to or greater than $1.50 for any 10 consecutive trading days, we may accelerate the expiry date of the Warrants to the date that is 30 days following the date of such written notice. The securities are subject to a four-month hold period.

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):

	September 30, 2018	June 30, 2018
Borrowings (drawn)	**$ 10,009**	$ 10,016
Preferred shares	**5,605**	5,605
Common shares	**48,332**	44,022
Share-based payments	**2,358**	2,146
Warrants	**1,603**	1,003
Reserve- other	**(11,186)**	(11,186)
Less: deficit	**(21,775)**	(19,921)
Total capital resources	**$ 34,946**	$ 31,685

The increase in capital resources during Q1 2019 was driven mainly by $4.3 million increase in common shares due to equity raises, as previously noted. This was offset partially by an increase in deficit due to the net loss for the Q1 2019.

LiveWell's authorized share capital is unlimited for both common and preferred shares.

At September 30, 2018, our total issued and outstanding common shares was 129.8 million. Additionally, the following outstanding preferred shares have not changed since June 30, 2018 (in '000s):

	September 30, 2018		June 30, 2018	
	# of shares	Value	# of shares	Value
Preferred Shares - Series 1	**1,068**	**$ 1,000**	1,068	$ 1,000
Preferred Shares - Series 2	**1,068**	**1,000**	1,068	1,000
Preferred Shares - Series 3	**3,605**	**3,605**	3,605	3,605
Total preferred shares	**5,741**	**$ 5,605**	5,741	$ 5,605

The following table outlines the projected fully diluted common shares.

	November 27, 2018	September 30, 2018	June 30, 2018
Preferred shares:			
Series 1 at $0.23 each	**4,273**	**4,273**	4,273
Series 2 at $0.43 each	**2,323**	**2,323**	2,323
Common shares	**131,688**	**129,750**	125,641
Stock options:			
At $0.43 each	**16,023**	**16,023**	16,076
At $0.30 each	**317**	**317**	370
Warrants at $1.22 each	**5,029**	**5,029**	5,040
Warrants at $1.50 each	**3,992**	**3,992**	-
Warrants at $1.00 each	**1,938**	-	-
Agent Warrants:			
Common shares at $0.936 each	**486**	**486**	486
Warrants at $1.22 each	**243**	**243**	243
Projected fully diluted common shares	**166,312**	**162,436**	154,452

As of the date of this MD&A, our total outstanding and issued common shares was 131.7 million, of which 29% (30% as on September 30, 2018) is owned by LiveWell's directors and the executive team.

OFF-BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

We have no off-balance sheet arrangements.

At September 30, 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	**$ 10,009**	$ 3,933	$ 6,027	$ 30	$ 19
Accounts payable & accrued liabilities	**6,085**	6,085	-	-	-
Lease obligations	**430**	215	215		
Purchase commitments	**1,113**	1,113	-	-	-
Total contractual obligations	**$ 17,637**	$ 11,346	$ 6,242	$ 30	$ 19

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.

(Expressed in Canadian Dollars, except as otherwise noted)

The following table lists the related parties and their respective relationship to LiveWell.

Related Party	Relationship
Timothy McCunn, Chairman and Director	Independent Director
Honourable Lawrence Cannon, Director	Independent 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.
Annexair Inc.	Related to CAO
Delisse Fine Cuisine	Related to Director and Special Advisor (Peter Abboud)

Refer to Note 14 of the Interim Financial Statements for detailed disclosures on related party transactions during the first quarter ended September 30, 2018. These transactions are in the normal course of business and are measured at the exchange amounts being the amounts agreed by the parties.

PROPOSED MERGERS AND ACQUISITIONS

On October 4, 2018, we signed a binding letter of intent to acquire 100% of Acenzia Inc., a leading developer and manufacturer of next-generation natural health products (the "Transaction"). The total purchase consideration is $20.0 million, with $2.0 million in cash and $18.0 million in common shares of LiveWell based on the 20-day weighted average immediately prior to the date of the definitive agreement. Further, $8.0 million of the $18.0 million in common shares will be held in escrow and will be released subject to achieving a profitability milestone for calendar 2019.

(Expressed in Canadian Dollars, except as otherwise noted)

The following is a summary of the unaudited financial position of Acenzia at October 31, 2018 as prepared by its management:

Assets		
Current	$	3,337
Non-current		3,060
Total Assets	$	6,397
Liabilities		
Current	$	4,656
Non-current		2,137
Total Liabilities	$	6,793
Shareholders' Equity	$	(396)

Based on unaudited figures, for the six-month period May 1, 2018 to October 31, 2018, Acenzia had revenues of $3.9 million (Year ended April 30, 2018 - $5.6 milliion) and incurred a net loss of $0.2 million (Year ended April 30, 2018 – Net Loss $2.2 million). The lower net loss during the six-month period May 1, 2018 to October 31, 2018 is primarily due to restructuring of operations by Acenzia to streamline its operations and costs in the prior year.

Upon completion of the acquisition, management will allocate the $20.0 million purchase consideration to the net assets acquired based on fair value and the residual balance will be allocated to goodwill.

LiveWell's Board has unanimously approved this arm's length Transaction subject to due diligence, standard closing conditions, and TSX-V approval. No approval of shareholders from either Acenzia or LiveWell is required in connection with this Transaction. This Transaction is expected to close on or before December 31, 2018.

ACCOUNTING MATTERS

Critical Accounting Estimates

The Interim 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 September 30, 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 Interim 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 below mentioned accounting standards issued by IASB.

Accounting Standards	Adoption Date for LiveWell
IFRS 2 – Share-Based Payment	July 1, 2018
IFRS 15 – Revenue from Contracts with Customers	July 1, 2018
IFRS 9 – Financial Instruments	July 1, 2018
IFRS 16 – Leases	July 1, 2019

Refer to Note 3 of the Interim Financial Statements for further details on the above new accounting standards.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Refer to Notes 12 and 13 of the Interim Financial Statements for disclosure relating to LiveWell's financial instruments and financial risk management objectives and policies, respectively.

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, the directors and officers of LiveWell may have a conflict of interest in negotiating and concluding on 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 pending acquisition of Acenzia Inc., LiveWell is expected to have ongoing revenue from operations. However, LiveWell continues to have limited capital resources and relies significantly 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.

Refer to the MD&A dated October 26, 2018, for the risk factors affecting LiveWell. We are not aware any additional material risk factors since this filing.

Additional Information

Additional information related to LiveWell is available for view on our corporate website at www.livewellcorp.com and through our public filings on SEDAR.