Trius Investments Inc.
Interim Management's Discussion and Analysis – Quarterly Highlights
For the Three Months Ended March 31, 2020

Introduction

The following management's discussion and analysis ("MD&A") of Trius Investments Inc. (the "Company") for the three months ended March 31, 2020 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion and analysis, being the Management Discussion and Analysis for the year ended December 31, 2019 ("Annual MD&A"). This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A, the audited annual consolidated financial statements of the Company for the years ended December 31, 2019 and 2018 and the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three months ended March 31, 2020 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at May 13, 2020 unless otherwise indicated.

This MD&A was approved by the Audit Committee and the Board of Directors and authorized for issue on May 13, 2020.

The unaudited condensed interim consolidated financial statements for the three months ended March 31, 2020, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

For the purposes of preparing this MD&A, management considers the materiality of information. Information is considered material if : (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on SEDAR www.sedar.com.

Caution Regarding Forward-Looking Information and Statements

This MD&A contains forward-looking statements intended to provide readers with a reasonable basis for assessing the Company's performance. Forward-looking statements can be identified by such words as “plans”, “expects”, “budgets”, “estimates”, “intends”, “anticipates”, “believes”, “continues”, “may”, “could”, “would”, “should”, “might” or “will”, or equivalents or variations thereof. Forward-looking statements include, without limitation, those with respect to the Company's future strategy, plans, transactions, objectives and adequacy of working capital. Forward-looking statements rely on underlying assumptions, including management's expectations as to transaction opportunities, that, if not realized, can result in such forward-looking statements not being achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, among others, transaction execution risk, inability to source or complete transactions on favourable terms or at all and unanticipated increases in expenses and COVID-19 and its adverse impact on economic conditions and financial markets. Although the Company has attempted to identify important factors that could cause actions, events or results not to be as predicted, there can be no assurance that forward-looking statements will prove to be accurate. Other than as required by applicable Canadian securities laws, the Company does not undertake to update any such forward-looking statements to reflect events or circumstances after the date hereof. Accordingly, readers should not place undue reliance on any forward-looking statements herein.

Description of Business

The Company is a Canadian company whose common shares are listed on the NEX board of the TSX Venture Exchange (the “TSXV”) under the symbol “TRU.H”. The Company is incorporated under the laws of the Province of Alberta. The Company's head office is located at 70 Trius Drive, Fredericton, New Brunswick, Canada, E3B 5E3.

The investment objective of the Company is to acquire new investments and/or active business opportunities, with the goal of enhancing shareholder value.

Highlights

On March 2, 2020, the Company terminated its letter of intent for the proposed business combination by Starling Brands Inc., and was paid a break fee of $125,000.

On March 20, 2020, the Company loaned $1,250,000 to Revive Organics Inc. ("Revive"), an unrelated private company. The loan is secured by a general security agreement, bears interest at 10% per annum, with interest paid monthly, and is due March 20, 2021. Revive operates in the ready-to-eat meal delivery industry in North America.

Overall Performance

The unaudited condensed interim consolidated financial statements as of March 31, 2020, indicate a cash position of $293,261 (December 31, 2019 - $1,442,333) and total current assets of $1,558,163 (December 31, 2019 - $1,483,467). Current liabilities at March 31, 2020, total $101,213 (December 31, 2019 - $90,562).

Working capital, which is current assets less current liabilities, is $1,456,950 at March 31, 2020 (December 31, 2019 – working capital of $1,392,905).

During the three months ended March 31, 2020, the Company reported net income of $54,845 ($0.005 basic and diluted income per share) on expenses of $58,389. This compared to net income of $198,299 ($0.018 basic and diluted income per share) for the three months March 31, 2019 on expenses of $54,358.

Discussion of Operations

The decrease of $143,454 in net income when comparing the three months ended March 31, 2020 to the three months ended March 31, 2019 (as per above under Overall Performance) was principally because:

For the three months ended March 31, 2020, the Company received a $125,000 termination fee from Starling Brands Inc. on the termination of the proposed business combination. For the three ended March 31, 2019, the Company received a $250,000 termination fee from African Cannabis Corp. on the termination of the proposed reverse takeover.

For the three months ended March 31, 2020, the Company incurred $7,390 in business combination transactions costs, compared to $nil for the three months ended March 31, 2019.

For the three months ended March 31, 2019, administrative costs were $4,121 higher than the expenses for the three months ended March 31, 2020. This increase in 2019 was primarily for travel costs related to due diligence costs on Starling Brands Inc.

During the three months ended March 31, 2020, the operating activities of the Company generated $82,613 in cash. This compared to a source of cash of $162,522 for the three months March 31, 2019. This reduction in cash was due to the $250,000 break fee received in 2019 compared to $125,000 in 2020. In addition, the cash paid to suppliers, employees and regulators decreased to $37,286 for the three months ended March 31, 2020 compared to $76,576 paid for the three months ended March 31, 2019.

Liquidity and Financial Position

As at March 31, 2020, the Company's cash balance was $293,261 (December 31, 2019 - $1,442,333). This decrease in cash of $1,149,072 is mainly attributable to the $1,250,000 loan to Revive Organics Inc. The Company had working capital of $1,456,950 (December 31, 2019 – working capital of $1,392,905).

As of March 31, 2020, the Company had 11,270,841 common shares issued and outstanding, and 1,100,000 options outstanding at various exercise prices. The number of shares outstanding and the options outstanding as at the date of this MD&A are unchanged from the March 31, 2020 balances.

Cash generated in operating activities was $82,613 for the three months ended March 31, 2020. Cash generated from interest on investments was $18,315 for the three month ended March 31, 2020.

The Company’s working capital is adequate to support its operating needs and transaction costs for the foreseeable future.

Related Party Transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include officers and directors.

During the three months ended March 31, 2020 (with comparable figures provided for the three months ended March 31, 2019), the Company incurred the following charges with management personnel:

(i) Management service fees of $8,475 ($nil) to Resurgent Capital Corp. (the “Manager”). On March 9, 2020, the Company entered into a management services agreement (the “MSA”) with Resurgent Capital Corp. for executive management and venture capital markets advisory services. In substitution for paying salary directly to the Company’s President and CEO, under the MSA the Company will pay the Manager $7,500 (plus HST) monthly. In addition, if the Company successfully completes a corporate M&A transaction with an arm’s length counterparty, the Manager will, subject to any applicable regulatory approvals, earn a one-time performance bonus, payable entirely in the Company shares, having an aggregate value of 5% of the Company’s deemed valuation for purposes of such transactions. The Manager is the largest shareholder of the Company. In addition, the Manager’s investments decisions are controlled by it President, Joel Freudman, who also serves as President and CEO and a Director of the Company.

(ii) Management salaries of $6,417 and $1,856, respectively ($9,619 and $1,028) to the CEO and CFO (Joel Freudman and Robert Harrison) of the Company. Effective March 1, 2020 Mr. Freudman direct salary payment was eliminated and payment will be made as a component of the management services fees paid to Resurgent Capital Corp. Mr. Freudman does not receive additional compensation for serving on the Board of Directors.

(iii) Directors fees and expense of $8,301 ($10,902) as follows:

	Three months ended	
	Mar 31 2020 $	Mar 31 2019 $
Damian Lopez	5,216	4,686
Yousuf Soliman	2,360	3,108
Peter van Dijken	725	-
Peter Deacon	-	3,108
	8,301	10,902

(iv) Consulting fees of $nil ($4,500) were paid pursuant to a consulting agreement with a former officer and director and indirect significant security holder of the Company. The consulting fee of $1,500 per month was paid to provide strategic corporate and leadership advice and to assist with transitional matters.

Risk and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who can afford to lose all of their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect the Company. Please refer to the section entitled "Risk & Uncertainties" in the Company's Annual MD&A , available on SEDAR at www.sedar.com.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed consolidated interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements; and (ii) the unaudited condensed consolidated interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to non-venture issuers this MD&A does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR'). In particular, management is not making any representations relating to the establishment and maintenance of:

i) controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its filings or other reports or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Investors should be aware that inherent limitations on the ability of management of the Company to design and implement on a cost effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of filings and other reports provided under securities legislation.

Subsequent Events

The novel coronavirus ("COVID-19") pandemic continues to impact the economic conditions and financial markets. The Company is continually monitoring the potential impact on its operations and, to the date of the authorization of these condensed interim consolidated financial statements, has not been significantly impacted. However, COVID-19 may affect our ability to source and execute investments and transactions. The full extent of the impact on the Company's future financial results is uncertain given the length and severity of these developments cannot be reliably estimated.