LEO ACQUISITIONS CORP.
(A Capital Pool Corporation)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

November 29, 2019

The following discussion and analysis of the operating results and financial position is supplementary to, and should be read in conjunction with, the unaudited interim condensed financial statements for the three months ended September 30, 2019 of Leo Acquisitions Corp. ("Leo" or the "Company"). The interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts are expressed in Canadian dollars.

FORWARD-LOOKING INFORMATION

The discussion and analysis and other sections of this report contain forward-looking statements. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause results to differ materially from those contemplated by these forward-looking statements. Management considers the assumptions on which these forward-looking statements are based to be reasonable at the time the statements were prepared but cautions the reader that they could cause actual results to differ materially from those anticipated.

COMPANY PROFILE

Leo Acquisitions Corp.

Leo Acquisitions Corp. was incorporated under the Business Corporations Act (Ontario) on October 28, 2009 and is classified as a Capital Pool Corporation as defined in TSX Venture Exchange Inc. (the "Exchange") Policy 2.4. The Company has not commenced commercial operations and has no significant assets other than cash. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction, as defined in Exchange Policy 2.4. Except as described in the Company's prospectus dated November 4, 2010, the funds raised pursuant to the Company's Initial Public Offering (the "Offering") will be utilized only for the identification and evaluation of potential Qualifying Transactions and, to the extent permitted by Policy 2.4, for general and administrative expenses.

On February 2, 2011, the Company completed its Initial Public Offering (the "Offering") of 5,740,500 common shares at a price of $0.10 per common share for total gross proceeds of $574,050 and has filed for listing as a Capital Pool Company on the TSX Venture Exchange. Union Securities Ltd. acted as lead agent on the Offering. The common shares of Leo commenced trading on the TSX Venture Exchange on February 8, 2011 under the trading symbol "LEQ".

On August 10, 2011, the Company completed a non-brokered private placement of 500,000 common shares at price of $0.10 per share for gross proceeds of $50,000.

On May 14, 2013, the Company announced that it received approval from the Exchange to transfer its listing to the NEX board of the Exchange under the ticker symbol “LEQ.H”. Accordingly, the common shares of the Company were transferred to the NEX board of the Exchange effective the opening on May 16, 2013.

As part of the transfer to the NEX board of the Exchange, the Company received shareholder approval at is annual and special shareholders’ meeting held on April 26, 2013, to cancel 50% of the seed shares purchased by Non-Arm’s Length Parties, as that term is defined under the Exchange Policies, at a discount to the Company’s initial public offering price of $0.10. Accordingly, 1,000,000 common shares of the Company held by Non-Arm’s Length Parties have been cancelled. These shares were previously held in escrow and were cancelled in accordance with section 11.2(ii) of the Exchange Policies. These actions are a result of the Company’s inability to complete a Qualifying Transaction within the time period prescribed by the Exchange.

On October 18, 2016, the Company completed a share consolidation of its issued and outstanding Common Shares on the basis of one post-consolidation Common Share for 3.3 pre-consolidation Common Shares (the "Consolidation"). The Consolidation was previously approved by the shareholders of the Company at an annual and special meeting of the shareholders of the Company held on October 6, 2016.

On October 21, 2016, the Company completed a non-brokered private placement share offering raising gross proceeds of $36,000. The Company issued 727,272 Common Shares (post-Consolidation) at a subscription price of $0.05 per Common Share.

On July 11, 2017, the Company completed a non-brokered private placement share offering of 1,308,000 Common shares (post-Consolidation) at a subscription price of $0.055 per Common Share for gross proceeds of $71,940 (the "Private Placement"). The Company incurred legal fees of $11,300 in connection with the above private placement.

The Company currently has 4,229,357 post-Consolidation common shares issued and outstanding.

The Company has not conducted commercial operations and it is focused on the identification and evaluation of businesses or assets to acquire. Until completion of the Qualifying Transaction (as such term is defined in Policy 2.4), the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a Qualifying Transaction. Except as described in the Company’s prospectus dated November 4, 2010 in connection with its Offering, funds raised pursuant to the issuance of shares will be utilized only for the identification and evaluation of potential Qualifying Transactions and, to the extent permitted by Policy 2.4, for general and administrative expenses. While the Company has commenced the process of identifying a potential transaction, it has not yet entered into a definitive agreement for any particular transaction.

The Company’s financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has no source of operating revenues and its ability to operate as a going concern in the near-term will depend on its ability to successfully raise additional financing and to commence profitable operations in the future. The Company’s financial statements do not purport to give effect to adjustments, if any, that may be necessary should the Company be unable to continue and therefore, be required to realize its assets and discharge its liabilities in a manner other than in the ordinary course of business.

The Company currently has two employees, Gerry Goldberg, President and Warren Goldberg, Chief Financial Officer and Secretary. Neither officer is compensated by the Company.

SELECTED INTERIM INFORMATION

Summarized selected financial information with respect to the Company for the unaudited three-month periods ended September 30, 2019 and 2018 is as follows:

		September 30, 2018		**September 30, 2018**
Total expenses	**$**	**(4,480)**	**$**	**(4,480)**
Net loss	**$**	**(4,480)**	**$**	**(4,480)**
Loss per share	**$**	**(0.001)**	**$**	**(0.001)**
Total assets	**$**	**242,145**	**$**	**271,101**
Total liabilities	**$**	**50,292**	**$**	**51,987**
Deficit	**$**	**(611,165)**		**(583,904)**
Shareholders' equity	**$**	**191,853**	**$**	**219,114**

RESULTS OF OPERATIONS

Unaudited Three-months ended September 30, 2019 compared to 2018

The Company recorded a net loss of $4,480 during the three-months ended September 30, 2019, as compared to a net loss of $4,480 during the three-month period ended September 30, 2018.

During the three-month period ended September 30, 2019, the Company incurred filing fees of $4,480 (September 30, 2018: $4,480) representing SEDAR fees and TSX Venture Exchange participation fees in respect of the Company's annual continuous disclosure obligations and maintenance fees representing TSX Venture Exchange fees in respect of the Company's quarterly continuous disclosure obligations.

Loss per share during the three-month period September 30, 2019 was $(0.001) compared to a loss per share of $(0.001) during the comparative period ended September 30, 2018.

SUMMARY OF QUARTERLY RESULTS

Note: The Company's fiscal year end is June 30. Fiscal 2019 and 2018 are comprised of the periods ending June 30, 2019 and 2018, respectively.

The following table presents selected financial data of the Company for its last eight quarters as reported in the particular period:

Quarter **Fiscal Year**	**Q1** **2020**	**Q4** **2019**	**Q3** **2019**	**Q2** **2019**	**Q1** **2019**	**Q4** **2018**	**Q3** **2018**	**Q2** **2018**
Net income (loss)	(4,480)	(14,680)	(6,689)	(1,412)	(4,480)	(17,137)	(19,054)	(13,016)
Earnings (loss) per share	(0.001)	(0.004)	(0.002)	(0.001)	(0.001)	(0.004)	(0.005)	(0.003)

LIQUIDITY

At September 30, 2019, the Company had $242,145 in cash. On June 30, 2019, the Company had cash balances of $252,918.

Total liabilities were $50,292 as at September 30, 2019, a decrease of $6,293 from total liabilities of $56,585 as at June 30, 2019. The decrease is attributable to payment of liabilities.

Shareholders' equity decreased from $196,333 on June 30, 2019 to $191,853 on September 30, 2019. The decrease is attributable to the loss of $4,480 incurred during the three-month period ended September 30, 2019.

CAPITAL RESOURCES

The Company financed its operations during the fiscal period ended September 30, 2019 from the remaining net cash proceeds received from the Company's Initial Public Offering (the 'Offering") and from the proceeds raised from the non-brokered private share offering completed on October 21, 2016.

Cash raised by the Company from the Offering is to be used by the Company to fund its activities relating to the identification and evaluation of a potential Qualifying Transaction and, to the extent permitted by Policy 2.4, for general and administrative expenses. Until such time as the Company identifies a Qualifying Transaction, it is contemplated that the working capital requirements of the Company will relate generally to expenses associated with the Company's continuous disclosure obligations under applicable securities legislation, annual audit fees, legal fees for general corporate matters and costs incurred in identifying, evaluating and executing a potential qualifying transaction. The only material ongoing contractual obligations of the Company relate to the payment of transfer agency fees and legal and audit fees.

The Company believes it has sufficient capital resources to execute a qualifying transaction.

SHARE CAPITAL

As at September 30, 2019, the Company had authorized unlimited common shares without par value and had issued 4,229,357 post-Consolidation common shares.

At the annual and special shareholders' meeting held on April 26, 2013, shareholders of the Company passed a resolution to approve the application to list the Company's common shares on the NEX board of the Exchange. Pursuant to Exchange Policy 2.4, 50% of the founder's shares purchased by non-arm's length parties at a discount to the initial public offering price must be cancelled upon transfer of a capital pool company from the Exchange to the NEX. Accordingly, 1,000,000 common shares of the Company held by non-arm's length parties were cancelled, effective as of May 16, 2013. These shares were previously held in escrow and were cancelled in accordance with section 11.2(ii) of the Exchange Policies.

On February 17, 2016, the Company granted 219,407 incentive stock options (post-Consolidation) to its current directors to acquire a total of 219,407 common shares at an exercise price of $0.33 per common share (post-Consolidation) for a period of five years with an expiry date of February 17, 2021. The estimated fair value of the 219,407 stock options has been estimated to be $23,257 at the grant date using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield 0%; risk-free interest rate of 0.65%; expected volatility of 100%; forfeiture rate of 0%; and an expected average life of five years.

On October 18, 2016, the Company completed a share consolidation of its issued and outstanding common shares on the basis of one post-consolidation Common Share for 3.3 pre-consolidation Common Shares (the Consolidation"). The Consolidation was previously approved by the shareholders of the Company at an Annual and Special Meeting of the shareholders of the Company held on October 6, 2016.

On October 21, 2016, the Company closed its non-brokered private share offering raising gross proceeds of $36,000 by issuing 727,272 common shares (post-Consolidation) of the Company at a subscription price of $0.05 per common share.

On July 11, 2017, the Company closed its non-brokered private share offering raising gross proceeds of $71,940 by issuing 1,308,000 common shares (post-Consolidation) of the Company at a subscription price of $0.055 per common share.

On March 5, 2018, the Company granted 203,528 incentive stock options (post-Consolidation) to its current directors to acquire a total of 203,528 common shares at an exercise price of $0.33 per common share (post-Consolidation) for a period of five years with an expiry date of March 5, 2023. The estimated fair value of the 203,528 stock options has been estimated to be $9,500 at the grant date using the Black-Scholes option pricing model, with the following assumptions: expected dividend yield 0%; risk-free interest rate of 2.1%; expected volatility of 100%; forfeiture rate of 0%; and an expected average life of five years.

The Company currently has 4,229,357 common shares issued and outstanding as at the date hereof. If all options were exercised, the number of common shares outstanding would be 4,652,292.

RELATED-PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

Transactions with related party are incurred in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties

The Company had no significant related party transactions during the three-month periods ended September 30, 2019 and 2018.

SEGMENTED INFORMATION

The Company has a single reportable geographic segment – Canada – all of the Company's assets are located in Canada.

OFF-BALANCE-SHEET ARRANGEMENTS

The Company had no off-balance-sheet arrangements as at September 30, 2019 and 2018.

INVESTOR RELATIONS

During the three-month period ended September 30, 2019, the Company's directors handled the Company's investor relations activities.

NEW ACCOUNTING STANDARD ADOPTED

The following accounting standard has been adopted as at July 1, 2019 in accordance with the transitional provisions outlined in the standard.

IFRS 16 *Leases*

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to

account for them accordingly.

- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The impact of this new standard did not result in any additional assets or liabilities to be recorded as the Company does not have any leases.

PROPOSED QUALIFYING TRANSACTION

Letter of Intent

On July 10, 2019, the Company entered into a signed Letter of Intent (the "**LOI**"), with CBX Brands Inc. ("**CBx**"), a private corporation incorporated pursuant to the laws of Ontario, which outlines the general terms and conditions pursuant to which the Company and CBx are to complete a business combination to ultimately form the resulting issuer (the "**Resulting Issuer**") who will carry on the current business of CBx (the "**Transaction**"). The Company intends that the Transaction will constitute its Qualifying Transaction, as defined in the policies of the TSX Venture Exchange.

Pursuant to the LOI, it is contemplated that the Company and CBx will complete an arm's length transaction whereby the Company is to acquire all the issued and outstanding shares of CBx by way of a share exchange, plan of arrangement, amalgamation or other form of business combination. For such purposes, the Company will be valued at $1,903,211 (based on 4,229,357 issued and outstanding common shares of the Company at a value of $0.45 per share) and CBx will be valued at $9,835,260 on a pre-Concurrent Financing basis (as defined below). Based on the relative valuations of the Company and CBx at closing of the Transaction, the Company will issue the applicable number of common shares of the Resulting Issuer to the shareholders of CBx. Furthermore, all other securities of CBx, including all issued and outstanding options and warrants, will be exchanged for equivalent securities of the Resulting Issuer.

Prior to December 15, 2019, the Company and CBx shall promptly negotiate and enter into a definitive agreement (the "**Definitive Agreement**"), together with such other documents that may be required to effect such filings and applications as are required in order to more fully delineate, formalize and execute the terms of the Transaction as outlined in the LOI. The Definitive Agreement would incorporate the principal terms of the Transaction set forth in the LOI, together with other representations, warranties, and indemnities customary for transactions of a similar nature.

The completion of the Transaction is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including but not limited to (i) the negotiation of the Definitive Agreement; (ii) receipt of all requisite regulatory, stock exchange, court or governmental approvals, authorizations and consents; (iii) satisfactory results of due diligence and the absence of any material change or a change in a material fact or a new material fact affecting the Company or CBx; (iv) completion of the Concurrent Financing (as defined below); and (v) if applicable, each party having received appropriate approvals from their shareholders. There can be no assurance that the Transaction will be completed on the terms proposed above or at all. It is intended that upon closing of the Transaction that the common shares of the Resulting Issuer will be listed and posted for trading on the TSX Venture Exchange.

Concurrent Financing

In connection with the Transaction, CBx will be required to complete an equity financing by way of private placement of subscription receipts for gross proceeds of $1,000,000 or such other amount that is adequate to meet the applicable listing requirements of the TSX Venture Exchange (the "**Concurrent Financing**"). The parties have not yet engaged a lead agent to assist with the completion of the Concurrent Financing.

CRITICAL ACCOUNTING ESTIMATES

The Company's financial statements have been prepared in accordance 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 critical accounting policies followed by the Company are as follows:

Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and form assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under difference assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the preparation of these financial statements include, among others, the recoverability of sales taxes recoverable, the valuation of share-based compensation and recognition of deferred income tax amounts, and the estimated amount of accrued liabilities. Actual results may differ from those estimates.

FINANCIAL INSTRUMENTS AND RISK FACTORS

Risk management is carried out by the officers of the Company as discussed with the Board of Directors. The officers of the Company are charged with the responsibility of establishing controls and procedures to ensure that financial risks are appropriately mitigated.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows and anticipated investing and financing activities. Officers of the Company are actively involved in the review and approval of planned expenditures.

As at September 30, 2019, the Company has liabilities of $50,292 (June 30, 2018 - $56,585) due within twelve months and has cash of $242,145 (June 30, 2018 - $252,918) to meet its current obligations. As a result, the Company has minimal liquidity risk.

Credit Risk

The Company's exposure to credit risk arises from the possibility that its debtors may fail to meet their obligations. Cash is held in trust by the Company's lawyers. The Company manages the credit exposure related to cash by making sure that the lawyers maintain bank accounts with recognized Schedule I banks in Canada. The carrying amount of cash represents the maximum credit exposure.

MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company includes equity, comprised of issued share capital, share option reserves and accumulated deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its activities relating to the identification and evaluation of a potential Qualifying Transaction. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the Exchange policy 2.4. All the Company's cash as of June 30, 2019 is restricted for this use.

OUTLOOK

The Company's primary focus for the foreseeable future will be to actively identify and evaluate potential acquisitions or businesses with a view to completing a Qualifying Transaction. The Company believes that it has sufficient cash and capital resources to achieve its goal.

OTHER INFORMATION

Additional information on the Company is available on SEDAR at www.sedar.com