VERITAS PHARMA INC.

Management's Discussion & Analysis ("MD&A")

Quarter Ended October 31, 2020

DATE OF REPORT: January 4, 2021

The following management's discussion and analysis should be read together with the unaudited condensed consolidated financial statements and accompanying notes for the quarter ended October 31, 2020 and related notes hereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

This management's discussion and analysis includes certain statements that may be deemed "forward- looking statements". Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guaranteeing of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

This MD&A contains certain "forward-looking statements" and certain "forward-looking information" as defined under applicable Canadian securities laws that may not be based on historical fact, including, without limitation, statements containing the words "believe", "may", "plan", "will", "estimate", "continue", "anticipate", "intend", "expect" and similar expressions. Forward-looking statements are necessarily based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as the factors we believe are appropriate. Forward-looking statements in this MD&A include but are not limited to statements relating to:

- *our ability to obtain funding for our operations, including funding for commercial activities;*
- *our business model and strategic plans;*
- *our ability to achieve profitability;*
- *our ability to establish and maintain relationships with collaborators with acceptable development, regulatory and commercialization expertise and the benefits to be derived from such collaborative efforts;*
- *the implementation of our business model and strategic plans;*
- *our ability to develop and commercialize product candidates;*
- *our ability to protect our intellectual property and operate our business without infringing upon the intellectual property rights of others;*
- *our expectations regarding federal, provincial and foreign regulatory requirements;*
- *the accuracy of our estimates of the size and characteristics of the markets that may be addressed by our products and product candidates;*
- *the timing of, and our ability and our collaborators' ability, if any, to obtain and maintain regulatory approvals for our product candidates;*
- *our expectations regarding market risk, including interest rate changes and foreign currency fluctuations;*
- *our ability to engage and retain the employees required to grow our business;*
- *the compensation that is expected to be paid to employees and consultants of the Company;*
- *our future financial performance and projected expenditures;*
- *developments relating to our competitors and our industry, including the success of competing therapies that are or become available; and*
- *estimates of our expenses, capital requirements and our needs for additional financing.*

Such statements reflect our current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Veritas, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements. In making the forward- looking statements included in this MD&A, the Company has made various material assumptions, including, but not limited to: (i) obtaining regulatory approvals; (ii) general business and economic conditions; (iii) the availability of financing on reasonable terms;

(iv) the Company's ability to attract and retain skilled staff; (v) market competition; (vi) the products and technology offered by the Company's competitors; and (vii) the Company's ability to protect patents and proprietary rights

In evaluating forward-looking statements, current and prospective shareholders should specifically consider various factors, including the risks outlined below under the heading "Financial Instruments and Risks". Should one or more of these risks or uncertainties, or a risk that is not currently known to us materialize, or should assumptions underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein. These forward-looking statements are made as of the date of this MD&A and we do not intend, and do not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws. Investors are cautioned that forward-looking statements are not guarantees of future performance and are inherently uncertain. Accordingly, investors are cautioned not to put undue reliance on forward-looking statements.

OVERVIEW

Veritas Pharma Inc. is currently reviewing other asset acquisitions in the hemp and cannabis industries. In February 2020, Veritas decided to suspend the research and development activities of its wholly-owned subsidiary Cannevert Therapeutics Ltd. ("Cannevert or CTL"). This will allow Veritas to pursue other acquisitions in the industry.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is has not been significant, but management continues to monitor the situation.

HIGHLIGHTS

- On May 14, 2020, the Company entered into a Letter of Intent to acquire Indigenous Bloom Hemp Corporation ("HempCo"). The Company will acquire 100% of the issued and outstanding shares of HempCo for aggregate consideration of $28,000,000 to be provided in common shares of the Company, at a deemed price per share equal to the closing price on the CSE on the day prior to closing.
- On August 5, 2020, the Company issued a total of 1,263,333 common shares with a fair value of $183,184 to settle debt of $21,000 owing to the Chief Executive Officer of the Company, $31,750 owing to a director of the Company, and $42,000 owing to a company controlled by a director of the Company, resulting in a loss on debt settlements of $88,434.
- On September 4, 2020, the Company entered into an agreement to acquire Indigenous Bloom Hemp Corporation ("HempCo"). The Company will acquire 100% of the issued and outstanding shares of HempCo for aggregate consideration of $28,000,000 to be provided in common shares of the Company, at a deemed price per share equal to the closing price on the CSE on the day prior to closing. Prior to closing, the Company is to consolidate its common shares on a 1-for-2 basis. The closing of the acquisition is subject to regulatory approval.

OVERALL PERFORMANCE

Veritas Pharma expects its operating losses to continue into the next fiscal year as it restructures. Since its inception, Veritas has an accumulated deficit of $32,792,984 as at October 31, 2020. The Company has funded its operations with proceeds from equity financings and expects to seek additional funding through equity financings to finance its growth initiatives. However, if capital market conditions in general or with respect to the sector or development stage companies such as Veritas are unfavorable, its ability to obtain additional investment will be adversely affected. Veritas is currently looking for potential revenue streams.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Quarter ended							
	10/31/20 $	7/31/20 $	4/30/20 $	1/31/20 $	10/31/19 $	7/31/19 $	4/30/19 $	1/31/19 $
Revenue	–	–	–	–	–	–	–	–
Net loss	(264,679)	(144,297)	(372,670)	(256,704)	(255,439)	(897,675)	(8,047,346)	(853,206)
Loss per share, basic and diluted	(0.02)	(0.01)	(0.03)	(0.02)	(0.02)	(0.07)	(0.66)	(0.09)

The quarter ended July 31, 2019 includes the share-based compensation expense of $598,820 for stock options granted to officers and directors of the Company. The quarter ended April 30, 2019 includes the impairments of its investments in Indigenous Bloom Corp., 1182372 B.C. Ltd., and 3 Carbon Extractions Inc. totaling $5,809,166, impairment of intangible assets of $1,580,000, and impairment of loan receivable of $214,580.

LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2020, the Company had $4,458 in cash compared to $8,891 as at April 30, 2020. The Company has a working capital deficit of $1,100,839 as at October 31, 2020 compared to $875,047 as at April 30, 2020.

The Company will require additional working capital to meet its primary business objectives over the next 12 months.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the funding through future equity issuances and through short-term borrowing in order to fund ongoing operations and to meet its obligations. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

An analysis of the material components of the Company's general and administrative expenses is disclosed in the unaudited condensed consolidated financial statements for the quarter ended October 31, 2020 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

As at January 4, 2021, the Company has 16,694,644 shares outstanding.

Share Purchase Warrants

As at January 4, 2021, the Company has 300,000 share purchase warrants exercisable at $7 per common share expiring on March 28, 2021 outstanding.

Stock Options

As at January 4, 2021, the Company has 1,215,738 stock options exercisable at $0.15 per common share expiring on April 24, 2025 outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no undisclosed off-balance sheet arrangements that have or are reasonably likely to have, a current or future effect on its results of operations, financial condition, revenues or expenses, liquidity, capital expenditures, or capital resources that is material to investors.

RELATED PARTY TRANSACTIONS

As at October 31, 2020, the Company owed $11,050 (April 30, 2020 - $26,250) to 1160170 B.C. Ltd., a company controlled by Blair Lowther, a director of the Company, which is recorded in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing, and due on demand. During the six months ended October 31, 2020, the Company incurred consulting fees of $30,000 (2019 - $22,903) to 1160170 B.C. Ltd.

As at October 31, 2020, the Company owed $15,750 (April 30, 2020 - $21,000) to Stamatis Ventures Ltd., a company controlled by Nicholas Standish, a director of the Company, which is recorded in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing, and due on demand. During the six months ended October 31, 2020, the Company incurred consulting fees of $30,000 (2019 - $nil) to Stamatis Ventures Ltd.

As at October 31, 2020, the Company owed $423,895 (April 30, 2020 - $318,421) to Tycor UPS Systems Inc., a company where Mark Roseborough, a director of the Company, is a director. The amount is unsecured, non-interest bearing, and due on demand.

As at October 31, 2020, the Company owed $42,000 (April 30, 2020 - $10,500) to 1215720 B.C. Ltd., a company controlled by Peter McFadden, the Chief Executive Officer of the Company, which is recorded in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing, and due on demand. During the six months ended October 31, 2020, the Company incurred consulting fees of $60,000 (2019 - $35,000) to 1215720 B.C. Ltd.

As at October 31, 2020, the Company owed $47,006 (April 30, 2020 - $47,006) to Len Werden, a former director of the Company. The amount is unsecured, non-interest bearing, and due on demand.

During the six months ended October 31, 2020, the Company granted nil (2019 – 1,200,000) stock options with a fair value of $nil (2019 - $598,820) to officers and directors of the Company.

PROPOSED TRANSACTION

On September 4, 2020, the Company entered into an agreement to acquire Indigenous Bloom Hemp Corporation (“HempCo”). The Company will acquire 100% of the issued and outstanding shares of HempCo for aggregate consideration of $28,000,000 to be provided in common shares of the Company, at a deemed price per share equal to the closing price on the CSE on the day prior to closing. Prior to closing, the Company is to consolidate its common shares on a 1-for-2 basis. The closing of the acquisition is subject to regulatory approval.

CHANGES IN OR ADOPTION OF ACCOUNTING POLICIES

Recent Accounting Pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended October 31, 2020, and have not been applied in preparing the Company’s consolidated financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company’s consolidated financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Values

The fair value of financial instruments, which included cash, accounts payable and accrued liabilities, convertible note payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. Foreign exchange risk arises from purchase transactions. As at October 31, 2020, the Company is not exposed to significant currency risk as it did not have material assets or liabilities held in currencies other than its functional currencies.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short term to maturity of the investments held. The Company is not exposed to significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Legal Proceedings

(a) On February 28, 2019, the Company filed a civil claim against Liht for the recovery of the $1,000,000 advance plus interest. The interest payable on the advance was to be 10% per annum compounded daily from June 25, 2018 through and including the date on which it was repaid in full. The advance was to be repayable within 90 days and secured by certain assets of Liht. The Company alleges that, even though the Company had advanced Liht $1,000,000, Liht had refused to execute the loan agreement and has taken no steps to perfect the security of the advance. On August 28, 2018, the Company made a demand for the return of the $1,000,000 and again on January 14, 2019 together with interest accrued totalling of $1,055,068.49 on or before January 21, 2019. Liht has refused to return any portion of the $1,000,000 and any interest or deliver any consideration for the advance. The civil claim is ongoing and the Company believes that the advance to Liht will be recovered, but the outcome cannot be reasonably determined at this time.

(b) On June 26, 2019, the Company filed a civil claim against its former management for the breach of their fiduciary duty and duty of care to the Company with respect to the advance made to Liht. This resulted in a loss and damage to the Company. The civil claim is ongoing and the amount of any damages recoverable cannot be reasonable determined or estimated at this time.

(c) On May 14, 2020, a civil claim was filed against the Company by a former employee. The former employee is claiming $114,061 in relief as follows: $31,500 in damages for breach of contract. $31,500 in damages for outstanding wages, $1,061 in damages for outstanding business expenses, and $50,000 in damages for the breach of common law duty to perform contract obligations honestly and in good faith. The Company initially recorded $63,873 in the accounts payable and accrued liabilities for previous services rendered, outstanding business expenses, and damages for breach of contract. On October 28, 2020, the Company and the former employee agreed that the Company will pay the former employee a sum of $85,000 through the issuance of a convertible promissory note. The promissory note is non-interest bearing and will automatically convert into common shares of the Company at a price equal to the greater of (i) the closing price of the Company's shares on the Canadian Securities Exchange ("CSE") on the Maturity Date (the first day on which the Company's shares are reinstated for trading on the CSE), less the maximum discount permitted by Policy 6 of the CSE; and (ii) $0.15. The Company must issue the shares to the former employee within 5 business days of the Maturity Date.

Additional Risk Factors

Public Health Crises

Global or national health concerns, including the outbreak of pandemic or contagious diseases, such as COVID-19, may adversely affect the Company. The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises. The Company expects to experience some short to medium term negative impacts from the COVID-19 outbreak; however, the extent of such impacts is currently unquantifiable, but may be significant. Such impacts include, with respect to its operations, the ability of the Company to access debt or equity capital on acceptable terms or at all.

Volatility of Market Price

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced substantial volatility in the past. This volatility may affect the ability of holders of common shares to sell their securities at an advantageous price. Market price fluctuations in the common shares may be due to the Company's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the common shares.

Financial markets historically at times experience significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the common shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

Positive Return in an Investment in the Common Shares of the Company is Not Guaranteed

There is no guarantee that an investment in the Company will earn any positive return in the short term or long term. A purchase of the shares involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the common shares is appropriate only for purchasers who have the capacity to absorb a loss of some or all of their investment.

Dilution

The Company may issue additional securities in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of common shares and Class A preferred shares. The Company's shareholders do not have pre-emptive rights in connection with any future issuances of securities by the Company. The directors of the Company have discretion to determine the price and the terms of further issuances. Moreover, additional common shares will be issued by the Company on the exercise of stock options under the Company's stock option plan and upon the exercise of outstanding warrants.

Negative Cash Flow from Operations

During the quarters ended October 31, 2020 and 2019, the Company had negative cash flows from operating activities. To the extent that the Company has negative cash flow in any future period, the net proceeds from future financings may be used to fund such negative cash flow from operating activities.

Change in Laws, Regulations, and Guidelines Relating to Marijuana and Related Issues

The Company's operations are subject to a variety laws, regulations and guidelines including relating to the manufacture, management, transportation, storage, and disposal of medical marijuana as well as laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Approval policies, laws, regulations and guidelines may change during the course of a product candidate's clinical development and may vary among jurisdictions. Any delays in obtaining, or failure to obtain regulatory approvals, including at the pre-clinical, clinical or marketing stage, would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

Dependence on Key Personnel

The Company strongly depends on the business and technical expertise of its management and it is unlikely that this dependence will decrease in the near term. Loss of the Company's key personnel could slow the Company's ability to innovate, although the effect on ongoing operations would be manageable as experienced key operations personnel could be put in place. As the Company's operations expand, additional general management resources will be required.

If the Company expands its operations, the ability of the Company to recruit, train, integrate and manage a large number of new employees is uncertain and failure to do so would have a negative impact on the Company's business plans.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers, or may be associated with other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the *Business Corporations Act* (British Columbia) (the "BCBCA") in dealing with conflicts of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and in the best interest of the Company.

ADDITIONAL INFORMATION

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