RAMM PHARMA

CSE:RAMM

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2021

MARCH 30, 2021

Introduction

This Management's Discussion and Analysis ("**MD&A**") has been prepared by management of RAMM Pharma Corp. ("**RAMM**" or the "**Company**") with an effective date of March 30, 2021.

Throughout this MD&A, unless otherwise specified, "RAMM", "the Company", "we", "us" or "our" refer to RAMM Pharma Corp. and its subsidiaries: Medic Plast SA, Yurelan SA, Glediser SA and RAMM Pharma Holdings Corp.

This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company and notes thereto for the three months ended January 31, 2021 (the "**Interim Financial Statements**") and the audited consolidated financial statements of the Company and notes thereto for the year ended October 31, 2020 (the "**Annual Financial Statements").** In preparing this MD&A, we have taken into account information available to us up to March 30, 2021, unless otherwise stated.

The Interim Financial Statements have been prepared by management in accordance with International Accounting Standard 34 ("**IAS 34**") Interim Financial Reporting, and the Annual Financial Statements in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

All amounts are expressed in Canadian Dollars unless otherwise noted.

Other information contained in this document has also been prepared by management and is consistent with information included in the Financial Statements.

You will find the Company's financial statements on SEDAR at www.sedar.com.

This MD&A contains commentary from the Company's management regarding the Company's strategy, operating results, financial position and outlook. Management is responsible for the accuracy, integrity, and objectivity of the MD&A, and develops, maintains and supports the necessary systems and controls to provide reasonable assurance as to the accuracy of the comments contained herein.

The Audit Committee and the Board of Directors provide an oversight role with respect to all public financial disclosures by the Company. The Board of Directors approves the Financial Statements and MD&A after the completion of its review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

The registered office address of the Company is 82 Richmond St. E, Toronto, ON, M5C 1P1.

The Company is currently a reporting issuer in British Columbia, Alberta, Ontario and Quebec.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this MD&A constitute "forward-looking information" and "forward looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the future financial position and results of operations, strategy, plans, objectives, goals, targets and future developments of the Company in the markets where the Company participates or is seeking to participate, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements.

Forward-looking statements and information include, without limitation, the information concerning possible or assumed future results of operations of RAMM. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes. Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding business and operating strategies, and the Company's ability to operate on a profitable basis. RAMM does not undertake any obligation to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this report, except as may be required by law.

Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include: volatility in market prices for cannabis and cannabis derived products; risks and liabilities inherent in cannabis operations; the ability to comply with applicable governmental regulations and standards; competition for, among other things, customers and market share, capital and skilled personnel; operational risks in Uruguay related to social, political, economic, legal and fiscal; instability as well as environmental changes; incorrect assessments of the value of acquisitions and development programs; technical and processing problems; energy prices and supply; supply of raw materials; risks inherent in rural real estate; actions by governmental authorities, including increases in taxes; the availability of capital on acceptable terms; fluctuations in foreign exchange, currency or interest rates and stock market volatility; inflation in Uruguay; operations in Spanish; enforcement of judgements; failure to realize the anticipated benefits of acquisitions; the ability to obtain patent protection and protect the Company's intellectual property rights and not infringe on the intellectual property rights of others; stock market volatility; potential labour unrest; estimations and anticipated effects of the COVID-19 pandemic and the current global financial conditions and the other factors specifically identified as risk factors in this MD&A.

In addition to the factors set out above and those identified in under "Risks and Uncertainties", other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements. Although RAMM has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended. Accordingly, readers should not place any undue reliance on forward-looking statements.

Overview of the Company

Background

RAMM is a leader in the field of cannabinoid pharmacology and product formulation for cannabis-based pharmaceuticals and other cannabis-based products. One of the Company's subsidiary, Medic Plast SA, founded in 1988 in Montevideo, Uruguay, is a well-established pharmaceutical, medical devices and medical consumables product business and amongst the first and only companies in the world to have developed medically registered and approved plant derived cannabinoid pharmaceutical products.

RAMM currently has multiple approved and registered products that have been authorized for sale, as well as a robust pipeline of new products in various stages of approval and development. RAMM also operates a state-of-the-art GMP certified cannabis formulation facility to ensure their products are complaint with the highest quality standard and address international markets. Further to its industry leading activities in the cannabis sector, RAMM operates a pharmaceutical, cosmetic and nutraceutical product development and medical services business which has been servicing the Uruguayan market for 30 years.

RAMM through it subsidiary Glediser SA ("NettaLife") develops cannabis-based products for pets. The NettaPet Dog formulations are the first of its kind to be registered by the Ministry of Agriculture, Livestock and Fisheries in Uruguay. NettaLife product portfolio includes: NettaPet, NettaPet Senior and NettaPet Puppies dog food formulations and a pipeline of new pharmaceutical-grade products in development to improve animal welfare.

RAMM owns 734,000 square feet (6.83 hectares) agricultural land with 145,000 square feet dedicated to greenhouse space in Uruguay, completely fenced, and is strategically located in the north-west of Uruguay, where natural conditions are optimal for growing operations. The facility's proximity to Lake Salto Grande, an artificial lake and hydro-electric dam built on the Uruguay River, results in the formation of a microclimate that regulates extreme temperatures and provides a consistent source of electricity. As of the date of this MD&A, the Group is in the process of reassessing the development of its proposed agricultural operations in Uruguay.

Overall performance for the three months ended January 31, 2021

COVID-19 outbreak

The Company's primary focus during these difficult times is ensuring a safe and healthy environment for its workforce, and to continue to implement and enforce additional precautionary health and safety measures as required resulting from the COVID-19 pandemic.

Management has continued setting the foundation for its expansion into other jurisdictions and continues to monitor the developments of the COVID-19 outbreak and assessing and mitigating the possible impact on the Company's operations, supply chains and customers. While the extent of the impact is unknown, the impact to date has been manageable.

Canapar strategic investment

On December 30, 2020, the Company acquired 49% of Canapar Corp. ("Canapar") (the "Canapar Shares"). The Canapar Shares were acquired from Canopy Rivers Corporation ("Canopy Rivers"). Canapar, through its wholly owned subsidiary Canapar SrL ("Canapar Italy"), will be one of Europe's largest vertically integrated Cannabis companies when fully operational. Canapar's state of the art extraction plant is the largest in Europe and has been custom designed for the production of active compounds to be used in pharmaceutical, wellness and cosmetic products from its 1,000-hectare Italian-based hemp production and processing platform. The strategic investment is expected to enhance RAMM and Canapar's ability to capitalize on the rapidly expanding European and global cannabis markets, provide additional opportunities to expand RAMM's distribution footprint for its portfolio of registered and approved pharmaceutical and other cannabis-based products and further leverage Canapar's significant investment in its vertically integrated operation and industry expertise.

The Canapar Shares were acquired for a total consideration up to $9,000,000 pursuant to the terms of a share purchase agreement (the "Agreement"), from which $7,000,000 was paid in cash and $2,000,000 is payable in cash or issuable in common shares of RAMM, at the sole discretion of RAMM, contingent on the achievement within a 5 year term, of certain production milestones at Canapar Italy's production facility in Sicily, change in control, public offering, delisting or liquidation in respect of RAMM or Canapar.

On January 4, 2021, the Company completed an additional $3.000.000 million investment in Canapar Corp. through its participation in Canapar's secured convertible note offering (the "Offering").

The Offering consisted of a private placement of an approximate aggregate $6,922,000 principal amount of secured convertible promissory notes (the "Notes"), maturing 18 months from the date of issuance, unless converted earlier as described below (the "Maturity Date"), and secured by a first ranking security interest in all personal property of Canapar. The principal amount of the Notes bear interest at a rate of 8% per annum for the period from the date of issuance up to and including the Maturity Date. If greater than 50% of the voting shares of Canapar are acquired by a special purpose acquisition company (an "Acquirer") prior to the Maturity Date ("SPAC Merger"), then the outstanding principal amount of the Notes (together with all interest accrued and unpaid thereon) shall be automatically converted into shares of the Acquirer ("Acquirer Shares"), which Acquirer Shares shall have an aggregate value equal to 1.5 times the principal amount of the Notes (plus interest accrued and unpaid thereon). The conversion price will be the greater of: (i) the price per common share of Canapar (a "Canapar Share") paid by the Acquirer pursuant to the SPAC Merger; and (ii) $0.47 per Canapar Share. If Canapar completes a liquidity event other than a SPAC Merger ("Liquidity Event") prior to the Maturity Date (including, for greater certainty, a public offering of equity securities or a business combination (or similar transaction) that results in the listing of the equity securities of Canapar on a recognized Canadian or US stock exchange exchange) then the outstanding principal amount of the Notes (along with all interest accrued and unpaid thereon) shall be automatically converted into Canapar Shares at a conversion price of $0.60 per Canapar Share. If Canapar does not complete the SPAC Merger or a Liquidity Event within 12 months from the date of the issuance of the Notes (the "Penalty Date"), the holders of the Notes shall each have the option to convert the outstanding principal amount of the Notes (along with all interest accrued thereon) after the Penalty Date into Canapar Shares at a discounted price of $0.45 per Canapar Share. The holders of the Notes will also have the option to convert the outstanding principal amount of the Notes (along with all interest accrued thereon) at any time prior to the Penalty Date into Canapar Shares at a price of $0.60 per Canapar Share.

MedicPlast

MedicPlast conducted its operating activities in the normal course of business. The Company continues to supply more than 100 state and private medical entities which include hospitals and medical centers in Uruguay, in addition to pharmacies and other regular clients.

NettaLife

NettaLife continued pre-operative during the quarter, while securing the production for Q2'2021 of its first batch of dog food and continued to develop pharmaceutical-grade products to improve animal welfare. The Company expects to commence sales of dog food products by Q2'2021.

Agricultural operations

Regarding the proposed cultivating, growing and extraction operations, the Company continues to assess the current conditions allowing to re-consider it strategy. The site and property remain fully operational with minor maintenance costs.

Normal course issued bid

During the quarter, the Company repurchased and cancelled 265,000 Common Shares pursuant to the NCIB program for $92,750 at a weighted average acquisition price of $0.35 per share.

Results of operations

This consolidated financial information is presented in Canadian dollars, which is RAMM Pharma Corp.'s functional currency. References to $ are to Canadian dollars, unless otherwise stated.

For all the quarters presented the functional currency was determined to be the Uruguayan Peso for the Company's subsidiary, Medic Plast, the US Dollar for the Company's subsidiary, Yurelan and Glediser, and the Canadian Dollar for the Company's subsidiary RAMM Pharma Holdings Corp.

The following table sets forth summary operating results and financial position data for the indicated periods:

	Three months ended January 31	
	2021	**2020**
Summary Operating Results	**$**	**$**
Revenue	1,007,166	1,303,723
Gross profit	135,993	275,615
Selling and Administrative expenses	(1,302,924)	(2,455,946)
Equity method investees and fair value changes	(230,000)	-
Net loss from operating activities	**(1,396,931)**	**(2,180,331)**
Net loss for the period	**(1,452,470)**	**(2,231,404)**
Other comprehensive income (loss) (net of tax)	(179,398)	20,752
Net comprehensive loss for the period	**(1,631,868)**	**(2,210,652)**
Net loss per share during the period, basic and diluted	(0.015)	(0.022)
Summary Cash Flow Results		
Cash used in operating activities	(972,329)	(920,547)
Cash from (used in) investing activities	(11,442,178)	7,957
Cash used in financing activities	(119,012)	(1,141,563)

	January 31, 2021	October 31, 2020
Balance Sheet Data	**$**	**$**
Cash	15,468,013	28,005,581
Total assets	37,451,224	37,174,115
Total liabilities	3,180,390	1,338,935
Shareholders' equity	34,270,834	35,835,180

Revenues

Following commentaries are referred to change percentages calculated at constant exchange rates ("CER"). The Group's gross profit is given by its subsidiary MedicPlast which operates in Uruguay and its functional currency is the Uruguayan Peso. For the three months ended January 31, 2021, the Uruguayan Peso compared to the Canadian dollar devalued 16% on average rates compared to the three months ended January 31, 2020.

For Q1'21 total revenue shows a decrease of 10% at CER compared to Q1'20 (change of -24% in Canadian dollars). Gross Profit for Q1'21 represented 14% of total revenues.

Medical devices and medical consumables

Sales of medical devices and consumables in Q1'21 increased 28% at CER (change of 6% in Canadian dollars) compared to Q1'20 driven by increased demand for personal protective equipment and other hospitals supplies.

Pharmaceutical formulations and cosmetics

Sales of pharmaceutical formulations and cosmetics products showed a decrease in Q1'21 of 33% at CER compared to Q1'20 (change of -42% in Canadian dollars) driven by lower sales for cannabis-based formulations.

Selling, general and administrative expenses

Selling, general and administrative expenses in Q1'21 presents a decrease of $1.2 million compared to Q1'20, explained by stock options vested in FY2020 that become exercisable in the current FY, while the remaining expenses remaining expenses presented an overall slight decrease in Canadian dollars driven by the devaluation of the Uruguayan peso compared to the Canadian dollar.

Equity method investees and fair value changes

Share of loss from equity method investees was $0.14 million for Q1'21 (Q1'20: not applicable). Please refer to "Canapar investment" herein for additional information. Due to the early-stage nature of the equity method investee' businesses, the Company expects these entities to continue to generate net losses in the near term. Please refer to Note 10 in the Interim Financial Statements for additional information on the operating results and financial position of the Company's equity method investee. The net change in fair value of financial assets at FVTPL was a decrease of $0.09 million for Q1'21 (Q1'20: not applicable).

Cash flows

Net cash used in operating activities was $0.97 million for Q1'21, compared with net cash used of $0.92 million for Q1'20.

Net cash used in investing activities was $11.4 million for Q1'21 compared with net cash from of $0.07 million for Q1'20. Cash used in Q1'21 comprises a $7.0 million cash payment for the Canapar strategic acquisition and a $3.0 million cash investment in Canapar convertible notes offering. Please refer to "Canapar investment" herein for additional information. Additionally, the company entered into a secured loan arrangement as described in "Related parties' transactions – Other transactions – a)" with Mr. Burnett (CEO, Director and Shareholder of the Company) for US$ 1.1 million, equivalent to $1.5 million.

Net cash flows using in financing activities was $0.12 million for Q1'21 compared with net cash used of $1.14 million in Q1'20. Cash used in Q1'21 comprises a $0.09 million payment to repurchase 265,000 common shares of the Company as described in "Normal course issuer bid" section herein.

Summary of quarterly results

The following table sets forth a summary of quarterly financial information for the last eight consecutive quarters. This quarterly financial information has been prepared in accordance with IFRS.

	Three months ended							
	31-Jan-21 Q1'21	31-Oct-20 Q4'20	31-Jul-20 Q3'20	30-Apr-20 Q2'20	31-Jan-20 Q1'20	31-Oct-19 Q4'19	31-Jul-19 Q3'19	30-Apr-19 Q2'19
Revenue	1,007,166	1,225,135	985,782	1,930,046	1,303,723	1,351,684	1,351,841	1,293,336
Gross Profit	135,993	(36,664)	195,690	848,551	275,615	135,311	148,646	183,825
Gross Profit %	14%	-3%	20%	44%	21%	10%	11%	14%
Loss from operating activities	(1,396,931)	(2,518,044)	(1,746,638)	(1,239,433)	(2,180,331)	(484,786)	(606,525)	(499,144)
Net loss	(1,452,470)	(2,363,352)	(1,773,142)	(1,249,547)	(2,231,404)	(4,808,545)	(606,626)	(1,101,700)
Basic and diluted loss per share	(0.015)	(0.024)	(0.018)	(0.012)	(0.022)	(0.095)	(0.012)	(0.022)

Liquidity and capital resources

As of January 31, 2021, the Company held cash and cash equivalents for an amount of $15.5 million invested in business accounts with high-credit quality financial institutions which are available on demand by the Company.

The following are the remaining contractual maturities of the Company's obligations on January 31, 2021. The amounts are gross and undiscounted, and include contractual interest payments:

January 31, 2020	Under 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Over 5 years
	$	$	$	$	$
Financial liabilities					
Trade and other payables	1,103,579	-	-	-	-
Lease liabilities	60,113	18,469	-	-	-
Provisions (i)	2,000,000	-	-	-	-
	3,163,692	**18,469**	**-**	**-**	**-**

(i) The Company recognized a provision for $2,000,000 related to the contingent consideration payable described in "Canapar investment" herein, as management evaluates that the conditions are more likely than not to occur.

Future capital expenditures

Unless otherwise stated in other section of this MD&A, as of the date of this MD&A, the Company had not assumed enforceable and legally binding obligations related to material capital expenditures.

Related parties' transactions

Related parties are defined as management, directors, and principal shareholders of the Group and/or members of their immediate family and/or other companies and/or entities in which a principal shareholder, director or senior officer is a principal owner or senior executive.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board, who control approximately 27% of the Shares of the Company on a fully diluted basis as of January 31, 2021.

Compensation provided to key management personnel is as follows:

	For the three months ended	
	January 31, 2021	**January 31, 2020**
	$	$
Share-based compensation	160,272	1,142,771
Management fees	200,354	156,398
Salaries (1)	29,437	127,931
Director fees	15,000	-

(1) Note: Three months ended January 31, 2020 includes salaries for an amount of $127,931 provided to a former Director, considered to be key management personnel until April 1, 2020, in his capacity of Senior Management of Medic Plast (see b) below).

Other transactions

a) On November 2, 2020, the Company entered into a secured loan arrangement with Mr. Jack Burnett (CEO, Director and a Shareholder of the Company who controls approximately 20% of the Shares of the Company on a fully diluted basis as of January 31, 2021), pursuant to which the Company has loaned to Mr. Burnett US$1,100,000, equivalent to $1,464,980, (the "Loan"). The Loan accrues at interest of 2.75% per annum, with a maturity date on November 2, 2022 that can be extended by one year at the option of Mr. Burnett. The Loan is secured by a pledge of securities, consisting of 3,000,000 RAMM common shares owned by Mr. Burnett. The terms of the agreement were negotiated between the Company and Mr. Burnett.

b) During the three months ended January 31, 2021 and 2020, the Company provided salaries for an amount of $108,949 and $127,931, respectively, to Mr. Blankleider, a Shareholder of the Company who controls approximately 17% of the Shares of the Company on a fully diluted basis as of January 31, 2021, in his capacity of Senior Management of Medic Plast.

Off-balance sheet arrangements

The Company does not have off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations or financial condition, including, without limitation, such considerations as liquidity, capital expenditures and capital resources that would be considered material to shareholders.

Critical accounting estimates

The application of the Company's accounting policies requires management to use estimates and judgments that can have significant effect on the revenues, expenses, assets and liabilities recognized and disclosures made in the consolidated financial statements.

Management's best estimates concerning the future are based on the facts and circumstances available at the time estimates are made. Management uses historical experience, general economic conditions and assumptions regarding probable future outcomes as the basis for determining estimates. Estimates and their underlying assumptions are reviewed periodically, and the effects of any changes are recognized immediately. Actual results could differ from the estimates used.

Please refer to Note 4 to the Interim Financial Statement and Note 5 to the Annual Financial Statements.

Financial instruments and financial risk management

The Group is exposed to credit, liquidity, and market risks. The Group's management oversees the management of these risks. The Group's financial risk activities are governed by policies and procedures and that financial risks are identified, measured, and managed in accordance with Group's policies and Group's risk appetite.

Credit Risk

Credit risk is the risk of a potential loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is moderately exposed to credit risk from its cash and cash equivalents, receivables from related parties and trade and other receivables. The risk exposure is limited to their carrying amounts reflected on the condensed interim consolidated statements of financial position. The risk for cash and cash equivalents is mitigated by holding these instruments with highly rated financial institutions. Trade and other receivables primarily consist of trade accounts receivable with State-owned Hospitals, Private Hospitals, Pharmacies, and other customers. The Company provides credit to customers in the normal course of business and the Management continually evaluates and monitors credit to customers to mitigate its credit risk.

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

For the three months ended January 31, 2021, there have been no substantive changes to credit risk assumptions and expectations.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from customers as of January 31, 2021 and October 31, 2020:

	January 31, 2021			October 31, 2020		
	Weighted-average loss rate	**Gross Carrying amount**	**Loss allowance**	**Weighted-average loss rate**	**Gross Carrying amount**	**Loss allowance**
		$	**$**		**$**	**$**
Current (not past due)	0.9%	581,091	5,311	0.9%	878,524	8,029
1-30 days past due	4.3%	211,229	9,097	4.3%	77,088	3,320
31-60 days past due	8.4%	201,937	16,912	8.4%	90,939	7,616
61-90 days past due	16.9%	44,419	7,512	16.9%	19,325	3,268
More than 90 days past due	69.6%	253,335	176,312	71.2%	183,395	130,621
	16.7%	**1,292,011**	**215,144**	**12.2%**	**1,249,271**	**152,854**

Liquidity Risk

Liquidity risk is the risk that the Group is unable to generate or obtain sufficient cash or its equivalents in a cost-effective manner to fund its obligations as they come due. The Group's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

The Group's cash is currently invested in business accounts with high-credit quality financial institutions which are available on demand by the Group.

The following are the remaining contractual maturities of financial instruments at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments:

January 31, 2020	**Under 1 year**	**Between 1-2 years**	**Between 2-3 years**	**Between 3-4 years**	**Over 5 years**
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	15,468,013	-	-	-	-
Trade and other receivables (i)	1,316,769	-	-	-	-
Receivables from related parties	2,286,342	-	1,520,217	-	-
Interest receivable	-	16,215	-	-	-
Financial assets at fair value through profit or loss (ii)	-	3,329,197	-	-	-
	19,071,124	**3,345,412**	**1,520,217**	**-**	**-**
Financial liabilities					
Trade and other payables	1,103,579	-	-	-	-
Lease liabilities	60,113	18,469	-	-	-
Provisions	2,000,000	-	-	-	-
	3,163,692	**18,469**	**-**	**-**	**-**

(i) Does not include VAT Credits and advances to suppliers.
(ii) Does not include Canapar call option, see Note 10.1 to the Interim Financial Statements.

Foreign Currency Risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables, and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily the Uruguayan Peso (UYU) and the US Dollar (USD).

Currently, the Group does not use derivative instruments to reduce its exposure to foreign currency risk.

A 10% change in the value of the USD, UYU or the Euro (EUR) would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular, interest rates remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		**Equity**	
Effect in thousands of Canadian dollars	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
	$	**$**	**$**	**$**
January 31, 2021				
EUR (10% movement)	(1)	1	-	-
UYU (10% movement)	18	(18)	(518)	518
USD (10% movement)	378	(378)	20	(20)

Other market risks

The Company is exposed to interest rate and price risks on certain financial instruments but has determined that the risk is not significant.

Fair Values

Financial instruments recorded at fair value on the condensed interim consolidated statement of financial position are classified using a fair value hierarchy that reflects the observability of significant inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 inputs are observable inputs other than quoted prices included within Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable directly or indirectly.

- Level 3 inputs are unobservable inputs for the asset or liability that reflect the reporting entity's own assumptions and are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The carrying amount of cash and cash equivalents, trade and other receivables, interest receivable, trade and other payable and provisions approximate their respective fair values due to their short-term nature. The carrying amounts of the receivables from related parties approximate their respective fair values due to consistency of current market rates and credit risk.

The following table provides information about how the fair values as of January 31, 2021, of the Company's other financial instruments are determined:

	Classification	Carrying values		Fair values		Fair value hierarchy and technique	Key inputs
		January 31, 2021	October 31, 2020	January 31, 2021	October 31, 2020		
Financial assets		$	$	$	$		
Canapar convertible note	FVTPL	3,000,000	n/a	3,000,000	n/a	Level 3 - Market approach - most recent financing: based upon principal amount advanced pursuant to the note and interest accrued	Observable: - Principal advanced - interest rate 8%
Canapar call option	FVTPL	750,000	n/a	750,000	n/a	Level 3 - Simulation model using Black-Scholes option pricing model	Unobservable: - Canapar equity value per share $0.30 - Canapar equity expected volatility 65% - EBITDA volatility 30% - Expected life 4.9 years
		3,750,000	**n/a**	**3,750,000**	**n/a**		

The Group has determined that there have been no transfers between levels in the hierarchy by re-assessing categorization at the reporting dates.

The Company has performed a sensitivity analyses over key inputs to Level 3 investments and has outlined the potential corresponding impact on total comprehensive income below. The change in fair value of the financial instrument has been determined based on changes to individual inputs independently, without consideration of the impact of such change on other variables that influence value. The realization of sensitivities outlined below would have affected the Company's net changes in fair value of financial assets at FVTPL and would not have had a material impact on cash flows from operations.

Instrument	Input	Assumption	Change	Impact
Canapar Call option	Company equity value volatility	65%	-5%	$ (250,000)

Changes in accounting policies

During the quarter, the Group has not early adopted or changed accounting policies.

Please refer to Note 3 to the Interim Financial Statements.

Risks and uncertainties

There are a number of risk factors that could impact the Company's ability to successfully execute its key strategies and may materially affect future events, performance or results. The risks and uncertainties described herein are not the only ones the Company faces. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business.

A discussion of the principal risk factors relating to the Company's operations and businesses appears in the Company's Listing Statement dated October 28, 2019, which may be viewed under the Company's profile on SEDAR at www.sedar.com.

In addition, on March 11, 2020, the World Health Organization declared COVID-19 outbreak a global pandemic. Major health issues and pandemics, such as the coronavirus, may adversely affect trade, global and local economies, and the trading prices of the Shares. The outbreak may affect the supply chain of the Company and may restrict the level of economic activity in affected areas, which may adversely affect the price and demand for the Company's products as well as the Company's ability to collect outstanding receivables from its customers. Given the ongoing and dynamic nature of the circumstances, the extent to which the coronavirus will impact the Company's financial results and operations is uncertain, however the impact to date has been manageable.

Proposed transactions

In the normal course of business, the Company evaluates business development acquisition transactions and, in some cases, makes proposals to acquire such prospects. These proposals, which are usually subject to Board, regulatory and, sometimes, shareholder approvals, may involve future payments, share issuances and and/or financial obligations. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction. As of this date, the Company has a number of possible transactions that it is examining some of which are described in this MD&A. Management is uncertain whether any of these proposals will ultimately be completed.

Outstanding share data

The Company is authorized to issue unlimited number of common shares. As of January 31, 2021, the Company has issued and outstanding 99,457,552 common shares.

Normal course issuer bid

On April 20, 2020, the Company commenced a normal course issuer bid ("NCIB") to purchase up to 5,036,127 Common Shares, representing 5% of the Company's issued and outstanding Common Shares, in the open market or as otherwise permitted by the CSE, subject to the normal terms and limitations of such bids. The NCIB will expire on April 20, 2021.

The NCIB may be utilized at the sole discretion of the Company, with no contractual obligation to purchase any specified number of shares. All Common Share purchases made by the Company under the NCIB will be funded out of the Company's working capital and will be cancelled immediately.

During the year ended October 31, 2020, the Company repurchased and cancelled 1,000,000 Common Shares pursuant to the NCIB at a weighted average acquisition price of $0.50 per share.

During the three months ended January 31, 2021, the Company repurchased and cancelled 265,000 Common Shares pursuant to the NCIB program for $92,750 at a weighted average acquisition price of $0.35 per share.

Stock Options

In October 2019, the Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees, or eligible contractors of the Group (all together "eligible grantees") enabling them to acquire common shares of the Company. The maximum number of common shares reserved for issuance of stock options that may be granted under the plan is 10% of the issued and outstanding common shares (on a non-diluted basis) of the Company. The options granted can be exercised and vest as determined by the Board of Directors. The exercise price of each option may not be less than the market price of the common shares on the date of grant.

In determining the amount of share-based compensation, the Company uses the Black-Scholes option pricing model to establish the fair value of options granted during the year, based on various assumptions and estimates. Expected life is estimated based upon the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the options), and behavioral considerations. The risk-free rate is estimated based upon zero coupon Government of Canada bond yields with a term approximately equal to the expected life of the options. Volatility is estimated based upon the historical price volatility of comparable companies.

On October 28, 2019, 4,000,000 options to purchase Common Shares of RAMM Pharma Holdings Corp. issued on April 24, 2019 were replaced on a one-to-one basis to options to purchase RAMM Common Shares with the following terms:

- 3,000,000 options to purchase Common Shares at an exercise price of $0.16 per common share. The options shall vest in full on October 28, 2020 provide that the grantee remains a senior officer, director, employee, management company employee, or a person providing consulting services or investor relations activities to the Company on the relevant date.

- 1,000,000 options to purchase Common Shares at an exercise price of $0.16 per common share. The options shall vest as to one-third (⅓) of the number granted on October 28, 2020, as to one-third (⅓) of the number of options granted on October 28, 2021, and as to one-third (⅓) of the number of options granted on October 28, 2022, provided that the grantee remains an eligible grantee on the relevant date.

On October 28, 2019, the Company issued 130,000 options to purchase Common Shares to Officers and consultants of the Group at an exercise price of $1.35 per common share. The options shall vest as to one-third (⅓) of the number granted on October 28, 2020, as to one-third (⅓) of the number of options granted on October 28, 2021, and as to one-third (⅓) of the number of options granted on October 28, 2022, provided that the grantee remains an eligible grantee on the relevant date.

All options issued on October 28, 2019 shall expire on the earlier of: (i) October 28, 2024 and (ii) 90 days after the grantee is no longer an eligible grantee, unless the grantee is terminated by the Company for cause, in which case all unexercised options shall be cancelled on the date of termination of the grantee.

On August 27, 2020, the Company issued 1,000,000 options to purchase Common Shares to Directors and Officers of the Group at an exercise price of $0.65 per common share. The options shall vest as to one-third (⅓) of the number granted on August 27, 2020, as to one-third (⅓) of the number of options granted on August 27, 2021, and as to one-third (⅓) of the number of options granted on August 27, 2022, provided that the grantee remains an eligible grantee on the relevant date. All options shall expire on August 27, 2025.

The following tables summarize information about options outstanding as of January 31, 2021:

	Options Outstanding				**Options Exercisable**		
January 31, 2021	Weighted-average exercise price	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Fair Value per Share (1)	Weighted-average exercise price	Number of Options Exercisable	Weighted Average Fair Value per Share (1)
	$	#	# (years)	$	#	$	$
Officers and Directors	0.279	5,100,000	3.91	1.096	0.215	3,699,996	1.175
Consultants	1.350	10,000	3.74	0.922	1.350	10,000	0.922
	0.281	**5,110,000**	**3.91**	**1.095**	**0.218**	**3,709,996**	**1.174**

(1) Note: Weighted average fair value per share is based on the estimated fair value of each option at the time of grant for options that are not remeasured each year.

The following table is a summary of the changes in the Company's outstanding options during the period:

	# of Options	Weighted-average exercise price
Balance as of November 1, 2020	5,130,000	0.285
Exercised	-	-
Forfeited (consultants' options)	(20,000)	1.350
Expired	-	-
Balance as of January 31, 2021	**5,110,000**	**0.281**

Other than disclosed above, as of the date of this MD&A no stock options were exercised, expired, or forfeited.

Warrants

On October 28, 2019, the Company issued 2,409,786 finder warrants in connection with the Going Public Transaction described in Note 15 to the annual financial statements as follows:

- 840,000 finder's warrants in connection with the offering of the Debentures completed on March 28, 2019, with each finder warrant exercisable for one Common Share at a price of $0.50 per Common Share until October 31, 2021.
- 128,535 finder's warrants in connection to the MTC subscription receipts offering completed on May 22, 2019, with each finder warrant exercisable for one Common Share at a price of $1.35 per Common Share until October 31, 2021.
- 1,441,251 finder's warrants in connection to the RAMM subscription receipts offering completed in May 22, 2019, with each finder warrant exercisable for one Common Share at a price of $1.35 per Common Share until October 31, 2021.

The following table summarize information about warrants outstanding as of January 31, 2021:

	Warrants Outstanding and Exercisable			
	Weighted-average exercise price	Number of Warrants	Weighted Average Remaining Contractual Life	Weighted Average Fair Value per Share (1)
	$	#	# (years)	$
January 31, 2021	1.054	2,409,786	1.09	0.501

(1) Note: Weighted average fair value per share is based on the estimated fair value of each warrant at the time of grant for warrants that are not remeasured each year.

Other than disclosed above, as of the date of this MD&A no warrants were issued, exercised, expired, or forfeited.

Subsequent events

Related party transaction

During March 2021, the Company entered into a secured loan arrangement with Mr. Jack Burnett (CEO, Director and a Shareholder of the Company who controls approximately 20% of the Shares of the Company on a fully diluted basis as of January 31, 2021) pursuant to which the Company has loaned to Mr. Burnett $460,000 (the "Loan"). The Loan accrues at interest of 5% per annum, with a term of 90 days. The Loan is secured by a pledge of securities, consisting of 1,000,000 RAMM common shares owned by Mr. Burnett. The terms of the agreement were negotiated between the Company and Mr. Burnett.