MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE NINE MONTHS ENDED AUGUST 31, 2019

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Experion Holdings Ltd. ("Experion" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine month periods ended August 31, 2019. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 - Continuous Disclosure Obligations. This discussion should be read in conjunction with the unaudited interim condensed consolidated financial statements of the Company for the three and nine month periods ended August 31, 2019 and 2018 and related notes thereto and the audited annual consolidated financial statements of the Company for the years ended November 30, 2018 and 2017 and related notes thereto. The results for the three and nine month periods ended August 31, 2019 are not necessarily indicative of the results that may be expected for any future period.

All financial information contained in this MD&A is current as of October 29, 2019 unless otherwise stated.

All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars, unless otherwise specified.

Additional information regarding the Company is available on SEDAR at www.sedar.com, and the Company's website www.experionwellness.com. The date of this MD&A is October 29, 2019.

FORWARD-LOOKING INFORMATION

Inherent in forward-looking statements involve known and unknown risks, and factors may include, but are not limited to: unavailability of financing, changes in government regulation, general economic condition, general business conditions, limited time being devoted to business by directors, escalating professional fees, escalating transaction costs, competition, fluctuation in foreign exchange rates, competition, stock market volatility, unanticipated operating events and liabilities inherent in industry. Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, the following assumptions: that there is no material deterioration in general business and economic conditions; that there is no unanticipated fluctuation of interest rates and foreign exchange rates; that the supply and demand for, deliveries of, and the level and volatility of commodity prices develop as expected; that the Company receives regulatory and governmental approvals as are necessary on a timely basis; that the Company is able to obtain financing as necessary on reasonable terms; that there is no unforeseen deterioration in the Company's activity costs; that the Company is able to procure equipment and supplies, as necessary, in sufficient quantities and on a timely basis; that costs of closure of various operations are accurately estimated; that there are no unanticipated changes to market competition; that no environmental and other proceedings or disputes arise; and that the Company maintains its ongoing relations with its employees, consultants and advisors.

Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

The forward-looking statements contained herein are based on information available as of October 29, 2019.

COMPANY OVERVIEW

Experion Holdings Ltd. (formerly Viridium Pacific Group Ltd.) was continued under the Canada Business Corporations Act September 20, 2017 after the reverse take over of the predecessor company, Morrow Bay Resources Ltd. as Viridium Pacific Group Ltd. Experion Holdings Ltd. (formerly Viridium Pacific Group Ltd.) ("Experion" or the "Company") is a publicly traded corporation listed on the TSX Venture Exchange (TSX-V: EXP), the OTCQB Venture Exchange (OTCQB: EXPFF) and the Frankfurt Stock Exchange (FSE: MB31).

Experion is the parent company of Experion Biotechnologies Inc., a Health Canada licensed cultivator and processor of cannabis, focused on a portfolio of products for the adult-use, wellness and therapeutic, and medical consumer markets based in Mission, British Columbia, Canada.

THIRD QUARTER CORPORATE HIGHLIGHTS

Production and Operational Highlights

Experion grows high quality indoor cannabis; with strains sourced from unique genetics cultivated under the highest standards. The Company's aim is to increase its cultivation capacity, leverage rare genetics and continue brand development across Canada. This focus will allow the Company to benefit from increased economies of scale and revenue to support the operations of the business. Expanding cultivation capacity is being achieved from several initiatives including adding licensed cultivation and processing space at the Company's existing facility in Mission, BC; and developing strategic grow partners via partnerships and acquisitions.

Experion continues to experience significant demand for its adult-use recreational products under the brand Citizen Stash; and, as a result, the Company is beginning to demand higher per gram sale prices for its dried cannabis. Management is focusing on expanding cultivation capacity and strain variety through various grow partners ensuring a path to meet the growing demand of its products. The Company continues to receive increasing requests for commercially viable genetics, grow experience and access to distribution from other licensed cultivators. In turn, the Company offers our clone-buy back program allowing it to increase capacity without large capital deployment, commercialize other strains, increase revenue and deepen and develop these partnerships into longer term grow contracts. As a result, the Company expects further contract grow agreements and relationships with our industry partnerships over the coming quarters.

The Company increased its cultivation and processing space by 50% in the third quarter of 2019 through improvements at its Mission facility.

The Company continued to focus on its clone buy back program in the third quarter of 2019, shipping over 3,500 clones to two grow partners in British Columbia and Alberta with revenue from these partnerships being realized as early as the fourth quarter of 2019.

Extraction and White Label Manufacturing Partnerships

The Company's facility in Mission has undergone various renovations and capital expenditures during the period to prepare for oil extraction and to increase processing space. The recent changes will enable the Company to extract up to 24,000KG of biomass annually from cannabis and hemp. Experion will be able to start developing and launch the next wave of cannabis value-added products ("VAP"); as well as offer both extraction and white label product development services. The Company continues to focus on the development of business to business partnerships for custom extraction processing of cannabis and hemp biomass, as well as product development and white label services.

Subsequent to the third quarter, the Company entered into a non-binding term sheet as well as made an equity investment in an industry partner, True North Cannabis Corp. The investment gives Experion direct access to True North's premium hemp-based CBD biomass starting with at least 6,000 kilograms each year going forward. Direct access to quality biomass is key as Experion positions itself to be a contender in the hemp-CBD sector; and expands the Company's ability to substantially increase the service offering of extraction services and added white label manufacturing services.

The industrial Hemp market is forecasted to reach $13.03 billion (USD) by 2026. Experion sees hemp derived CBD products as a way to leverage access in the US as several US companies have approached us for co-branding opportunities in both countries. Furthermore, in Europe and beyond, the hemp market opportunity is expanding with early acceptance for hemp-derived CBD products in various countries including the EU, Mexico and Asia.

In Canada, Cannabis 2.0 Legalization is a significant near-term catalyst for Experions' health and wellness products under the brand Kanabé Goods Co. ("Kanabé"). Experion is well positioned to take advantage of Health Canada's final regulations for VAP scheduled to come into effect on October 17, 2019 by securing a high-quality hemp supply.

Brand and Product Development

Citizen Stash – Recreational/ Adult-Use

Citizen Stash's award-winning strain "Lemon Zkittle", is currently available in British Columbia and Saskatchewan through provincial and private licensed retailers. Consumer response to Lemon Zkittle continues to be well received, with shipments often selling out in hours.

Experion recently shipped its second commercial retail adult-use cannabis strain, "Creamsicle" to the provinces of British Columbia and Saskatchewan. Creamsicle is a high THC indica dominate strain (ranging between 20 to 25%) with a rich terpene profile.

The Company's genetic bank of over 50 high-quality strains,are commercially viable in quality and consistency. Experion plans to launch an additional three premium strains to compliment the current product selection in the coming months; and to expand the product line within current provinces along with new distribution agreements in additional provinces in the near term. The three new premium strains will have increasingly higher THC levels and command higher price points than its current product offering.

Kanabé Goods Co. (Kanabé) - Health and Wellness

Kanabé products are intended for everyday use and will further advance the Company's growth strategy to establish a strong national footprint and to further build its brand presence in various jurisdictions within Canada. The Company is currently performing product development to provide premium health products including topicals, oral sprays, capsules and other micro-dosed products. Kanabé capsules will serve those looking for a micro-dose option made from the Company's high-grade full spectrum oil produced at its facility with the first offering in the province of Quebec.

A significant near-term catalyst for Kanabé will be Health Canada's final regulations for VAPs scheduled to come into effect on October 17, 2019. Kanabé has currently developed over 50 formulations, which can be manufactured at the Company's Mission facility. Experion's management team is currently working with key strategic partners for larger scale commercial rollout.

Medical Research

The Company's medical research division, EFX Laboratories Inc. ("EFX"), was acquired in February 2019 and has formed the medical research division of Experion. EFX is focused on medical applications and treatments using cannabis, and has developed several proprietary formulations for pain control; as well as a suite of value-added medical products. This division rounds out the Company's strategy to offer a strong portfolio of products for the Canadian medical, wellness, and export markets; and positions Experion for the ''3rd wave'' of investment focused on cannabis biotech applications in the retail consumer market.

Through EFX, Experion is sponsoring a Phase III Clinical research trial in Canada on the use of cannabis for post-operative pain management with the aim of preventing the over-subscription of opioids. The clinical trial application has been submitted for screening and approval with Health Canada.

Retail Expansion Initiatives

During the nine-months ended, Experion has focused significantly on retail distribution expansion efforts and is now offering products within British Columbia and Saskatchewan. The Company recently announced a signed a letter of intent with the Societe Quebecoise du Cannabis (SQDC), Quebec's sole legal retailer of recreational cannabis, to supply adult-use cannabis products under its brand Kanabé to the SQDC for distribution and sale in Quebec. The LOI with the SQDC is a pivotal moment for Experion as it gives us access to a market size of over 8.4 million the second largest population in Canada. From the public information available, Experion will be the fourth supplier of capsules next to Aurora, Canopy, and MedReleaf within the Quebec market.

In the coming months, Experion plans to further deepen its distribution within the various provinces by increasing the number of retailers offering its product. The retail targets in the coming fiscal year are as follows:

Province	New Retail Accounts
British Columbia	40
Alberta	5
Manitoba	5
Yukon	2

International Distribution

As medical cannabis becomes legalized around the world, Experion continues to focus on the vast export market opportunities. The Company is currently preparing its facility for Good Manufacturing Practices ("GMP") to be able to export products for scientific research and medical purposes. GMP certification will remove significant barriers to entry and allow Experion to be one of the first Canadian producers to enter these markets. Experion already has letters of intent and/or Partnership agreements in place in Germany and Poland; and is currently in discussions with Australia, the South Pacific, England and Mexico.

Name Change to Experion Holdings Ltd.

On June 10, 2019, Experion changed its name from Viridium Pacific Group Ltd. to Experion Holdings Ltd. and changed its trading symbol from "VIR" to "EXP" on the TSXV. A focused brand strategy, under one corporate brand, will bring alignment to the market and our shareholders. It will allow Experion to better communicate its value proposition as management works to unlock value and communicate our accomplishments to the market and stakeholders. On June 19, 2019, the Company began trading on the U.S. listing OTCQB Venture Market under the trading symbol "EXPFF".

Board of Directors

In June 2019, Experion welcomed Joel Dumaresq and Bill Dickie to the Board of Directors; while accepting at the same time the resignations of Sean MacNeil, Michael Kohut and Ben Eastwood. Management is confident that Experion's Board will bring substantial financial oversight and business advisory experience to help the Company grow and achieve its strategic objectives. In July 2019, the Company announced the unexpected passing of the Chairman Harry McWatters and appointed Michael Black as the interim Chairman.

Listings on the OTCQB Venture Market and Frankfurt Stock Exchanges

Experion qualified for a listing on the OTCQB Venture Market; and subsequently obtained Depositary Trust Company ("DTC") eligibility. The common shares of Experion are trading under the ticker symbol "EXPFF." This is an important milestone for the Company as it aims to increase its presence among American retail and institutional investors. This move will provide investors with additional liquidity and increased trading capacity; reaffirming the markets that the Company is committed to unlocking value for our shareholders.

The Company is also now trading on the Frankfurt Stock Exchange under the symbol ''MB31". This corporate development compliments Experion's international growth strategy of vast export market into countries with early opportunities. A listing on the Frankfurt Stock Exchange will allow the Company to grow its shareholder base throughout Europe and attract global recognition as management works diligently to unlock value for our current shareholders and new shareholders to come.

Equity Transactions

During the nine months ended August 31, 2019, the Company issued 49,412,781 common shares pursuant to the amalgamation with EFX and 75,000 common shares pursuant to the vested RSUs. The Company granted a total of 2,014,491 stock options at exercise prices ranging from $0.64 to $0.90 per share expiring between February 13, 2022 and November 1, 2023 to Directors, Officers, employees and consultants. During the period, 691,633 options were forfeited.

The Company granted a total of 337,500 RSUs to its current and past Directors during the interim period, of which 50,000 RSUs vested immediately into common shares; while the remaining 287,500 RSUs will vest 12 months from the resignation dates of the current Directors. Another 25,000 RSUs were vested during the period and converted into common shares while 149,625 RSUs were cancelled. Subsequent to August 31, 2019, the Company granted 162,500 RSUs to its current and past Directors that will vest 12 months from the date the directors resign.

All of the Experion's developments and announcements above have been published as press releases on Experion's website at www.experionwellness.com.

SELECTED FINANCIAL INFORMATION

	For the three months ended		For the nine months ended	
Selected Statements of Loss Information	**August 31, 2019 $**	**August 31, 2018 $**	**August 31, 2019 $**	**August 31, 2018 $**
Revenue	172,877	-	935,311	-
Gross profit (loss)	53,229	57,625	(164,921)	60,887
Operating expenses	1,513,298	1,454,899	4,274,869	3,401,013
Other expenses [1]	315,316	-	2,071,857	-
Comprehensive loss	(940,424)	(1,398,337)	(5,641,364)	(3,342,176)
Basic and diluted loss per share	(0.01)	(0.03)	(0.07)	(0.07)
Weighted average number of shares	98,808,156	48,701,778	85,607,123	47,045,331
Adjusted EBITDA [2]	(470,135)	(318,712)	(2,968,852)	(1,467,774)

[1] Other expenses includes acquisition and restructuring fees.

[2] Defined as comprehensive loss for the period before interest, taxes, depreciation and amortization adjusted for other one-time and non-cash items, which is a non-GAAP measure discussed in the "Adjusted EBITDA" section.

Revenue

Revenue is comprised of dried cannabis sales through its retail and wholesale channels, as well as clone sales. Revenue increased to $172,877 in the third quarter, compared to $nil in the same period in fiscal 2018. The Company obtained its license to sell in August 2018 and did not have any sales in the third quarter in fiscal 2018. Revenue decreased $272,668 from the $445,545 generated in the second quarter of 2019 due to renovations at the Mission facility to increase processing capacity and allow for extraction capabilities. These renovations have created temporary logistical challenges ultimately increasing some the processing time of dried cannabis. Scheduled completion of the renovations is in the fourth quarter of 2019; not affecting cultivation capacity going forward.

During the quarter, Experion also continued to develop and commercialize new cannabis strains to launch into the market and meet the demand for higher quality THC strains. Three new strains were researched, developed and cycled through the cultivation process during the third quarter of 2019 causing a decrease in revenue from the investment of time and space to the R&D of these strains. Through this process, one strain proved commercially viable and is going to be launched across all distribution channels at our highest sales price yet, resulting in increased revenue next quarter.
Strain development is a key proponent to success to keep up with market demands and competition but can have quarterly revenue impact at our current scale and cultivation capacity. However, the commercial benefits are long term increasing the Company's profits with higher margin strains.

Experion had revenue of $935,311 for the nine months ended August 31, 2019 (2018 – nil) from flower sales through its retail and wholesale channels, and clone sales. The Company obtained its license to sell in August 2018 and did not have any sales during the same period in fiscal 2018.

During the current quarter, the Company harvested 90,696 grams of dry cannabis (November 30, 2018 – 66,253 grams) valued at $319,210 that has been quality assured and is ready for sale.

During the nine months ended August 31, 2019, the Company harvested 306,566 grams (2018 – 141,594 grams) of dry cannabis with a value of $1,043,324 (2018 - $615,933).

Production Cost of Sales

Cost of sales increased to $212,490 made up of cash costs of $200,025 and the fair value adjustment on sale of inventory of $12,465 for the three months ended August 31, 2019, compared to $nil in the same period in fiscal 2018. The increase in cost of sales is a direct result of the Company commencing operations in the fourth quarter of 2018.

For the nine months ended August 31, 2019, cost of sales increased to $1,083,585 made up of cash costs of $1,006,254 and fair value adjustment on sale of inventory of $77,331 from $60,176 from the comparable period of fiscal 2018 for the reasons noted above.

The cash cost of sales comprised of direct costs relating to the cultivation, harvest, and post-harvest activities including analytical testing costs, shipping, consumables, wages and salaries including benefits, and an allocation of other operating expenses including facility overhead and depreciation costs. The fair value adjustment on sale of inventory is the estimated realizable value of biological assets less costs to sell transferred to inventory at harvest.

Gross Loss

The Company recognized an unrealized gain on change of fair value of biological assets of $105,730 for the three months ended August 31, 2019, compared to $57,625 for the same period in 2018. The unrealized gain is the fair value of cannabis plants on hand at the end of the period less costs to sell up to the point of harvest.

The Company had a gross profit of $53,229 during the three months ended August 31, 2019, compared to a gross profit in the third quarter of 2018 of $57,625, equal to the unrealized gain on the change of fair value of biological assets.

The Company recorded an unrealized gain on change of fair value of biological assets of $34,818 for the nine months ended August 31, 2019, compared to a gain of $121,063 for the same period in 2018.

Experion had a gross loss of $164,921 during the nine months ended August 31, 2019, compared to a gross profit in the comparable period in 2018 of $60,887 representing the net fair value of cannabis plants on hand at the end of the period less costs to sell up to the point of harvest.

	For the three months ended		**For the nine months ended**	
Operating expenses	**August 31, 2019 $**	**August 31, 2018 $**	**August 31, 2019 $**	**August 31, 2018 $**
General and administrative	241,576	163,089	1,014,496	799,199
Salaries and wages	559,047	45,915	1,656,643	179,892
Professional fees	513,927	99,543	773,800	341,869
Sales and Marketing	116,622	128,825	334,583	170,809
Depreciation and amortization	7,478	1,063	21,750	2,050
Facility costs	12,810	(61,035)	44,215	36,892
Acquisition fees	146,096	-	1,902,637	-
Restructuring fees	169,220	-	169,220	-
Share-based compensation	69,316	1,078,562	451,132	1,872,352

General and Administrative

General and administrative expenses increased to $241,576 in the third quarter, compared to $163,089 in the same period in fiscal 2018, due to overall increased activity within the Company significantly increasing costs associated to travel and business development, insurance, public company filing fees and office rent.

General and administrative expense for the nine months ended August 31, 2019 increased to $1,014,496 from $799,199 in the same period of fiscal 2018 for the same reasons outlined above.

Salaries and Wages

Salaries and wages increased to $559,047 in the third quarter, compared to $45,915 in the same period in fiscal 2018. The increase reflects the general expanding scale of operations and required resources to support that growth in all areas of the business.

Salaries and wages for the nine months ended August 31, 2019 increased to $1,656,643 from $179,892 in the same period of fiscal 2018 for the same reasons outlined above.

Professional Fees

Professional fees increased to $513,927 in the third quarter, compared to $99,543 in the same period of fiscal 2018. The increase is a result of overall increased activity within the Company resulting in higher legal costs associated with contract review and legal issues, higher audit and tax fees, and director compensation.

Professional fees for the nine months ended August 31, 2019 increased to $773,800 from $341,869 in the same period of fiscal 2018 for the same reasons outlined above.

Sales and Marketing

Sales and marketing expenses decreased to $116,622 in the third quarter, compared to $128,825 in the same period in fiscal 2018. Sales and marketing expense are associated to the Company's activity around building brand awareness and increasing the Company's business to business presence in the cannabis space with additional digital, print and social media content and attendance at various industry conferences.

Sales and marketing expenses for the nine months ended August 31, 2019 increased to $334,583 from $170,809 in the same period of fiscal 2018 due to general growth in the scale of operations and for the same reasons outlined above.

Depreciation and Amortization

Depreciation and amortization expense increased to $7,478 in the third quarter, compared to $1,063 in the same period in fiscal 2018. The increase is a result of commencing depreciation on the building and improvements as the production facility in Mission, BC was in operation.

Depreciation and amortization for the nine months ended August 31, 2019 increased to $21,750 from $2,050 in the same period of fiscal 2018 for the same reasons outlined above.

Facility Costs

Facility costs increased to $12,810 in the third quarter, compared to $(61,035) in the same period in fiscal 2018, due to an adjustment to reclassify amounts that should have been capitalized into inventory in 2018. The increase is a result of overall increased activity within the Company with production commencing in the latter part of 2018.

Facility costs for the nine months ended August 31, 2019 increased to $44,215 from $36,892 in the same period of fiscal 2018 for the same reasons outlined above.

Acquisition Fees

Acquisition fees increased to $146,096 in the third quarter, compared to $nil in the same period in fiscal 2018, due to late invoices for fees associated with the acquisition of EFX.

Acquisition fees for the nine months ended August 31, 2019 increased to $1,902,637 from $nil in the same period of fiscal 2018 for the same reasons outlined above.

Restructuring Fees

Restructuring fees increased to $169,220 in the third quarter, compared to $nil in the same period in fiscal 2018, due to the integration of operations with EFX subsequent to the amalgamation.

Restructuring fees for the nine months ended August 31, 2019 increased to $169,220 from $nil in the same period of fiscal 2018 for the same reasons outlined above.

Share-based Compensation

Share-based payments decreased to $69,316 in the third quarter, compared to $1,078,562 in the same period in fiscal 2018. The decrease is a result of the Company receiving its license to sell in 2018 which was a milestone for a previous Companywide employee stock option grant to reward employees and align them with the continued focus of generating shareholder value in the Company.

Share-based payments expense for the nine months ended August 31, 2019 decreased to $451,132 from $1,872,352 in the same period of fiscal 2018 for the same reasons outlined above.

ADJUSTED EBITDA

Adjusted EBITDA is a non-GAAP measure used by management that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Management defines adjusted EBITDA as income (loss) and comprehensive income (loss) from operations, as reported, before interest, tax, depreciation and amortization, and adjusted for removing share-based payments, and other one-time and non-cash items including acquisition and restructuring fees. Management believes adjusted EBITDA is a useful financial metric to assess its operating performance on an adjusted basis as described above.

	For the three months ended		For the nine months ended	
Adjusted EBITDA (non-GAAP measure)	**August 31, 2019 $**	**August 31, 2018 $**	**August 31, 2019 $**	**August 31, 2018 $**
Comprehensive loss for the period	(940,424)	(1,398,337)	(5,641,364)	(3,342,176)
Depreciation and amortization	7,478	1,063	21,750	2,050
Interest income	78,179	-	127,773	-
Share-based compensation	69,316	1,078,562	451,132	1,872,352
Acquisition fees	146,096	-	1,902,637	-
Restructuring fees	169,220	-	169,220	-
Adjusted EBITDA	(470,135)	(318,712)	(2,968,852)	(1,467,774)

For the nine months ended August 31, 2019, adjusted EBITDA decreased by $1,501,078 compared to the same period in 2018 primarily due to the ramp up of activities for both increased processing space and extraction capabilities.

FINANCIAL POSITION

The following table provides a summary of our financial position as at August 31, 2019 and November 30,2018.

	August 31, 2019 $	**November 30, 2018 $**
Total assets	27,631,585	5,949,459
Total liabilities	1,241,209	588,522
Share capital	36,910,387	11,178,616
Reserves	3,623,962	2,684,930
Deficit	(14,143,973)	(8,502,609)

Total Assets

Total assets increased to $27,631,585 as at August 31, 2019 from $5,949,459 as at November 30, 2018, primarily due to the acquisition of EFX which resulted in increased cash and cash equivalents net of acquisition costs of $11,866,369, property, plant and equipment of $1,447,744 and goodwill of $11,244,004. In addition, property, plant and equipment increased $1,903,385 due to Mission's site renovations and extraction readiness efforts.

Accounts receivable increased to $1,005,981 as at August 31, 2019 from $224,211 as at November 30, 2018, mostly relating to an income tax recovery of $585,871 and GST receivable of $217,024.

Inventory increased to $555,522 as at August 31, 2019 from $281,240 as at November 30, 2018. As at August 31, 2019, the carrying amount of inventory included 160,395 grams of dry cannabis (November 30, 2018 – 66,253) valued at $509,793 (November 30, 2018 - $264,283) that has been quality assured and is ready for sale. The balance of inventory is made up of consumable supplies.

Total Liabilities

Total liabilities increased to $1,241,209 as at August 31, 2019 from $588,522 as at November 30, 2018, primarily due to fluctuations in trade accounts payable associated with the timing of construction payments that will allow the Company to expand its processing capacity, perform oil extraction, and VAP development and white labelling manufacturing.

Share Capital

Share capital increased to $36,910,387 as at August 31, 2019 from $11,178,616 as at November 30, 2018, primarily due to the issuance of 49,412,781 common shares pursuant to the amalgamation with EFX.

LIQUIDITY

The Company's continuation as a going concern is dependent upon its ability to attain profitable operations. Management intends to finance operating costs over the next twelve months with current cash on hand.

	August 31, 2019 **$**	**November 30, 2018** **$**
Operating activities	(5,955,378)	(1,951,701)
Investing activities	11,782,472	(615,725)
Financing activities	-	1,994,683

As at August 31, 2019, the Company had working capital of $8,264,927 (November 30, 2018 – $1,730,567).

Operating Activities

Net cash used in operating activities for the nine months ended August 31, 2019 was $5,955,378 as a result of a loss for the period of $5,641,364 and a net increase in non-cash working capital of $911,819; partially offset by non-cash expenses mostly related to share based payments of $571,373. During the comparative nine-month period ended August 31, 2018, net cash used in operating activities was $1,951,701 as a result of a loss for the period of $3,342,176, a net increase in non-cash working capital of $400,364 and non-cash expenses related to share-based payments of $1,872,352.

Investing Activities

During the nine month period ended August 31, 2019, net cash used in investing activities was $11,782,472, primarily due to the acquisition of EFX's net assets including cash of $13,769,006. During the comparative nine month period ended August 31, 2018, cash flow used in investing activities was $615,725 as a result of the acquisition of property, plant and equipment.

Financing Activities

Net cash received from financing activities for the nine-month period ended August 31, 2019 was $nil from the lack of proceeds from the exercise of stock options. During the comparative nine-month period ended August 31, 2018, net cash received from financing activities totaled $1,994,683 mainly comprised of net proceeds from shares issued as part of the reverse takeover.

Capital Resources

The Company manages its capital structure and adjusts it based on the funds available to the Company in order to maintain operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as shareholders' equity.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not currently subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management. As at August 31, 2019, total current assets less current liabilities totalled $8,264,927.

SIGNIFICANT RELATED PARTY TRANSACTIONS

During the quarter, there were no significant transactions between related parties that have not been previously disclosed.

COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

Claims and Litigation

Experion's predecessor Morro Bay Resources Ltd. ("Morro Bay") has been named in a legal action. Dundeal Canada (GP) Inc. is seeking damages of $167,781 from Morro Bay and a company affiliated with the former Chief Executive Officer of Morro Bay, as a result of a sublease for office space. The litigation process will continue into the foreseeable future unless settled and no amount has been recorded in these condensed interim consolidated financial statements as the plaintiff has not taken a step to move this matter forward since April 2017 and the matter had been dormant for close to two years.

In the second quarter of 2019, Virdium Pacific Group Ltd (now known as Experion Holdings Ltd.) and its wholly owned subsidiary, Experion Biotechnologies Inc., were named as defendants along with others in a civil claim filed by Mr. Stephen Serenas, their ex-CEO. In the Amended Notice of Civil Claim, Mr. Serenas advances claims against Experion and Experion Biotechnologies Inc. for 149,625 restricted stock units fully vested in Experion, along with general damages for wrongful dismissal, breach of contract, bad faith, an indemnity, aggravated and punitive damages, and ancillary relief. No amount has been recorded with respect to this claim in these condensed interim consolidated financial statements.

Capital Projects Commitments

As at August 31, 2019, the Company has capital project commitments of approximately $0.9m to be paid within the next six months.

Other than disclosed in this MD&A – Quarterly Highlights, the Company does not have any commitments, expected or unexpected, or uncertainties.

Other Commitments

The Company is committed to pay $268,228 to an officer over a period of five years; or immediately upon resignation or termination of his services. As of August 31, 2019, the Company included a net present value of $197,624 in the accrual liabilities.

RISK FACTORS

In our MD&A filed on SEDAR March 15, 2019, in connection with our annual financial statements (the "Annual MD&A"), we have set out our discussion of the risks and uncertainties which we believe are the most significant risks faced by Experion. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company's undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company's outstanding share data as at August 31, 2019:

	Issued and outstanding	
	August 31, 2019	October 29, 2019
Common shares outstanding	98,808,156	98,808,156
Stock options	5,010,180	5,010,180
Restricted share units	312,500	475,000
Fully diluted common shares outstanding	104,130,836	104,293,336