MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") is prepared as at January XX, 2021, and is intended to assist the reader to assess material changes in the financial condition and results of operations of Mednow Inc. (the "Company" or "Mednow") as at, and for the three months ended October 31, 2020 and 2019.

This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements as at and for the three months ended October 31, 2020 and 2019, including the supporting notes thereto. The Company's unaudited condensed interim financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars, unless otherwise identified.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

This MD&A contains statements which may be considered forward-looking. Forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from those in such forward- looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update forward- looking statements if these beliefs, estimates and opinions or other circumstances should change except as required by applicable securities laws. Factors that could cause actual results to vary materially from results anticipated by such forward looking statements include changes in market conditions, fluctuations in the currency markets, changes in national and local governments, legislation, taxation, controls, regulations, and political or economic developments in Canada or other countries in which the Company may carry on business in the future; risks relating to the credit worthiness or financial condition of suppliers and other parties with whom the Company does business; inadequate insurance or inability to obtain insurance to cover these risks; availability and increasing costs associated with operational inputs and labor; business opportunities that may be presented to, or pursued by the Company; the Company's ability to successfully integrate acquisitions; and the risk factors discussed or referred to in this MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Investors are cautioned against attributing undue certainty to forward-looking statements. Other than specifically required by applicable laws, we are under no obligation and we expressly disclaim any such obligation to update or alter the forward-looking statements whether as a result of new information, future events or otherwise except as may be required by law. These forward-looking statements are made as of the date of this MD&A.

COMPANY OUTLOOK

Mednow Inc (the "Company" or "Mednow") is a Canadian company incorporated under the Canada Business Corporations Act on January 17, 2018. The registered office address is 10th Floor, 595 Howe St., Vancouver, BC V6C 2T5.

The Company is a technology company that has developed a proprietary website and a web application to facilitate the sale and distribution of prescription medications. The Company's web application is accessible and compatible with the internet browsers Safari, Google Chrome, Mozilla FireFox, and Microsoft Edge on mobile phones and on personal computers. Through its proprietary technological infrastructure, the Company plans to provide customers with a convenient and secure way to fill, order, receive and manage their prescriptions without having to physically attend a brick and mortar pharmacy. As of October 31, 2020, the Company did not have any subsidiaries.

On October 28, 2020, the Company filed its preliminary long form prospectus on www.sedar.com with its intention of going public.

CORPORATE DEVELOPMENTS

Capital Raise

During June 2020, the Company completed non-brokered private placements resulting in the issuance of an aggregate of 3,294,015 units at a price of $0.55 per unit, with each unit comprised of one Class A common share and one-half of one non-transferable Class A Common share purchase warrant. Each whole warrant entitles the holder to purchase, for a period of twenty-four (24) months from the date of Liquidity Event (as defined herein), one additional Share at an exercise price of $0.80 per Share.

Liquidity Event means the occurrence of (a) any of the following, which results in the common shares of the Company (or the common shares of a resulting issuer) being listed on (i) a recognized Canadian stock exchange; or (ii) a national United States stock exchange:

(a) The Company completing a bona-fide public offering of common shares under a prospectus or registration statement filed with securities regulatory authorities in Canada or the United States; or

(b) The consummation of any transaction including, without limitation, any consolidation, amalgamation, merger, plan of arrangement, reverse take-over, qualifying transaction or any other business combination or similar transaction.

On June 30, 2020 and July 10, 2020, the Company completed a brokered and non-brokered private placement of an aggregate of 2,635,274 units at a price of $1.75 per unit, with each unit comprised of one Class A common share and one-half of one non-transferable Class A common share purchase warrant. Each whole warrant entitles the holder to purchase, for a period of twenty-four (24) months from the date of Liquidity Event, one additional Share at an exercise price of $2.63 per share. In connection with the June 30, 2020 and July 10, 2020 private placements, the Company issued to certain brokers an aggregate of: (i) 131,764 units on the same terms as the units issued to subscribers; (ii) 210,822 Broker Warrants; and (iii) cash commission totaling $368,938.

On July 31, 2020, the Company completed a non-brokered private placement of an aggregate of 49,465 units at a price of $1.75 per unit, with each unit comprised of one Class A common share and one-half of one non-transferable Class A common share purchase warrant. Each whole warrant entitles the holder to purchase, for a period of twenty-four (24) months from the date of Liquidity Event, one additional Class A common share at an exercise price of $2.63 per Share. In connection with the July 31, 2020 private placement, the Company issued to certain fiscal advisors an aggregate of: (i) 3,957 Advisory Warrants; and (ii) cash commission totaling $6,925.

Pharmacy agreements

On September 15 and 24, 2020, the Company entered into a pharmacy agreement (the "Mednow East Pharmacy Agreement" and "Mednow West Pharmacy Agreement") with Mednow East Inc. ("Mednow East") and Mednow West Inc. ("Mednow West"), companies controlled by management and certain shareholders of Mednow, pursuant to which Mednow will provide Mednow East and Mednow West with non-exclusive marketing and technology support services to connect Mednow East and Mednow West with potential customers, and Mednow East and Mednow West will fulfill orders for pharmacy products through the Mednow web application, the dashboard and/or the virtual call center in exchange for consideration at fixed amounts based on volume of orders fulfilled. As part of the agreement, Mednow provided Mednow East and Mednow West with an on-demand, non-interest bearing loan. For further discussion and disclosure, please refer to "Related Party Transactions" below.

Partnership with Innovation Pharmacare Inc.

The Company entered into an exclusive service agreement with Innovation Pharmacare Inc. ("Innovation") dated November 11, 2019, pursuant to which Innovation will fill and manage prescriptions the Company's clientele in consideration for a payment to Innovation at a rate of $4.00 per pharmacist-patient dispensing interaction. Innovation is part of the "Care Group of Pharmacies" which has 40 pharmacy locations across Canada. Innovation's pharmacies will act as the Company's fulfillment centers.

On September 24, 2020, this agreement was terminated with no services, cash or shares being exchanged.

COVID-19

The Company commenced revenue-generating activities during the three month period ended October 31, 2020, however there is an ongoing global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian government regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, and staff shortages, all of which may negatively impact the Company's business and financial condition.

SELECTED FINANCIAL INFORMATION

Selected financial information of the Company for the three months ended October 31, 2020 and 2019, and the year ended July 31, 2020, is set forth below.

	Three Months Ended October 31,		Year Ended July 31,
	2020	2019	2020
Revenue	$ 41,400	$ —	$ —
Net loss and comprehensive loss	(509,097)	(1,989)	(469,502)
Total assets	5,121,398	121,529	5,540,787
Total liabilities	244,391	141,806	154,683
Basic and diluted net loss and comprehensive loss per common share	$ (0.03)	$ (0.00)	$ (0.06)

DISCUSSION OF OPERATIONS

Comparison of the Three Months Ended October 31, 2020 and 2019

	Three Months Ended October 31,		
	2020	2019	Variance
Revenue	41,400	—	41,400
Marketing and sales	97,342	1,989	95,353
General and administrative	427,653	—	427,653
Depreciation and amortization	25,502	—	25,502
Net loss and comprehensive loss for the period	(509,097)	(1,989)	(507,108)

Results of operations for the three months ended October 31, 2020 as compared to 2019

The total loss and comprehensive loss for the quarter ended October 31, 2020, was $509,097 ($0.03 per share) compared to $1,989 ($0.00 per share) for the quarter ended October 31, 2019. The movements in income and expenses are detailed below:

- Revenue increased by $41,400 during the quarter ended October 31, 2020 as the Company established pharmacy agreements with the Company's first two fulfillment sites in Toronto & Vancouver.
- Marketing & sales expenses increased by $95,353 to $97,342 during the quarter ended October 31, 2020 as the Company focused on branding and product launch.
- General & administrative expense increased by $427,643 during the quarter ended October 31, 2020. The increase in expense is primarily related to i) increased legal & professional fees in connection with the Company's go public plan, ii) a full quarter of director fees as compared to $nil in the prior year period, iii) increased staff & contractor costs as the Company built out its internal teams, and iv) increased office expenses in connection with the increased head count and operations.

LIQUIDITY AND CAPITAL RESOURCES

The Company has incurred ongoing losses and expects to incur further losses in the development of its business. At October 31, 2020, the Company had working capital of $4,548,983 and has an accumulated deficit of $996,949 since its inception. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

As at October 31, 2020, the Company had $3,286,790 in cash (July 31, 2020 - $5,255,396).

The Company's ability to continue operations in the normal course of business is dependent on several factors including its ability to secure additional funding and obtain profitable operations. Management is exploring all available options to secure additional funding, including equity and loan financing.

There is no assurance that the financing required will be maintained on favorable terms, or at all, or that the Company will succeed in identifying and pursuing new lines of business. Such matters indicate the existence of material uncertainties about the Company's ability to continue as a going concern and may cast significant doubt upon the validity of the going concern assumption.

The condensed interim financial statements for the three month period ended October 31, 2020 and 2019 do not include any additional adjustments to the recoverability and classification of certain recorded asset amounts, classification of certain liabilities and changes.

Financial instruments and risk management

Capital risk management

The Company's objectives in managing its capital are to ensure the Company's ability to continue as a going concern and to maintain a flexible capital structure of equity and debt financing to optimize the costs of capital with minimal risks. The Company considers the items included in shareholders' equity to be capital. The Board of Directors monitors the Company's capital position on a regular basis (see more details under 'Going concern' in Note 2). There were no changes to the Company's capital management policy during the three month period ended October 31, 2020.

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 manages liquidity risk through the management of its capital structure.

The following table has been prepared based on the undiscounted cash flow of financial liabilities based on the expected maturity date on when the liability would be paid. The Company continues to pursue future financing options.

	On demand	1-3 months	3 months to 1 year	Greater than 1 year	Total
Accounts payable and accrued liabilities	198,658	—	—	—	—
Due to related parties	45,733	—	—	—	—
Total	**$ 244,391**	**$ —**	**$ —**	**$ —**	**$ —**

	On demand	1-3 months	3 months to 1 year	Greater than 1 year	Total
Accounts payable and accrued liabilities	108,650	—	—	—	—
Due to related parties	46,033	—	—	—	—
Total	**$ 154,683**	**$ —**	**$ —**	**$ —**	**$ —**

Credit risk

The Company's credit risk arises from its cash deposit with banks, of which there is $3,286,790 deposited as at October 31, 2020 (July 31, 2020 - $5,255,396), accounts receivable of $45,126 (July 31, 2020 - $nil) and its due from related parties of $1,321,928 (July 31, 2020 - $nil), which represents the entities maximum exposure to credit risk. Sales tax receivable is not considered a significant component of credit risk as it relates to sales tax recoverable from the government. Accounts receivable and due from related parties are entirely concentrated to Mednow East Inc. and Mednow West Inc., which are discussed in Note 9 of the condensed interim financial statements.

Fair value hierarchy

The Company applies a three-tier hierarchy to classify the determination of fair value measurements for disclosure purposes. Inputs refer broadly to the data and assumptions that market participants would use in pricing the investment. Observable inputs are inputs that are based on market data from independent sources. Unobservable inputs are inputs that reflect the Company's own assumptions about the assumptions market participants would use in pricing an investment based on the best information available in the circumstances. The three-tier hierarchy of inputs is as follows:

Level 1 - quoted prices in active markets for identical investments.

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the investment, either directly (as prices) or indirectly (derived from prices).

Level 3 - inputs for the investment that are not based on observable market data (unobservable inputs).

The carrying value of cash, accounts payable and accrued liabilities and due to related parties approximates their fair values due to the short-term nature.

CASH FLOWS BY ACTIVITY

Comparison of the Three Months Ended October 31, 2020, and 2019

The table below outlines a summary of cash inflows and outflows by activity for the three months ended October 31, 2020, and 2019.

	Three Months Ended October 31,	
	2020	**2019**
Net cash used in operating activities	$ (558,630)	$ (1,989)
Net cash (used in) provided by investing activities	$ (1,409,976)	$ 1,989

Cash used in Operating Activities

The Company's cash outflows from operating activities primarily relate to (i) legal & professional fees related to general corporate matters as well as those related to the preparation of the Company's public offering, (ii) wages & salary costs as Mednow starts to establish and solidify their team, and (iii) marketing costs as the Company launched and commended marketing of its product offering.

During the three months ended October 31, 2019 the Company did not have any noteworthy or material cash from (used in) operating activities.

Cash (used in) provided by Investing Activities

During the three months ended October 31, 2020, the Company's cash outflows from investing activities related to establishing the Company's first fulfillment sites as well as flagship stores in Vancouver & Toronto through its Mednow East and West Pharmacy Agreements. During the three months ended October 31st, 2019, the Company did have any noteworthy or material cash flows from investing activities.

CRITICAL ACCOUNTING ESTIMATES

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. The Company's accounting policies and estimates used in the preparation of the condensed interim financial statements are considered appropriate in the circumstances but are subject to judgments and uncertainties inherent in the financial reporting process. Such judgments include:

- The Company measures the fair value of share purchase warrants issued using the Black-Scholes option pricing model, which incorporates the assumptions regarding contractual life of the warrants, volatility, dividend yield, and risk-free rates. The Company is required to calculate the fair value of these warrants at the date of issuance;
- Management applied judgment in determining whether the Company is able to continue as a going concern;
- Management applied judgment in determining the recoverability, if any, of the Company's deferred tax assets in relation to unused tax losses by estimating the probability, timing and level of any future taxable profits; and
- Management applied judgment in reviewing the carrying values of the intangible assets to determine whether any impairment indicators existed

SIGNIFICANT ACCOUNTING POLICIES

On August 1, 2020, the Company adopted IFRS 15 Revenue from Contracts with Customers during the three-month period ended October 31, 2020 as the Company entered into a service contract with related parties. IFRS 15 prescribes a five-step recognition and measurement model for revenue from contracts with customers and related costs. Under IFRS 15, the Company recognizes revenue on the transfer of services to customers for the amount that reflects the consideration expected to be received in exchange for those services promised. The Company's revenue recognition policy is as follows:

Revenue Recognition

Marketing and Technology Support Services

The Company provides marketing and technology support services to pharmacies by connecting individuals to a network of pharmacies. The pharmacies pay the Company fixed consideration each month based on the aggregate revenues the pharmacy earns from the underlying customer in that month for using the marketing and technology support services. Under the arrangement, the performance obligation is the use of the marketing and technology support service each month and accordingly, the performance obligation is fulfilled through the passage of time and therefore this service revenue is recognized as the services are provided each month.

Staffing Services

The arrangement with pharmacies carries the option to provide the pharmacies with services from the Company's employees at a fixed hourly rate to assist with the fulfillment of orders to pharmacy customers. Under this arrangement, the performance obligation is the employee's services to the pharmacy and the consideration is the prescribed rate defined in the contract. Revenue is recognized as the performance obligation is fulfilled which is as the Company's employees conducts order fulfillment for the pharmacy. No revenue has been recognized for these services during the three-month period ended October 31, 2020 (2019 – nil).

RELATED PARTY TRANSACTIONS

The Company's related parties include key management personnel. Key management personnel includes the directors (executive and non-executive) and officers of the Company. Remuneration of key management personnel that was included in general & administrative expenses on the statement of loss and comprehensive loss was as follows:

	Three months ended October 31,	
Management compensation	$ 41,940	$ —
Director fees	72,000	—
	$ 113,940	**$ —**

On September 15 and 24, 2020, the Company entered into a pharmacy agreement (the "Mednow East Pharmacy Agreement" and "Mednow West Pharmacy Agreement") with Mednow East Inc. ("Mednow East") and Mednow West Inc. ("Mednow West"), companies controlled by management and certain shareholders of Mednow, pursuant to which Mednow will provide Mednow East and Mednow West with non-exclusive marketing and technology support services to connect Mednow East and Mednow West with potential customers, and Mednow East and Mednow West will fulfill orders for pharmacy products through the Mednow web application, the dashboard and/or the virtual call center in exchange for consideration at fixed amounts based on volume of orders fulfilled. As part of the agreement, Mednow provided Mednow East and Mednow West with an on-demand, non-interest bearing loan.

	As at October 31 2020	As at July 31 2020
Due to/from related party		
Mednow East Inc	$ 665,880	$ —
Mednow West Inc.	645,455	—
Mednow Clinic Ltd.	10,593	—
Care Health Inc.	(94,512)	(46,033)
	1,227,416	(46,033)
Related party balances included in accounts receivable		
Mednow East Inc.	23,391	—
Mednow West Inc.	21,735	—
	45,126	—
Total related party balances	**$ 1,272,542**	**$ (46,033)**

	Three months ended October 31, 2020	2020
Revenues		
Mednow East Inc.	$ 20,700	$ —
Mednow West Inc.	20,700	—
	41,400	—
General and administrative - management fees		
Care Health Inc.	**$ 15,000**	**$ —**

All due to/from related party balances are non-interest bearing, unsecured and due on demand.

The Company had previously entered into an exclusive service agreement with Innovation Pharmacare Inc. ("Innovation") dated November 11, 2019, pursuant to which Innovation will fill and manage prescriptions of the Company's clientele in consideration for a payment to Innovation at a rate of $4.00 per pharmacist-patient dispensing interaction. No transactions have been entered into under this arrangement and the arrangement was terminated on September 24, 2020.

The Company pays a management fee to Care Health Inc. for the use of its office space, accounting and bookkeeping services, and pharmacist training. The Company entered into a formal management services agreement with Care Health Inc. on September 25, 2020. For a monthly fee of $5,000, Care Health Inc. shall provide Mednow with back office support including, but not limited to, human resources, accounting and general administrative support and advisory services, as the board of directors of Mednow may reasonably request from time to time. Care Health Inc. is related due to common directors and management. Care Health Inc. is also a shareholder of Mednow.

The related party transactions are conducted in the normal course of business operations and were measured at the exchange amount, which is the amount agreed to by the related parties.

OFF BALANCE SHEET ARRANGEMENTS

As at October 31, 2020, the Company had no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of preferred shares without nominal or par value and an unlimited number of common shares. The table below lists the securities outstanding:

	As at January XX, 2021
Common shares	16,110,518
Warrants	
Share purchase warrants	3,055,254
Broker warrants	316,233
Advisory warrants	5,935
Total Common Shares on a fully-diluted basis	**19,487,940**

RISK FACTORS AND UNCERTAINTIES

The Company is subject to various financial, operational and political risks that could have a significant impact on its business, profitability and levels of operating cash flows. Although the Company assesses and seeks to mitigate these risks by careful management of its activities, resources and employing qualified personnel, these risks cannot be eliminated. Such risks include, but are not limited to, business and country risks discussed below.

Business Risk Factors

Future Funding

As the Company has limited financial resources and no source of operating income the Company's continuing operations are dependent on its ability to secure equity and/or debt financing. There can be no assurance that future funding will be available to the Company for further development of the Company's current business activities, or to identify, evaluate and pursue, if appropriate, new lines of business. The ability of the Company to arrange additional financing in the future will depend, in part, on prevailing capital market conditions generally, as well as the business performance of the Company.

Country Risk Factors

Political and Economic Conditions

Regardless of the economic viability of the Company's pursuit of new lines of business it may be materially adversely affected by risk factors associated with conducting business activities including political instability and violence, war and civil disturbance, acts of terrorism, expropriation or nationalization, inequitable treatment of non-domiciled companies, changing fiscal regimes, fluctuations in currency exchange rates, high rates of inflation, underdeveloped industrial and economic infrastructure that could affect the Company's ability to raise additional capital.

For a discussion of these and addtionalrisk factors, please refer to the Company's preliminary prospectus under "Risk Factors and Uncertainties" therein. The prospectus filed on October 24, 2020, is available under the Company's profile on SEDAR at www.sedar.com.