



GTEC HOLDINGS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTH PERIODS ENDED

FEBRUARY 28, 2019 AND 2018

(Expressed in Canadian Dollars)

GTEC HOLDINGS LTD.
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INTRODUCTION

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of GTEC Holdings Ltd. (the "Company", or "GTEC") constitutes management's review of the factors that affected the Company's financial and operating performance for the period ended February 28, 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 condensed interim consolidated financial statements for the period ended February 28, 2019 and the condensed interim consolidated financial statements for the period ended February 28, 2018, together with the notes thereto. This MD&A should also be read in conjunction with the audited consolidated financial statements for the year ended November 30, 2018 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards. References to "GTEC" and the "Company" are to GTEC Holdings Ltd. and/or one or more of its wholly-owned subsidiaries. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the period presented are not necessarily indicative of results that may be expected for any future years.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Additional information relating to the Company may be found on the Company's website at www.gtec.co or available under the Company's SEDAR profile at www.sedar.com.

The effective date of this report is April 29, 2019.

REPORTING HIGHLIGHTS:

- Commenced full scale commercial production at Alberta Craft Cannabis Inc. ("ACC"), currently harvesting every 10 days
- Officially became revenue generating
- Produced in excess of 100,000 grams for the period December 1, 2018 to April 29th 2019
- As at April 28th, approximately 100,000 grams of inventory is available for sale
- Completed a \$12,500,000 equity financing, brokered by Sprott Capital Partners LP, which fully funds remaining planned capital expenditures for GreenTec Bio-Pharmaceuticals Inc. ("GDP") and 3PL Ventures Inc. ("3PL")
- Notified Health Canada that ACC is requesting a sales license inspection during the month of May 2019
- Completed construction and submitted evidence packages for both Tumbleweed Farms Corp. ("Tumbleweed") and Grey Bruce Farms Inc. ("Grey Bruce"), both are currently awaiting licensing
- GreenTec™, the Company's flagship medical brand initiated sales through CannMart Inc. ("CannMart"), a wholly owned subsidiary of Namaste Technologies Inc. GreenTec branded flower quickly became the #1 selling product for CannMart, and continues as the top selling SKU for CannMart as at April 29, 2019
- Acquired an ultra-premium cannabis genetics portfolio to be integrated into future production
- Acquired a previously licensed medical cannabis retail location in Vancouver, British Columbia that will be converted into a non-medical cannabis retail store
- Completed build out of a retail cannabis store in Nipawin, Saskatchewan
- Secured e-commerce fulfilment centre in Saskatoon, Saskatchewan, anticipating completion of construction in Q2 2019
- E-commerce website for Saskatchewan, nearing completion
- Entered into various supply and sale agreements with confident forward sales outlook for all 2019 production output
- Obtained OTCQB listing and DTC eligibility

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OUTLOOK AND STRATEGY

The Company has now entered a revenue-generating phase and over the course of the 2019 fiscal year, will continue to build-out and execute on its objectives to increase shareholder value, with the following outlook:

- Estimating \$12.5 to \$14 million in 2019 sales
- Secured agreements with confident forward sales outlook for all 2019 production output
- Estimating to produce and sell 2.3 to 2.6 million grams of flower in 2019, where existing bulk sales have exceeded \$5 per gram
- Currently producing premium quality indoor flower, with ultra-premium flower to commence harvesting in Q3 2019
- In supply negotiations with several of the "Top 5" Canadian publicly traded LP's
- GBP and 3PL are expected to commence cultivation by end of 2019
- Estimated annualized production capacity should exceed 14 million grams by end of 2019 (subject to receipt of all regulatory approvals)
- Maximizing biomass ("trim") (increasing output by approximately 30%) which has a current market value of \$3.00 to \$3.50 per gram

The Company is expecting to achieve the following milestones throughout the 2019 fiscal year:

- Sales License at ACC in Q3 2019
- Cultivation Licenses at Grey Bruce and Tumbleweed in Q3 2019
- Completion of construction at GBP and 3PL in Q4 2019
- Vancouver non-medical retail cannabis store to be licensed in Q3 2019
- Zenalytic Laboratories Ltd. ("ZenLabs") analytical testing department to be revenue generating in Q3 2019
- Buildout of ZenLabs extraction department in Q3 2019
- Launching its ultra-premium genetic portfolio in Q3 2019

OVERVIEW OF BUSINESS

GTEC Holdings is a specialized cannabis company dedicated to cultivating ultra-premium quality cannabis in purpose-built indoor facilities. The company is vertically integrated across all major sectors of the Canadian cannabis industry and is currently licensed by Health Canada for Standard Cultivation, Standard Processing and Analytical testing. The management team is comprised of a diverse skill set sourced from leading global food & beverage and premium alcohol companies. GTEC has completed three cultivation facilities and is currently cultivating and selling cannabis.

The Company has two additional facilities coming on stream in the latter half of 2019, which will increase annual capacity from 4,000 kg to 14,000 kg. GTEC's retail division is pursuing licensing for over 35 recreational cannabis stores across Western Canada. GTEC's ultra-premium indoor flower will be marketed and sold under its flagship trademarked brands; BLK MKT™, Tenzo™, GreenTec™, Cognōscentē™, Treehugger™, and FN™

GTEC is actively pursuing sales and distribution opportunities across all major business channels: medical, recreational, B2B and export. GTEC is a publicly traded corporation, listed on the TSX Venture Exchange, OTCQB Venture Market and Frankfurt Stock Exchange. The Company is headquartered in Kelowna, British Columbia.

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DESCRIPTION OF BUSINESS

The Company owns, operates and is currently developing multiple cultivation facilities, lab and extraction facilities and retail outlets across Canada. The Company has five ultra premium purpose-built cannabis cultivation facilities that are either cultivating, completed construction awaiting cultivation licenses, or are under construction. The lab is fully licensed for analytical testing and extraction and will be an invaluable in-house resource for testing, and an incremental step toward cannabis oil extraction and sales once fully operational during the current fiscal year.

The Company owns or is affiliated with a number of retail operations throughout Canada, located in British Columbia, Alberta and Saskatchewan. The objective is to be vertically integrated, where permitted and to obtain market intelligence on cannabis consumer trends.

The Company has developed several premium brands which include BLK MKT™, Tenzo™, GreenTec™, Cognōscente™, Treehugger™, and FN™. Each batch is meticulously grown, harvested and cured to deliver a superior product to the end-consumers, maximizing gross margins.

Cultivation Facilities

	GTEC (CONSOLIDATED)	ACC	GREY BRUCE	TUMBLEWEED	GBP	3PL
Location	Canada	Alberta	Ontario	BC	BC	BC
Total Size (Sq Ft)	119,000	14,000	15,000	10,000	20,000	60,000
Production Output (g)	14.1 million	1.3 million	1.65 million	1 million	2.15 million	8 million
Est Completion	2019	Complete	Complete	Complete	Q4 2019	Q4 2019
License	Licensed / In Progress	Licensed Producer	Awaiting Licensing	Awaiting Licensing	In Progress	In Progress
Expansion (Sq Ft)	840,000	NIL	500,000	100,000	60,000	180,000

Alberta Craft Cannabis ("ACC")

Alberta Craft Cannabis Inc. received its updated license from Health Canada under the Cannabis Act, permitting business-to-Business ("B2B") cannabis sales on November 28, 2018. ACC has a fully built and operationally ready 14,000 square foot ultra premium cannabis production facility capable of producing 1.3 million grams of dried cannabis annually.

ACC has completed infrastructure changes and regulatory approval to operate at its expected capacity and is currently awaiting final inspection and approval for a Sales License from Health Canada. The Company expects to receive this final approval in Q3 2019.

Grey Bruce Farms Inc. ("Grey Bruce")

Grey Bruce Farms Inc. has completed the construction of its 15,000 square foot facility and is currently in the process of completing its Evidence Package submission to Health Canada, under the Cannabis Act to Health Canada in order to obtain its Cultivation License. The facility is located in Kincardine, Ontario on 6 acres of land and is projected to produce 1.65 million grams of cannabis annually. The Company expects to complete and submit its Evidence Package to Health Canada by April 30, 2019.

Tumbleweed Farms Corp. ("Tumbleweed")

Tumbleweed Farms Corp. has completed the construction of its purpose-built 10,000 square foot facility and its Evidence Package Submission to Health Canada under the Cannabis Act to Confirm Readiness of Cultivation License was submitted on March 13, 2019. Tumbleweed is projected to produce 1 million grams of cannabis annually.

Tumbleweed is strategically located in Chase BC, about 8kms from the Trans-Canada Highway and situated just outside of the Kamloops City limits. The property sits on 23 acres of land with significant future expansion capabilities and access to an on-site gravity fed natural artesian well. The Company is currently in active review and expects to receive its cultivation license in Q3 2019

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DESCRIPTION OF BUSINESS (CONTINUED)

Cultivation Facilities (Continued)

GreenTec Bio-Pharmaceuticals Inc. ("GBP")

GreenTec Bio-Pharmaceuticals Inc. has completed the purpose-built exterior of the facility and is in the process of completing the interior development during the second and third quarter of 2019. GBP anticipates commencement of cultivation by Q4 2019.

The GBP facility has a total capacity of 80,000 square feet and will be developed in phases with the first phase of development to be 20,000 square feet ("GBP Phase One"). The facility is located in Kelowna, British Columbia and will serve as GTEC's flagship cultivation facility. GBP Phase one is expected to produce 2.15 million grams of cannabis annually, and upon completing the facility expansion, can produce up to 10 million grams of cannabis annually.

3PL Ventures Inc. ("3PL")

The Company is in a joint venture with 3PL Ventures Inc., a privately owned corporation incorporated in British Columbia. The Company owns 49% of 3PL, which is in development to be a Licensed Producer, under Health Canada's Cannabis Act, with a phase one 60,000 square foot building currently being retrofitted with room for significant expansion. 3PL is projected to produce 7.5 million grams of cannabis annually.

Lab and Extraction Facilities

	GTEC (CONSOLIDATED)	ZENALYTIC LABS	SPECTRE LABS
Location	Canada	BC	BC
Total Size (Sq Ft)	11,500	2,500	9,000
Production Output (g)	+ 8.5 million (oil)	TBD (oil)	8.5 million (oil)
Est Completion	Complete / TBD	Lab complete / Extraction under construction	TBD
License	Licensed / In Progress	Standard Processing	In Progress

Zenalytic Laboratories Ltd. ("ZenLabs")

Zenalytic Laboratories Ltd. is a full service chemical and microbiological diagnostics laboratory for soil, water, and cannabis. On July 13, 2018, ZenLabs received its Dealers License from Health Canada under the Narcotic Control Regulations. Additionally, on September 6, 2018, Zen Labs received approval from Health Canada to expand the scope of its license to include authorization to process cannabis flower into cannabis oil for the Company's subsidiaries.

ZenLabs intends to evaluate cannabis potency by profiling cannabinoids, specifically THC, CBD, CBN and CBG. ZenLabs intends to use high performance liquid chromatography to measure and profile the cannabinoid content as required to meet the high-quality testing standards demanded by the industry. ZenLabs also intends to use acid digestion, followed by inductively coupled plasma mass spectrometry to screen cannabis samples for heavy metals, and uses a variety of planting and microscopic techniques to determine if the samples contain any microbial contamination.

In addition to cannabis testing, ZenLabs intends to offer customized environmental test packages tailored to customers' needs. These packages can include, among other things, basic water quality testing, microbial testing, metals screening, agricultural contamination screening, organic contaminant testing, soil fertility testing, metals and heavy metals testing, and manure and compost testing.

ZenLabs was developed to be an internal on-demand resource for the Company, however it also has the capabilities to offer commercialized services to other cannabis related operations

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DESCRIPTION OF BUSINESS (CONTINUED)

Lab and Extraction Facilities (Continued)

Spectre Labs Inc. ("Spectre")

Spectre Labs Inc. will utilize a warehouse facility, owned by the Company and intends to convert this facility to a cannabis extraction and processing laboratory.

Spectre Labs' Acceptance of Application for a Controlled Drugs and Substances Dealer's Licence was received by Health Canada on July 07, 2018 and accepted for review on July 17, 2018. From the time of receipt of a complete application, the Controlled Drugs Section Dealer commits to a service delivery standard of 180 business days for the issuance of a decision on an application for a new Dealer's Licence for controlled substances.

The strategy behind Spectre is to dramatically reduce the timeframe to develop future capacity associated with extraction and production of CPG cannabis infused products

Retail and Distribution



GreenTec Retail Saskatchewan Inc. ("GTEC Sask") - 75% Ownership

GreenTec Retail Saskatchewan Inc. has made significant progress by establishing a 'bricks and mortar' retail store in Nipawin, Saskatchewan and an e-commerce fulfillment centre in Saskatoon. Both of these locations will supply the recreational cannabis market in the province of Saskatchewan. Moreover, the Saskatchewan Liquor and Gaming Authority permits for vertical integration, allowing the Company to supply its own stores. Saskatchewan also does not have a Provincial distribution system, therefore allowing GTEC to capture 100% of all margins.

Sales are expected to commence in Q3 2019 with its e-commerce platform to launch shortly thereafter.

Cannabis Cowboy Inc. ("Cannabis Cowboy") - 25% Ownership

Cannabis Cowboy Inc. is a privately-owned recreational cannabis and accessories retailer based in Calgary, Alberta, Canada. To meet the rapidly growing demand for cannabis products and services, Cannabis Cowboy has developed an ambitious growth strategy to develop up to 30 turnkey retail locations, with over 18 development permits currently issued.

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RESULTS OF OPERATION

For the period ended February 28, 2019, compared to the period ended February 28, 2018:

The Company had a net loss and comprehensive loss of \$2,811,637 for the three months ended February 28, 2019 (2018: \$3,324,721). The significant variance in the net loss between the comparative periods was due to the fact that the Company was in its inception stages in the comparative period and only minimal costs restricted to professional fees, consulting fees and share-based payments were incurred in the comparative period.

	For the period ended February 28, 2019	For the period ended February 28, 2018
	\$	\$
Revenue	93,236	-
Assets	44,455,406	27,663,539
Non-current liabilities	6,441,279	2,352,000
Net loss	2,866,037	3,324,721
Net loss attributed to shareholders of the Company	2,856,887	3,324,721
Basic and diluted loss per common share	0.03	0.06

The significant variances in net loss between comparative periods includes:

- Revenue of \$93,236 (2018: \$Nil) is related to ACC's sale of cannabis following receipt of the November 8, 2018, updated license from Health Canada permitting B2B cannabis sales.
- Gross Profit of \$545,560 (2018: \$Nil) due to the unrealized gain on changes in fair value of biological assets due to biological transformation of cannabis plants.
- Marketing and Advertising expenses were \$175,833 (2018: \$85,647) as the Company implemented its market awareness initiatives.
- Amortization was \$183,299 (2018: \$27,000) as the assets forming the Company's ACC and ZenLabs business units were available for use as at June 1, 2018.
- Business Fees and Licenses were \$48,623 (2018: \$35,121) as the company had licensing requirements for its subsidiaries.
- Consulting Fees were \$220,583 (2018: \$538,922) due to the Company's continued reliance on third party consultants, the ongoing construction at Tumbleweed, Grey Bruce and GBP, and the capital improvements undertaken at ACC.
- Interest and accretion was \$312,000 (2018: \$Nil) which was accrued interest on the \$5,000,000 Convertible Debenture and accrued interest on the \$2,500,000 Convertible Debenture (see note 15) of the condensed interim consolidated financial statements for the period ended February 28, 2019).
- Professional Fees were \$404,447 (2018: \$289,674) due to continued acquisition due diligence and ongoing investment activity (such as Cannabis Cowboy and 3PL).
- Salaries and Wages were \$477,444 (2018: \$36,120) due to the continued addition of salaried employees during the period.
- Share-Based Payments were \$761,881 (2018: \$2,028,086) was for employee share based payments, consulting services and was the fair value of stock options vested in the period.

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SUMMARY OF QUARTERLY OPERATING RESULTS

Three months ended	Revenue	Net loss	Net loss attributed to shareholders of the Company	Basic and diluted loss per common share
	\$	\$	\$	\$
February 28, 2019	93,236	2,866,037	2,856,887	0.03
November 30, 2018	57,756	3,246,093	3,236,700	0.04
August 31, 2018	-	2,477,950	2,477,950	0.03
May 31, 2018	-	1,488,067	1,488,067	0.02
February 28, 2018	-	3,324,721	3,324,721	0.06
November 30, 2017	-	832,449	832,449	0.06
August 31, 2017	-	91,294	91,294	0.00
May 31, 2017	N/A	N/A	N/A	N/A
February 28, 2017	N/A	N/A	N/A	N/A

LIQUIDITY AND CAPITAL RESOURCES

As at February 28, 2019, the Company had a working capital surplus of \$4,706,694, which included a cash balance of \$4,371,828.

As at the date of this MD&A the Company had a cash balance of \$4,187,467.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 119,337,375 common shares issued and outstanding; 38,542,604 share purchase warrants and 8,763,839 share options convertible into common shares.

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COMMITMENTS

The Company has the following outstanding commitments based on achieving certain milestones.

Grey Bruce Farms

The Company has committed to issue common shares valued at \$3,750,000 and make cash payments of \$250,000 contingent on future events as follows:

Common shares	Cash	Due upon
\$	\$	
-	250,000	Completion of Grey Bruce's construction of a Health Canada approved cannabis production facility in compliance with the CA&R
1,000,000	-	Grey Bruce obtaining a license to produce cannabis under the CA&R
1,250,000	-	Grey Bruce obtaining a license to sell cannabis under the CA&R
300,000	-	Upon Grey Bruce's first harvest having passed quality assurance and quality control tests as set out by Health Canada
300,000	-	Upon Grey Bruce's second harvest having passed quality assurance and quality control tests as set out by Health Canada
300,000	-	Upon Grey Bruce's third harvest having passed quality assurance and quality control tests as set out by Health Canada
300,000	-	Upon Grey Bruce's fourth harvest having passed quality assurance and quality control tests as set out by Health Canada
300,000	-	Upon Grey Bruce's fifth harvest having passed quality assurance and quality control tests as set out by Health Canada
3,750,000	250,000	

The number of common shares issuable upon the occurrence of future events are to be based on the greater of (A) the then three-day volume-weighted average trading price of the Company's common share and (B) \$0.05 per common share of the Company.

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COMMITMENTS (CONTINUED)

1118157 B.C. Ltd. (Tumbleweed Farms Corp.)

The Company is committed to issue shares valued at \$750,000 contingent on future events to the vendors as follows:

Common shares	Due upon
\$	
250,000	Completion of Tumbleweed's construction of a Health Canada approved cannabis production facility in compliance with the CA&R
250,000	Tumbleweed obtaining a license to produce cannabis under the CA&R
250,000	Tumbleweed obtaining a license to sell cannabis under the CA&R
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750,000	

The Company also assumed certain commitments of 118157 B.C. Ltd. through its acquisition of Tumbleweed. As a result the Company has committed to issue common shares valued at \$1,500,000 and make cash payments of \$2,500,000 contingent on future events as follows, as amended March 4, 2019 (discussed below):

Common shares	Cash	Due upon
\$	\$	
250,000 (PAID)	-	Completion of Tumbleweed's construction of a Health Canada approved cannabis production facility in compliance with the CA&R
1,000,000 (PAID)	-	Tumbleweed obtaining a license to produce cannabis under the CA&R
1,250,000 (PAID)	-	Tumbleweed obtaining a license to sell cannabis under the CA&R
300,000	-	Upon Tumbleweed's first harvest having passed quality assurance and quality control tests as set out by Health Canada
300,000	-	Upon Tumbleweed's second harvest having passed quality assurance and quality control tests as set out by Health Canada
300,000	-	Upon Tumbleweed's third harvest having passed quality assurance and quality control tests as set out by Health Canada
300,000	-	Upon Tumbleweed's fourth harvest having passed quality assurance and quality control tests as set out by Health Canada
300,000	-	Upon Tumbleweed's fifth harvest having passed quality assurance and quality control tests as set out by Health Canada
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4,000,000	-	

The number of common shares issuable upon the occurrence of future events are to be based on the greater of (A) the then three-day volume-weighted average trading price of the Company's common share and (B) \$0.05 per common share of the Company.

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COMMITMENTS (CONTINUED)

1118157 B.C. Ltd. (Tumbleweed Farms Corp.)(Continued)

On March 4, 2019, the Company entered into an agreement with the vendors (the "**Amending Agreement**"), amending certain terms and conditions of the definitive share purchase agreement, dated August 12, 2017, as amended. The Amending Agreement replaced, among other things, the previous cash milestone payments with the following:

- Upon the Company submitting an evidence package in connection with its application for a licence for cultivation from Health Canada, the Company is to issue \$2,250,000 worth of common shares of GTEC (each, a "**Common Share**" and collectively, the "**Common Shares**") at a deemed price per Common Share equal to the 30-day VWAP.

In connection with the Amending Agreement, GTEC intends to issue an aggregate of \$2,250,000 of Common Shares in satisfaction of the above-mentioned milestone payment. Accordingly, the Company will issue 3,759,319 Common Shares to the Vendors at a deemed value of approximately \$0.60.

GreenTec Bio-Pharmaceuticals Inc.

The Company is committed to issue common shares valued at \$8,250,000 contingent on future events as follows:

Common shares	Due upon
\$	
1,000,000	Completion of GBP's construction of a Health Canada approved cannabis production facility in compliance with the CA&R
1,500,000	GBP obtaining a license to produce cannabis under the CA&R
2,000,000	GBP obtaining a license to sell cannabis under the CA&R
1,500,000	GBP obtaining approval from Health Canada to increase cannabis production by at least 8,500 kg and completing construction to accommodate such increased production (the "Expansion")
2,250,000	GBP obtaining an amendment to its cannabis sales license from Health Canada to reflect the Expansion
8,250,000	

The number of common shares issuable upon the occurrence of future events are to be based on the greater of (A) the then three-day volume-weighted average trading price of the Company's common share and (B) \$0.05 per common share of the Company.

AssetCo

The Company entered into a binding letter agreement with a private British Columbia corporation ("AssetCo") to purchase the business assets of AssetCo ("the Acquisition"), which primarily consists of two cannabis dispensaries. Under the terms, GreenTec Retail Ventures Inc., a wholly owned subsidiary of the Company will acquire the business assets of AssetCo for a total purchase price of \$5,500,000. The purchase price will be comprised of cash payments of \$1,500,000 and issuance of common shares of the Company with a fair value of \$4,000,000, calculated at a 10-day volume weighted average price. As of February 28, 2019, the Company has advanced a non-refundable deposit \$250,000 to AssetCo, which has been recorded within Deposits on the consolidated statement of financial position. Refer to Note 21 (vi) for an amendment made to the binding letter agreement subsequent to February 28, 2019.

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COMMITMENTS (CONTINUED)

SocietyCo

The Company entered into a binding letter agreement with a society created pursuant to the laws of British Columbia ("SocietyCo") to purchase all the assets of SocietyCo, which consist primarily of one medical cannabis dispensary, and a medical cannabis consulting clinic. Pursuant to the agreement, the Company has agreed to issue such number of common shares ("the Milestone Shares") of the Company to the vendors of SocietyCo, calculated at a 10-day volume weighted average price, in accordance with the following milestones:

- a. \$500,000 upon the entering into, or the assignment of, the lease for the cannabis dispensary;
- b. \$500,000 upon the transfer to the Company of the municipal development permit for a cannabis retail store;
- c. \$500,000 upon the receipt of a license in the name of the Company from the Province of British Columbia Liquor & Cannabis Regulation Branch ("LCRB") to operation a retail cannabis store; and
- d. \$500,000 upon the municipality granting the business license suitable for a non-medical retail cannabis store in the name of the Company.

Lease Agreements

The Company has entered into operating lease agreements for its premises. The annual basic lease commitments under these leases are as follows:

	\$
2019	255,000
2020	255,000
2021	211,000
2022	189,000
2023	136,000
Thereafter	22,000
	1,068,000

From time to time, the Company enters into contracts for services in the normal course of operations. The Company's current contractual commitments vary in terms and can be terminated upon sufficient notice.

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CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make certain estimates and apply judgment affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period.

The areas involving higher degrees of judgement, or areas where assumptions and estimates are significant to the financial statements are:

Biological assets and inventory

In calculating the value of the biological assets and inventory, management is required to make a number of estimates, including estimating the stage of growth of the cannabis up to the point of harvest, harvesting costs, selling costs, sales price, wastage and expected yields for the cannabis plant. In calculating final inventory values, management is required to determine an estimate of spoiled or expired inventory and compares the inventory cost to estimated net realizable value.

Estimated useful lives and impairment considerations

Depreciation and amortization of property, plant and equipment and intangible assets are dependent upon estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Business combinations

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values. In determining the allocation of the purchase price in a business combination, including any acquisition related contingent consideration, estimates including market based and appraisal values are used. The contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Investments in associates

Management exercises judgment in determining whether the Company has acquired significant influence over an entity. An assessment of significant influence is performed at the inception of a relationship between any entity and the Company. When performing this assessment, the Company considers all facts and circumstances, and it must reassess whether it still has significant influence over an investee if facts and circumstances indicate there are changes to one or more of the conditions of significant influence.

Share-based compensation and warrants

In calculating the share-based compensation expense, key estimates such as the rate of forfeiture of options granted, the expected life of the option, the volatility of the Company's stock price and the risk-free interest rate are used. In calculating the fair value of the warrants, the Company includes key estimates such as the volatility of the Company's stock price, the value of the common share, and the risk-free interest rate.

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assess whether it is probable that some or all of the deferred income tax assets and liabilities will be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Discount rate used for convertible debentures

The carrying value of the convertible debentures is subject to management's estimates in determining an appropriate discount rate based on similar instruments with no conversion features.

Going concern

Management applies judgment in its evaluation of the Company's ability to continue as a going concern.

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STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are not mandatory for accounting periods beginning before January 1, 2019.

Effective for annual periods beginning on January 1, 2019

IFRS 16 Leases

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties of a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity and equity price risk).

The Company's management team carries out risk management with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

The Company's financial instruments consist of cash, receivable, accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values.

Market Risk

Market risk is the risk that the fair value of future cash flows will fluctuate due to changes in market prices. Market prices are comprised of three types of risk: foreign currency risk, interest rate risk, and commodity price risk.

Foreign Currency Risk

The Company operates primarily in Canadian dollars and as such is not affected by the fluctuations of the Canadian dollar with other currencies.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's current policy is to invest excess cash in certificates of deposit or interest bearing accounts of major Canadian chartered banks. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its financial institutions.

Cash is subject to floating interest rates. Sensitivity to a plus or minus 1% change in interest rates would not have a material impact on the reported consolidated net loss and comprehensive consolidated net loss for the period.

Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices of medical cannabis. As a result, commodity price risk may affect the Company's ability to operate profitably, completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash. At present, the Company holds its cash in Canadian rated financial institutions and will only consider investment of excess cash in highly rated government and corporate debt securities or guaranteed certificates from Canadian chartered banks. The Company has established guidelines, including diversification, credit ratings and maturities, to ensure safety and liquidity of its cash.

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FINANCIAL INSTRUMENTS (CONTINUED)

Credit Risk (Continued)

As at February 28, 2019, the Company's exposure is the carrying value of the financial instruments. The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Currency Risk

The Company operates primarily in Canadian dollars and as such is not affected by the fluctuations of the Canadian dollar with other currencies.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, the Board of Directors considers securing additional funds through issuances of equity and debt or partnering transactions. The Board of Directors approves the Company's annual operating and capital budgets as well as any material transactions outside the ordinary course of business. Management regularly reviews these budgets and maintains short-term cash flow forecasts.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

Maturity Risk

- 1) The Company's cash balance at February 28, 2019 is in the amount of \$4,371,828. At February 28, 2019 the Company had amounts receivable of \$1,352,754, accounts payable and accrued liabilities of \$1,906,137 and interest payable of \$63,619. All accounts payable and accrued liabilities are current.
- 2) As at February 28, 2019, the Company did not have derivative financial liabilities with contractual maturities.
- 3) Management of liquidity risk: Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses and commitments in (1) and (2) for a period of 90 days. To achieve this objective, the Company prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure.

The following table summarizes the maturities of the Company's financial liabilities as at February 28, 2019 based on the undiscounted contractual cash flows:

	Carrying Amount	Contractual Cash Flows	Less than 1 year	1 – 3 years	4 – 5 years	After 5 years
Accounts payable	\$ 1,906,137	\$ 1,906,137	\$ 1,906,137	\$ -	-	-
Due to related parties	5,000	5,000	5,000	-	-	-
Interest payable	63,619	63,619	63,619	-	-	-
Convertible debt	6,441,279	8,433,334	600,000	7,833,334	-	-
Total	\$ 8,416,035	\$ 10,408,090	\$ 2,574,756	\$ 7,833,334	-	-

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RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions for the period ended February 28, 2019:

Related Party Balances

As at February 28, 2019, the Company has a payable balance of \$NIL (2018: \$32,500) due to Norton Singhavon, the Company's Chief Executive Officer ("CEO"), for advances made to the Company.

As at February 28, 2019, the Company has amounts receivable, including interest receivable, from a company controlled by Kam Thindal, a former director of the Company totalling \$Nil (2018: \$5,861).

As at February 28, 2019, the Company has a subscription receivable balance of \$Nil due from Mike Blady, a director of the Company (2018: \$25,000).

As at February 28, 2019, the Company has a prepaid of \$Nil for services to be provided by a company controlled by Jeremy Wright, the CFO (2018: \$18,000).

As at February 28, 2019, the Company has a payable balance of \$5,000 (2018: \$157,708) due to Kin-Man Lee, a former director of the reverse take over acquisition company.

Related Party Transactions

As described in the Company's financial statements for the year ended November 30, 2017, the Company entered into share purchase agreements to purchase 100% interest in Grey Bruce, 1118 BC, ZenLabs and GBP. Each one of these entities was under common control of the Company's CEO, Norton Singhavon.

During the year ended November 30, 2017, the Company advanced loans totalling \$334,153 to a company controlled by a Director of the Company, Kam Thindal, pursuant to a letter of intent. The letter of intent was terminated during the period ended November 30, 2017 and the loans advanced were repaid in full. The Company recorded interest income on the loan of \$5,861 during the period ended November 30, 2017.

Compensation of Director and Key Management Personnel of the Company

The Company considers its Directors, Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and Chief Operating Officer ("COO") to be key management. For the period ended February 28, 2019, the Company:

- 1) Paid or accrued management fees of \$Nil (2018: \$Nil) to Norton Singhavon, the CEO of the Company.
- 2) Paid or accrued management fees of \$18,000 (2017: \$12,000) to a Company controlled by Jeremy Wright, the CFO of the Company.
- 3) Paid \$35,889 in salary (2018: \$11,520) to David Lynn, the COO of the Company.

Compensation of Director and Key Management Personnel of the Company (Continued)

The Company incurred the following key management compensation charges during the period ended February 28, 2019:

		February 28, 2019		February 28, 2018
Salaries, Management and Consulting fees	\$	53,889	\$	23,520
Share-based payments		85,370		-
	\$	139,259	\$	23,520

There are no other related party transactions other than what was been disclosed

SUBSEQUENT EVENTS

Please refer to note 21 of the unaudited condensed interim financial statements for the three-month period ended February 28, 2019.

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CAUTION REGARDING FORWARD LOOKING STATEMENTS

Certain information regarding the Company within the MD&A may include "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, goals, expansion and growth of the Company's business, plans and other such matters are forward-looking statements. When used in this MD&A the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. Such statements by their nature involve certain risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. The Company considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but cautions the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect. The reader should not rely solely on these forward-looking statements.

We undertake no obligation to reissue or update any forward looking statements or information except as required by law.

This MD&A contains forward-looking statements concerning future operations of GTEC Holdings Ltd. (the "Company"). All forward-looking statements concerning the Company's future plans and operations, including management's assessment of the Company's expectations or beliefs may be subject to certain assumptions, risks and uncertainties beyond the Company's control. Investors are cautioned that any such statements are not guarantees of future performance and that actual performance and financial results may differ materially from any estimates or projections.

Forward-looking information reflects the Company's current beliefs and is based on information currently available to the Company and on assumptions it believes to be not unreasonable in light of all of the circumstances. In some instances, material factors or assumptions are discussed in this MD&A in connection with statements containing forward-looking information. Such material factors and assumptions include, but are not limited to: the Company's ability to execute its business plan; the Company's ability to compete with other companies that are developing or selling products and services that are competitive with the Company's services; the Company's ability to attract and retain key personnel; the Company's ability to access the capital markets. Forward-looking information contained herein is made as of the date of this MD&A and, other than as required by law, the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.