Management Discussion and Analysis
of the Financial Condition and Results of Operations

For the Year Ended April 30, 2019

Overview

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Cotinga Pharmaceuticals Inc. ("Cotinga" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended April 30, 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 audited annual financial statements of the Company for the years ended April 30, 2019 and 2018, together with the notes thereto. 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 year ended April 30, 2019 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at September 3, 2019 unless otherwise indicated.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

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 Cotinga'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.

Further information about the Company and its operations is available on SEDAR at **www.sedar.com** and on the Company's website at **www.cotingapharma.com**.

Forward-looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The

forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

The basis for the forward-looking statements is management's current expectations, estimates, projections, and assumptions. By their nature, they are not guarantees of future performance as they involve significant risks and uncertainties. The main assumptions used by management to develop the forward-looking information include the following:

Forward-looking statements	Assumptions	Risk factors
The Company's (i) development of new drug candidates, (ii) demonstration of such drug candidates' safety and efficacy in clinical trials, and (iii) obtaining regulatory approval to commercialize these drug candidates.	Financing will be available for development of new drug candidates and conducting clinical studies; the actual results of the clinical trials will be favourable; development costs will not exceed Cotinga's expectations; the Company will be able to retain and attract skilled staff; the Company will be able to recruit suitable patients for clinical trials; all requisite regulatory and governmental approvals to commercialize the drug candidates will be received on a timely basis upon terms acceptable to Cotinga; and applicable economic conditions are favourable to Cotinga.	Availability of financing in the amount and time frame needed for the development and clinical trials may not be favourable; increases in costs; the Company's ability to retain and attract skilled staff; the Company's ability to recruit suitable patients for clinical trials; timely and favourable regulatory and governmental compliance, acceptances, and approvals; interest rate and exchange rate fluctuations; changes in economic conditions.
The Company's ability to obtain the substantial capital it requires to fund research and operations.	Financing will be available for Cotinga's research and operations and the results thereof will be favourable; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to Cotinga	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in cost of research and operations; interest rate and exchange rate fluctuations; adverse changes in economic conditions.

Forward-looking statements	Assumptions	Risk factors
Factors affecting preclinical research, clinical trials and regulatory approval process of the Company's drug candidates.	Actual costs of preclinical research, clinical and regulatory processes will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; the Company will be able to recruit suitable patients for clinical trials; the Company will be able to complete preclinical research and clinical studies on a timely basis with favourable results; all applicable regulatory and governmental approvals for drug candidates will be received on a timely basis with terms acceptable to Cotinga; debt and equity markets, exchange and interest rates, and other applicable economic and political conditions are favourable to Cotinga; there will be a ready market for the drug candidates.	Cotinga's drug candidates may require time-consuming and costly preclinical and clinical studies and testing and regulatory approvals before commercialization; the Company's ability to retain and attract skilled staff; the Company's ability to recruit suitable patients for clinical trials; adverse changes in regulatory and governmental processes; interest rate and exchange rate fluctuations; changes in economic and political conditions.
The Company's ability to find and enter into agreements with potential partners to bring viable drug candidates to commercialization.	Cotinga will be able to find a suitable partner and enter into agreements to bring drug candidates to market within a reasonable time frame and on favourable terms; the costs of entering into a partnership will be consistent with Cotinga's expectations; partners will provide necessary financing and expertise to bring drug candidates to market successfully and profitably.	Cotinga will not be able to find a partner and/or enter into agreements within a reasonable time frame; if the Company enters into agreements, these agreements may not be on favourable terms to Cotinga; costs to enter into agreements may be excessive; potential partners will not have the necessary financing or expertise to bring drug candidates to market successfully or profitably.

Forward-looking statements	Assumptions	Risk factors
The Company's ability to obtain and protect the Company's intellectual property rights and not infringe on the intellectual property rights of others.	Patents and other intellectual property rights will be obtained for viable drug candidates; patents and other intellectual property rights obtained will not infringe on others.	Cotinga will not be able to obtain appropriate patents and other intellectual property rights for viable drug candidates; patents and other intellectual property rights obtained will be contested by third parties; no proof that acquiring a patent will make the product more competitive
The Company's ability to source markets which have demand for its products and successfully supply those markets in order to generate sales.	The anticipated markets for the Company's potential products and technologies will continue to exist and expand. The Company's products will be commercially viable, and it will successfully compete with other research teams who are also examining potential therapeutics in oncology.	The anticipated market for the Company's potential products and technologies will not continue to exist and expand for a variety of reasons, including competition from other products and the degree of commercial viability of the potential product.
Future actions with respect to and potential impacts of pending claims.	Cotinga will be able to settle or otherwise obtain disposition of claims against it on favourable terms.	Cotinga may will not be able to settle pending claims on favourable terms; claims may be adjudicated in a manner that is not favourable to Cotinga.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Cotinga's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. 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.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Cotinga's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update

one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

The Company

Cotinga is a clinical stage biotech company with an office in Boston, Massachusetts and a registered office in Toronto, Ontario. The Company was formed from an amalgamation of Aviator Petroleum Corp., a public company listed on the TSX Venture Exchange ("TSXV"), and Critical Outcome Technologies Inc., a private company under the provisions of the *Business Corporations Act* (Ontario). The amalgamated company adopted the name Critical Outcome Technologies Inc. and its common shares were listed for trading on the TSXV under the symbol COT on October 30, 2006.

On November 27, 2007, the Company acquired all the outstanding common shares in 3015402 Ontario Inc. operating as DDP Therapeutics ("DDP"). DDP was formed in early 2005 to develop a library of molecules originally identified by the Company using its drug discovery technology. On May 1, 2008, the Company amalgamated with this wholly owned subsidiary under the laws of the Province of Ontario.

On June 23, 2017, the Company announced that in accordance with the approval of the Company's shareholders obtained on October 13, 2016, the Board of Directors resolved to proceed with a consolidation of the Company's issued and outstanding common shares based upon a ratio of ten pre-consolidation common shares for one post-consolidation common share. The Company's common shares commenced trading on a consolidated basis on June 30, 2017.

On December 20, 2017, the shareholders of the Company approved a special resolution authorizing the Company to amend its Articles to change the name of the Company to Cotinga Pharmaceuticals Inc. The rebranding of the Company signified its shift from a primarily technology-driven organization to a clinical-stage, product-focused biotech and pharmaceutical company. The Company received regulatory approval and the name change was effective January 10, 2018.

The Company has been listed for trading on the TSXV under the symbol COT since October 30, 2006. On June 16, 2014, the Company obtained a listing in the United States on the OTC Markets OTCQB trading platform for venture companies under the symbol COTQF.

Description of Business

Cotinga Pharmaceuticals Inc. is a clinical-stage biotech company that uses proprietary artificial intelligence technologies to pursue a targeted and transformational approach to treating cancer and other unmet medical needs. Cotinga's CHEMSAS® technology is intended to accelerate the discovery and development of novel drug therapies, allowing the Company to build a pipeline of potential drug candidates faster and with a higher probability of success than traditional methods.

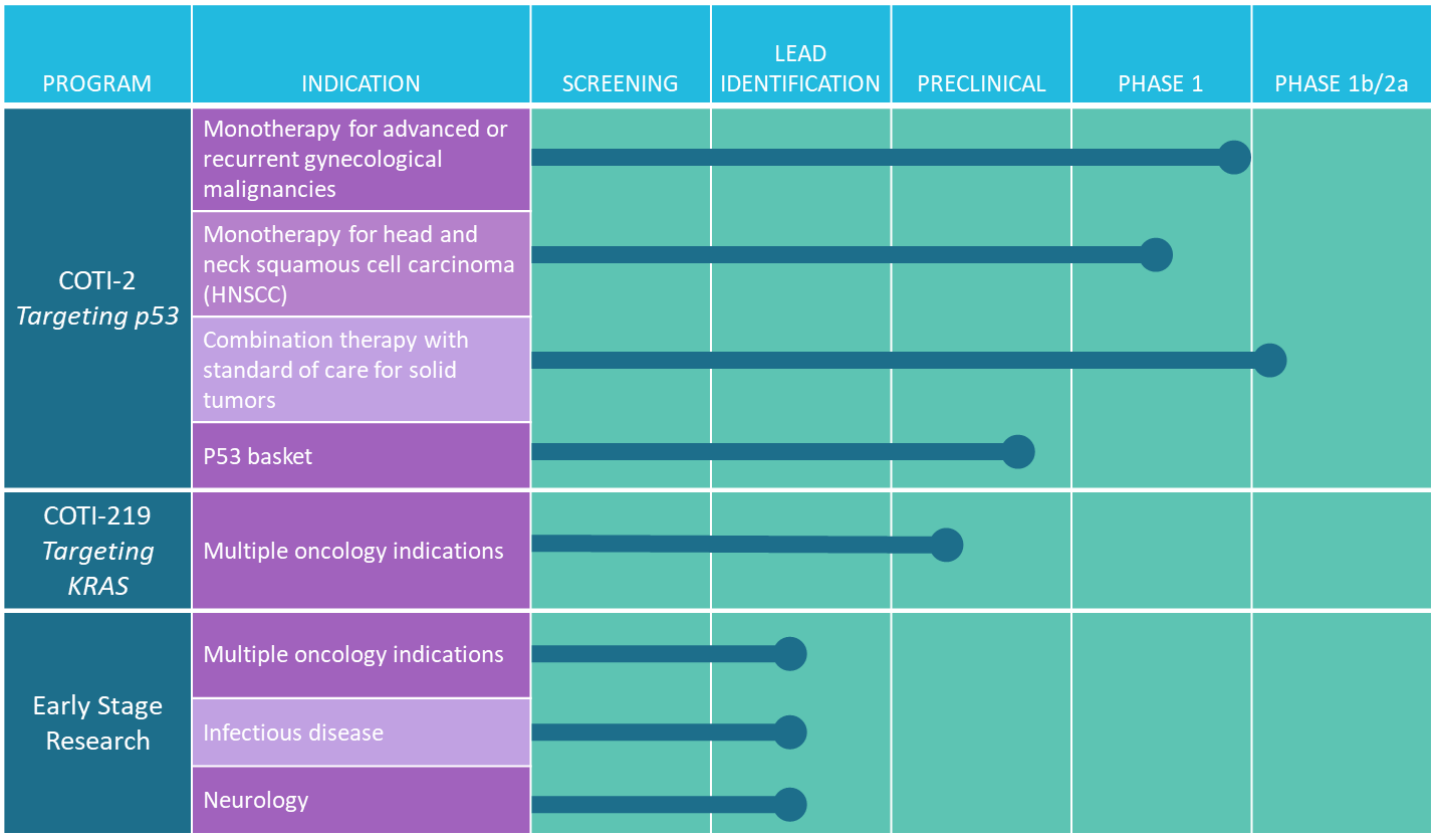
The Company's lead compound, COTI-2, has a novel p53-dependent mechanism of action with selective and potent anti-cancer activity. P53 mutations occur in over 50% of all cancers. COTI-2 is initially being

evaluated in combination with various standard of care chemotherapy regimens for the treatment of a wide spectrum of cancers in a Phase 1b/2a clinical trial at the MD Anderson Cancer Center at the University of Texas and the Lurie Cancer Center at Northwestern University. The Company has secured orphan drug status in the United States for COTI-2 for the treatment of ovarian cancer. Preclinical data suggests that COTI-2 could dramatically improve the treatment of cancers with mutations in the p53 gene.

The Company's second lead compound, COTI-219, is a novel oral small molecule compound targeting the mutant forms of KRAS without inhibiting normal KRAS function. KRAS mutations occur in up to 30% of all cancers and represent a tremendous unmet clinical need and a desirable drug target. COTI-219 is undergoing IND-enabling studies to support a regulatory submission.

Pipeline

Cotinga is intervening in critical pathways employed by cancer cells to escape apoptosis (natural cell death). By targeting these pathways crucial to cancer survival – including p53, KRAS and other associated pathways – Cotinga can develop therapies that prevent cancer cells from thriving and replicating.



COTI-2

The Company's lead clinical candidate, COTI-2 is an oral small molecule targeting p53, a tumor suppressor gene that is mutated in over 50% of all cancers. Extensive preclinical studies demonstrated

COTI-2's ability to restore mutant p53 function and induce cancer cell death in a tumor-agnostic manner, with specific and non-toxic properties. The initial therapeutic indication for COTI-2 is in gynecologic cancers, which includes ovarian, cervical, and endometrial cancers, and where the incidence rate of p53 mutations is up to 95% in ovarian cancer. COTI-2 holds an FDA issued orphan drug designation for ovarian cancer. A Phase 1 clinical trial with COTI-2 in gynecological cancers completed the dose escalation phase in August 2017 at the University of Texas, MD Anderson Cancer Center ("MDACC") in Houston, and the Lurie Cancer Center at Northwestern University ("NWU") in Chicago.

A Phase 1 dose-escalation expansion arm was initiated in a second indication, head and neck squamous cell carcinoma ("HNSCC"), in August 2017 at MDACC, with the first patient dosed in October 2017 as announced on October 11, 2017. On March 20, 2018, the Company announced it submitted an updated clinical package to regulatory authorities to expand its ongoing Phase 1 trial to evaluate COTI-2 as a combination therapy in a wide spectrum of cancers, and on May 24, 2018, the the protocol amendment received regulatory clearance. The multi-part protocol amendment expands the study to a Phase 1b/2a trial to evaluate COTI-2 as a combination therapy in various solid tumors. The Company announced in January 2019 that it had dosed the first patient with COTI-2 in combination with standard of care chemotherapy, cisplatin, in the first dosing cohort. The Company has continued to update the investment community on its progress with the trial, and subsequent to the close of the fiscal year, was in the third dosing cohort of 1.7 mg/kg.

COTI-219

The Company declared its second clinical candidate, COTI-219, in October 2016. COTI-219 is a novel oral small molecule compound targeting KRAS. KRAS gene mutations occur in up to 30% of all cancers, particularly lung, colorectal, pancreatic, and thyroid. COTI-219 targets the mutant forms of KRAS without inhibiting normal KRAS function, representing an unmet clinical need and a very desirable drug target. COTI-219 is currently in GMP manufacturing and definitive preclinical studies to support an investigational new drug ("IND") filing.

Technology Platforms

CHEMSAS®

The Company will continue to maintain and test its CHEMSAS® platform to support assessment and development of novel drug therapies and evaluate the Company's library of small molecules. This includes identifying new biological and chemical assay datasets for possible incorporation and ensuring compatibility with operating system and third-party software updates. COTI-2 and COTI-219 are the first compounds derived with the benefit of CHEMSAS to be developed by Cotinga.

ROSALIND™

The Company will also continue to test its ROSALIND™ platform, advancing a validation study to build a 100-patient database reflecting the evaluation of outcomes from the ROSALIND™ analysis and its

report recommendations. Experimental ROSALIND™ assessments to suggest potential tumor sensitivities continue to be requested by cancer patients and their physicians internationally. Validation testing of ROSALIND™ will continue subject to securing sufficient funding to permit ongoing investment in this platform in fiscal 2019.

Operational Progress and Outlook

Operational Progress

In May 2018 the Company completed a brokered and non-brokered private placement for total gross proceeds of $2,010,162 by issuing 5,289,900 units consisting of one common share and one warrant at a price of $0.38 per unit to support the continued clinical development of COTI-2. Each Warrant is exercisable for one Common Share at an exercise price of CAD $0.47 per Common Share for a period of 5 years. Roth Capital Partners, LLC acted as placement agent for the brokered offering in the United States.

In June 2018, Cotinga and its collaborators from MD Anderson Cancer Center presented data on COTI-2 at the 2018 American Society of Clinical Oncology (ASCO) Annual Meeting in Chicago, Illinois

In July 2018, the Company appointment a new Chief Financial Officer (CFO), effective July 20, 2018, and a new member of the Board of Directors and Chairman of the Audit Committee, effective July 1, 2018. The Company awarded 119,100 stock options in respect of these appointments. The stock options are exercisable for common shares of the Company for a period of five-years at an exercise price of $0.50 per share.

In July / August 2018, the Company successfully closed the London, Ontario office and moved to Boston, Massachusetts, with a registered office in Toronto, Ontario.

In September 2018, Cotinga and its collaborators from St. Vincent's University Hospital presented data on COTI-2 at the 11th International Symposium on Translational Research in Oncology in Dublin, Ireland.

In November 2018, Cotinga announced a research collaboration with St. Vincent's University Hospital in Dublin, Ireland to evaluate COTI-2 in combination with eribulin in patients with triple negative metastatic breast cancer.

In January 2019, the Company announced that it had dosed the first patient with COTI-2 in combination with standard of care chemotherapy in its ongoing Phase 1b/2a trial. Additionally, the first cohort of the trial has been fully enrolled at MD Anderson Cancer Center.

In February 2019, Cotinga announced that it had commenced dosing patients in the second cohort of its ongoing Phase 1b/2a clinical trial of COTI-2 plus cisplatin in solid tumors.

Outlook

The Company intends to strengthen the balance sheet to execute on corporate strategies and opportunistically pursue regional or co-development partnerships for COTI-2, pipeline programs and other technologies.

The Company intends to continue the combination therapy Phase 1b/2a trial evaluating COTI-2 plus cisplatin in solid tumors at MD Anderson Cancer Center. The Company also intends to initiate a combination trial evaluating COTI-2 plus eribulin in triple negative breast cancer patients in collaboration with St. Vincent's University Hospital in Dublin, Ireland.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

As of the date of this MD&A, no proposed transaction has been approved by the Board of Directors.

Selected Annual Information

The following is selected financial data derived from the audited financial statements of the Company at April 30, 2019, 2018 and 2017.

	Years Ended April 30,		
	2019 ($)	2018 ($)	2017 ($)
Net loss for the year	2,697,281	4,880,393	6,208,890
Basic and diluted loss per share	0.12	0.31	0.42
Total assets	1,248,294	1,532,402	4,026,747
Long-term accrued liability	Nil	Nil	225,000

- The net loss for the year ended April 30, 2019, consisted primarily of (i) research costs of $780,509; (ii) sales and marketing costs of $101,591; and (iii) general and administration costs of $1,919,227. This was offset by a change in the fair value of the warrant liability of $20,591
- The net loss for the year ended April 30, 2018, consisted primarily of (i) research costs of $2,767,279; (ii) sales and marketing costs of $312,866; and (iii) general and administration costs of $3,239,986. This was offset by a change in the fair value of the warrant liability of $1,438,554.

- The net loss for the year ended April 30, 2017, consisted primarily of (i) research costs of $2,725,499; (ii) sales and marketing costs of $414,583; and (iii) general and administration costs of $3,943,820. This was offset by a change in the fair value of the warrant liability of $631,050.

Selected Quarterly Financial Information

A summary of selected information for each of the eight most recent quarters is as follows:

Three Months Ended	Total Revenue ($)	Loss (Income)		Total Assets ($)
		Total ($)	Per Share ($)[9][10]	
2019-April 30 [1]	-	941,257	0.04	1,248,294
2019-January 31 [2]	-	279,812	0.01	1,384,898
2018-October 31 [3]	-	494,625	0.02	1,440,216
2018-July 31 [4]	-	981,587	0.04	2,018,706
2018-April 30 [5]	-	1,579,104	0.10	1,532,402
2018-January 31 [6]	-	1,278,514	0.08	1,927,015
2017-October 31 [7]	-	1,780,770	0.11	2,960,277
2017-July 31 [8]	-	242,005	0.02	2,576,429

(1) The net loss of $941,257 for the three months ended April 30, 2019, consisted primarily of (i) research costs of $125,812; (ii) sales and marketing costs of $1,050; and (iii) general and administration costs of $787,796.

(2) The net loss of $279,812 for the three months ended January 31, 2019, consisted primarily of (i) research costs of $136,226; (ii) sales and marketing costs of $1,049; (iii) general and administration costs of $284,114. This was offset by a change in foreign exchange of $77,338.

(3) The net loss of $494,625 for the three months ended October 31, 2018, consisted primarily of (i) research costs of $133,861; (ii) sales and marketing costs of $62,166; and (iii) general and administration costs of $352,748. This was offset a by change in the fair value of the warrant liability of $34,279 and foreign exchange difference of $20,940.

(4) The net loss of $981,587 for the three months ended July 31, 2018, consisted primarily of (i) research costs of $384,610; (ii) sales and marketing costs of $37,326; (iii) general and administration costs of $494,569; (iv) a change in the fair value of the warrant liability of $13,708; and change in foreign exchange of $49,156.

(5) The net loss of $1,579,104 for the three months ended April 30, 2018, consisted primarily of (i) research costs of $544,436; (ii) sales and marketing costs of $127,303; and (iii) general and administration costs of $935,024. This was offset by a change in the fair value of the warrant liability of $29,817.

(6) The net loss of $1,278,514 for the three months ended January 31, 2018, consisted primarily of (i) research costs of $560,588; (ii) sales and marketing costs of $64,704; and (iii) general and administration costs of $780,571. This was offset by a change in the fair value of the warrant liability of $109,881.

(7) The net loss of $1,780,770 for the three months ended October 31, 2017, consisted primarily of (i) research costs of $995,080; (ii) sales and marketing costs of $35,178; (iii) general and administration costs of $743,268. This was offset a by change in the fair value of the warrant liability of $21,404.

(8) The net loss of $242,005 for the three months ended July 31, 2017, consisted primarily of (i) research costs of $667,175; (ii) sales and marketing costs of $85,681; and (iii) general and administration costs of $781,123. This was offset by a change in the fair value of the warrant liability of $1,277,452.

(9) Basic and diluted per share basis.

(10) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Discussion of Operations

Three months ended April 30, 2019 compared with three months ended April 30, 2018

Cotinga's net loss totaled $941,257 for the three months ended April 30, 2019 with basic and diluted loss per share of $0.04. This compares with a net loss of $1,579,104 with basic and diluted loss per share of $0.09 for the three months ended April 30, 2018. The decrease of $637,847 in net loss was principally because:

- For the three months ended April 30, 2019, research and development expense was $125,812 compared to $544,436 for the three months ended April 30, 2018. The decrease of $4,18,624 is primarily due to a decrease in Clinical trial expenses and Synthesis and miscellaneous R&D expenses as the Company focused on COTI-2.

- For the three months ended April 30, 2019, sales and marketing expense was $1,050 compared to $127,303 for the three months ended April 30, 2018. The decrease of $126,253 is primarily due to less travelling and conferences and in 2018, legal services provided was reallocated from general and administrative expenses.

- For the three months ended April 30, 2019 general and administration expense was $787,796 compared to $935,024 for the three months ended April 30, 2018. The decrease of $147,228 is primarily due to lower salaries and share-based compensation. The decrease was offset with the Company recording a $196,859 charge on impairment of old patents.

For the year ended April 30, 2019 compared with the year ended April 30, 2018

The Company's net loss totaled $2,697,281 for the year ended April 30, 2019 with basic and diluted loss per share of $0.12. This compares with a net loss of $4,880,393 with basic and diluted loss per share of $0.31 for the year ended April 30, 2018. The decrease of $2,183,112 in net loss was principally because:

- For the year ended April 30, 2019, research and development expense was $780,509 compared to $2,767,279 for the year ended April 30, 2018. The decrease of $1,986,770 is primarily due to a decrease in synthesis and miscellaneous expense related to the timing of expenditures for the advancement of COTI-219 in GMP manufacturing.

- For the year ended April 30, 2019, sales and marketing expense decreased to $101,591 from $312,866 for the year ended April 30, 2018. The decrease of $211,275 is primarily due to a reduction in representation at conferences and services provided by consultants as services moved internally to reduce overheads.

- For the year ended April 30, 2019 general and administration expense was $1,919,227 compared to $3, 239,966 for the year ended April 30, 2018. The decrease of $1,320,739 is primarily due to a decrease in salaries due to restructuring and a decrease in share-based compensation as issuance of share option awards to employees and consultants. This was offset by an increase in patent charges on the impairment of old patents

- For the year ended April 30, 2019, the fair value of warrant liability was reduced by $20,591 compared to a decrease of $1,438,554 for the year ended April 30, 2018.

Liquidity and Cash Resources

The activities of the Company are financed through the completion of equity transactions such as equity offerings, the exercise of stock options and warrants. There is no assurance that equity capital will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all.

Cash used in operating activities was $1,691,937 for the year ended April 30, 2019 compared to $3,977,479 for the year ended April 30, 2018. Operating activities were affected by net loss of $2,697,281 and changes in non-cash items due to positive change in non-cash working capital balances of $525,758 primarily related to the decrease in prepaid expenses and the increase in accrued liabilities.

Cash used in by investing activities was $12,701 for the year ended April 30, 2019 compared to cash provided by $1,209,046 for the year ended April 30, 2018. The decrease primarily related to redemption of investments in the prior year that increased the cash flow provided from investment activities.

Cash provided by financing activities was $1,888,519 for the year ended April 30, 2019 compared to $2,091,488 for the year ended April 30, 2018. Financing activities included $1,688,548 of net proceeds from a private placement, and $199,970 of proceeds from debenture advances received.

At April 30, 2019, Cotinga had $224,612 in cash and cash equivalents, of which $159,970 funds held in trust in relation to the debenture offering (April 30, 2018 - $40,731). As of April 30, 2019, and to the date of this MD&A, the cash resources of Cotinga are held with one Canadian chartered bank. The Company's debt has a fixed interest rate and its interest rate risk is minimal. Accounts payable and accrued liabilities of $3,447,693 are short-term and non-interest-bearing.

The Company has no operating revenues and therefore must utilize its funds obtained from the equity financing and other financing transactions to maintain its capacity to meet ongoing research and development and operating activities. As at April 30, 2019, the Company had 1,223,226 stock options outstanding that would raise approximately $3,958,819 if exercised in full and 6,848,886 warrants outstanding that would raise approximately $7,321,717 if exercised in full. To the extent these options and warrants are exercised will be a function of the market price of the Company's underlying common shares and investor perspectives on the opportunity for shareholder value creation over the investment time horizon for each individual investor. Management believes that continued achievement of milestones, such as the progression of COTI-2 in clinical milestones and the advancement of its preclinical pipeline will be supportive of an increase in shareholder value and may provide the Company with an opportunity to realize funding from a portion of these outstanding options and warrants in fiscal 2020 and 2021.

At April 30, 2019, the Company had a working capital deficiency of $3,142,127 (April 30, 2018 – $2,620,871). Based on the rate of expenditures, the Company does not have sufficient cash on hand and will have to raise equity capital in the near term in amounts sufficient to fund both research work and working capital requirements (see "Subsequent Events" below). There is some flexibility in terms of the pace and timing of *product pipeline* costs and how expenditures have been, or may be adjusted, limited or deferred subject to current capital resources and the potential to raise further funds. The Company will continue to manage its expenditures essential to the viability of its *product pipeline*. There is no assurance that additional funds can be raised upon terms acceptable to the Company or at all and funding for small companies remains challenging. The Company's financial statements have been prepared on a going concern basis. Material adjustments could be required if the Company cannot obtain adequate financing. See "Risk Factors"

The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of the actions taken or planned, some of which are described above, which management believes will mitigate the adverse conditions and events which raise doubt about the validity of the going concern assumption used in preparing these financial statements. There is no certainty that these and other strategies will be sufficient to permit the Company to continue beyond April 30, 2020. Accordingly, these financial statements do not include any adjustments to the carrying values and classification of assets and liabilities, or the reported

expenses that would be necessary if the going concern assumption was not appropriate. Any adjustments to the financial statements could be material.

The Company's use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its research and development activities. Those activities include the cash components of the cost for research, development and clinical trials. For fiscal 2020, the Company's expected operating expenses are estimated to average $35,000 to $75,000 per month for recurring operating costs. The Company has certain commitments (See "Commitments" below) over the next 12 months, and estimated minimum payment as of approximately $1,210,000 over the same period. Management may reassess its planned expenditures based on the Company's working capital resources, the scope work required to advance the product and the overall condition of the financial markets.

Assuming that management is successful in developing COTI-2, future work plans of development will depend upon the Company's assessment of prior results, the condition of the Company financially and the then prevailing economic climate in general.

The Company's cash and cash equivalents as at April 30, 2019 is not sufficient to satisfy current liabilities and general and administrative costs up to April 30, 2020.

Related Party Transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the amount established and agreed to by the related parties.

(a) The Company entered into the following transactions with related parties:

- During the year ended April 30, 2019, the Company expensed $47,932 (yearend April 2018 -$nil) to Marrelli Support Services Inc. ("Marrelli Support") for: the services of Victor Hugo to act as Chief Financial Officer of the Company and Marrelli Support also provides bookkeeping services to the Company. Victor Hugo is an employee of Marrelli Support. As at April 30, 2019, Marrelli Support was owed $21,342 (April 30, 2018 -$nil) and this amount was included in accounts payable and accrued liabilities.

- During the year ended April 30, 2019, directors and officers subscribed for 159,707 units or 9.0% of the September-October 2018 private placement financing on the same terms and conditions as all other investors (year ended April 30, 2018 – nil).

(b) Remuneration of directors and key management personnel of the Company was as follows:

	Executives ($)	Directors ($)	Total ($)
For the year ended April 30, 2019			
Salaries and meeting fees	892,932	310,000	1,202,932
Share-based compensation	57,510	114,173	171,683
Total compensation	**950,442**	**424,173**	**1,374,615**
For the year ended April 30, 2018			
Salaries and meeting fees	1,100,061	69,774	1,169,835
Share-based compensation	472,617	229,729,	702,346
Total compensation	**1,572,678**	**299,503**	**1,872,181**

At April 30, 2019, directors and key management personnel of the Company were owed $1,011,291 (April 30, 2018 - $290,676) and this amount was included in accounts payable and accrued liabilities.

(d) Insider shareholdings

Directors and officers control approximately 9% of the outstanding shares as of April 30, 2019.

Share Capital

As of the date of this MD&A, the Company had 21,986,415 issued and outstanding common shares.

Stock options outstanding for the Company at the date of this MD&A were as follows:

Options	Expiry Date	Exercise Price
92,225	October 21, 2019to March 19, 2020	$2.90 - $5.20
156,810	May 12, 2020 to April 2021	$2.80 - $4.40
765,074	July 4, 2021 to February 12, 2022	$1.20 - $7.00
40,000	June 11, 2022	$3.20
119,100	June 29, 2023	$0.50

Warrants outstanding for the Company at the date of this MD&A were as follows:

Warrants	Expiry Date	Exercise Price
8,759	October 16, 2019	$2.60
29,007	November 5, 2019	$2.60
8,309	November 24, 2019	$2.60
97,000	December 18, 2019	$3.80

2,000	December 18, 2019	$2.90
212,937	February 16, 2020	$3.80
14,281	February 16, 2020	$2.90
1,999,700	May 22, 2020	$0.10
1,000,000	June 4, 2020	$0.10
5,475,597	May 2, 2023	$0.47

Change in Accounting Policies

Recent accounting pronouncements

Effective January 1, 2018, the Company adopted IFRS 9. In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. The Company has adopted IFRS 9 on a retrospective basis, however, this guidance had no impact to the Company's consolidated financial statements.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit and loss (FVTPL).

The new hedge accounting guidance had no impact on the Company's consolidated financial statements.

Critical Accounting Estimates

Critical accounting estimates

The preparation of these financial statements in conformity with IFRS requires management to make estimates and assumptions, and apply judgement in the process of applying accounting policies that affect the reported amounts of assets, liabilities, income, and expenses at the date of the financial statements. Actual results could differ materially from these estimates and assumptions. Revisions to these accounting estimates are recognized in the period in which the estimates are revised and applied prospectively to future periods as affected.

Share-based compensation:

The fair value of share-based compensation is determined using a Black-Scholes option-pricing model, which incorporates management's estimates of the risk free interest rate, the expected dividend yield, the estimated common share price volatility, the estimated option life, and the forfeiture rate as applicable to each award. The Company awards share options, which have vesting based on service

conditions as well as share options with vesting based on the achievement of performance conditions. The timing of completion of these vesting performance conditions is uncertain as these conditions are based on the achievement of operational milestones. Accordingly, management is required to make an estimate of the dates for completion of such milestones. These estimates are reviewed at each reporting date for any change in the estimated vesting dates, and to the extent there is a material change in the vesting date estimates, the expense is recalculated for the new timeline and the cumulative effect of the change is recognized in the period when the change occurs.

Equity warrants:

The fair value of equity warrants is determined using a Black-Scholes option-pricing model, which incorporates management's estimates of the risk free interest rate, the expected dividend yield, the estimated common share price volatility, and the estimated warrant life as applicable to each award.

Provision for bonuses:

The Company has a compensation plan for executive management to pay an annual fiscal bonus based upon the achievement of specific operational milestones. There is uncertainty surrounding the likelihood, and timing of completion of these milestones. Management is required to recognize a provision for this bonus based upon its assessment of whether it is more likely than not that the milestones will be achieved, and an estimate of the completion dates for such milestones. These assessments and estimates are reviewed at each reporting date for any change in the underlying performance and related assumptions in achieving the milestones. The Company's policy is to treat each of the milestones as separate bonus awards with different service periods rather than as one single award accounted for as a whole. The bonus plan contains a stay-period payment provision and the bonus expense is recognized to the expected bonus payment date. To the extent there is a change in these estimates, the provision is adjusted on a prospective basis.

Warrant liability:

The Company has issued warrants with an exercise price denominated in a currency other than the Company's functional currency resulting in their classification as derivative liabilities. The Company measures the value of the warrant liability by reference to the fair value of the common shares underlying the warrants. Estimating the fair value for these warrants is determined using a currency translated option valuation model. This requires management to determine the most appropriate inputs to the valuation model including the estimated life of the warrants, the estimated common share price volatility, the expected dividend yield, and the risk free interest rate.

Critical accounting judgments

In the preparation of these financial statements, management has made judgements, aside from those involving estimates, in the process of applying its accounting policies. These judgements can have an effect

on the amounts recognized in the financial statements. The accounting policies requiring significant judgement are set out below.

Impairment tests of non-financial assets:

Non-financial assets with finite useful lives are required to be tested for impairment only when an indication of impairment exists. Management is required to make a judgment with respect to the existence of impairment indicators at the end of each reporting period. This involves judgements based upon a number of inputs, primarily scientific results from the testing of molecules and review of feedback from office actions by patent authorities related to the examination of patent submissions. Additional inputs include; review of peer feedback from presentations of scientific results at scientific conferences, and information received related to competitive products as advised by consultants in intellectual property and business development, or seen in publications. Management further assesses whether a market continues to exist for the output produced by the asset or group of assets and whether there has been a significant change in the way the asset is used or expected to be used.

During the year ended April 30, 2019, the Company recognized an impairment loss of $196,859 on granted and pending patents in connection with certain molecules and compounds that the Company abandoned and decided not to proceed in further clinical trials.

In addition, significant judgment is required in determining whether the Company operates as one or more cash generating units ("CGU"). The Company has determined all assets belong to a single CGU. The primary considerations in this assessment related to the majority of near term value being attributed to COTI-2, the Company's lead oncology compound that was part of a small library of 10 compounds acquired in 2007. This compound is representative of the library with the majority of development expenses incurred to date on this compound. Financial resource constraints have hindered the ability to develop other compounds at the same rate

Capital Risk Management

The Company's capital is defined as common shares and warrants, contributed surplus, and deficit, which are presented in the Statements of Financial Position under the heading Shareholders' equity and further detailed in the Statements of Changes in Shareholders' Equity. The Company's objectives when managing capital are:

- To maintain liquidity to meet current obligations and continue as a going concern;
- To ensure financial capacity to execute strategic plans; and,
- To provide the Company's shareholders with a return on their investment.

The Company sets the amount of its capital targets in proportion to its spending plans and consequently its need for operating funds. The Company regularly monitors risks that could threaten its ability to meet

its capital management objectives and seeks to make adjustments based on changes in economic conditions and its funding requirements to deal with such risks.

The Company is not subject to any externally imposed capital requirements that restricts the Company to the maintenance of liquidity levels or target ratios. The Company does not currently pay nor contemplate paying dividends.

Financial risk management

The Company is exposed to credit risk, liquidity risk, foreign exchange risk and interest rate risk from its financial assets and liabilities. Risk management strategies are designed to ensure the Company's risks and related exposures are consistent with its business objectives and risk tolerance.

Risk management framework:

The Board has overall responsibility for the establishment and oversight of the Company's risk management framework. The Audit Committee is responsible for assisting in developing and monitoring the Company's risk management policies. The Audit Committee reports regularly to the Board.

Financial assets and liabilities

Fair values:

The Company has determined that the carrying values of its financial assets and liabilities, being cash and cash equivalents, investments tax credits and HST receivable, accounts payable and accrued liabilities, warrant liability and demand loan, approximate their fair values because of the relatively short periods to maturity of these instruments.

The warrant liability is recorded at fair value at each reporting period. Its fair value is estimated using a currency translated option valuation model incorporating estimated life, currency, and price volatility, and the risk free interest rate.

Fair value hierarchy:

Financial instruments recorded at fair value in the Statements of Financial Position are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investments are classified as Level 1 and the warrant liability as Level 2 in the fair value hierarchy. The Company does not hold any Level 3 financial instruments. There were no transfers between the hierarchy levels during the year.

Credit risk:

Credit risk is the risk of financial loss that may occur from the failure of another party to perform according to the terms of a contract. The Company regularly monitors its credit risk exposure and takes steps to mitigate the likelihood that these exposures will result in an actual loss. The Company has limited exposure to credit risk on its cash balances as all cash was maintained in bank accounts with a major Canadian financial institution at the April 30, 2019 year-end. There has been no material change to the Company's credit risk exposure or processes related to the financial assets during the year.

Liquidity risk:

Liquidity risk is the risk of the Company having difficulty in meeting the obligations associated with its financial liabilities in delivering cash or another financial asset. The Company monitors and manages its actual cash and projected cash flows with the primary objective of maintaining liquidity and its ability to meet its financial obligations.

The contractual maturities of the Company's financial liabilities on an undiscounted cash flow basis mature within one year. The Company has determined it has, or will have, sufficient working capital to manage its maturing financial liabilities as they come due based on its current cash, cash equivalents, investments, and subject to its ability to raise funds as demonstrated in prior years and subsequent to April 30, 2019. The Company has excluded the warrant liability from the liquidity risk analysis as the obligation is non-cash and will be settled in shares.

Market risk:

Market risk is the risk that changes in market prices, such as foreign currency rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing return.

Foreign currency risk:

The Company has historically entered contracts denominated in currencies other than CAD. As a result, the Company may be exposed to risk from fluctuations in exchange rates between the CAD and these currencies. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. As a result, variations in foreign exchange rates could cause fluctuations in the Company's operating results and cash flows. During the year, the Company's foreign exchange exposure was primarily related to the USD.

The Company's exposure to foreign currency risk expressed in CAD at the year-end is set out below. Excluding the currency impact of the warrant liability, which is a liability not settled in cash, a 5% strengthening of the CAD against the USD at April 30, 2019 would have decreased the Company's loss by approximately $61,000 (2018 – increased the loss by approximately $72,000). A 5% weakening of the CAD against the USD at those dates would have had the equal but opposite effect assuming all other variables remain constant.

As at April 30, 2019	CAD ($)	USD ($)	Other ($)	Total ($)
Cash and cash equivalents	206,657	17,936	19	224,612
Other receivables	4,380	Nil	Nil	4,380
Accounts payable and accruals	(2,194,598)	(1,253,395)		(3,447,693)
Warrant liability		(36)		(36)
Debenture	(199,970)	Nil	Nil	(199,970)
Total	**(2,183,230)**	**(1,235,497)**	**19**	**(3,418,708)**

As at April 30, 2018	CAD ($)	USD ($)	Other ($)	Total ($)
Cash and cash equivalents	34,540	6,076	115	40,731
Other receivables	1,000	Nil	3,046	4,046
Accounts payable and accruals	(1,653,626)	(1,438,961)	Nil	(3,092,587)
Warrant liability	Nil	(20,628)	Nil	(20,628))
Total	**(1,618,086)**	**(1,453,513)**	**3,161**	**(3,068,438)**

Interest rate risk:

Interest rate risk arises from fluctuations in the interest rates applied to financial assets and liabilities. The financial asset exposure to interest rate risk is concentrated in the cash equivalents and investments as the interest rates obtained will fluctuate with market pricing. The Company regularly monitors the rates available with the selection of investments restricted to those with high credit ratings in accordance with the Company's investment policy.

The Company has limited financial liability exposure to interest rate risk. Its exposure is limited to changes in interest rates on overdue accounts payable and the impact that the interest rate assumption has on the revaluation of the warrant liability. There has been no change to the Company's interest rate risk exposure to this risk during the year. The amount of such exposure is not considered significant to the financial statements.

Commitments

The Company had commitments at the year-end to pay for the completion of work primarily under research and development contracts related to the Company's Phase 1 clinical trial for COTI-2. Payment timing of clinical trial costs is subject to the actual timing of trial activities such as the enrollment of

patients, completion of patient testing, administration of drug, and the negotiated payment terms with the trial site. The Company currently expects the clinical trial to conclude by the end of December 2019. Summary details of the estimated timing of the Company's commitments are set out below.

	April 30, 2020 ($)	April 30, 2021 ($)	Total ($)
COTI-2	934,493	707,726	1,642,219
Other non-R&D contracts	117,798	7,711	125,509
TOTAL	**1,052,291**	**715,437**	**1,767,728**

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risk Factors

Due to the nature of the Company's business, the legal and economic climate in which Cotinga operates and the present stage of development of its business, the Company may be subject to significant risks. An investment in the Company's shares should be considered highly speculative. The Company's future development and actual operating results may be very different from those expected as at the date of this MD&A. There can be no certainty that the Company will be able to implement successfully its strategies. No representation is or can be made as to the future performance of the Company and there can be no assurance that the Company will achieve its objectives. An investor should carefully consider each of, and the cumulative effect of, the following factors.

History of Operating Losses

To date, Cotinga has not recorded any revenues from the sale of products. Since incorporation, Cotinga has accumulated net losses and expects such losses to continue as it commences product and clinical development and eventually enters into license agreements for its technology. Management expects to continue to incur substantial operating losses unless and until such time as product sales generate sufficient revenues to fund continuing operations.

Early Stage Development

Cotinga has not begun to market any product or to generate revenues. The Company expects to spend a significant amount of capital to fund research and development, including but not limited to, preclinical studies, manufacturing work and clinical trials. As a result, the Company expects that its operating expenses will increase and, consequently, it will need to generate significant revenues to become profitable. Even if the Company does become profitable, it may not be able to sustain or increase profitability on a quarterly or annual basis. The Company cannot predict when, if ever, it will be profitable. There can be no assurances that the intellectual property of Cotinga, or other technologies it may acquire, will meet applicable regulatory standards, obtain required regulatory approvals, be capable of being produced in commercial quantities at reasonable costs, or be successfully marketed. The Company will be undertaking additional preclinical studies and clinical studies with respect to the intellectual property of Cotinga, and there can be no assurance that the results from such studies or trials will result in a commercially viable product or will not identify unwanted side effects.

Unproven Market

The Company believes that the anticipated market for its potential products and technologies will continue to exist and expand. These assumptions may prove to be incorrect for a variety of reasons, including competition from other products and the degree of commercial viability of the potential product.

Pre-Clinical Studies and Initial Clinical Trials are not Necessarily Predictive of Future Results

Pre-clinical studies and Phase I and Phase II clinical trials are primarily designed to test safety, to study pharmacokinetics and pharmacodynamics and to understand the side effect profile of product candidates

at various doses and dosing regimens. Success in pre-clinical and early clinical trials does not ensure that later large-scale efficacy trials will be successful nor does it predict final results. Favourable results in early trials may not be repeated in later trials. A number of companies in the life sciences / biotech industry have suffered significant setbacks in advanced clinical trials, even after positive results in earlier trials. Clinical results are frequently susceptible to varying interpretations that may delay, limit or prevent regulatory approvals. Negative or inconclusive results or adverse medical events during a clinical trial could cause a clinical trial to be delayed, repeated or terminate. Any pre-clinical data and the clinical results obtained for our technologies may not predict results from studies in larger numbers of subjects drawn from more diverse populations or in the commercial setting, and also may not predict the ability of our products to achieve their intended goals, or to do so safely.

Raw Material and Product Supply

Raw materials and supplies are generally available in quantities to meet the needs of the Company's business. The Company will be dependent on third-party manufacturers for the pharmaceutical products that it markets. An inability to obtain raw materials or product supply could have a material adverse impact on the Company's business, financial condition and results of operations.

Need for Additional Capital and Access to Capital Markets

The Company will need additional capital to complete its current research and development programs. It is anticipated that future research, additional pre-clinical and toxicology studies and manufacturing initiatives, including that to prepare for market approval and successful product market launch will require additional funds. Further financing may dilute the current holdings of shareholders and may thereby result in a loss for shareholders. There can be no assurance that the Company will be able to obtain adequate financing, or financing on terms that are reasonable or acceptable for these or other purposes, or to fulfill the Company's obligations under the various license agreements. Failure to obtain such additional financing could result in delay or indefinite postponement of further research and development of the Company's technologies with the possible loss of license rights to these technologies.

Competition

The market for Cotinga's technology and products is highly competitive. The Company will compete with other research teams who are also examining artificial intelligence technologies to pursue a targeted and transformational approach to treating cancer and other unmet medical needs. The Company will also compete with other research teams who are developing therapeutics for the same targets or diseases. Many of its competitors have greater financial and operational resources and more experience in research and development than the Company. These and other companies may have developed or could in the future develop new technologies or products that compete with the Company's technologies or even render them obsolete.

Competition in Cotinga's markets is primarily driven by (i) timing of technological or product introductions, (ii) ability to develop, maintain and protect proprietary products and technologies, and (iii) expertise of research and development team.

Intellectual Property

Cotinga's success depends to a significant degree upon its ability to develop, maintain and protect proprietary products and technologies. Cotinga files patent applications in the United States, Canada, Europe, and selectively in other foreign countries as part of its strategy to protect its proprietary products and technologies. However, patents provide only limited protection of Cotinga's intellectual property. The assertion of patent protection involves complex legal and factual determinations and is therefore uncertain and expensive. Cotinga cannot provide assurances that patents will be granted with respect to any of its pending patent applications, that the scope of any of its patents will be sufficiently broad to offer meaningful protection, or that it will develop additional proprietary technologies that are patentable. Cotinga's current patents could be successfully challenged, invalidated or circumvented. This could result in Cotinga's patent rights failing to create an effective competitive barrier. Losing a significant patent or failing to get a patent to issue from a pending patent application that Cotinga considers significant could have a material adverse effect on Cotinga's business. The laws governing the scope of patent coverage in various countries continue to evolve. The laws of some foreign countries may not protect Cotinga's intellectual property rights to the same extent as the laws of Canada and the United States. If Cotinga is successful in obtaining one or more patents, it will only hold them in selected countries. Therefore, third parties may be able to replicate Cotinga's technologies covered by Cotinga's patents in countries in which it does not have patent protection.

Litigation to Protect the Company's Intellectual Property

The Company's future success and competitive position depends in part upon its ability to maintain its intellectual property portfolio. There can be no assurance that any patents will be issued on any existing or future patent applications. Even if such patents are issued, there can be no assurance that any patents issued or licensed to the Company will not be challenged. The Company's ability to establish and maintain a competitive position may be achieved in part by prosecuting claims against others who it believes to be infringing its rights. In addition, enforcement of the Company's patents in foreign jurisdictions will depend on the legal procedures in those jurisdictions. Even if such claims are found to be invalid, the Company's involvement in intellectual property litigation could have a material adverse effect on its ability to distribute any products that are the subject of such litigation. In addition, the Company's involvement in intellectual property litigation could result in significant expense, which could materially adversely affect the use responsibilities, whether or not such litigation is resolved in the Company's favour.

Legal Proceedings

In the course of the Company's business, the Company may from time to time have access to confidential or proprietary information of third parties, and these parties could bring a claim against the Company asserting that it has misappropriated their technologies and had improperly incorporated such technologies into the Company's products. Due to these factors, there remains a constant risk of intellectual property litigation affecting the Company's business. Additionally, Cotinga faces litigation risks arising from its use of independent contractors and research collaborations to advance research and development of its product pipeline candidates. The Company may be made a party to litigation involving

intellectual property, commercial disputes, and other matters, and such actions, if determined adversely, could have a material adverse effect on Cotinga.

Lack of Supporting Clinical Data

The clinical effectiveness and safety of any of Cotinga's current or future products is not yet fully supported by clinical data and the medical community has not yet developed a large body of peer reviewed literature that supports the safety and efficacy of the Coting's products. If future studies call into question the safety or efficacy of the Cotinga's products, the Cotinga's business, financial condition or results of operations could be adversely affected.

Research and Development Risk

Cotinga's organic growth and long-term success is primarily dependent on its ability to successfully develop its products, likely incurring significant research and development expenditures. Cotinga cannot be certain that any investment in research and development will yield technically feasible or commercially viable products. Furthermore, its ability to discover and develop products will depend on its ability to:

- retain key scientists as partners;
- identify high quality therapeutic targets;
- identify potential drug candidates;
- successfully complete preclinical testing and clinical trials on humans;
- obtain and maintain necessary intellectual property rights to the Cotinga's products;
- obtain and maintain necessary United States and other regulatory approvals for conducting clinical trials;
- obtain and maintain necessary United States and other regulatory approvals for its products; collaborate with third parties to assist in the development of its products; and
- enter into arrangements with third parties to co-develop, license, and commercialize its products.

Cotinga may not be successful in discovering and developing drug products. Failure to so introduce and advance new and current products could materially and adversely affect the Cotinga's operations and financial condition.

Pre-Clinical and Clinical Development Risks

Cotinga must demonstrate the safety and efficacy of COTI-2 and COTI 219 (collectively, the "Current Candidates") (and any other products it develops) through, among other things, extensive pre-clinical and clinical testing. The Company's research and development programs are at an early stage of development. Numerous unforeseen events during, or as a result of, the testing process could delay or prevent commercialization of any products the Company develops, including (i) the results of pre-clinical and clinical studies may be inconclusive, may demonstrate potentially unsafe drug characteristics, or may not

be indicative of results that will be obtained in human clinical trials, and (ii) the safety and efficacy results attained in the pre-clinical and clinical studies may not be indicative of results that are obtained in later clinical trials; and after reviewing pre-clinical and clinical study results, the Company or its partners or collaborators may abandon projects that were previously thought to be promising.

Pre-clinical and clinical studies are very expensive, can run into unexpected difficulties and the outcomes are uncertain. Cotinga's Phase 1 dose escalation clinical trial with COTI-2 in gynecological cancers was completed August 2017. A Phase 1 dose-escalation expansion arm was initiated in a second indication, head and neck squamous cell carcinoma ("HNSCC"), in August 2017 at MDACC, with the first patient dosed in October 2017. Subsequent to year end, Cotinga initiated a dose escalation trial of COTI-2 in combination with cisplatin in sever solid tumors. The data collected from the Cotinga's pre-clinical and clinical studies for the Current Candidates (or any other products Cotinga develops) may not be sufficient to support the regulatory approval of (further) human testing of such product(s). Pre-clinical and clinical studies of Cotinga's products may not be completed on schedule or on budget. Cotinga's failure to complete its pre-clinical and clinical studies on schedule or on budget, or its failure to adequately demonstrate the safety and efficacy of any of the products it develops, could delay or prevent regulatory approval of such products, which could adversely affect Cotinga's business, financial condition or results of operations.

Lack of Diversity

Larger companies have the ability to manage their risk through diversification. However, Cotinga currently lacks diversification, in terms of the nature of its business. As a result, Cotinga could potentially be more impacted by factors affecting the biotech development industry in general and Cotinga in particular than would be the case if the business was more diversified. Currently, Cotinga's primary focus is the development of COTI-2. Accordingly, Cotinga is dependent on its ability to develop and commercialize COTI-2, and any factor that materially adversely affects its ability to do so may have a material adverse effect on Cotinga's financial condition and results of operations.

Inability to Implement the Business Strategy

The growth and expansion of Cotinga's business is heavily dependent upon the successful implementation of Cotinga's business strategy. There can be no assurance that Cotinga will be successful in the implementation of its business strategy.

Regulatory Risk

Cotinga will require acceptances and/or approvals from the FDA and other foreign health regulatory bodies for conducting (further) human clinical studies and will require approval from the FDA and equivalent organizations in other countries before any drugs can be marketed. There is no assurance that such approvals will be forthcoming. Furthermore, the exact nature of the studies these regulatory agencies will require is not known and can be changed at any time by the regulatory agencies, increasing the financing risk and potentially increasing the time to market Cotinga faces, which could adversely affect Cotinga's business, financial condition or results of operations.

In both domestic and foreign markets, the development, formulation, manufacturing, packaging, labelling, handling, distribution, import, export, licensing, sale and storage of pharmaceuticals are affected by a body of laws, governmental regulations, administrative determinations, including those by the Canada Food Inspection Agency and the FDA, court decisions and similar constraints. Such laws, regulations and other constraints can exist at the federal, provincial or local levels in Canada and at all levels of Government in foreign jurisdictions. There can be no assurance that Cotinga and Cotinga's partners are in compliance with all of these laws, regulations and other constraints. Cotinga and its partners may be required to incur significant costs to comply with such laws and regulations in the future, and such laws and regulations may have an adverse effect on the business. The failure of Cotinga or its partners to comply with current or future regulatory requirements could lead to the imposition of significant penalties or claims and may have a material adverse effect on the business. In addition, the adoption of new laws, regulations or other constraints or changes in the interpretations of such requirements might result in significant compliance costs or lead Cotinga and its partners to discontinue product development and could have an adverse effect on the business.

Foreign Operations

Cotinga's operates in foreign countries and exposes itself and its representatives, agents and distributors to risks inherent to operating in the US and other countries which could materially adversely affect its operations and financial position. These risks include (i) country-specific policies, (ii) imposition of additional governmental controls or regulations, (iii) export license requirements, (iv) changes in tariffs and other trade restrictions.

Moreover, applicable agreements relating to business in foreign jurisdictions are governed by foreign laws and are subject to dispute resolution in the courts of, or through arbitration proceedings in, the country or region in which the parties are located or another jurisdiction agreed upon by the parties. Cotinga cannot accurately predict whether such forum will provide an effective and efficient means of resolving disputes that may arise in the future. Even if it obtains a satisfactory decision through arbitration or a court proceeding, Cotinga could have difficulty in enforcing any award or judgment on a timely basis or at all.

Issuance of Debt

From time to time, the Company may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase the Company's debt levels above industry standards. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Conflict of Interest

Certain of the directors of the Company are also directors and officers of other companies, some of which may be in the pharmaceutical sector, and conflicts of interest may arise between their duties as directors of the Company and as officers and directors of such other companies. Such conflicts must be disclosed

in accordance with, and are subject to such other procedures and remedies as apply under the applicable corporate statute.

Dilution and Future Issuances of Shares

The Company may issue additional shares in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of the Company's shares and an unlimited number of preferred shares, issuable in series, and the shareholders of the Company will have no pre-emptive rights in connection with such further issuances. The Board of Directors of the Company has the discretion to determine the provisions attaching to any series of preferred shares and the price and the terms of issue of further issuances of Company's shares.

Risk of Third Party Claims for Infringement

A third party may claim that the Company has infringed such third party's rights or may challenge the right of the Company to its intellectual property. In such event, the Company will undertake a review to determine what, if any, action should be taken with respect to such claim. Any claim, whether or not with merit, could be time consuming to evaluate, result in costly litigation, cause delays in the operations of the Company or the development of its intellectual property or require the Company to enter into licensing arrangements that may require the payment of a license fee or royalties to the owner of the intellectual property. Such royalty or licensing arrangements, if required, may not be available on terms acceptable to the Company.

Subsequent Events

i) On May 22, 2019, the Company completed, for gross proceeds of $199,970, an offering (the "Offering") of ("Units) comprised of $199,970 of senior secure debentures (the "Debentures) and 1,999,700 non-transferable common share purchase warrants exercisable at $0.10 per Warrant to arm's length lenders and lender who is a director of the Company (the "Subscribers"). The Debentures have a term of one year from the Closing Date (the "Term"), bear interest at a rate of 10% per annum payable at the end of the Term, and are secured against all of the assets of the Company pursuant to a general security agreement effective as of the Closing Date in favour of the Subscribers. Each warrant is exercisable during the Term, and thereafter expires, and is subject to a hold period of four months and a day from the Closing Date

ii) On June 4, 2019 the Company completed for gross proceeds of $100,000, a second tranche offering of units comprised of $100,000 Debentures and 1,000,000 non-transferable common share purchase warrants exercisable at $0.10 per Warrant to arm's length lenders and a lender who is a director and officer of the Company (the "Subscribers"). The Debentures have a term of one year from the Closing Date (the "Term"), bear interest at a rate of 10% per annum payable at the end of Term and are secured against all of the assets of the Company pursuant to a general security agreement effective as of the Closing Date in favour of the Subscribers.

Each Warrant is exercisable during the Term, and thereafter expires, and is subject to a hold period of four months and a day from the Closing Date

iii) On July 15, 2019, 50,217 options expired unexercised.

Additional Disclosure for Venture Issuers without Significant Revenue

Research and Development Costs

Expense	Year ended April 30, 2019 $	2018 $
Clinical trial expenses	185,199	583,854
Drug development	5,952	38,347
In vivo/in vitro testing	19,014	398,520
Other	10,373	223,148
Professional fees	(100)	7,347
Salaries and benefits	398,372	892,573
Share-based compensation	6,726	48,625
Synthesis and miscellaneous R&D expenses	154,973	574,865
Total	**780,509**	**2,767,279**

Sales and Marketing

Expense	Year ended April 30, 2019 $	2018 $
Marketing and travel	43,250	11,151
Other	nil	43,176
Professional fees	58,341	250,175
Salaries and benefits	nil	8,364
Total	**101,591**	**312,866**

General and Administration

Expense	Year ended April 30, 2019 $	2018 $
Amortization and depreciation	309,655	218,799
Corporate Governance	49,144	102,959
Marketing and travel	14,483	115,467
Other	132,137	257,560
Professional fees	249,910	479,147
Salaries and benefits	980,283	1,355,803
Share-based compensation	183,615	710,251
Total	**1,919,227**	**3,239,986**