

March 31, 2018

Re: Bien Ventures Ltd. 1Q19 Quarterly Shareholder Update

Dear shareholders:

As with previous quarters, 1Q19 saw advancements in all facets of Bien's development from continuing IP development, staffing and, more recently, opportunities to monetize our assets. The following sections outline accomplishments in the most recent quarter in each of these areas as well as provides a financial update.

1. Staffing

As we shift our focus to establishing strategic partnerships, licensing, supply and sale agreements, we have grown our team to add the appropriate skill sets that can support the next phase of development. Bien's headcount is now appropriately sized to take us to pre-production and is sufficient to act on agreements that would see our manufacturing process deployed in other facilities in North America.

In the Chief Strategy Officer role we are pleased to welcome Seann Poli. Co-founder and former CEO and Director of LiveWell Canada Inc. (LVWL.CN), Seann has an extensive business background, holding numerous senior leadership roles and successfully growing a number of mid- and small-sized companies in private capital markets. Seann is also a project funding specialist and facilitator, and his experience encompasses diverse industries and roles involving negotiations with key stakeholders, government offices, private investors, and senior level management.

We additionally added an Operations Manager who is a veteran of Pfizer's Ireland production facility and brings a wealth of knowledge with respect to pharmacology, commercial scale up, specifically in a pharmaceutical environment. This experience is invaluable in this heavily regulated market from a compliance perspective but also with respect to development of new SKUs on our product roadmap.

As validation of the technology and IP portfolio as well as to facilitate future clinical trials, we are fortunate to have added two additional members to our advisory board from the medical community. First, Dr. McLeod is an oncologist with expertise in preclinical modeling and pharmacological testing. He has specific expertise in cannabinoid use in conjunction with conventional breast cancer treatments and will be at the forefront of clinical trials for Bien's various delivery vehicles that we are working to arrange.

Rounding out Bien's medical advisory roles we are pleased to welcome Dr. Craig Pearce to our advisory board. Dr. Pearce is an anesthesiologist, clinical researcher and medical cannabis consultant. Dr. Pearce currently works as a Clinical Anesthesiologist with Alberta Health Services (AHS) and in various specialty clinics in Calgary. He has held numerous administrative positions over the past decade as both Section and Department Head in the Department of Anesthesiology & Pain Medicine with AHS, and is a noted expert on the physiology of the human Endocannabinoid system and how plants interact with that system. Spearheading multiple initiatives that tout the benefits of medical cannabis, Dr. Pearce has expressed much enthusiasm about the potential for Bien's products and will be joining Dr. McLeod in preparing our joint clinical trials.

2. Health Canada Licensing and Municipal Permitting

The previous update alluded to a scale up effort to occur in 1Q19 to capture our power needs and map out the facility's equipment BOM and product flow. This exercise was largely completed in tandem with the architectural work required as part of the municipal permitting process.

We failed to anticipate how painful development permitting in Calgary would be. However, after months of exchanges with architects and consultants we finally have consensus that if you are on fire, you need a precisely 25m escape path (25.5m just won't suffice) and only a luxuriously wide straight staircase will do without any spirals or bends. After much coordinated effort, all permitting documents were submitted in January, went through the public disclosure period and have since been granted approval pending the completion of our retrofit.

With respect to Health Canada, the best indicator of progress comes from surveying peers who submitted their application around the same time. Under the new CTLS system there are essentially no progress updates or feedback in contrast to the original seven stage ACMPR system which had distinct interim milestones that would provide applicants with some form of acknowledgement of advancement.

We have received the request for confirmation of personnel this quarter which is usually accompanied by requests for more facility specific questions. The requests that were sent to the other applicants with whom we exchange updates with were for information that was already part of our submission package. So we take the simple request received to date and recent personnel security clearance as a positive indicator that we are advancing in the queue.

3. IP Portfolio

The formulation used for the μ Mix powder was novel as it included additives to enhance solubility and oxidative stability. We completed filing of Canadian and US patents this quarter for that formulation and the corresponding unique processing method.

For a company with R&D in its DNA, product development is never complete. It is tradition in the cannabis industry to sell hype through photoshop prowess and assume product development is easy and will sort itself in the latter stages of licensing. Bien's strategy runs counter to this by focusing on identifying and solving manufacturing issues as a first priority. This not only reduces execution risk ahead of legalization but allows for a wider range of opportunities to monetize our portfolio including licensing opportunities, specifically opportunities in US jurisdictions.

In February we leased time in a commercial plant to (a) test our powder formulation on intermediate scale equipment, (b) verify our throughput forecasts captured in the pro forma projections and (c) ensure preservation of final product quality when produced in volume. The trials were surprisingly orderly and served to instill confidence that our formulation and provisions taken to improve solubility were compatible with the harsher environmental conditions inherent in commercial production.

Two weeks ago, we received a leased commercial dryer in house that is precisely the unit we will use in our facility's production bays. This unit has 2x the throughput of the previously leased unit and we expect to have trials completed in house by the end of May. When these trials are complete, there can be very few surprises beyond packaging and construction that could present challenges when we go to live

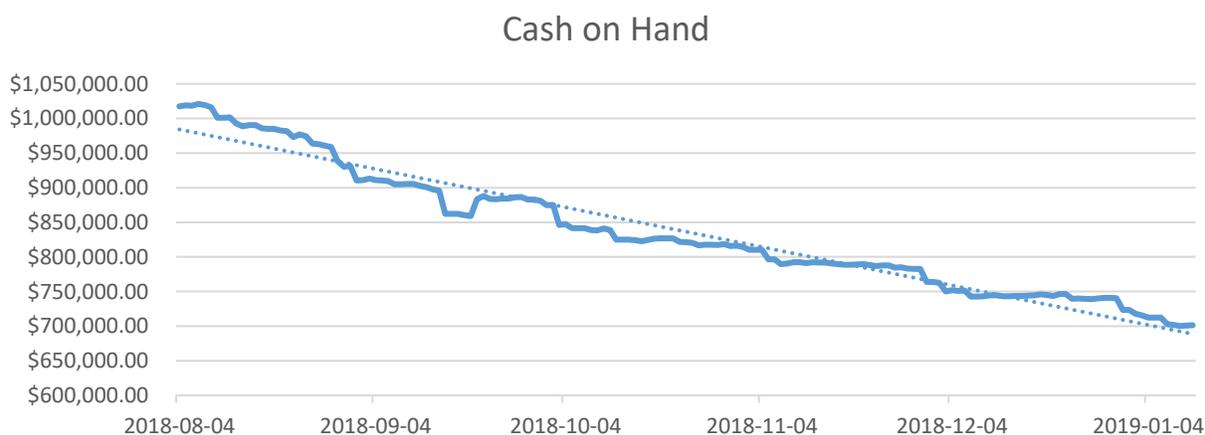
production. More importantly, this work has allowed us to confidently advance opportunities to work with US groups on a remote deployment under a partnership arrangement because we know exactly what resources we need and how to operate the large-scale plant.

While the above addresses volume powder production, our emulsions are also undergoing scale up testing in a similar fashion. The requisite equipment is in our facility today and we expect to have any volume throughput issues identified and addressed also by the end of May. This exercise was particularly necessary given the interest we have received by groups in the US to license and deploy production infrastructure of the nanoemulsion formulations specifically, which we would not have been able to offer if we didn't go through the scale-up exercise first ourselves.

As we explore these licensing and partnership opportunities, we are acutely aware of the issues that IRS tax code 280E presents and we recognize the need to stay focused. However, we do view the US as an attractive risk mitigation should edibles legalization be delayed in Canada and also, in many analyses, the preferred path to revenue. We are finding these discussions more fruitful when approached from a position of strength as a manufacturer and vendor of technology vs. the weak position as an unknown brand of sorts without IP where Bien found itself in the first half of last year.

4. Financial Position

The plot below shows the company spend rate since August 2018 when the board elected to pivot from a branding effort in California to Canadian based manufacturing. The fluctuations in daily cash on hand are the fluctuations in USDCAD as approximately 25% of our working capital is held in USD. In June 2018 a revised pro forma analysis was prepared before our facility was secured and our R&D commenced which projected a monthly spend rate of \$68,000. The slope of the plot below shows a linear actual spend rate of \$63,500 over that forecast cycle, noting that this does not include GST credits or refundable tax credits due to Bien originating from the companies SR&ED claim that we were pre-approved for by the CRA last year.



At our current staffing levels, our forward projected all-in monthly spend rate is \$70,700. This allows scale-up completion, continuation of IP refinement and new developments and exploration of IP monetization options at the current pace.

Our analysis of Canadian retail opportunities from last year made conservative estimates with respect to pricing, the realistic timing of legalized edibles in Canada and facility licensing among many other inputs. We had determined that in a worst-case scenario, which did not include possible paths to earlier revenue via the US, we would need to raise \$3.5M CAD to allow sustainable profitability through Canadian production and distribution. Facility infrastructure construction work comprises the bulk of the \$3.5M capital requirement followed by equipment. Neither of these items will see any expenditures made until the most compelling options for both funding and/or US deployment are examined to ensure the capital is not spread so thin that we can't execute on any one option.

This is consistent with our scheduling forecast which sees us needing to begin construction no later than June in order to have accumulated inventory for sale by end October, which is Health Canada's publicly communicated target date for edibles legalization. Note that management's predicted legalized edibles date is not for October 2019 and instead assumes this date will slip as Health Canada's early target dates for today's legalized products had slipped. Provincial input on the distribution of this new class of products is also anticipated to contribute to a delay.

5. Funding and avenues to revenue

With the above projections, in January we began a parallel evaluation of:

1. soliciting strategic investment;
2. licensing, royalty bearing and other remote manufacturing opportunities;
3. partnership opportunities; and
4. broker appetite for a private equity offering.

Investment from a strategic partner is not necessarily the intuitive fit it may seem at first glance. Most groups that we have met with do not have sufficient capital to support their own operation, be it retail, cultivation or otherwise. Those that did time an IPO or RTO well and do have cash on hand often have ambitions for a vertically integrated empire that sees them spending substantial capital in the short term. The remaining few who have cash on hand not already earmarked ask what such a passive investment provides if not IP ownership in some form.

By far the most excitement has come from partnership opportunities in the US whereby Bien provides the manufacturing methods and formulations and the partner group provides the facility, marketing and distribution. This month we hosted one such US based group after months of dialogue and joint exploratory work. This resulted in a remote validation of our products that we are pleased to report bested the top two products in this category offered in the US, compelling the group to explore Bien only products at the expense of other product lines planned. In parallel, we have been approached by two LPs interested in gaining access to Bien's IP which we are advancing discussions with in parallel.

Meetings with brokers yielded positive feedback on the technology and its differentiating aspects. However, not surprisingly even a \$5M raise is small by most firm's standards. In general, the unbridled euphoria for the cannabis sector appears to have faded for many private Canadian operations, particularly early in the year when broad equity indices briefly dipped into a bear market coupled with less than stellar performance from existing LPs first quarter of legal recreational sales. Having said that, we have since identified three firms interested in assisting with the raise.

Before a raise is formally launched with these, or possibly other firms, we need to first explore the above opportunities in parallel so as to understand how committing to these opportunities changes our capital allocation needs and priorities. Each of these opportunities has either emerged or gained momentum in just the last two weeks, hence it is very early and more developments can be expected in the coming quarter.

Sincerely,

A handwritten signature in black ink, appearing to read "Curtis Leifso". The signature is fluid and cursive, with the first name "Curtis" being more prominent and the last name "Leifso" following in a similar style.

Curtis Leifso
CEO, Bien Ventures Ltd.