GLG LIFE TECH CORPORATION

MANAGEMENT DISCUSSION & ANALYSIS

For the Three Months Ended March 31, 2018

Dated: May 14, 2018

Management’s Discussion and Analysis

This Management’s Discussion and Analysis (“MD&A”) of GLG Life Tech Corporation is dated May 14, 2018. It provides a review of the financial results for the three months ended March 31, 2018, compared to the same period in the prior year.

This MD&A relates to the consolidated financial condition and results of operations of GLG Life Tech Corporation (“we,” “us,” “our,” “GLG” or the “Company”) together with GLG’s subsidiaries in the People’s Republic of China (“China”) and other jurisdictions. As used herein, the word “Company” means, as the context requires, GLG and its subsidiaries. The common shares of GLG are listed on the Toronto Stock Exchange (the “Exchange”) under the symbol “GLG”. Except where otherwise indicated, all financial information reflected herein is expressed in Canadian dollars and determined on the basis of International Financial Reporting Standards (“IFRS”). This MD&A should be read in conjunction with the condensed interim consolidated financial statements and notes thereto for the three months ended March 31, 2018, as well as the annual consolidated financial statements and notes thereto and the MD&A of GLG for the year ended December 31, 2017. Additional information relating to GLG Life Tech Corporation including GLG’s Annual Information Form can be found on GLG’s web site at www.glglifetech.com or on the SEDAR web site for Canadian regulatory filings at www.sedar.com.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities and disclosure of contingent assets or liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following: determining the accrued liabilities; assessing the fair value of property, plants and equipment, biological assets, intangible assets and goodwill; the valuation of future tax assets; revenue recognition; estimate of inventory net realizable value; going concern assumption; expected useful lives of assets subject to amortization and the assumptions used in determining the fair value of stock-based compensation. While management believes the estimates used are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

GLG has issued reports on certain non-IFRS measures that are used by management to evaluate the Company’s performance. Because non-IFRS measures do not have a standardized meaning, securities regulations require that non-IFRS measures be clearly defined and qualified and reconciled with their nearest IFRS measure. Where non-IFRS measures are reported, GLG has provided the definition and reconciliation to their nearest IFRS measure in section “NON-IFRS Financial Measures”.

Forward-Looking Statements

Certain statements in this MD&A constitute “forward-looking statements” and “forward looking information” (collectively, “forward-looking statements”) within the meaning of applicable securities laws. Such forward-looking statements include, without limitation, statements evaluating the market, statements regarding potential demand for stevia, Monk fruit, and other products and discussions regarding general economic conditions and future-oriented costs and expenditures. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes” or variations of such words and phrases or words and phrases that state or indicate that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

While the Company has based these forward-looking statements on its current expectations about future events, the statements are not guarantees of the Company’s future performance and are subject to risks, uncertainties, assumptions and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Such factors include amongst others the effects of general economic conditions, consumer demand for our products and new orders from our customers and distributors, changing foreign exchange rates and actions by government authorities, uncertainties associated with legal proceedings and negotiations, industry supply levels, competitive pricing pressures and misjudgments in the course of preparing forward-looking statements. Specific reference is made to the risks described herein under the heading "Risks Related to the Company's Business" and "Risks Associated with Doing Business in the People's Republic of China" for a discussion of these and other sources of factors underlying forward-looking statements and to those additional risks set forth under the heading "Risk Factors" in the Company's Annual Information Form for the financial year ended December 31, 2017. In light of these factors, the forward-looking events discussed in this MD&A might not occur.

Further, although the Company has attempted to identify factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

As there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements, readers should not place undue reliance on forward-looking statements.

Financial outlook information contained in this MD&A about prospective results of operations, capital expenditures or financial positions is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information as of the date hereof. Such financial outlook information should not be used for purposes other than those for which it is disclosed herein.

Overview

We are a leading producer of high-quality stevia extract and high-quality monk fruit extract. While stevia has long been the foundation of our company, over the last three years we have been producing and selling monk fruit extracts to the international market. Stevia extracts, such as Rebaudioside A (or Reb A), and monk fruit extracts are used as all-natural, zero-calorie sweeteners in food and beverages. Our revenue presently derives primarily from the sale of high-grade stevia extract to the food and beverage industry; the expansion into monk fruit extracts represents an additional significant source of actual and potential revenues. Furthermore, we have expanded our product offerings and market opportunities through the supply of ingredients complementary to the natural high-intensity sweetener market under our Naturals+ product line.

We conduct our stevia and monk fruit development, refining, processing and manufacturing operations through two wholly-owned subsidiaries in China. Our stevia operations in China include four processing factories, stevia growing areas across 10 growing regions, and four research and development centers engaged in the development of high-yielding stevia seeds and seedlings. Our processing facilities have a combined annual throughput of 41,000 metric tons of stevia leaf, over 1,500 metric tons of high-purity stevia extract, and 130 metric tons of high-purity monk fruit extract.

Corporate and Sales Developments

GLG Announces Update on Phase Two Debt Restructure Progress

On February 27, 2018, the Company announced a further update on the second phase of its debt restructure initiative. GLG reported that it had received an official letter from China Cinda Assets Management Corporation Anhui Branch ("Cinda Anhui") confirming their intention to move forward in 2018 as a new shareholder in GLG's new joint stock company – Anhui Runhai Biotechnology Joint Stock Company, Ltd. ("Runhai") and to resolve Runhai's bank debt obligations. Cinda Anhui has taken the lead in consolidating GLG's Chinese debt amongst the other Chinese banks and has been engaging in negotiations with the Company to convert all the outstanding bank debt into equity into Runhai.

The letter highlighted Cinda Anhui's involvement in the debt restructuring process, including its work with the other Chinese banks that have held debt in Runhai. Significantly, this letter also formally communicates Cinda Anhui's intent to move forward in 2018 to resolve the Company's Chinese debt positions.

This update follows up on the Company's November 2017 update, in which the Company announced that the negotiations are proceeding well for a draft agreement with all lenders. These efforts remain on track. As previously noted, the Company plans to provide all necessary public disclosure once the final plan is agreed by all parties including GLG's Board of Directors.

Dr. Luke Zhang, CEO and Chairman of GLG, commented: "We continue to make significant progress on our Phase II Debt Restructuring. This letter from Cinda Anhui confirms that our bank debt restructuring plans remain on track for completion in 2018. We will continue to work hard on behalf of the GLG shareholders to finalize the restructuring plan with Cinda Anhui, and in doing so, bring a strong financial partner to Runhai that will further strengthen our position in the market and fundamentally restructure our balance sheet by converting our bank loans into equity in Runhai."

GLG and ADM Announce New High Reb M Product Line

On February 7, 2017, the Company, in collaboration with Archer Daniels Midland Company, announced the newest addition to its portfolio of great-tasting stevia extracts, the new high Reb M product line. Made from GLG's proprietary high Reb M Dream Sweetener™ Stevia Leaf, this next generation stevia product line facilitates sugar replacement with better-tasting, low-calorie natural sweetening systems and solutions that provide a sugar-like sensory experience.

“With more than sixteen years of experience in developing zero-calorie natural sweeteners, we always have consumer preference foremost in mind, and our new high Reb M product line squarely addresses the calorie- and sugar-reduction goals of today’s food and beverage industry,” said Dr. Luke Zhang, CEO and Chairman of GLG. “These products provide a clean and full-bodied sweetness experience that is remarkably close to sugar, allowing for deeper calorie reduction through reduced sugar formulations. And with its sucrose-like sweetness, these high Reb M products enable formulators to reduce sugar more than ever before and provide the end consumer with better-tasting healthier choices.”

GLG’s high Reb M products are developed from a physical extraction process from GLG’s proprietary Dream Sweetener stevia leaves, which have exceptionally high quantities of those steviol glycosides (Reb M) that have a particularly sugar-like taste. High purity Reb M is two hundred to three hundred times sweeter than sucrose, giving it more upfront sweetness with reduced lingering and bitterness when compared to traditional stevia sweeteners. Other competing products in the market use chemical treatments or are produced using fermentation processes that employ non-natural, bio-engineered fermentation organisms and enzymes.

Furthermore, given that our high Reb M extracts are produced only from the leaf, our extracts can be used as sweeteners in jurisdictions such as Europe that otherwise do not permit such use of stevia extracts when produced using bioconversion or fermentation methods. Brian Meadows, President and CFO of GLG, commented: “Having this wide-ranging acceptance across key regulatory jurisdictions provides a significant advantage, not only for Europe-centric brands, but also for those global brands looking to distribute their products in all major global markets.”

Whether used by itself or combined in a sweetener or flavor system, this high Reb M product line works well across all food and beverage applications without bitterness, astringent notes, or overly lingering sweetness previously associated with other stevia ingredients. It blends well with other natural sweeteners, such as monk fruit and sugar alcohols, to create balanced sweetness.

And these products can be used as both single sweeteners in sparkling beverages or employed in blends with other natural sweeteners, such as erythritol, allulose, and agave syrup. Due to their enhanced mouthfeel properties they are a perfect choice for low and no-calorie beverage applications. Because there are no enzyme enrichment or fermentation techniques employed in the production of GLG’s Reb M product line, they are also clean label ingredients, an added benefit to formulators looking to meet the growing consumer demand for clean and clear labels and purposeful ingredients.

“GLG’s high Reb M product line provides many different options for our customers who are seeking improved taste, greater calorie and added sugar reduction, and clean label solutions for their latest food and beverage innovations,” said Rod Schanefelt, director, ADM, GLG’s global sales and marketing partner. “Because GLG Dream Sweetener leaf is the direct source for these products, we can also offer customers an organic line of leaf-sourced high Reb M products through GLG, which gives formulators even more options. We are excited about the possibilities this new line of sweeteners opens for our customers.”

Results from Operations

The following results from operations have been derived from and should be read in conjunction with the Company's annual consolidated financial statements for 2017 and the condensed interim consolidated financial statements for the three-month period ended March 31, 2018.

In thousands Canadian $, except per share amounts	3 Months Ended March 31		% Change
	2018	2017	
Revenue	$4,267	$6,251	(32%)
Cost of Sales	($3,946)	($5,643)	(30%)
% of Revenue	(92%)	(90%)	(2%)
Gross Profit (Loss)	$322	$608	(47%)
% of Revenue	8%	10%	(2%)
Expenses	($2,339)	($2,329)	0%
% of Revenue	(55%)	(37%)	(18%)
(Loss) from Operations	($2,017)	($1,722)	17%
% of Revenue	(47%)	(28%)	(20%)
Other Expenses	($4,082)	($2,733)	49%
% of Revenue	(96%)	(44%)	(52%)
Net (Loss) before Income Taxes	($6,099)	($4,455)	37%
% of Revenue	(143%)	(71%)	(72%)
Net (Loss)	($6,099)	($4,455)	37%
% of Revenue	(143%)	(71%)	(72%)
Net (Loss) Attributable to Non-Controlling Interest (NCI)	($450)	N/A	N/A
Net (Loss) Attributable to GLG	($5,649)	($4,455)	27%
% of Revenue	(132%)	(71%)	(61%)
Loss per share (LPS, Basic & Diluted)	($0.15)	($0.12)	24%
Other Comprehensive Income (Loss)	($2,231)	($167)	N/A
% of Revenue	(52%)	(3%)	(50%)
Comprehensive Income (Loss)	($8,330)	($4,622)	80%
Comprehensive Income (Loss) Attributable to NCI	($533)	N/A	N/A
Comprehensive Income (Loss) Attributable to GLG	($7,797)	($4,622)	69%
% of Revenue	(183%)	(74%)	(109%)

Revenue

Revenue for the three months ended March 31, 2018, was $4.3 million compared to $6.3 million in revenue for the same period last year. Sales decreased by 32% or $1.9 million for the period ending March 31, 2018, compared to the prior period. Stevia sales decreased by 26%, which was driven by three factors: (1) unfavorable movements in the foreign exchange rate of the USD to the Canadian dollar, which accounts for 4 percentage points of the 26% decrease, (2) average product price decreases, which account for 12 percentage points of the 26% decrease and (3) lower volumes delivered, which accounts for 10 percentage points of the 26% decrease. A decline in monk fruit sales accounted for the remainder of the sales decrease, with monk fruit sales lower by 88% for the period March 31, 2018, compared to the prior period. Overall, international sales represented 93% of total sales, which is 1 percentage point lower than first quarter 2017 (94% of sales).

Cost of Sales

For the quarter ended March 31, 2018, the cost of sales was $3.9 million compared to $5.6 million in cost of sales for the same period last year ($1.7 million or 30% increase). Cost of sales as a percentage of revenues was 92% for the first quarter 2018, compared to 90% for the comparable period, a decrease of 2 percentage points.

The decrease in cost of sales as a percentage of revenue for the three months ended March 31, 2018, compared to the prior comparable period, was attributable primarily to unfavorable movements in the foreign exchange rates of the USD to the Canadian dollar and of the Chinese RMB to the Canadian dollar (see also Gross Profit (Loss) section below). Capacity charges were $0.5 million in the first quarter of 2018 compared to $0.4 million in the prior period. The higher capacity charges for the quarter were driven by lower volume production for the period ended March 31, 2018, compared to the prior period.

Capacity charges charged to the cost of sales ordinarily would flow to inventory and are a significant component of the cost of sales. Only two of GLG's manufacturing facilities were operating during the first quarter of 2018, and capacity charges of $0.5 million were charged to cost of sales (representing 13% of cost of sales) compared to $0.4 million charged to cost of sales in the same period of 2017 (representing 8% of cost of sales).

The key factors that impact stevia and monk fruit cost of sales and gross profit percentages in each period include:

1. Capacity utilization of stevia and monk fruit manufacturing plants.
2. The price paid for stevia leaf and monk fruit, and their respective quality which is impacted by crop quality for a particular year/period, and the price per kilogram for which the stevia and monk fruit extracts are sold. These are the most important factors that will impact the gross profit of GLG's stevia and monk fruit business.
3. Other factors which also impact stevia and monk fruit cost of sales to a lesser degree include:
    - water and power consumption;
    - manufacturing overhead used in the production of stevia and monk fruit extract, including supplies, power and water;
    - net VAT paid on export sales;
    - exchange rate changes; and
    - depreciation and capacity utilization of the extract processing plants.

GLG's stevia and monk fruit businesses are affected by seasonality. The harvest of the stevia leaves typically occurs starting at the end of July and continues through the fall of each year. The monk fruit harvest takes place typically from October to December each year. GLG's operations in China are also impacted by Chinese New Year celebrations, which occur approximately late-January to mid-February each year, and during which many businesses close down operations for approximately two weeks. GLG's production year runs October 1 through September 30 each year.

Gross Profit (Loss)

Gross profit for the three months ended March 31, 2018, was $0.3 million, compared to $0.6 million for the comparable period in 2017. The gross profit margin was 8% in the first quarter 2018 compared to 10% for the same period in 2017, a 2 percentage point decrease.

This decrease in gross profit for the first quarter of 2018, relative to the comparable period in 2017, was attributable primarily to unfavorable movements in the foreign exchange rates of the USD to the Canadian dollar and of the Chinese RMB to the Canadian dollar, which effectively lowered revenues and increased costs in CAD terms; higher capacity charges for the current period compared to the previous period also contributed to the decrease in gross profit. Excluding the impact of foreign exchange, currency neutral gross profit margin in the first quarter of 2018 increased 4 percentage points to 14%, relative to the comparable period in 2017.

Selling, General, and Administration Expenses

Selling, General and Administration ("SG&A") expenses include sales, marketing, general and administration costs ("G&A"), stock-based compensation, and depreciation and amortization expenses on G&A fixed assets. A breakdown of SG&A expenses into these components is presented below:

In thousands Canadian $	3 Months Ended	March 31	% Change
	2018	2017	
G&A Exp	$1,780	$1,751	2%
Stock Based Compensation Exp	$152	$167	(9%)
Amortization Exp	$407	$411	(1%)
Total	$2,339	$2,329	0%

G&A expenses for the three months ended March 31, 2018, were flat at $1.8 million compared to $1.8 million in the same period in 2017.

Stock-based compensation was $0.2 million for the three months ended March 31, 2018, compared with $0.2 million in the same quarter of 2017. The number of common shares available for issue under the stock compensation plan is 10% of the issued and outstanding common shares. During the quarter, compensation from vesting stock-based compensation awards was recognized, due to previously granted options and restricted shares.

G&A-related depreciation and amortization expenses for the three months ended March 31, 2018, were $0.4 million compared with $0.4 million for the same quarter of 2017.

Other Expenses

In thousands Canadian $	3 Months Ended	March 31	% Change
	2018	2017	
Other (Expenses)	($4,082)	($2,733)	49%
% of Revenue	(96%)	(44%)	(52%)

Other expenses for the three months ended March 31, 2018, was $4.1 million, a $1.3 million increase compared to $2.7 million for the same period in 2017. The increase in other expenses for the first quarter of 2018 of $1.3 million is attributable to increases in (1) foreign exchange losses of $1.6 million, which were offset by (2) decreased interest expenses of $0.2 million and (3) increases in other income of $0.1 million.

Foreign Exchange Gains (Losses)

Exchange rates Rate (as compared to the Canadian $)	2018 31-Mar	2017 31-Dec	2017 30-Sep	2017 30-Jun	2017 31-Mar	2016 31-Dec	2016 30-Sep	2016 30-Jun
U.S. Dollars	0.7756	0.7971	0.8013	0.7706	0.7506	0.7448	0.7624	0.7687
Chinese RMB	4.8780	5.1867	5.3305	5.2247	5.1706	5.1813	5.0839	5.1099

Exchange rates Rate (as compared to the US $)	2018 31-Mar	2017 31-Dec	2017 30-Sep	2017 30-Jun	2017 31-Mar	2016 31-Dec	2016 30-Sep	2016 30-Jun
Chinese RMB	6.2802	6.5064	6.6545	6.7769	6.8905	6.9437	6.6687	6.6443

GLG reports in Canadian dollars but earns revenues in US dollars and Chinese renminbi ("RMB") and incurs most of its expenses in RMB. Impacts of the appreciation or depreciation of the RMB against the Canadian dollar are shown separately in Accumulated Other Comprehensive Income ("AOCI") on the Balance Sheet. As at March 31, 2018, the exchange rate for RMB per Canadian dollar was 4.8780 compared to the exchange rate of 5.1867 as at December 31, 2017, reflecting an appreciation of the RMB against the Canadian dollar. As at March 31, 2018, the exchange rate for USD per Canadian dollar was 0.7756 compared to the exchange rate of 0.7971 as at December 31, 2017, reflecting an appreciation of the USD against the Canadian dollar. The balance of the AOCI was $7.0 million on March 31, 2018, compared to a balance of $9.2 million as at December 31, 2017.

The foreign exchange gain or loss is made up of realized and unrealized gains or losses due to the depreciation or appreciation of the foreign currency against the Canadian dollar. Foreign exchange loss was $1.7 million for the first quarter of 2018 compared to the foreign exchange loss of $0.0 million for the comparable period in 2017. The table above shows the change in the Canadian dollar relative to the US dollar from June 30, 2016, to March 31, 2018, and the exchange rate movement for the Canadian dollar relative to the US dollar and RMB as shown above.

Net Loss Attributable to the Company

In thousands Canadian $	3 Months Ended	March 31	% Change
	2018	2017	
Net Loss	($6,099)	($4,455)	37%
Net Loss Attributable to NCI	($450)	N/A	N/A
% of Revenue	(11%)	N/A	N/A
Net Loss Attributable to GLG	($5,649)	($4,455)	27%
% of Revenue	(132%)	(71%)	(61%)

For the three months ended March 31, 2018, the Company had a net loss attributable to the Company of $5.6 million, an increase of $1.2 million or 27% over the comparable period in 2017 ($4.5 million). The increased net loss was driven by (1) an increase in other expenses of $1.3 million and (2) a decrease in gross profit of $0.3 million, which were offset by losses attributable to non-controlling interests of $0.4 million.

Comprehensive Loss

In thousands Canadian $	3 Months Ended March 31		% Change
	2018	2017	
Other Comprehensive Income (Loss)	($2,231)	($167)	1235%
Total Comprehensive Income (Loss)	($8,330)	($4,622)	80%
Comprehensive Income (Loss) Attributable to NCI	($533)	N/A	N/A
Comprehensive Income (Loss) Attributable to GLG	($7,797)	($4,622)	69%
% of Revenue	(183%)	(74%)	(109%)

The Company recorded total comprehensive loss of $7.8 million for the three months ended March 31, 2018, comprising $5.6 million of net loss attributable to the Company and $2.2 million of other comprehensive loss. The Company recorded total comprehensive loss of $4.6 million for the three months ended March 31, 2017, comprising $4.4 million of net loss attributable to the Company and $0.2 million of other comprehensive loss.

Summary of Quarterly Results

The selected consolidated information below has been gathered from GLG's quarterly condensed interim consolidated financial statements for the previous eight quarterly periods:

Quarterly Net Loss

In thousands Canadian $, except per share amounts	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
Revenue	$4,267	$3,038	$3,713	$6,387	$6,251	$4,928	$4,155	$4,329
Gross Profit $	$322	$22	($300)	$575	$608	($365)	($127)	$3
Gross Profit %	8%	1%	(8%)	9%	10%	(7%)	(3%)	0%
Net Income (Loss) Attributable to GLG	($5,649)	($4,701)	($3,810)	($3,867)	($4,455)	($10,148)	($5,291)	($4,021)
Basic Income (Loss) Per Share	($0.15)	($0.12)	($0.10)	($0.10)	($0.12)	($0.27)	($0.14)	($0.11)

For the three months ended March 31, 2018, the Company had a net loss attributable to the Company of $5.6 million, an increase of $1.2 million or 61% over the comparable period in 2017 ($4.5 million). The increased net loss was driven by (1) an increase in other expenses of $1.3 million and (2) a decrease in gross profit of $0.3 million, which were offset by losses attributable to non-controlling interests of $0.4 million.

For the three months ended December 31, 2017, the Company had a net loss attributable to the Company of $4.7 million, a decrease of $5.4 million or a 54% improvement over the comparable period in 2016 ($10.1 million loss). The decrease in net loss was driven by (1) an increase in gross profit of $0.4 million, (2) a decrease in SG&A expenses of $1.9 million, (3) a decrease in other expenses of $2.8 million and (4) an increase in loss of $0.3 million attributable to non-controlling interests.

For the three months ended September 30, 2017, the Company had a net loss of $3.8 million, a decrease of $1.5 million or a 28% improvement over the comparable period in 2016 ($5.3 million loss). The $1.5 million decrease in net loss was driven by (1) a decrease in other income (expenses) ($1.2 million), (2) a decrease in SG&A expenses ($0.2 million) and (3) an increase in the net loss attributable to the non-controlling interest ($0.3 million), which were offset by a decrease in gross profit ($0.2 million).

For the three months ended June 30, 2017, the Company had a net loss of $3.9 million, a decrease of $0.1 million or an 4% improvement over the comparable period in 2016 ($4.0 million loss). The $0.1 million decrease in net loss was driven by (1) an increase in gross profit ($0.6 million), (2) a decrease in SG&A expenses ($0.5 million) and (3) $0.1 million of net loss attributable to the non-controlling interest, which were offset by (4) an increase in other expenses ($1.0 million).

For the three months ended March 31, 2017, the Company had a net loss of $4.4 million, an increase of $0.1 million or 3% over the comparable period in 2016 ($4.3 million). The $0.1 million increase in net loss was due to (1) an increase in other expenses ($1.4 million), mainly attributable to a $0.9 million increase in foreign exchange loss and a $0.5 million decrease in bad debt recovery, which was offset by (2) an increase in gross profit ($0.5 million) and (3) a decrease in G&A expenses ($0.8 million).

For the three months ended December 31, 2016, the Company had a net loss attributable to the Company of $10.1 million, a decrease of $1.4 million or a 12% improvement over the comparable period in 2015 ($11.6 million loss). The decrease in net loss was driven by (1) a decrease in other expenses of $1.3 million and (2) a decrease in SG&A expenses of $0.7 million, which were offset by (3) a decrease in gross profit $0.6 million.

For the three months ended September 30, 2016, the Company had a net loss of $5.3 million, a decrease of $0.6 million or 10% over the comparable period in 2015 ($5.9 million loss). The $0.6 million decrease in net loss was driven by (1) a decrease in other expenses ($0.8 million), which was offset by (2) a decrease in gross profit ($0.2 million) and (3) an increase in G&A expenses ($0.1 million).

For the three months ended June 30, 2016, the Company had a net loss of $4.0 million, an increase of $0.5 million or 14% over the comparable period in 2015 ($3.5 million loss). The increase in net loss was driven by (1) a decrease in gross profit ($0.9 million) and (2) an increase in G&A expenses ($0.2 million), which were offset by a decrease in other expenses ($0.6 million).

Quarterly Basic and Diluted Loss per Share

The basic loss and diluted loss per share from operations was $0.15 for the three months ended March 31, 2018, compared with a basic and diluted net loss of $0.12 for the comparable period in 2017. For the three months ended March 31, 2018, the Company had a net loss attributable to the Company of $5.6 million, an increase of $1.2 million or 61% over the comparable period in 2017 ($4.5 million). The increased net loss was driven by (1) an increase in other expenses of $1.3 million and (2) a decrease in gross profit of $0.3 million, which were offset by losses attributable to non-controlling interests of $0.4 million.

The basic loss and diluted loss per share from operations was $0.12 for the three months ended December 31, 2017, compared with a basic and diluted net loss of $0.27 for the same period in 2016. For the three months ended December 31, 2017, the Company had a net loss attributable to the Company of $4.7 million, a decrease of $5.4 million or a 54% improvement over the comparable period in 2016 ($10.1 million loss). The decrease in net loss was driven by (1) an increase in gross profit of $0.4 million, (2) a decrease in SG&A expenses of $1.9 million, (3) a decrease in other expenses of $2.8 million and (4) an increase in loss of $0.3 million attributable to non-controlling interests.

The basic loss and diluted loss per share from operations was $0.10 for the three months ended September 30, 2017, compared with a basic and diluted net loss of $0.14 for the same period in 2016. For the three months ended September 30, 2017, the Company had a net loss of $3.8 million, a decrease of $1.5 million or a 28% improvement over the comparable period in 2016 ($5.3 million loss). The $1.5 million decrease in net loss was driven by (1) a decrease in other income (expenses) ($1.2 million), (2) a decrease in SG&A expenses ($0.2 million) and (3) an increase in the net loss attributable to the non-controlling interest ($0.3 million), which were offset by a decrease in gross profit ($0.2 million).

The basic loss and diluted loss per share from operations was $0.10 for the three months ended June 30, 2017, compared with a basic and diluted net loss of $0.11 for the same period in 2016. For the three months ended

June 30, 2017, the Company had a net loss of $3.9 million, a decrease of $0.1 million or an 4% improvement over the comparable period in 2016 ($4.0 million loss). The $0.1 million decrease in net loss was driven by (1) an increase in gross profit ($0.6 million), (2) a decrease in SG&A expenses ($0.5 million) and (3) $0.1 million of net loss attributable to the non-controlling interest, which were offset by (4) an increase in other expenses ($1.0 million).

The basic loss and diluted loss per share from operations was $0.12 for the three months ended March 31, 2017, compared with a basic and diluted net loss of $0.11 for the comparable period in 2016. For the three months ended March 31, 2017, the Company had a net loss of $4.4 million, an increase of $0.1 million or a 3% increase over the comparable period in 2016 ($4.3 million). The $0.1 million increase in net loss was due to (1) an increase in other expenses ($1.4 million), mainly attributable to a $0.9 million increase in foreign exchange loss and a $0.5 million decrease in bad debt recovery, which was offset by (2) an increase in gross profit ($0.5 million) and (3) a decrease in G&A expenses ($0.8 million).

The basic loss and diluted loss per share from operations was $0.27 for the three months ended December 31, 2016, compared with a basic and diluted net loss from both continuing and discontinued operations of $0.31 for the same period in 2015. For the three months ended December 31, 2016, the Company had a net loss attributable to the Company of $10.1 million, a decrease of $1.4 million or a 12% improvement over the comparable period in 2015 ($11.6 million loss). The decrease in net loss was driven by (1) a decrease in other expenses of $1.3 million and (2) a decrease in SG&A expenses of $0.7 million, which were offset by (3) a decrease in gross profit $0.6 million.

The basic loss and diluted loss per share from operations was $0.14 for the three months ended September 30, 2016, compared with a basic and diluted net loss of $0.15 for the same period in 2015. For the three months ended September 30, 2016, the Company had a net loss of $5.3 million, a decrease of $0.5 million or 10% over the comparable period in 2015 ($5.8 million loss). The $0.5 million decrease in net loss was driven by (1) a decrease in other expenses ($0.8 million), which was offset by (2) a decrease in gross profit ($0.2 million) and (3) an increase in G&A expenses ($0.1 million).

The basic loss and diluted loss per share from operations was $0.11 for the three months ended June 30, 2016, compared with a basic and diluted net loss of $0.09 for the same period in 2015. For the three months ended June 30, 2016, the Company had a net loss of $4.0 million, an increase of $0.5 million or 14% over the comparable period in 2015 ($3.5 million loss). The increase in net loss was driven by (1) a decrease in gross profit ($0.9 million) and (2) an increase in G&A expenses ($0.2 million), which were offset by a decrease in other expenses ($0.6 million).

NON-GAAP Financial Measures

Gross Profit Before Capacity Charges

This non-GAAP financial measure shows the gross profit (loss) before the impact of idle capacity charges are reflected on the gross profit margin. GLG had only 50% of its production facilities in operation in the first quarter of 2018 and idle capacity charges have a material impact on the gross profit (loss) line in the financial statements.

Gross profit before capacity charges for the three months ended March 31, 2018, was $0.8 million or 20% of first quarter revenues, compared to $1.0 million or 17% of first quarter revenues in 2017. Gross profit before capacity charges increased from the comparable period due primarily to improved margins on international stevia sales compared to the previous year.

Earnings Before Interest Taxes and Depreciation ("EBITDA") and EBITDA Margin

In thousands Canadian $	3 Months Ended March 31		% Change
	2018	2017	
Loss Before Income Taxes	($6,099)	($4,455)	37%
Add:			
Provisions for Inventories Impairment	($61)	($26)	133%
Bad Debt (Recoveries for Receivables)	$0	$4	(100%)
Provision for Prepaids	$0	($20)	N/A
Depreciation and Amortization	$899	$1,228	(27%)
Loss on Disposal of Property, Plant & Equipment	$0	$0	(100%)
Net Interest Expense	$2,544	$2,713	(6%)
Foreign Exchange Gain & Loss	$1,665	$27	6068%
Non-Cash Share Compensation	$152	$167	(9%)
EBITDA	($899)	($362)	148%
EBITDA as a % of Revenue	(21%)	(6%)	(15%)

EBITDA for the three months ended March 31, 2018, was negative $0.9 million or negative 21% of revenues, compared to negative $0.4 million or negative 6% of revenues for the same period in 2017. EBITDA loss increased by $0.5 million or 148% for the three-month period ended March 31, 2018. The increase in EBITDA loss for the quarter is attributable to a decrease in sales for the period ending March 31, 2018, compared to the prior period.

Liquidity and Capital Resources

In thousands Canadian $		31-Mar-18		31-Dec-17
Cash and Cash Equivalents	$	658	$	657
Working Capital	$	(137,683)	$	(126,659)
Total Assets	$	51,668	$	48,839
Total Liabilities	$	148,856	$	137,848
Loan Payable (<1 year)	$	99,804	$	93,170
Loan Payable (>1 year)	$	-	$	-
Total Shareholder's Deficiency	$	(89,211)	$	(81,567)

The Company continues to progress with the following measures to manage cash flow of the Company: reducing accounts payable, negotiating with creditors for extended payment terms, working closely with the banks to restructure its loans, arranging financing with its Directors and other related parties, and reducing operating expenditures including general and administrative expenses and production-related expenses.

Total loans payable (both short-term and long-term) is $99.8 million as of March 31, 2018, an increase of $6.6 million compared to the total loans payable as at December 31, 2017 ($93.2 million). The increase in short-term loans was primarily driven by foreign exchange impacts ($5.1 million) due to the appreciation of the USD against the Canadian dollar as well as the appreciation of the RMB against the Canadian dollar; the remaining $1.5 million was due to an increase in accrued interest on amounts due to related parties.

The Company continues to work with its Chinese banks on restructuring its Chinese debt in 2018. The total of all China bank loans transferred to state-owned capital management company ("SOCMC") now accounts for approximately 74% of the Company's outstanding debt with Chinese banks. The nature of the business of these SOCMCs differs from banks, in that they take a long-term outlook on management of debt. For example, instead of simply requiring loan principal and interest payments, the SOCMCs aim to manage debts with greater flexibility, such as long-term loan terms, debt for equity arrangements, flexible debt retirement, and other long-term instruments. This debt is held at the Chinese subsidiary level, and any such potential arrangements would therefore be done at that level rather than at the corporate level. These SOCMCs could also be a source of possible future capital.

The Company's main initiative to improve its negative working capital position is a potential debt restructuring involving the SOCMCs and China Banks where the Company's operating subsidiaries owe $67.2 million in short-term debt. The Company continues to negotiate terms for the restructuring of this short-term debt, involving the conversion of the debt into equity of the Company's Chinese operating subsidiary (see also section on Short-term Loans). Until the final debt restructuring is completed, the terms of the original loans are represented in the financial statements.

The Company continues to be able to negotiate loans with its Directors and related family members to assist with short-term working capital requirements.

Cash Flows: Three Months Ended March 31, 2018 and 2017

Cash used in operating activities was $nil in the three-month period ended March 31, 2018, compared to $0.3 million used in the same period of 2017. Cash flow from operating activities improved by $0.3 million year-over-year. This was the result of cash flow from operating activities before the impact of non-cash working capital decreasing by $1.7 million and cash generated by non-cash working capital increasing by $2.0 million in the three months ended March 31, 2018, relative to the comparative 2017 period. The $2.0 million increase in non-cash working capital was due to increases in cash used in (1) inventory ($1.0 million), (2) tax recoverable ($0.2 million), (3) interest payable ($0.1 million), (4) deferred revenue ($0.3 million), (5) due to related party (current) ($0.7 million), (6) accounts payable and accruals ($0.2 million) and (7) prepaid expenses of ($0.1 million), which were offset by an increase in cash generated in (8) accounts receivables ($0.6 million).

Cash used by investing activities was $nil during the first quarter of 2018, compared to cash used by investing activities of $0.1 million in the same period in 2017.

Cash generated from financing activities was $0.10 million in the first quarter of 2018 compared to cash used of $0.06 million in the same period in 2017. The $0.16 million increase of cash generated from financing was due to an increase in cash advance received from related party loans of $0.2 million, which was offset by a $0.04 million repayment of bank loans.

Financial Resources

Cash and cash equivalents were flat during the three months ended March 31, 2018, from December 31, 2017. Working capital decreased by $11.0 million from the year-end 2017 position to negative $137.7 million. The working capital decrease is attributable to an increase in current liabilities of $11.0 million, of which $7.8 million resulted from foreign exchange impacts to the following: short-term loans ($4.0 million), interest payable ($1.5 million), due to related parties ($1.4 million) and accounts payable ($0.8 million). The increase of $3.2 million in current liabilities exclusive of foreign exchange impacts is attributable to increases in due to related parties ($1.2 million), interest payable ($1.6 million) and accounts payables ($0.5 million), which were offset by a decrease in liabilities on derivatives ($0.1 million). The net change to current assets was $nil, as a $0.6 million increase in accounts receivable was offset primarily by foreign exchange impacts of negative $0.5 million (including a negative $0.4 million foreign exchange impact on inventories).

The Company has been working on improving its working capital deficiency situation, which was driven by the impairments to inventory, accounts receivable, sales taxes recoverable, prepaid expenses and land use rights over the years 2011 - 2017 (these impairments totaled approximately $123 million as of December 31, 2017). See above section on Liquidity and Capital Resources for additional details on the Company's debt restructuring initiative.

The Company's working capital and working capital requirements fluctuate from quarter to quarter depending on, among other factors, the annual stevia harvest in China (third and fourth quarter each year) and the production output along with the amount of sales conducted during the period. The value of raw material in inventory has historically been the highest in the fourth quarter due to the fact that the Company purchases leaf during the third and fourth quarter and monk fruit during the fourth quarter for the entire production year, which runs October through September each year. The Company's principal working capital needs include accounts receivable, taxes receivable, inventory, prepaid expenses, other current assets, and accounts payable and interest payable.

Balance Sheet

As at March 31, 2018, in comparison to December 31, 2017, the total assets increased by $2.8 million. This increase was due to an increase in fixed assets of $2.8 million, which was driven by the appreciation of the RMB against the Canadian dollar as of March 31, 2018 compared to the rate on December 31, 2018.

Current liabilities increased by $11.0 million as at March 31, 2018, in comparison to December 31, 2017. The $11.0 million increase was driven mainly by the appreciation of the RMB against the Canadian dollar. Of the $11.0 million increase in current liabilities, $7.8 million or 71% was due to foreign exchange impacts. The remaining increase was due to increases in (1) interest payable ($1.6 million non-foreign exchange related increase), (2) accounts payable ($0.5 million non-foreign exchange related increase) and (3) due to related party ($1.2 million non-foreign exchange related increase), which were offset by decreases in liabilities on derivatives ($0.1 million).

Shareholders' deficiency increased by $7.6 million due to (1) an increase in deficit ($5.6 million) and (2) a decrease in accumulated other comprehensive income ($2.1 million), which were offset by (3) an increase in share capital and contributed surplus ($0.1 million) from the vesting of restricted shares and stock options.

Short-Term Loans

The Company's short-term loans consisted of borrowings from various banks in China of $67,204,905 (December 31, 2017 - $63,243,322) and loans from private lenders of $991,946 (2017 - $965,096) as follows:

Bank loans as at March 31, 2018:

	Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
	$ 615,006	3,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
	5,740,057.40	28,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
	2,050,020.50	10,000,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
	2,004,920.05	9,780,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
	10,572,303.31	51,571,696	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
	16,400,164.00	80,000,000	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
	16,233,048.03	79,184,808	On Demand	11.97%	Bank of Communication
	3,578,818.53	17,457,477	On Demand	8.83%	China Cinda Assets Management Anhui Branch
	8,717.34	42,523	On Demand	8.83%	China Cinda Assets Management Anhui Branch
	1,291,512.92	6,300,000	July 28, 2017	5.82%	Huishang Bank
	6,150,061.50	30,000,000	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
	2,560,275.63	12,489,025	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
Short-term	$ 67,204,905	327,825,528			

Bank loans as at December 31, 2017:

	Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
	$ 578,400	3,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
	5,398,400.00	28,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
	1,928,000.00	10,000,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
	1,885,584.00	9,780,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
	9,943,022.90	51,571,696	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
	15,424,000.00	80,000,000	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
	15,266,831.04	79,184,808	On Demand	11.97%	Bank of Communication
	3,365,801.53	17,457,477	On Demand	8.83%	China Cinda Assets Management Anhui Branch
	8,198.47	42,523	On Demand	8.83%	China Cinda Assets Management Anhui Branch
	1,253,200.00	6,500,000	July 28, 2017	5.82%	Huishang Bank
	5,784,000.00	30,000,000	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
	2,407,883.93	12,489,025	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
Short-term	$ 63,243,322	328,025,528			

The Company has been working with its Chinese banks and SOCMCs on restructuring its debt during the quarter ended March 31, 2018.

Short-term borrowing from private lenders:

December 31, 2016	$	2,251,080
Additions		-
Converted into non-controlling interest (note 14)		(1,248,660)
Foreign currency translation		(37,324)
December 31, 2017	$	965,096
Additions	$	-
Foreign currency translation		26,850
March 31, 2018	$	991,946

Short-term borrowing from private lenders consists of two loans.

The first loan principal amount as of March 31, 2018, is $991,946 (2017 - $965,096) and bears interest at 11.50% per annum, compounding quarterly. The loan is due on demand and does not have any attached covenants.

The second loan principal amount as of March 31, 2018, is $nil (2016 - $nil) and bears interest at 20% per annum, compounding quarterly. The loan is also due on demand and does not have any attached covenants. This loan provides a repayment option to the lender in either RMB or USD using a fixed foreign exchange rate of 6.1234 RMB/USD. This option results in a liability of $2,251 (2017 - $6,509), which is accounted as liabilities on derivatives and included in unrealized foreign exchange losses. The fair value of the liability on derivatives was calculated using the Black-Scholes model with the following assumptions:

Risk free interest	1.61%
Expected life of the loan	1 year
Expected foreign currency volalitity	2.74%

During the year of 2017, the principal on the second loan was converted into equity interest in Runhai, one of the Company's subsidiaries in China (see Note 14).

Financial and Other Instruments

The Company's financial instruments comprise cash and cash equivalents (classified as "held-for-trading"), accounts receivable and certain other assets that are financial instruments (classified as "loans and receivables"), and short-term loans, accounts payable, interest payable, advance from customer, due to related party, and non-current bank loans (classified as "other financial liabilities"). The Company currently does not have any hedge instruments.

As at March 31, 2018, the Company recorded cash and cash equivalents at fair value. Recorded amounts for accounts receivable, accounts payable and accrued liabilities, short-term loans, interest payable, advances from customers, and due to related party approximate their fair values due to the short-term nature of these instruments.

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's primary credit risk is on its cash and cash equivalents, restricted cash and accounts receivable.

The Company limits its exposure to credit risk by placing its cash and cash equivalents with various financial institutions. Given the current economic environment, the Company monitors the credit quality of the financial institutions it deals with on an ongoing basis.

The Company has a high concentration of credit risk as the accounts receivable was owed by fewer than ten customers. However, the Company believes that it does not require collateral to support the carrying value of these financial instruments. The carrying amount of financial assets represents the maximum credit exposure. The Company reviews financial assets, including past due accounts, on an ongoing basis with the objective of identifying potential events or circumstances which could delay or prevent the collection of funds on a timely basis. Based on default rates on customers with receivable balances at March 31, 2018, the Company believes that there are minimal requirements for an allowance for doubtful accounts against its accounts receivable.

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of a change in foreign exchange rates. The Company conducts its business primarily in US dollars, RMB, Canadian dollars and Hong Kong dollars. The Company is exposed to currency risk as the functional currency of its subsidiaries is other than Canadian dollars.

The majority of the Company's assets are held in subsidiaries whose functional currency is the RMB. The RMB is not a freely convertible currency. Many foreign currency exchange transactions involving RMB, including foreign exchange transactions under the Company's capital account, are subject to foreign exchange controls and require the approval of the PRC State Administration of Foreign Exchange. Developments relating to the PRC's economy and actions taken by the PRC government could cause future foreign exchange rates to vary significantly from current or historical rates. The Company cannot predict nor give any assurance of its future stability. Future fluctuations in exchange rates may adversely affect the value when translated or converted into Canadian dollars of the Company's net assets and net profits. The Company cannot give any assurance that any future movements in the exchange rates of RMB against the Canadian dollar and other foreign currencies will not adversely affect its results of operations, financial condition and cash flows. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

All of the Company's operations in China are considered self-sustaining operations. The assets and liabilities of the self-sustaining operations are translated at exchange rates prevailing at the balance sheet date.

See the Company's December 31, 2017, year-end consolidated financial statements (Note 22) for further information on its financial and other instruments.

Contractual Obligations

The Company renewed two five-year operating leases with respect to land and production equipment at the Qingdao Runde factory in China. The leases expire on December 31, 2021. The annual minimum lease payments are approximately $102,500 (RMB 500,000).

The Company signed a twenty-year land rental agreement in Qingdao. The agreement was signed on February 16, 2005 and expires on February 16, 2025. The terms are as follows:

- In the first 5 years the rent expense is approximately $2,050 (RMB 10,000) per year
- In the second 5 years the rent expense is approximately $2,394 (RMB 11,680) per year
- In the third 5 years the rent expense is approximately $2,797 (RMB 13,642) per year (the Company is currently at this rate)
- In the fourth 5 years the rent expense is approximately $3,266 (RMB 15,934) per year

With the same vendor the Company also signed another rental agreement from Nov 8, 2006, to Nov 7, 2036. The annual rental expense is approximately $5,858 (RMB 28,576).

The Company's current office premises are leased under an eight-year agreement beginning August 1, 2016 and will expire on July 31, 2024. The three-month lease payments ended March 31, 2018, total $54,680 (2017 –

$54,015).

The minimum cash payments related to the above		Amount
2018	$	226,425
2019		341,695
2020		341,695
Thereafter		791,328
Total	$	1,701,143

Capital Structure

Outstanding Share Data as at the date of this MD&A:

	31-Mar-18	31-Dec-17
Common Shares Issued	37,920,336	37,920,336
Stock Options	3,060,222	3,060,222
Total Reserved For Issuance	3,060,222	3,060,222
Fully Diluted Shares	40,980,558	40,980,558

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements.

Non-Controlling Interests

During 2017, the Company disposed of 32.92% of its ownership in Runhai to its related parties in order to settle $15,971,767 (RMB 80,584,090) in related party loans. Accordingly, the Company de-recognized the derivative liabilities related to this portion of the loans totaling $274,538. The related party loans were converted to a 32.92% ownership share in Runhai. The reduction in the Company's ownership interest in Runhai did not result in a loss of control and was recorded as equity transactions. In connection with the recognition of non-controlling interest, the proportionate share of the cumulative amount of foreign exchange translation differences recognized in other comprehensive income totaling $3,649,111 is re-attributed to the non-controlling interest in Runhai. In addition, the Company incurred transaction costs totaling $563,154 and this amount was deducted from equity. The carrying amount of non-controlling interests was adjusted to reflect the change in the non-controlling interests' relative interests in the subsidiary and the difference between the adjustment to the carrying amount of non-controlling interests and the Company's share of proceeds received and/or consideration paid is recognized directly in equity and attributed to shareholders of the Company.

The following table represents the equity attributable to non-controlling interest:

		March 31, 2018
Beginning balance	$	(7,442,442)
Ownership interest transferred to non-controlling interest		-
Non-controlling interest's share of loss		(450,087)
Non-controlling interest's share of other comprehensive loss		(83,294)
Ending balance	$	(7,975,823)

The following table presents the non-controlling interest as at March 31, 2018, and 2017:

		March 31, 2018		December 31, 2017
Non-controlling interest percentage		32.92%		32.92%
ASSETS				
Current	$	3,662,658	$	4,537,424
Non-current		38,050,273		35,539,370
	$	41,712,930	$	40,076,794
LIABILITIES				
Current	$	65,940,826	$	61,368,163
Non-current		-		-
	$	65,940,826	$	61,368,163
Net liabilities	$	(24,227,895)	$	(21,291,369)
Non-controlling interest	$	(7,975,823)	$	(7,442,442)

The following table presents the loss and comprehensive income attributable to the non-controlling interest for the period ended March 31, 2018 and year ended December 31, 2017:

		Three months ended March 31,	
		2018	2017
Loss for the period	$	(450,087)	N/A
Foreign exchange translation adjustment		(83,294)	N/A
Comprehensive income (loss) for the period	$	(533,381)	N/A

Transactions with Related Parties

Transactions with Key Management Personnel

Key management personnel are those persons who have the authority and responsibility for planning, directing, and controlling activities of the Company directly or indirectly, including any external director of the Company.

Remuneration of key management of the Company is comprised of the following expenses:

		Three months ended March 31		
		2018		2017
Short-term employee benefits (including salaries, bonuses, fees and social security benefits)	$	211,151	$	217,496
Share-based benefits	$	149,586	$	163,472
Total remuneration	$	360,737	$	380,968

Certain executive officers are subject to termination benefits. Upon resignation at the Company's request or in the event of a change in control, they are entitled to termination benefits ranging from 24 to 36 months of gross salary, totaling approximately $1,856,000.

Key management did not exercise stock options granted under the Company's stock option plan during the three months ended March 31, 2018.

Amount Due to Related Parties

i) As of March 31, 2018, the Company has accrued $2,443,880 (2017 - $2,376,883) including 3% interest per annum in consulting fees to the Company's Chairman and Chief Executive Officer.

ii) The Company has obtained loans under numerous credit facility agreements from the Company's Chairman and Chief Executive Officer ("CEO"). As at March 31, 2018, the total amount owed to the CEO under these facilities, including principal and accumulated interest, is $5,937,213 (2017 - $5,586,969). As at March 31, 2018, the entire balance owed is due within 12 months and is therefore classified as current on the statement of financial position.

The Company has also obtained loans under numerous credit facility agreements from a direct family member of the CEO. As at March 31, 2018, the total amount owed under these facilities, including principal and accumulated interest is $22,226,261 (2017 - $19,959,621). As at March 31, 2018, the entire balance owed is due within 12 months and is therefore classified as current on the statement of financial position.

During fiscal 2017, there was a debt settlement of which $14,723,107, which related to loans made by the CEO and the direct family member, as outlined in Note 11.

The combined total of the above loans still outstanding, including the accrued interest, is $28,163,473 (2017 - $25,546,590) in current liabilities. These loans will be repaid by either GLG or its Chinese subsidiaries to the lender in the currency the loans were originally borrowed (either USD or RMB), or, at the lender's discretion, in the alternate currency, depending on the terms of the specific credit facility. The terms of each individual loan are disclosed in the table below.

These loans provide a repayment option to the lenders in either RMB or USD using a fixed foreign exchange rate specified in each credit facility. This option results in a liability of $60,489 (2017 - $152,538), which is accounted as liabilities on derivatives and unrealized foreign exchange losses.

The assumptions for the fair value determination of the liability are the same as those outlined in Note 8.

Loan balance as of March 31, 2018

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
	$ 644,764	April 27, 2012	April 27, 2018	Unsecured	Category 1	Chairman and CEO
	1,289,400	October 11, 2012	October 11, 2018	Unsecured	Category 1	Chairman and CEO
	644,700	May 30, 2013	May 30, 2018	Unsecured	Category 1	Chairman and CEO
	322,350	November 15, 2013	November 15, 2018	Unsecured	Category 1	Chairman and CEO
	889,686	October 20, 2014	On demand	Unsecured	Category 2	Direct family member of CEO
	186,963	May 23, 2017	On demand	Unsecured	Category 2	Direct family member of CEO
	4,225,560	August 28, 2017	April 30, 2018	Unsecured	Category 3	Direct family member of CEO
Principal amounts	**$ 8,203,424**					
Accrued interest	**19,960,049**					
	$ 28,163,473					

Category 1: US 10 year benchmark government bond rate plus 1100 basis points annual interest rate for loans issued in USD or
China 10 year benchmark government bond rate plus 1100 basis points annual interest rate for loans issued in RMB, compounding quarterly
Category 2: 20% annual interest rate, compounding quarterly
Category 3: 18% annual interest rate, compounding quarterly

Loan balance as of December 31, 2017

	Loan Amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest Rate per annum	Related Parties
	$ 627,313	April 27, 2012	April 27, 2018	Unsecured	Category 1	Chairman and CEO
	1,254,500	October 11, 2012	October 11, 2018	Unsecured	Category 1	Chairman and CEO
	627,250	May 30, 2013	May 30, 2018	Unsecured	Category 1	Chairman and CEO
	313,625	November 15, 2013	November 15, 2018	Unsecured	Category 1	Chairman and CEO
	865,605	October 20, 2014	On demand	Unsecured	Category 2	Direct family member of CEO
	181,903	May 23, 2017	On demand	Unsecured	Category 2	Direct family member of CEO
	3,855,775	August 28, 2017	April 30, 2018	Unsecured	Category 3	Direct family member of CEO
Principal amounts	**$ 7,725,971**					
Accrued interest	**17,820,619**					
	$ 25,546,590					

Category 1: US 10 year benchmark government bond rate plus 1100 basis points annual interest rate for loans issued in USD or
China 10 year benchmark government bond rate plus 1100 basis points annual interest rate for loans issued in RMB, compounding quarterly
Category 2: 20% annual interest rate, compounding quarterly
Category 3: 18% annual interest rate, compounding quarterly

iii) As of March 31, 2018, the Company has a loan of $1,000,000 (2017 - $1,000,000) from a Director of the Company to provide working capital required for monk fruit extracts. The loan is secured by expected proceeds from monk fruit sales, bearing interest at 15% per annum and repayable in full within twelve months of the disbursement date. As of March 31, 2018, the total amount due to this related party including interest was $1,037,808 (2017 - $1,000,000) and is classified under current liabilities.

Loan balance as of March 31, 2018

	Loan Amount in CAD	Date of the Loan Agreement	Maturity Date	Interest Rate per annum	Related Parties
Principal amounts	$ 1,000,000	September 30, 2017	September 30, 2018	15.00%	Director
Accrued interest	$ -				
	$ 1,000,000				

Loan balance as of December 31, 2017

	Loan Amount in CAD	Date of the Loan Agreement	Maturity Date	Interest Rate per annum	Related Parties
Principal amounts	$ 1,000,000	September 30, 2017	September 30, 2018	15.00%	Director
Accrued interest	$ 37,808				
	$ 1,037,808				

Subsidiaries

The followings are the subsidiaries of the Company:

	Jurisdiction of Incorporation	Ownership Interest 2018	Ownership Interest 2017	Functional Currency
Subsidiaries				
Agricultural High Tech Developments Limited	Marshall Islands	100%	100%	HKD
Anhui Runhai Biotechnology Joint Stock Co., Ltd.	China	67.08%	100%	RMB
Qingdao Runde Biotechnology Company Limited	China	100%	100%	RMB
GLG Life Tech US, Inc.	USA	100%	100%	USD

Disclosure Controls and Internal Controls over Financial Reporting

The Company's disclosure controls and procedures are designed to provide reasonable assurance that relevant information relating to the Company, including its consolidated subsidiaries, is made known to senior management in a timely manner so that information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation. As of the end of the period covered by this report, the Company's management evaluated, under the direction and supervision of the Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of the Company's disclosure controls and procedures, as defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim filings ("NI 52-109"). The Company's Chief Executive Officer and Chief Financial Officer have concluded that as of March 31, 2018, the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed in reports the Company files or submits to the Canadian Securities Administrators ("CSA") is recorded, processed, summarized and reported within the time periods specified therein and accumulated and reported to management to allow timely discussions regarding required disclosure.

The Company's management, under the direction and supervision of the Chief Executive Officer and Chief Financial Officer, is also responsible for establishing and maintaining internal control over financial reporting. These controls are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in Canada.

Management assessed the effectiveness of the Company's internal control over financial reporting, as defined in NI 52-109, as of March 31, 2018. In making this assessment, management used the criteria set forth in the "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, the Company's Chief Executive Officer and Chief Financial Officer have concluded that as of March 31, 2018, the Company's internal control over financial reporting were effective.

It should be noted that while the officers of the Company have certified the Company's period‐end filings, they do not expect that the disclosure controls and procedures or internal controls over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or implemented, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

Risks Related to the Company's Business

This section describes the material risks affecting the Company's business, financial condition, operating results and prospects. A prospective investor should carefully consider the risk factors set out below and consult with his, her or its investment and professional advisors before making an investment decision. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material, but which also may have a material adverse effect on the Company's business, financial condition, operating results or prospects. In that case, the trading price of the common shares could decline substantially, and investors may lose all or part of the value of the common shares held by them.

There are a number of risk factors that could materially affect the business of GLG, which include but are not limited to the risk factors set out below. The Company has been structured to minimize these risks. More details about the following risk factors can be found in the Company's Annual Information Form filed on SEDAR at www.sedar.com.

- Intellectual Property Infringement
- Product Liability Costs
- Manufacturing Risk
- Inventory Risk
- Customer Concentration Risk
- Competition
- Government Regulations
- Consumer Perception of Products
- Changing Consumer Preferences
- Market Acceptance
- Dependence on Key Personnel
- Volatility of Share Prices

Risks Associated with Doing Business in the People's Republic of China

The Company faces the following additional risk factors that are unique to it doing business in China. More details about the following risk factors can be found in the Company's Annual Information Form.

- Government Involvement
- Changes in the Laws and Regulations in the People's Republic of China
- The Chinese Legal and Accounting System
- Currency Controls
- Additional Compliance Costs in the People's Republic of China
- Difficulties Establishing Adequate Management, Legal and Financial Controls in the People's Republic of China
- Capital Outflow Policies in the People's Republic of China
- Jurisdictional and Enforcement Issues
- Political System in the People's Republic of China

Additional Information

Additional information relating to the Company, including our Annual Information Form, is available on SEDAR (www.sedar.com). Additional information relating to the Company is also available on our website (www.glglifetech.com).