GLG LIFE TECH CORPORATION

MANAGEMENT DISCUSSION & ANALYSIS

For the Three Months Ended March 31, 2019

Dated: May 15, 2019

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") of GLG Life Tech Corporation is dated May 15, 2019. It provides a review of the financial results for the three months ended March 31, 2019, 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, 2019, as well as the annual consolidated financial statements and notes thereto and the MD&A of GLG for the year ended December 31, 2018. 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 the 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, 2018. 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 four 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 a 67.08% owned subsidiary 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

New Executive Management Team

Earlier this year, under the guidance of the Company's Board of Directors, including its Chairman and Chief Executive Officer, Dr. Luke Zhang, the Company formed a new executive management team to help the Company improve its financial position, develop new strategic initiatives, and implement best practices in corporate governance, financial planning and analysis, and sales and operations planning.

On January 2, 2019, the Company announced that it had hired one of its Directors, Mr. Paul Block, to serve as President of the Company. Mr. Block assumed that role when the former President, Mr. Brian Meadows, resigned from that role. At that time, the Company also announced that it had promoted Mr. Simon Springett to Chief Operating Officer of the Company. On April 11, 2019, the Company announced that it had hired Mr. Eric Finnsson to serve as Chief Financial Officer of the Company. Together, Dr. Zhang, Mr. Block, Mr. Springett, and Mr. Finnsson make up the Company's executive management team.

Company Outlook

One of the most critical items that management is addressing is the development and implementation of plans to stem the losses that the Company has suffered in recent years and to ameliorate the Company's financial position. As a result of those sustained losses, the Company lacks the cash necessary to fully fund the business operations and its strategic product initiatives. Without an infusion of cash later this year, the Company could cease to be a going concern.

To address that cash need, management has prioritized the sale of its idle assets to generate cash. This will also significantly improve the Company's balance sheet. Management expects that it will close on the sale of its idle Qingdao "Runhao" secondary purification facility in June or July of this year, and expects that the Company will retain some of the proceeds from that sale to help fund its operations while the remaining proceeds will extinguish a significant portion of the debt held by China Cinda Assets Management (which owns 98% of the Company's Chinese bank debt). Management is also evaluating options for the sale of its idle "Runyang" primary processing facility in Jiangsu province to further address those same goals.

Another factor contributing to the Company's financial situation is the competitive price pressure in the stevia

market over the last year that has reduced mainstream “Reb A” products (such as Reb A 80 and Reb A 97) to the lowest price levels in years. While these products have historically formed the core of the Company’s product sales, the margins on sales of these products have grown increasingly slim. To address this, the Company is taking a three-pronged approach.

First, the Company is taking immediate steps to reduce its SG&A costs as well as its production costs. Its North American operations have already taken steps to reduce SG&A costs and it is in the process of eliminating non-essential costs in its Chinese operations. For the last several years, the Company’s production capacity has been far greater than its projected order levels as it had sought rapid increases in orders for Reb A products. The Company’s goal is now to “right-size” its Chinese operations – i.e., to optimize its staffing and production planning to meet the Company’s projected production requirements while retaining the ability to accommodate growth in future order volumes. Management expects that this will enable the Company to sell its goods at more competitive and/or more profitable prices to secure additional order volumes and/or retain additional margin.

Second, the Company is increasing its focus on specialty stevia products, relative to its Reb A products. These specialty products are more differentiated than Reb A products and can bring more revenue opportunities and more meaningful margin contributions to the Company’s bottom line. The Company is also working on securing a new line of business in the sweetener space distinct from its bulk stevia sales that has the potential to significantly increase the Company’s revenues and margins.

Third, the Company is progressing with its plans to enter the CBD market, leveraging its production expertise and equipment towards an investment that would jump start its ability to quickly begin producing high-quality low-cost CBD products. While it does not expect to begin generating revenues from this new endeavor in 2019, it is forecasting significant revenues and margins for 2020 and beyond. Management continues to work on securing the necessary funding to close on this investment.

While the Company continues to face substantial risks and 2019 remains a pivotal year for the Company, management remains optimistic about the future opportunities for the Company. With the expected land sale heading towards closing, right-sizing efforts underway, the optimization of production efficiencies, costs, and planning, and the Company’s refocused product strategies, management is proceeding down the best available path to increased financial stability and profitability.

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 2018 and the condensed interim consolidated financial statements for the three-month period ended March 31, 2019.

In thousands Canadian $, except per share amounts	3 Months Ended March 31		% Change
	2019	2018	
Revenue	$2,023	$4,267	(53%)
Cost of Sales	($1,946)	($3,946)	(51%)
% of Revenue	(96%)	(92%)	(4%)
Gross Profit (Loss)	$77	$322	(76%)
% of Revenue	4%	8%	(4%)
Expenses	($2,267)	($2,339)	(3%)
% of Revenue	(112%)	(55%)	(57%)
(Loss) from Operations	($2,190)	($2,017)	9%
% of Revenue	(108%)	(47%)	(61%)
Other Expenses	($4,106)	($4,082)	1%
% of Revenue	(203%)	(96%)	(107%)
Net (Loss) before Income Taxes	($6,296)	($6,099)	3%
% of Revenue	(311%)	(143%)	(168%)
Net (Loss)	($6,296)	($6,099)	3%
% of Revenue	(311%)	(143%)	(168%)
Net (Loss) Attributable to Non-Controlling Interest (NCI)	($1,496)	($450)	232%
Net (Loss) Attributable to GLG	($4,800)	($5,649)	(15%)
% of Revenue	(237%)	(132%)	(105%)
Loss per share (LPS, Basic & Diluted)	($0.12)	($0.15)	(19%)
Other Comprehensive Income (Loss)	($565)	($2,231)	(75%)
% of Revenue	(28%)	(52%)	24%
Other Comprehensive Income (Loss) to NCI	($191)	($83)	130%
Other Comprehensive Income (Loss) to GLG	($374)	($2,148)	(83%)
% of Revenue	(18%)	(50%)	32%
Comprehensive Income (Loss)	($6,861)	($8,330)	(18%)
Comprehensive Income (Loss) Attributable to NCI	($1,687)	($533)	217%
Comprehensive Income (Loss) Attributable to GLG	($5,174)	($7,797)	(34%)
% of Revenue	(256%)	(183%)	(73%)

Revenue

Revenue for the three months ended March 31, 2019, was $2.0 million compared to $4.3 million in revenue for the same period last year. Sales decreased by 53% or $2.2 million for the period ending March 31, 2019, compared to the prior period. The sales decrease of $2.2 million was driven by a 57% decrease in stevia sales, primarily resulting from a significant decrease in orders from the Company's distribution partner. The Company attributes this decrease to reduced customer demand due to existing inventories and to competitive price

pressure in the global stevia market. Monk fruit and other sales increased significantly on a percentage basis, but monk fruit and other sales make up a relatively small percentage of overall revenues. International sales continue to make up over 90% of the Company's revenues (92% in first quarter 2019 versus 93% in first quarter 2018).

Cost of Sales

For the quarter ended March 31, 2019, the cost of sales was $1.9 million compared to $3.9 million in cost of sales for the same period last year ($2.0 million or 51% decrease). Cost of sales as a percentage of revenues was 96% for the first quarter 2019, compared to 92% for the comparable period, an increase of 4 percentage points.

The increase in cost of sales as a percentage of revenue for the three months ended March 31, 2019, compared to the prior comparable period, was attributable primarily to the decrease in stevia order volumes, which resulted in a significant increase in idle capacity charges when measured as a percentage of cost of sales.

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 2019, and capacity charges of $0.5 million were charged to cost of sales (representing 27% of cost of sales) compared to $0.5 million charged to cost of sales in the same period of 2018 (representing 13% of cost of sales). The higher capacity charges for the quarter were driven by lower volume production for the period ended March 31, 2019, compared to the first quarter of 2018.

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 loss for the three months ended March 31, 2019, was $0.1 million, compared to a gross profit of $0.3 million for the comparable period in 2018. The gross profit margin was 4% in the first quarter 2019 compared to 8% for the same period in 2018, a 4 percentage point decrease.

This decrease in gross profit for the first quarter of 2019, relative to the comparable period in 2018, was attributable primarily to an increase in capacity charges driven by lower volume production for the period ended March 31, 2019, compared to the prior period. Apart from the effect of these capacity charges, stevia margins improved significantly in the first quarter of 2019, relative to the first quarter in 2018, due to a change in the product mix ordered by our customers, with a higher percentage of sales coming from higher-margin premium products compared to the first quarter of 2018.

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
	2019	2018	
G&A Exp	$1,673	$1,780	(6%)
Stock Based Compensation Exp	$149	$152	(2%)
Amortization Exp	$445	$407	9%
Total	$2,267	$2,339	(3%)

G&A expenses for the three months ended March 31, 2019, were $1.7 million, a decrease of $0.1 million compared to $1.8 million in the same period in 2018.

Stock-based compensation for the three months ended March 31, 2019, was flat at $0.2 million compared to the same period in 2018.

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 restricted shares.

G&A-related depreciation and amortization expenses for the three months ended March 31, 2019, were $0.4 million compared with $0.4 million for the same quarter of 2018.

Other Expenses

In thousands Canadian $	3 Months Ended March 31		% Change
	2019	2018	
Other (Expenses)	($4,106)	($4,082)	1%
% of Revenue	(203%)	(96%)	(107%)

Other expenses for the three months ended March 31, 2019, was $4.1 million, compared to $4.1 million for the same period in 2018. Increases in (1) interest expense ($1.2 million), (2) other expenses ($0.5 million) and (3) inventory impairment ($0.2 million) were offset by an increase in foreign exchange gain ($1.9 million).

Foreign Exchange Gains (Losses)

Exchange rates	2019	2018	2018	2018	2018	2017	2017	2017
Rate (as compared to the Canadian $)	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun
U.S. Dollars	0.7483	0.7330	0.7725	0.7594	0.7756	0.7971	0.8013	0.7706
Chinese RMB	5.0226	5.0429	5.3079	5.0277	4.8780	5.1867	5.3305	5.2247

Exchange rates	2018	2018	2018	2018	2018	2017	2017	2017
Rate (as compared to the US $)	31-Dec	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun
Chinese RMB	6.7111	6.8764	6.8665	6.6191	6.2802	6.5064	6.6545	6.7769

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, 2019, the exchange rate for RMB per Canadian dollar was 5.0226 compared to the exchange rate of 5.0429 as at December 31, 2018, reflecting an appreciation of the RMB against the Canadian dollar. As at March 31, 2019, the exchange rate for USD per Canadian dollar was 0.7483 compared to the exchange rate of 0.7330 as at December 31, 2018, reflecting a depreciation of the USD against the Canadian dollar. The balance of the AOCI was $7.4 million on March 31, 2019, compared to a balance of $7.8 million as at December 31, 2018.

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 gain was $0.2 million for the first quarter of 2019 compared to the foreign exchange loss of $1.7 million for the comparable period in 2018. The table above shows the change in the Canadian dollar relative to the US dollar from June 30, 2017, to March 31, 2019, 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
	2019	2018	
Net Loss	($6,296)	($6,099)	3%
Net Loss Attributable to NCI	($1,496)	($450)	232%
% of Revenue	(74%)	(11%)	(63%)
Net Loss Attributable to GLG	($4,800)	($5,649)	(15%)
% of Revenue	(237%)	(132%)	(105%)

For the three months ended March 31, 2019, the Company had a net loss attributable to the Company of $4.8 million, a decrease of $0.8 million or 15% over the comparable period in 2018 ($5.6 million). The $0.8 million decrease in net loss was driven by (1) an increase in net losses attributable to non-controlling interests ($1.0 million), which were offset by (2) a decrease in gross profit ($0.2 million).

Comprehensive Loss

In thousands Canadian $	3 Months Ended March 31		% Change
	2019	2018	
Other Comprehensive Income (Loss)	($565)	($2,231)	(75%)
Total Comprehensive Income (Loss)	($6,861)	($8,330)	(18%)
Comprehensive Income (Loss) Attributable to NCI	($1,687)	($533)	217%
Comprehensive Income (Loss) Attributable to GLG	($5,174)	($7,797)	(34%)
% of Revenue	(256%)	(183%)	(73%)

The Company recorded a total comprehensive loss of $5.2 million for the three months ended March 31, 2019, comprising $4.8 million of net loss attributable to the Company and $0.4 million of other comprehensive loss attributable to the Company. 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 attributable to the Company.

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	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2
Revenue	$2,023	$3,792	$2,496	$6,027	$4,267	$3,038	$3,713	$6,387
Gross Profit $	$77	$513	$47	$1,051	$322	$22	($300)	$575
Gross Profit %	4%	14%	2%	17%	8%	1%	(8%)	9%
Net Income (Loss) Attributable to GLG	($4,799)	($10,311)	($2,482)	($3,142)	($5,649)	($4,701)	($3,810)	($3,867)
Basic Income (Loss) Per Share	(0.12)	($0.27)	($0.06)	($0.08)	($0.15)	($0.12)	($0.10)	($0.10)

For the three months ended March 31, 2019, the Company had a net loss attributable to the Company of $4.8 million, a decrease of $0.8 million or 15% over the comparable period in 2018 ($5.6 million). The $0.8 million decrease in net loss was driven by (1) an increase in net losses attributable to non-controlling interests ($1.0 million), which were offset by (2) a decrease in gross profit ($0.2 million).

For the three months ended December 31, 2018, the Company had a net loss attributable to the Company of $10.3 million, an increase of $5.6 million or a 119% increase over the comparable period in 2017 ($4.7 million loss). The $5.6 million increase in net loss attributable to the Company was driven by increases in (1) other expenses ($7.6 million) and (2) SG&A expenses ($1.3 million), which were offset by increases in (3) gross profit ($0.5 million) and (4) net loss attributable to the non-controlling interest ($2.8 million).

For the three months ended September 30, 2018, the Company had a net loss attributable to the Company of $2.5 million, a decrease of $1.3 million or a 35% improvement over the comparable period in 2017 ($3.8 million loss). The $1.3 million decrease in net loss was driven by increases in (1) gross profit ($0.3 million) and (2) net loss attributable to the non-controlling interest ($0.4 million) and decreases in (3) SG&A expenses ($0.2 million) and (4) other expenses ($0.4 million).

For the three months ended June 30, 2018, the Company had a net loss attributable to the Company of $3.1 million, a decrease of $0.8 million or a 19% improvement over the comparable period in 2017 ($3.9 million loss). The $0.8 million decrease in net loss was driven by (1) an increase in gross profit ($0.5 million), (2) a decrease in

SG&A expenses ($0.1 million) and (3) an increase in net loss attributable to the non-controlling interest ($0.4 million), which were offset by (4) an increase in other expenses ($0.2 million).

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).

Quarterly Basic and Diluted Loss per Share

The basic loss and diluted loss per share from operations was $0.12 for the three months ended March 31, 2019, compared with a basic and diluted net loss of $0.15 for the comparable period in 2018. For the three months ended March 31, 2019, the Company had a net loss attributable to the Company of $4.8 million, a decrease of $0.8 million or 15% over the comparable period in 2018 ($5.6 million). The $0.8 million decrease in net loss was driven by (1) an increase in net losses attributable to non-controlling interests ($1.0 million), which were offset by (2) a decrease in gross profit ($0.2 million).

The basic loss and diluted loss per share from operations was $0.27 for the three months ended December 31, 2018, compared with a basic and diluted net loss of $0.12 for the comparable period in 2017. For the three months ended December 31, 2018, the Company had a net loss attributable to the Company of $10.3 million, an increase of $5.6 million or a 119% increase over the comparable period in 2017 ($4.7 million loss). The $5.6 million increase in net loss attributable to the Company was driven by increases in (1) other expenses ($7.6 million) and (2) SG&A expenses ($1.3 million), which were offset by increases in (3) gross profit ($0.5 million) and (4) net loss attributable to the non-controlling interest ($2.8 million).

The basic loss and diluted loss per share from operations was $0.06 for the three months ended September 30, 2018, compared with a basic and diluted net loss of $0.11 for the comparable period in 2017. For the three months ended September 30, 2018, the Company had a net loss attributable to the Company of $2.5 million, a decrease of $1.3 million or a 35% improvement over the comparable period in 2017 ($3.8 million loss). The $1.3 million decrease in net loss was driven by increases in (1) gross profit ($0.3 million) and (2) net loss attributable to the non-controlling interest ($0.4 million) and decreases in (3) SG&A expenses ($0.2 million) and (4) other expenses ($0.4 million).

The basic loss and diluted loss per share from operations was $0.08 for the three months ended June 30, 2018, compared with a basic and diluted net loss of $0.10 for the comparable period in 2017. For the three months ended September 30, 2018, the Company had a net loss attributable to the Company of $3.1 million, a decrease of $0.8 million or a 19% improvement over the comparable period in 2017 ($3.9 million loss). The $0.8 million decrease in net loss was driven by (1) an increase in gross profit ($0.5 million), (2) a decrease in SG&A expenses ($0.1 million) and (3) an increase in net loss attributable to the non-controlling interest ($0.4 million), which were offset by (4) an increase in other expenses ($0.2 million).

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).

NON-IFRS Financial Measures

Gross Profit Before Capacity Charges

This non-IFRS 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 2019 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, 2019, was $0.6 million or 30% of first quarter revenues, compared to $0.8 million or 20% of first quarter revenues in 2018. Gross profit before

capacity charges, measured as a percentage of sales, increased 10 percentage points from the comparable period due to improved stevia margins in the first quarter of 2019, relative to the first quarter in 2018, which resulted from a change in the product mix ordered by our customers, with a higher percentage of sales coming from higher-margin premium products compared to the first quarter of 2018.

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

In thousands Canadian $	3 Months Ended March 31		% Change
	2019	2018	
Loss Before Income Taxes	($6,296)	($6,099)	3%
Add:			
Provisions for Inventories Impairment	$149	($61)	(344%)
Depreciation and Amortization	$930	$899	3%
Net Interest Expense	$3,728	$2,544	47%
Foreign Exchange Gain & Loss	($198)	$1,665	(112%)
Non-Cash Share Compensation	$149	$152	(2%)
EBITDA	($1,538)	($900)	71%
EBITDA as a % of Revenue	(76%)	(21%)	(55%)

EBITDA for the three months ended March 31, 2019 was negative $1.5 million or negative 76% of revenues, compared to negative $0.9 million or negative 21% of revenues for the same period in 2018. EBITDA loss increased by $0.6 million or 71% for the three-month period ended March 31, 2019. The increase in EBITDA loss for the quarter is attributable to a decrease in sales for the period ending March 31, 2019, compared to the prior period.

Liquidity and Capital Resources

In thousands Canadian $	31-Mar-19	31-Dec-18
Cash and Cash Equivalents	$ 578	$ 1,494
Working Capital	$ (155,364)	$ (149,231)
Total Assets	$ 41,218	$ 43,943
Total Liabilities	$ 163,955	$ 159,969
Loan Payable (<1 year)	$ 103,294	$ 101,902
Loan Payable (>1 year)	$ -	$ -
Total Shareholder's Deficiency	$ (96,679)	$ (91,655)

The Company has several initiatives currently underway in order to manage cash flow, including working closely with the banks to restructure its loans, negotiating the sale of one or more idle assets, and reducing operating expenditures including general and administrative expenses and production-related expenses. The Company also continues to work to reduce accounts payable, negotiate with creditors for extended payment terms, and arrange financing as necessary with its Directors and other related parties.

Total loans payable (both short-term and long-term) is $103.3 million as of March 31, 2019, an increase of $1.4 million compared to the total loans payable as at December 31, 2018 ($101.9 million). The increase in short-term loans was primarily driven by foreign exchange impacts due to the appreciation of the RMB against the Canadian dollar and 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. 98% of all China bank loans held by GLG's Chinese subsidiary – Anhui Runhai Biotechnology Joint Stock Company, Ltd. ("Runhai") and its wholly owned Chinese subsidiaries – have been transferred to one state-owned capital management company ("SOCMC"). China Cinda Assets Management ("Cinda") is the sole SOCMC holding the 98% of short-term bank debt. The Company is in negotiations with Cinda in relation to debt reduction from the sale of one or more of its idle assets. The Company continues to negotiate with Cinda regarding the conversion of outstanding debt into equity in Runhai with a view to participate as an equity shareholder in the potential returns. Cinda could also be a source of possible future capital.

Until the final debt restructuring is completed, the terms of the original loans are represented in the financial statements.

Cash Flows: Three Months Ended March 31, 2019 and 2018

Cash used in operating activities was $1.0 million in the three-month period ended March 31, 2019, compared to $nil used in the same period of 2018. This $1.0 million increase in cash used in operating activities was the result of cash flow from operating activities before the impact of non-cash working capital decreasing by $1.9 million and changes in cash generated by non-cash working capital increasing by $1.2 million in the three months ended March 31, 2019, relative to the comparative 2018 period. The $1.2 million increase in changes in non-cash working capital was due to increases in changes in cash used in (1) accounts receivable ($2.5 million), (2) interest payable ($1.0 million) and (3) due to related party (current) ($0.2 million), which were offset by an increase in cash generated by (4) accounts payable and accruals ($1.2 million), (5) inventory ($0.8 million), (6) prepaid expenses ($0.3 million) and (7) taxes recoverable ($0.2 million).

Cash used in investing activities was $nil during the first quarters of both 2019 and 2018.

Cash generated from financing activities was $0.1 million in the first quarters of both 2019 and 2018.

Financial Resources

Cash and cash equivalents decreased by $0.9 million for the three months ended March 31, 2019, relative to December 31, 2018. Working capital decreased by $6.1 million from the year-end 2018 position to negative $155.4 million.

The working capital decrease of $6.1 million is attributable to an increase in current liabilities of $3.3 million and a decrease in current assets of $2.8 million. The $3.3 million increase in current liabilities was due to increases in (1) interest payable ($2.5 million), (2) due to related parties ($1.2 million), (3) short-term loans ($0.2 million) and (4) current portion of lease liabilities ($0.1 million), which were offset by decreases in (5) accounts payable ($0.6 million) and (6) derivative liabilities ($0.1 million). The $2.8 million decrease in current assets is attributable to decreases in (1) accounts receivable ($1.9 million), (2) cash ($0.9 million) and (3) inventory ($0.2 million), which were offset by increases in (4) prepaid expenses ($0.2 million) and (5) sales taxes recoverable ($0.1 million).

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, 2019, in comparison to December 31, 2018, the total assets decreased by $2.7 million. This $2.7 million decrease was due to decreases in current assets of $2.8 million and fixed assets of $0.7 million, which were offset by an increase in right-of-use assets of $0.8 million.

Total liabilities increased by $4.0 million as at March 31, 2019, in comparison to December 31, 2018. This $4.0 million increase was due to an increase in current liabilities of $3.3 million and an increase in lease liabilities of $0.6 million.

Shareholders' deficiency increased by $5.0 million due to (1) an increase in deficit ($4.8 million) and (2) a decrease in accumulated other comprehensive income ($0.4 million), which were offset by (3) an increase in share capital ($0.1 million) from the vesting of restricted shares and stock options.

Short-Term Loans

The Company's short-term loans of $66,218,469 (December 31, 2018 - $65,977,969) consist of borrowings from SOMCs and banks in China of $65,190,445 (December 31, 2018 - $64,928,482) and loans from private lenders of $1,028,024 (December 31, 2018 - $1,049,487) as follows:

Bank loans as at March 31, 2019:

Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
$ 597,300	3,000,000	On Demand	9.57%	China Cinda Assets Management Anhui Branch
5,574,802	28,000,000	On Demand	9.57%	China Cinda Assets Management Anhui Branch
1,991,001	10,000,000	On Demand	8.56%	China Cinda Assets Management Anhui Branch
1,947,199	9,780,000	On Demand	8.56%	China Cinda Assets Management Anhui Branch
10,267,928	51,571,696	On Demand	7.77%	China Cinda Assets Management Anhui Branch
15,928,005	80,000,000	On Demand	7.77%	China Cinda Assets Management Anhui Branch
15,765,701	79,184,808	On Demand	11.97%	China Cinda Assets Management Anhui Branch
3,475,785	17,457,477	On Demand	8.83%	China Cinda Assets Management Anhui Branch
8,466	42,523	On Demand	8.83%	China Cinda Assets Management Anhui Branch
1,174,690	5,900,000	On Demand	5.82%	Huishang Bank
5,973,002	30,000,000	On Demand	12.12%	China Cinda Assets Management Jiangsu Branch
2,486,566	12,489,025	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
$ 65,190,445	327,425,529			

Bank loans as at December 31, 2018:

Loan amount in CAD		Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
$	594,900	3,000,000	On Demand	9.57%	China Cinda Assets Management Anhui Branch
$	5,552,400	28,000,000	On Demand	9.57%	China Cinda Assets Management Anhui Branch
$	1,983,000	10,000,000	On Demand	8.56%	China Cinda Assets Management Anhui Branch
$	1,939,374	9,780,000	On Demand	8.56%	China Cinda Assets Management Anhui Branch
$	10,226,667	51,571,696	On Demand	7.77%	China Cinda Assets Management Anhui Branch
$	15,864,000	80,000,000	On Demand	7.77%	China Cinda Assets Management Anhui Branch
$	15,702,347	79,184,808	On Demand	11.97%	China Cinda Assets Management Anhui Branch
$	3,461,818	17,457,477	On Demand	8.83%	China Cinda Assets Management Anhui Branch
$	8,432	42,523	On Demand	8.83%	China Cinda Assets Management Anhui Branch
$	1,169,970	5,900,000	On Demand	5.82%	Huishang Bank
$	5,949,000	30,000,000	On Demand	12.12%	China Cinda Assets Management Jiangsu Branch
$	2,476,574	12,489,025	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
$	64,928,482	327,425,529			

The Company has been working with its Chinese banks and SOCMCs on restructuring its debt during the quarter ended March 31, 2019.

The assets of the Company's subsidiaries including inventory and property, plant and equipment have been pledged as collateral for these loans.

Short-term borrowing from private lenders:

December 31, 2017	$	965,096
Additions		-
Foreign currency translation		84,391
December 31, 2018	$	1,049,487
Additions	$	-
Foreign currency translation		(21,463)
March 31, 2019	$	1,028,024

The loan principal amount as at March 31, 2019, is denominated in US dollars, is unsecured and bears interest at 11.50% per annum, compounding quarterly. The loan is due on demand.

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, 2019, 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, 2019, 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, Chinese Renminbi ("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, 2018, year-end consolidated financial statements (Note 23) for further information on its financial and other instruments.

Lease Liabilities

	Office	Land	Production equipment	Total
Recognized as at January 1, 2019	$ 491,766	$ 83,996	$ 228,545	$ 804,307
Lease payments made	(32,010)	(4,658)	(24,787)	(61,455)
Interest expense on lease liabilities	18,271	3,767	10,066	32,103
	$ 478,027	$ 83,105	$ 213,823	$ 774,955
Less: current portion	(60,375)	(4,120)	(65,925)	(130,419)
Non-current portion as at March 31, 2019	$ 417,652	$ 78,985	$ 147,899	$ 644,536

Capital Structure

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

	31-Mar-19	31-Dec-18
Common Shares Issued	38,394,223	38,394,223
Stock Options	827,400	1,027,400
Total Reserved For Issuance	827,400	1,027,400
Fully Diluted Shares	39,221,623	39,421,623

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements.

Non-Controlling Interests

During the year ended December 31, 2017, the Company disposed of 32.92% of its ownership in Runhai to certain related parties and a private lender in order to settle $15,971,767 (RMB 80,584,090) in related party loans and short-term loans. Accordingly, the Company de-recognized the derivative liabilities related to this portion of the loans totaling $274,538. The reduction in the Company's ownership interest in Runhai did not result in a loss of control and was recorded as an equity transaction. 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 was re-attributed to the noncontrolling interest in Runhai. In addition, the Company incurred transaction costs totaling $563,154 and thisamount was deducted from equity.

On June 1, 2018, the Company transferred its 100% ownership interest in its subsidiary Qingdao Runde Biotechnology Company, Ltd. ("Runde") to Runhai. As the Company has a 67.08% interest in Runhai, the effect of this transfer was a disposition of 32.92% of its ownership interest in Runde. The reduction in the Company's ownership interest in Runhai did not result in a loss of control and was recorded as an equity transaction. As a result of this transaction, Runhai has sole ownership of all other China subsidiaries and the Company continues to own 67.08% of Runhai. 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 adjustments 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 summarizes the consolidated assets and liabilities of Runhai and the share of the net liabilities which is attributable to the non-controlling interest as at March 31, 2019, and December 31, 2018:

		March 31, 2019		December 31, 2018
ASSETS				
Current	$	5,037,034	$	6,206,823
Non-current		32,465,192		33,155,034
	$	37,502,226	$	39,361,857
LIABILITIES				
Current	$	116,658,429	$	113,391,895
	$	116,658,429	$	113,391,895
Net liabilities	$	(79,156,203)	$	(74,030,038)
Non-controlling interest percentage		32.92%		32.92%
Non-controlling interest in net liabilities	$	(26,058,222)	$	(24,370,689)

Transactions with Related Parties

a) Amount due to related parties

Amounts due to related parties are summarized as follows:

	Note		**March 31, 2019**		**December 31, 2018**
Loans from Chief Executive officer ("CEO")		$	7,053,060	$	6,965,868
Loans from direct family member of CEO			26,324,004		25,186,344
	i)		33,377,064		32,152,212
Consulting fees payable to CEO	ii)		2,698,419		2,734,457
Loan from Director of the Company	iii)		1,000,000		1,037,808
		$	37,075,483	$	35,924,477

The loans from the CEO and close family member are summarized as follows:

Loan balance as of March 31, 2019

		Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
	$	668,217	April 27, 2012	On demand	Unsecured	Category 1	Chairman and CEO
		1,336,300	October 11, 2012	On demand	Unsecured	Category 1	Chairman and CEO
		668,150	May 30, 2013	On demand	Unsecured	Category 1	Chairman and CEO
		334,075	November 15, 2013	On demand	Unsecured	Category 1	Chairman and CEO
		922,047	October 20, 2014	On demand	Unsecured	Category 2	Direct family member of CEO
		193,764	May 23, 2017	On demand	Unsecured	Category 2	Direct family member of CEO
		1,772,149	August 28, 2017	On demand	Unsecured	Category 3	Direct family member of CEO
		2,485,518	August 7, 2018	August 7, 2019	Unsecured	Category 3	Direct family member of CEO
		668,150	November 27, 2018	November 27, 2019	Unsecured	Category 4	Direct family member of CEO
Principal	**$**	**9,048,369**					
Accrued interest		**24,328,695**					
	$	**33,377,064**					

Loan balance as of December 31, 2018

		Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
	$	682,168	April 27, 2012	On demand	Unsecured	Category 1	Chairman and CEO
		1,364,200	October 11, 2012	On demand	Unsecured	Category 1	Chairman and CEO
		682,100	May 30, 2013	On demand	Unsecured	Category 1	Chairman and CEO
		341,050	November 15, 2013	On demand	Unsecured	Category 1	Chairman and CEO
		941,298	October 20, 2014	On demand	Unsecured	Category 2	Direct family member of CEO
		197,809	May 23, 2017	On demand	Unsecured	Category 2	Direct family member of CEO
		1,864,534	August 28, 2017	On demand	Unsecured	Category 3	Direct family member of CEO
		2,537,412	August 7, 2018	August 7, 2019	Unsecured	Category 3	Direct family member of CEO
		409,260	November 27, 2018	November 27, 2019	Unsecured	Category 4	Direct family member of CEO
Principal	**$**	**9,019,831**					
Accrued interest		**23,132,381**					
	$	**32,152,212**					

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
Category 4: 20% simple interest

i. The Company obtained loans under numerous credit facility agreements from the Company's Chairman and Chief Executive Officer ("CEO"). As at March 31, 2019, the total amount owed to the CEO under these facilities, including principal and accumulated interest is $7,053,060 (2018 - $6,965,868). As at March 31, 2019, the entire balance owed is due within 12 months and is therefore classified as current on the statement of financial position.

The Company also obtained loans under numerous credit facility agreements from a direct family member of the CEO. As at March 31, 2019, the total amount owed under these facilities, including principal and accumulated interest is $26,324,004 (2018 - $25,186,344). As at March 31, 2019, the entire balance owed is due within 12 months and is therefore classified as current on the statement of financial position.

The combined total of the above loans, including the accrued interest, is $33,377,064 (2018 - $32,152,212). 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 either USD or RMB , 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 $297,708 (2018 - $401,672), which is comprised of a derivative liability and an unrealized foreign exchange loss. The fair value of the derivative liability was calculated using the Black-Scholes model with the following assumptions:

Risk free interest	2.47%
Expected life of the loan	1 year
Expected foreign currency volalitity	3.10%

ii. As of March 31, 2019, the Company has accrued $2,698,419 (2018 - $2,734,457), including 3% interest per annum compounding quarterly, in consulting fees to the Company's Chairman and Chief Executive Officer.

iii. As of September 30, 2018, the Company had renewed a loan of $1,000,000 (2017 - $1,000,000) from a Director of the Company originally borrowed 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. As of March 31, 2019, the total amount due to this related party including interest was $1,000,000 (2018 - $1,037,808).

b) 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			
		2019		**2018**
Short-term employee benefits (including salaries, bonuses, fees and social security benefits)	$	152,091	$	211,151
Share-based benefits	$	146,858	$	149,586
Total remuneration	$	298,950	$	360,737

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 3 to 36 months of gross salary, totaling approximately US $1,272,000.

Key management did not exercise stock options granted under the Company's stock option plan in the three months ended March 31, 2019.

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, 2019, 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, 2019. 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, 2019, 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).