UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of March 2020
Commission File Number 0-30314

PORTAGE BIOTECH INC.

(Translation of registrant's name into English)

47 Avenue Rd., Suite 200, Toronto, Ontario, Canada M5R 2G3
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20-F [X] Form 40-F [ ]

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes [ ] No [X]

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____ .

EXHIBITS

Exhibit No.	Exhibit
99.1	Consolidated Interim Financial Statements for the three and nine months ended December 31, 2019. Unaudited - Prepared by Management as February 28, 2020.
99.2	Management’s Discussion and Analysis for the three months ended December 31, 2019. Prepared by Management as at February 28, 2020.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 2, 2020

PORTAGE BIOTECH INC.

By: */s/ Kam Shah*
Kam Shah
Chief Financial Officer

Portage Biotech Inc.

Consolidated Interim Financial Statements

For the three and nine months ended December 31, 2019

(Unaudited - Prepared by Management)

(US Dollars)

NOTICE TO READER OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The consolidated interim financial statements for Portage Biotech Inc. comprised of the consolidated interim statements of financial position as at December 31, 2019 and for the year ended March 31, 2019, and the consolidated interim statement of operations for the three and nine months ended December 31, 2019, statement of changes in equity and cash flows for the nine month period ended December 31, 2019 and are the responsibility of the Company's management.

The consolidated interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these consolidated interim financial statements in accordance with International Financial Reporting Standards.

The consolidated interim financial statements have not been reviewed by the Company's independent external auditors, Marcum LLP.

"signed"	"signed"
Kam Shah CPA,C.A., Director	Ian Walters MD, Director

February 28, 2020

Portage Biotech Inc.
Consolidated Interim Statements of Financial Position
(US Dollars)
(see Notice to Reader dated February 28, 2020)

As at,	Note	December 31, 2019 (Unaudited) in 000s	March 31, 2019 (Audited) in 000s
Assets			
Current			
Cash and cash equivalents		$ 2,994	$ 6,166
Prepaid expenses and other receivable	4	445	282
Investments in marketable equity securities	6	109	103
Total current assets		$ 3,548	$ 6,551
Long-term assets			
Long term portion of other receivable	4	45	45
Investment in associate	7	1,081	1,207
Investments in private companies	9	8,109	5,200
Goodwill	10	43,324	43,324
In-process research and development	11	117,388	117,388
Total assets		$ 173,495	$ 173,715
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities	12	$ 1,249	$ 1,107
Unsecured notes payable - short-term	13	298	663
Warrant liabilities	13	24	24
Total current liabilities		$ 1,571	$ 1,794
Non-current liabilities			
Unsecured notes payable - long-term	13	3,308	3,000
Deferred tax liability	16	20,714	20,364
Total liabilities		$ 25,593	$ 25,158
Shareholders' Equity			
Capital stock	14	117,535	116,237
Stock option reserve	15	340	324
Accumulated other comprehensive income		1,699	82
Accumulated deficit		(21,000	(16,969
Total equity attributable to owners of the Company		$ 98,574	$ 99,674
Non-controlling interest	23	49,328	48,883
Total equity		$ 147,902	$ 148,557
Total liabilities and equity		$ 173,495	$ 173,715
Commitments and Contingent Liabilities (Note 18)			

On behalf of the Board	"Kam Shah" (signed)	Director	"Ian Walters" (signed)	Director

The accompanying notes are an integral part of these consolidated interim financial statements.

Portage Biotech Inc.
Consolidated Interim Statements of Operations and Other Comprehensive Loss
(US Dollars)
(Unaudited - in 000s - see Notice to Reader dated February 28, 2020)

	Note	Three months ended December 31,		Nine months ended December 31,	
		2019	2018	2019	2018
Operating Expenses					
Research and development		$ 221	$ 94	$ 1,146	$ 220
Consulting fees	15, 19	730	77	2,669	213
Professional fees		139	75	485	127
Other operating costs		$ (8)	$ 12	$ 150	$ 63
Loss from operations		(1,082)	(258)	(4,450)	(623)
Share of losses in associates accounted for using equity method		(60)	(53)	(126)	(155)
Foreign exchange loss		(350)	-	(350)	-
Loss on extinguishment of debt		(33)	-	(33)	-
Interest income (expense)		(201)	19	(404)	58
Net loss		$ (1,726)	$ (292)	$ (5,363)	$ (720)
Other comprehensive loss					
Unrealized gain (loss) on investment in investments		1,635	(2)	1,617	22
Total comprehensive loss		$ (91)	$ (294)	$ (3,746)	$ (698)
Net loss attributable to :					
Owners of the Company		(376)	(307)	(4,031)	(711)
Non-controlling interest		(1,350)	15	(1,332)	(9)
		$ (1,726)	$ (292)	$ (5,363)	$ (720)
Comprehensive loss attributable to					
Owners of the Company		1,259	(279)	(2,414)	(689)
Non-controlling interest		(1,350)	(15)	(1,332)	(9)
		$ (91)	$ (294)	$ (3,746)	$ (698)
Loss per share	13				
Basic and diluted		$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average shares outstanding					
Basic and diluted		1,098,771	280,719	1,093,956	280,719

The accompanying notes are an integral part of these consolidated interim financial statements.

Portage Biotech Inc.
Consolidated Interim Statements of Changes in Shareholders' Equity
For The Nine Months Ended December 31, 2019
(US Dollars)
(Unaudited - in 100s - see Notice to Reader dated February 28, 2020)

	Number of Shares	Capital Stock	Stock Option Reserve	Accumulated other comprehensive loss	Accumulated Deficit	Equity Attributable to Owners of Company	Non-controlling Interest	Total Equity
Balance, April 1, 2018	280,720	$ 23,654	$ 267	$ 32	$ (14,334)	$ 9,619	$ -	$ 9,619
Stock-based compensation		-	49			49		49
Unrealized gain on investments		-		22		22		22
Net loss for period		-			(711)	(711)	(9)	(720)
Balance, December 31, 2018	280,720	$ 23,654	$ 316	$ 54	$ (15,045)	$ 8,979	$ (9)	$ 8,970
Balance, April 1, 2019	1,085,790	$116,237	$ 324	$ 82	$ (16,969)	$ 99,674	$ 48,883	$148,557
Shares issued for acquisition of Intensity Holding Company	12,981	1,298				1,298		1,298
Stock-based compensation			16			16	1,777	1,793
Unrealized gain on investments				1,617		1,617		1,617
Net loss for period					(4,031)	(4,031)	(1,332)	(5,363)
Balance, December 31, 2019	1,098,771	$117,535	$ 340	$ 1,699	$ (21,000)	$ 98,574	$ 49,328	$147,902

The accompanying notes are an integral part of these consolidated interim financial statements.

Portage Biotech Inc.
Consolidated Interim Statements of Cash Flows
(US Dollars)
(Unaudited - in 000s - see Notice to Reader dated February 28, 2020)

For the Nine Months Ended December 31,	2019	2018
Cash flows from operating activities		
Net loss	$ (5,363)	$ (720)
Adjustments for non-cash items:		
Stock-based compensation expenses	1,793	49
Amortization of debt discount	210	9
Loss on extinguishment of unsecured notes	33	-
Foreign exchange transaction loss	350	-
Share of losses in associate accounted for using equity method	126	155
Changes in operating assets and liabilities:		
Prepaid expenses and other receivable	(163)	(23)
Accounts payable and accrued liabilities	142	54
Net cash used in operating activities	$ (2,872)	$ (476)
Cash flows from investing activities		
Issuance of convertible notes payable	-	(950)
Net cash used in investing activities	$ -	$ (950)
Cash flows from financing activities		
Repayment of unsecured notes payable	(300)	(50)
Net cash used in financing activities	$ (300)	$ -
Net change in cash and cash equivalent	(3,172)	(1,476)
Cash and cash equivalents at beginning of period	6,166	7,520
Cash and cash equivalents at end of period	$ 2,494	$ 6,044
Supplemental disclosure of non-cash investing and financing activities:		
Fair value of shares issued for acquisition of Intensity Holdings Limited	$ 1,298	$ -
Unrealized gain on investments	$ 1,617	$ 22

The accompanying notes are an integral part of these consolidated interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Portage Biotech Inc. (the “Company” or “Portage") is incorporated in the British Virgin Islands (“BVI”) with its registered office located at FH Chambers, P.O. Box 4649, Road Town, Tortola, BVI. Its Toronto agent, Portage Services Ltd., is located at 47 Avenue Road, Suite 200, Toronto, Ontario, M5R 2G3, Canada.

The Company is a reporting issuer with the Ontario Securities Commission on the Canadian Stock Exchange under the symbol PBT-U and US Securities and Exchange Commission on the OTC market under the symbol PTGEF.

The Company is engaged in the business of researching and developing pharmaceutical and biotechnology products through to clinical “proof of concept” with an initial focus on unmet clinical needs. Following proof of concept, the Company seeks to sell or license the products to large pharmaceutical companies for further development and commercialization.

Liquidity and Capital Resources:

The Company has incurred substantial operating losses since inception and expects to continue to incur significant operating losses for the foreseeable future and may never become profitable. As of December 31, 2019, the Company had cash of approximately $3.0 million, working capital of approximately $2.0 million and an accumulated deficit of approximately $21.0 million.

The Company has funded its operations from proceeds from the sale of equity and debt securities. The Company will require significant additional capital to make the investments it needs to execute its longer-term business plan. The Company’s ability to successfully raise sufficient funds through the sale of debt or equity securities when needed is subject to many risks and uncertainties and, even if it were successful, future equity issuances would result in dilution to its existing stockholders and any future debt securities may contain covenants that limit the Company’s operations or ability to enter into certain transactions.

The Company’s current cash is sufficient to fund operations for at least the next 12 months because the Company extended the maturity date of $3.7 million of principal and interest on the SalvaRx Notes to 2021 and can defer discretionary research and development and cash compensation by approximately $1.4 million. However, the Company will need to raise additional funding through strategic relationships, public or private equity or debt financings, grants or other arrangements to develop and seek regulatory approvals for the Company’s existing and new product candidates. If such funding is not available or not available on terms acceptable to the Company, the Company’s current development plan and plans for expansion of its general and administrative infrastructure may be curtailed.

2. BASIS OF PRESENTATION

(a) Statement of Compliance and Basis of presentation

These consolidated Interim financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”), IAS 34 Interim Financial Reporting and interpretations of the International Financial Reporting Interpretations Committee. These consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended March 31, 2019.

These consolidated interim financial statements have been prepared on a historical cost basis except for items disclosed herein at fair value. In addition, these consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Company has only one reportable operating segment.

These consolidated financial statements were approved and authorized for issue by the Audit Committee and Board of Directors on February 28, 2020.

b) Consolidation

The consolidated financial statements include the accounts of the Company and,

a. Portage Services Ltd., a wholly owned subsidiary incorporated in Ontario on January 31, 2011.

b. Portage Pharmaceuticals Ltd. ("PPL") a wholly owned subsidiary resulting from a merger on July 23, 2013 and is incorporated under the laws of the British Virgin Islands, as a BVI business company.

c. EyGen Limited, ("EyGen") which is a wholly owned subsidiary of PPL, was incorporated on September 20, 2016 under the laws of the BVI.

d. SalvaRx Limited ("SalvaRx"), a wholly owned subsidiary, incorporated on May 6 2015 in the British Virgin Islands.

e. Portage Glasgow Ltd ("PGL"), a 65% subsidiary of PPL, incorporated in Glasgow, Scotland.

f. IOX Therapeutics Ltd ("IOX"), a United Kingdom based immune-oncology company, a 60.49% subsidiary incorporated in the United Kingdom on February 10, 2015.

g. Saugatuck, a 70% owned subsidiary incorporated in the British Virgin Islands.

h. Intensity Holding Limited, 100% owned subsidiary incorporated in the British Virgin Islands.

All inter-company balances and transactions have been eliminated on consolidation.

Non-controlling interest in the equity of a subsidiary is accounted for and reported as a component of stockholders' equity. Non-controlling interest represents the 39.51% shareholder ownership interest in IOX, the 30% shareholder ownership interest in Saugatuck and the 35% shareholder ownership interest in PGL which are consolidated by the Company.

(c) Functional and presentation currency

The Company's functional and presentation currency is US Dollar.

(d) Use of Estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas where estimates are made include valuation of financial instruments, research and development costs, fair value used for acquisition and measurement of share-based compensation. Significant areas where critical judgments are applied include assessment of impairment of investments, goodwill and other intangible assets.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies are set out in Note 3 to the fiscal 2019 audited consolidated financial statements. These accounting policies have been applied consistently to all periods presented in these consolidated financial statements, which have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of these significant accounting policies.

Adoption of New Standards

IFRS 16, Leases

On April 1, 2019, the Company adopted IFRS 16 which requires lessees to recognize assets and liabilities for most leases. Lessees will have a single accounting model for all leases, with certain exemptions. The Company does not have any leases to which the standard applied, and therefore the adoption of this standard did not have any impact on the consolidated financial statements.

IFRIC 23 Uncertainty over Income Tax Treatment

On April 1, 2019, the Company adopted IFRIC 23 which addresses the determination of taxable income (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. The adoption of this standard did not have any impact on the consolidated financial statements.

New standards and interpretations not yet adopted

Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements are listed below. This listing is of standards and interpretations issued which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

Conceptual Framework for Financial Reporting

In March 2018, the IASB revised the Conceptual Framework for financial reporting and is effective January 1, 2020. The Conceptual Framework sets out fundamental concepts for financial reporting and guides companies in developing accounting policies when no IFRS standard exists. The Conceptual Framework sets out the objective of general purpose financial reporting; the qualitative characteristics of useful financial information; a description of the reporting entity; definitions of an asset, a liability, equity, income and expenses and guidance on recognition and de-recognition criteria; measurement bases and guidance on when to use them; concepts and guidance on presentation and disclosure; and concepts relating to capital and capital maintenance. The Company is assessing the impact of the revised Conceptual Framework on its financial statements.

4. PREPAID EXPENSES AND OTHER RECEIVABLE

	December 31, 2019	March 31, 2019
	in 000s	in 000s
Prepaid expenses	$ 25	$ 19
R&D credits	360	208
Other receivable	60	55
	$ 445	$ 282

In October 2016, the Company's wholly owned subsidiary, PPL agreed to a settlement of $120,000 for a claim made against a supplier. Up to December 31, 2019, the Company received $63,750. The remaining balance is payable in five annual instalments of $11,250. Accordingly, $11,250 is classified as a current asset within other receivables and the non-current portion of $45,000 is classified as a long-term asset ($45,000 classified as a long-term asset and $11,250 classified as a current asset as at December 31, 2019 and March 31, 2019).

5. CONVERTIBLE NOTE RECEIVABLE

On March 7, 2018, the Company invested $950,000 in convertible notes (the "Notes") issued by IOX in U.S. dollars. On December 3, 2018, the Company invested an additional $950,000 in IOX. The Notes carry interest at 7% accruing daily and mature within twelve months of their issuance. The Company can convert the notes and accrued interest into ordinary shares of IOX at any time before maturity at £120 per share. There is an automatic conversion on a qualifying event, being IOX raising $2.0 million or a sale of the Company per the agreement. Conversion price will be the price at which the money was raised discounted by 25%. IOX has the right to repay the Notes together with accrued interest at any time.

As a result of the acquisition of SalvaRx on January 8, 2019, IOX has become a subsidiary of the Company during the year ended March 31, 2019. In accordance with IFRS 3 – Business combinations, the fair value, including interest receivable, of the Notes are effectively settled upon the business combination and the fair value of the Notes is additional consideration (see Note 13).

6. INVESTMENT IN MARKETABLE EQUITY SECURITIES

As at December 31, 2019 and March 31, 2019, the Company held 2,000 shares in Biohaven Pharmaceutical Holding Company Limited, (Biohaven) a public company listed on New York Stock Exchange.

The fair value of the 2,000 share investment in Biohaven was $108,880 (at a quoted market price of $54.44 per share) and $102,940 (at a quoted market price of $51.47 per share) as at December 31, 2019 and March 31, 2019, respectively. The unrealized gain of $5,940 is included in unrealized gain on investments in the accompanying statement of operations and other comprehensive loss for the nine months ended December 31, 2019.

The Company currently accounts for its investment in Biohaven as a financial asset classified as FVTOCI.

The following table is a rollforward of the investment in Biohaven as of December 31, 2019 and March 31, 2019 (in 000s):

Balance at March 31, 2019	$	103
Unrealized gain on investment		6
Balance at December 31, 2019	$	109

7. INVESTMENT IN ASSOCIATE

The following table is a rollforward of the investment Stimunity S.A. from April 1, 2018 to December 31, 2019 (in 000s):

Balance at March 31, 2019	$	1,207
Share of losses		(126)
Balance at December 31, 2019	$	1,081

Details of the Company's associate as of December 31, 2019 and March 31, 2019 are as follows:

Name	Principal Activity	Place of Incorporation and principal place of business	Voting rights held as at December 31, 2019
Associate: Stimunity S.A.	Biotechnology	Paris, France	36.4%

The abovementioned associate is accounted for using the equity method in these consolidated financial statements.

On February 28, 2018, the Company made an initial investment of €0.5 million ($0.7 million) by subscribing to 3,780 new Class A shares of Stimunity SAS ("Stimunity"), a French simplified joint stock company located and operating in Paris, France, for a 27% equity interest. One of the three directors on the Board of Directors is represented by Portage. The management of Stimunity is controlled by the two other founding shareholders of Stimunity. Management has evaluated the Company's investment and concluded that Portage has significant influence and therefore its investment in Stimunity is accounted for using the equity method.

Portage also committed to a second investment in the amount of €1.5 million ($1.9 million) (the "Stimunity Commitment") by subscribing to 4,140 new ordinary shares at a price of €363 per share, upon Stimunity successfully completing agreed milestones (the "Milestones"). On March 25, 2019, the Company made an additional discretionary investment of €0.6million ($0.7 million) by subscribing to 1,945 ordinary shares at a price of €308.55 per share, increasing its ownership to approximately 37%. As of December 31, 2019 and March 31, 2019, the Milestones have not been achieved, thus the Company has not made any payments for the Stimunity Commitment.

Under the shareholders agreement, Portage has (i) a preferential subscription right to maintain its equity interest in Stimunity in the event of a capital increase from the issuance of new securities by Stimunity, except for issuances of new securities for stock options under a merger plan or for an acquisition, or (ii) the right to vote against any (a) issuances of additional securities that would call for the Company to waive its preferential subscription right or (b) any dilutive issuance.

8. INVESTMENT IN PGL

The Company's wholly owned subsidiary, PPL holds 650 ordinary shares of Portage Glasgow Ltd. (PGL), at £0.01 per share for a total consideration of £6.50 ($9.11). PPL's ownership comprised 65% of the issued ordinary shares in PGL. PPL's Chief Executive Officer ("CEO") is also the chairman of the board of directors of PGL which currently consists of two persons. PGL is therefore considered a subsidiary and consolidated.

As per the terms of a Convertible Loan Agreement dated January 31, 2018 signed with PGL, PPL has committed to provide PGL with an unsecured convertible loan facility up to £1 million ($1.4 million) with a minimum drawdown of £50,000 ($70,075) and maximum drawdown of £250,000 ($350,375) during any three-month period. Interest will be at 7% accruing on a monthly basis and the facility is repayable within nine years from the date of the agreement. The outstanding loan with accrued interest can be converted into ordinary shares of PGL to be priced at between £9,000 per share and £5,000 per share depending on the conversion date being within one year to eight years. However, completion of an eligible fundraising by PGL, being £5 million ($7 million) at a pre-money valuation of minimum £10 million ($14 million), will require the loan to be mandatorily converted as per the terms of conversion described above. The total drawdown as at December 31, 2019 amounted to $299,858 (As at March 31, 2019 amounted to $45,378). This drawdown is an intercompany loan that is eliminated in consolidation.

9. INVESTMENT IN PRIVATE COMPANIES

The following table is a rollforward of the investments in Sentien and Intensity as of December 31, 2019 and March 31, 2019 (in 000's):

	Intensity	Sentien	Total
Balance at March 31, 2019	$ 4,500	$ 700	$ 5,200
Investment	1,298	-	1,298
Unrealized gain on investment	1,611	-	1,611
Balance at December 31, 2019	$ 7,409	$ 700	$ 8,109

Intensity

In connection with the acquisition of SalvaRx on January 8, 2019, the Company acquired a $4.5 million interest in Intensity, a clinical stage biotechnology company, for 1 million shares, or a 7.5% equity interest in Intensity

On July 11, 2019, the Company acquired all the shares of Intensity Holding Limited (IHL) from Fast Froward Innovations Limited for $1,298,061 through the issuance of 12,980,610 common shares of Portage, at a deemed price of USD $0.10 per share. The sole asset of IHL consists of 288,458 shares of Intensity.

Portage's ownership, as a result, increased to 1,288,458 shares of Intensity (approximately 9.7% of the outstanding shares of Intensity).

The investment is recorded at fair value (which approximates cost) and has been irrevocably designated as a financial asset recorded at fair value with gains and losses recorded through OCI. The fair value of the asset is determined by considering other comparable equity funding transactions by Intensity with unrelated investors.

The fair value of the 1,228,458 share investment in Intensity was $7.4 million (at a $5.75 price from a comparable equity funding transaction by Intensity in December 2019 with unrelated investors), respectively. The unrealized gain of $1.6 million is included in unrealized gain on investments in the accompanying statement of operations and other comprehensive loss for the nine months ended December 31, 2019.

Sentien

In August 2015, the Company acquired 210,210 shares of Series A preferred stock in Sentien ("Preferred Stock"), a Medford, MA based private company for $700,000 of cash. The Preferred Stock is fully convertible into equal number of common shares. The Company's holdings represent 5.06% of the equity of Sentien on a fully diluted basis as at December 31, 2019 and March 31, 2019, respectively. The investment in Sentien has been irrevocably designated as a financial asset recorded at fair value with gains and losses recorded through OCI. In accordance with the guidance in IFRS 9 regarding when cost may be the best estimate of fair value, Sentien is recorded at cost.

10. GOODWILL

The Company's goodwill arose from the acquisition of Salvarx Limited and its portfolio of several projects and investments.

As for the three and nine months ended December 31, 2019, the Company's cash generating units (CGUs) are:

- IOX Therapeutics Ltd - Projects IMM 60 and IMM 65
- Saugatuck Therapeutics Ltd - DNA aptamers and certain aptamer-based combination products using nanolipogel (NLG) technology acquired under an exclusive licence from Yale University
- Investment in Intensity Therapeutics Inc. Intensity's lead product, INT230-6, shows strong efficacy in preclinical models against the primary injected tumour without the devastating systemic exposure normally associated with cytotoxic compounds. Moreover, this lead compound can stimulate a potent systemic immune response that affects distal tumours.

On an annual basis, the Company assesses its long-lived assets with definite lives which are not yet available for use for potential indicators of impairment. If any such indication exists, the Company estimates the recoverable amount of the asset or CGU and compares it to the carrying value.

The Company performed its annual impairment test and estimated the recoverable amount of the above-noted CGUs based on fair value less costs of disposal ("FVLCOD"), which was determined using a capitalized cash flow methodology and categorized within level 3 of the fair market value hierarchy.

The recoverable amount of the CGUs has been determined based on their fair values less cost to sell. The recoverable amount considered assumptions based on probabilities of technical, regulatory and clinical acceptances and financial support. Further, Management uses risk-adjusted cash flow projections based on financial budgets. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount. The discount rate has been determined based on the Company's best estimate of a risk adjusted discount rate.

The key assumptions used in the calculation of the recoverable amount include forecasts of the following:

a) Revenues;
b) normalized operating expenses;
c) income taxes; and
d) capital expenditures.

Capitalized cash flows are determined with reference to undiscounted risk adjusted cash flows, and discount rates in the range of 3% to 18% based on the individual characteristics of the Company's CGU, the risk-free rate of return and other economic and operating factors.

The recoverable amount exceeded carrying amount of goodwill and IPRDs and therefore no impairment was considered necessary as at December 31, 2019.

11. IN-PROCESS RESEARCH AND DEVELOPMENT ("IPRD")

IPRD consists of the following projects (in 000s):

	IMM 60 IOX	IMM 65 IOX		
	Melanoma & Lung Cancers	Ovarian/ Prostate Cancers	Oncomer Saugatuck DNA Aptamers	Total
Value assigned by Valuator as of July 23, 2018 - only SalvaRx portion (60.49% for IOX and 70% for Saugatuck)	$ 40,200	$ 24,200	$ 450	$ 64,850
Value accepted by Portage and SalvaRx	33,160	19,960	450	53,570
Gross up of the above value to 100%	54,819	32,997	643	88,459
Changes in value between July 23, 2018 and March 31, 2019	29,394		(465)	28,929
Value as at March 31, 2019 and December 31, 2019	$ 84,213	$ 32,997	$ 178	$ 117,388

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Year ended,	December 31, 2019	March 31, 2019
	in 000s	in 000s
Accounts payable	$ 429	$ 388
Accrued interest	632	523
Other accrued expenses	188	196
	$ 1,249	$ 1,107

13. UNSECURED NOTES PAYABLE AND WARRANTS

Following is a rollforward of the notes payable and the warrant liability (in 000$):

Notes Payable:

	PPL	iOx	SalvaRx	Total
Balance at March 31, 2019	$ 193	$ 100	$ 3,370	$ 3,663
Repayment	-	-	(300)	(300)
Interest	5	-	205	210
Loss on extinguishment of debt	-	-	33	33
Balance at December 31, 2019	$ 198	$ 100	$ 3,308	$ 3,606

Warrants:

	PPL	Eygen	Total
Balance at March 31, 2019	22	2	24
Balance at December 31, 2019	$ 22	$ 2	$ 24

PPL and EyGen Unsecured Notes Payable and Warrants

During the year ended March 31, 2017, the Company's subsidiaries, PPL and Eygen, commenced debt financing transactions through a private placement of unsecured notes (the "Unsecured Notes"). The aggregate principal amount of the Unsecured Notes was $200,000 at December 31, 2019 and March 31, 2019.

The Unsecured Notes issued by PPL and EyGen bear interest at 7% per annum, payable annually on the issuance date. The Unsecured Notes are not redeemable by the Company prior to maturity. In conjunction with the issuance of the Unsecured Notes, the note holders were also issued a warrant to subscribe for $7,500 new PPL or Eygen ordinary shares for every $10,000 of principal issued, respectively, provided that a certain qualifying event occurs within the three years of issuance. The warrants are only exercisable on a qualifying event and the exercise price of the warrant will be based on the price of equity shares determined by the qualifying event and the year in which it takes place. The warrants have a three-year term. Given that there was an obligation to issue a variable number of shares, the warrants were classified as financial liabilities and recorded at fair value of $24,000 in warrant liabilities in the accompanying consolidated balance sheet.

SalvaRx Unsecured Notes Payable and Warrants

In connection with the acquisition of SalvaRx in January 2019, the Company assumed $3.96 million of principal in unsecured notes issued by SalvaRx due on March 2, 2021 (or a qualifying event), that bear interest of 7% (the "SalvaRx Notes"). As the acquisition of SalvaRx was a qualifying event, the unsecured notes became due upon the acquisition. Maturity of notes of $3.7 million was extended to 2021 on December 23, 2019 and were therefore classified as non-current liability on the balance sheet.

On January 8, 2019, the acquisition date, the fair value of the SalvaRx Notes was determined to be $3.4 million using a 12.5% market interest rate to discount all payments of principal and interest due to the holders of such notes through the date of maturity, resulting in a debt discount of $560,000. During the nine months ended December 31, 2019, the Company recorded interest expense of $205,000 for the amortization of the discount on the unsecured notes.

The holders of the SalvaRx Notes received $7,500 of warrants in respect of each $10,000 of principal issued.
The warrants vest in the event of a qualifying transaction and are exercisable at a 30% discount to the implied valuation of SalvaRx. On the Acquisition Date, the fair value of warrants, which are included in non-controlling interest, was determined to be $2.5 million using the Black Scholes Model.

During the nine months ended December 31, 2019, unsecured notes for $300,000 were repaid in cash and resulted in a loss on extinguishment of debt of $33,000 which is included in the consolidated statement of operations.

IOX Unsecured Notes Payable and Warrants

In connection with the SalvaRx Acquisition in January 2019, the Company assumed $2.0 million of 7% convertible notes issued by IOX, a wholly owned subsidiary of SalvaRx (the "Convertible Notes"), of which the Company holds $1.9 million. As a result of the acquisition of SalvaRx, IOX became a subsidiary of the Company during the year ended March 31, 2019. In accordance with IFRS 3 – Business combinations, the fair value of notes payable was effectively settled against the note receivable (see Note 5). The remaining Convertible Notes issued to a third party, including the conversion option, are recorded at a fair value of $0.1 million. In each of March 2019 and December 2019, $0.05 million of loan mature. The holders of the Convertible Notes can convert the notes and accrued interest into ordinary shares of IOX at any time before maturity at £120 per share. There is an automatic conversion in the event IOX raises $2 million, and the conversion price will be determined on the timing of the capital raise and the price at which the money was raised. IOX has right to repay the Convertible Notes together with interest at any time.

14. CAPITAL STOCK

Authorized: Unlimited number of common shares with-out par value

	Nine months ended December 31, 2019		Year ended March 31, 2019	
	Common shares in 000s	Amount in 000s	Common shares in 000s	Amount in 000s
Balance, beginning of period	1,085,790	$ 116,237	280,720	$ 23,654
Shares issued on acquisition of Intensity Holding company	12,981	$ 1,298		
Shares issued on acquisition of Salvarx Ltd	-	-	805,070	92,583
Balance, end of period	1,098,771	$ 117,535	1,085,790	$ 116,237

On July 11, 2019, the Company issued 12,980,610 common shares to acquire IHL (see Note 9). The total consideration was $1,298,06, at a deemed price of USD $0.10 per share.

On January 8, 2019, the Company issued 805,070,067 common shares to acquire SalvaRx. The total consideration of $92,583,058 was based on the quoted market price of $0.115 per share on January 8, 2019.

15. SHARE-BASED PAYMENT

The following table provides the activity for the Company's stock option reserve for the nine months ended December 31, 2019 and the year ended March 31, 2019 (in 000's):

	Non-Controlling Interest	Stock Option Reserve
Balance at April 1, 2018	$ -	$ 267
Value of IOX options related to pre-acquisition services	7,364	-
Stock based compensation expense	1,111	57
Balance at March 31, 2019	8,475	324
Stock based compensation expense	1,777	16
Balance at December 31, 2019	$ 10,252	$ 340

Stock Options

The Board of Directors of the Company (the "Board") established a stock option plan (the "2013 Option Plan") under which options to acquire common shares of the Company are granted to directors, employees and consultants of the Company. As of March 31, 2019, the Board decided to discontinue the 2013 Option Plan. There are 595,842 stock options issued under this plan. No additional shares will be issued under this plan.

From time to time the Board issues stock options to acquire common shares of PPL, a wholly-owned subsidiary of the Company, are granted to directors, employees and consultants of PPL (the "PPL Option Plan").

In January 2019, IOX, a subsidiary of SalvaRx, was acquired by the Company as part of the acquisition of SalvaRx. In conjunction with the acquisition, the Company acquired stock options to acquire common shares of IOX outstanding under the IOX stock option plan ("IOX Option Plan").

The following is a summary of all outstanding stock options:

	PBI 2013 Option Plan	PPL Option Plan (Subsidiary Plan)	IOX Option Plan (Subsidiary Plan)
Balance at April 1, 2017	20,316,868	47,917	-
Exercised	(18,471,026)	-	-
Balance as at March 31, 2018	1,845,842	47,917	-
Acquired from SalvaRx Acquisition	-	-	2,599
Granted	-	9,341	-
Cancelled	(1,250,000)	-	-
Balance as at March 31, 2019	595,842	57,258	2,599
Balance as at December 31, 2019	595,842	57,258	2,599
Exercisable as at December 31, 2019	595,842	57,258	1,960

Following are the weighted average exercise price and the remaining contractual life for outstanding options by plan:

	PBI 2013 Option Plan		PPL Option Plan (Subsidiary Plan)		IOX Option Plan (Subsidiary Plan)	
	As at December 31, 2019	As at March 31, 2019	As at December 31, 2019	As at March 31, 2019	As at December 31, 2019	As at March 31, 2019
Weighted average exercise price	$ 0.15	$ 0.15	$ 2.83	$ 2.83	$ 152.84	$ 152.84
Weighted average remaining contractual life (in years)	1.04	2.72	.60	1.63	1.88	3.10

The options can be exercised at any time after vesting within the exercise period in accordance with the applicable option agreement. The exercise price was more than the market price on the date of the grants for all options outstanding as at December 31, 2019 and March 31, 2019.

The Company recorded $1.0 million, $0.04 million, 1.8 million and $0.05 million of compensation expense related to the stock option plans for the three and nine months ended December 31, 2019 and 2018, respectively.

As at December 31, 2019 and March 31, 2019, the Company did not have any active Consultant Stock Compensation Plans.

16. DEFERRED TAX LIABILITY

As at December 31, 2019 and March 31, 2019, iOx had a deferred tax liability of approximately $20.7 million and $20.4 million, respectively. On January 8, 2019, the Company recognized a $19.8 million deferred tax liability for the difference between the book and income tax basis of IPR&D acquired as part of the acquisition of SalvaRx. As the IPR&D process is in the UK, the deferred tax has been recorded at 17%, the rate applicable in the UK. As the deferred tax liability may be settled in the future in Great British Pounds (“GBP”), the Company increased the deferred tax liability by approximately $0.3 million (for the difference in exchange rates from 1.31 USD per GBP on March 31, 2109 to 1.33 USD per GBP on December 31, 2019) and $0.6 million (for the difference in exchange rates from 1.27 USD per GBP on January 8, 2019 to 1.31 USD per GBP on March 31, 2019) on December 31, 2019 and March 31, 2019, respectively.

17. LOSS PER SHARE

Inclusion of the options in the computation of diluted loss per share would have an anti-dilutive effect on the loss per share and are therefore excluded from the computation. Consequently, there is no difference between loss per share and diluted loss per share.

	For the three months ended December 31,		For the nine months ended December 31,	
	2019	2018	2019	2018
Numerator				
Net loss attributable to owners of the Company	$ (376)	$ (307)	$ (4,031)	$ (711)
Denominator				
Weighted average number of shares - basic and diluted	1,098,771	280,719	1,093,956	280,719
Loss per share - basic and diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

18. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Under the terms of a License Agreement dated January 25, 2013, PPL is required to reimburse to the Licensor, Trojan Technologies Limited ("Trojan"), 50% of all maintenance costs of the US Patent #7,968,512 and to pay royalties of 3% on Net Receipts from sales of the Licensed Product and 5% on Net Receipts from third parties in respect of development or other exploitation of Licensed Intellectual Property and/or Licensed Products up to a maximum of $30 million. As at December 31, 2019, no royalties have been earned and maintenance fees are insignificant, therefore no payments have been made to Trojan.

(b) The Company is committed to invest approximately €1.5 million ($1.9 million) in Stimunity upon Stimunity's achievement of certain agreed milestones. As at March 31, 2019, the Company made an additional discretionary investment of €600,129 ($688,359) toward the commitment. As at December 31, 2019, agreed milestones were not yet reached and hence no further payment under the agreement was due.

(c) PPL is committed to provide a loan facility to PGL of up to £1 million ($1.4 million) of which approximately $300,000 was advanced up to December 31, 2019 (see Note 8).

(d) SalvaRx has an obligation to make further capital contribution of €0.3 million ($0.3 million) in Nekonal once certain development milestones have been achieved (see (e) below).

(e) SalvaRx and Nekonal are currently in disagreement regarding SalvaRx's obligation to make the additional equity contribution described in (d), which is due upon Nekonal's attainment of the defined milestone. In April 2019, SalvaRx asserted that management of Nekonal committed a breach of duties and fraud on its minority shareholder and Nekonal management has accused SalvaRx of breach of contract. To date, no legal proceedings have been formally commenced by either party. Research and development efforts have been suspended pending a resolution of this matter. The Company cannot predict the outcome of this matter and there is no assurance that a loss will not be incurred.

19. CONSULTING FEE

	Three months ended December 31,		Nine months ended December 31,	
	2019	2018	2019	2018
	in 000s	in 000s	in 000s	in 000s
Cash fee to management	208	45	473	135
Cash fee to others	77	8	419	41
Shares and vested Options issued to key management and directors	310	-	1,211	1
Shares and vested Options issued to others	135	24	566	36
	$ 730	$ 77	$ 2.669	$ 213

20. RELATED PARTY TRANSACTIONS

Investments

The Company has entered into related party transactions and certain services agreement with its joint venture and investments. Key management of the Company has also entered into related party transactions with the joint venture and investments. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors, Chairman, Chief Executive Officer and Chief Financial Officer are key management personnel. The related party transactions are as follows:

Nekonal

One of the three directors on the Board of Directors of Nekonal is represented by Portage. Under the terms of the Nekonal Agreement, SalvaRx invested an initial €600,000. €300,000 was invested to further the drug development efforts of Nekonal's technology in cancer immunotherapy. Of the investment €50,000 was paid to each of SalvaRx and Nekonal SARL for fees called for under the services agreements with SalvaRx (management fees) and Nekonal SARL (scientist fees), respectively, for labor fees. The remainder of €200,000 is used for materials in the labs. Additionally, the CEO of the Company is also the CEO of Nekonal and employees of the Company comprise the management team of Nekonal under the service agreement for management services.

Stimunity

One of the three directors on the Board of Directors of Stimunity is represented by Portage.

IOX

Two of the five directors on the Board of Directors of IOX is represented by Portage. Additionally, Portage has an observer on the Board of IOX. The CEO of the Company is also the CEO of IOX and employees of the Company comprise the management team of IOX.

Saugatuck

One of the three directors on the Board of Directors of Saugatuck is represented by Portage. Additionally, the CEO of the Company is also the CEO of Saugatuck and employees of the Company comprise the management team of Saugatuck.

Intensity

One of the four directors on the Board of Directors of Intensity is represented by Portage. Additionally, the CEO of the Company is an officer and employee of Intensity.

PGL

On January 31, 2018, the Company's wholly-owned subsidiary, PPL, acquired 650 ordinary shares, or 65%, of Portage Glasgow Ltd. (PGL), a newly incorporated company in Glasgow, Scotland at less than $0.01 per share for a total consideration of $9.11. PPL's CEO is also the chairman of the two-person board of directors of PGL.

Unsecured Notes Payable

The Unsecured Notes and the SalvaRx Notes include notes of the original amount of approximately $0.2 million and $3.2 million, respectively, issued to directors of the Company. Interest expense includes approximately $0.1 million and $0.2 million interest respectively for the three and nine months ended December 31, 2019 due to the directors on these related party notes.

Related party transactions have been listed above, unless they have been disclosed elsewhere in the consolidated financial statements.

Transactions between the parent company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments recognized in the balance sheet consist of the following:

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The following table summarizes the Company's financial instruments as at December 31, 2019 (in 000s):

	As at December 31, 2019		As at March 31, 2019	
Financial assets	**Amortized cost**	**Fair value to other comprehensive income**	**Amortized cost**	**Fair value to other comprehensive income**
Cash and cash equivalent	2,994	-	6,166	-
Prepaid expenses and other receivable	445	-	282	-
Investments	-	8,218	-	5,303

	As at December 31, 2019		As at March 31, 2019	
Financial liabilities	**Amortized cost**	**FVTPL**	**Amortized cost**	**FVTPL**
Accounts payable and accrued liabilities	1,249	-	1,107	-
Unsecured notes payable	3,606	-	3,663	-
Warrant liability	-	24	-	24

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Fair value of financial instruments

The Company's financial assets and liabilities are comprised of cash, receivables and investments in equities and private entities, accounts payable, warrant liability and unsecured notes payable.

The Company classifies the fair value of these transactions according to the following fair value hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – Values are based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 – Values are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values are based on prices or valuation techniques that are not based on observable market data. Investment is classified as level 3 financial instrument.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy.

Management has assessed that the fair values of cash and cash equivalents, other receivables and accounts payable approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate their fair values:

Investment in Biohaven: Fair value was based on quoted market price of $54.44 per share (Level 1).

The investment in Nekonal and the option in Nekonal has been listed at a $0 fair value.

Investment in Sentien: In accordance with the guidance in IFRS 9 regarding when cost may be the best estimate of fair value, Sentien is recorded at cost.

Investment in Intensity: fair value of the asset is determined by considering other comparable equity funding transactions by Intensity with unrelated investors.

Unsecured notes payable and warrant liability: The fair value was estimated using a Black Scholes model (Level 3).

There have been no transfers between levels of the fair value hierarchy for the three and nine months ended December 31, 2019 and year ended March 31, 2019.

The Company's financial instruments are exposed to certain financial risks: credit risk and liquidity risk.

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfil its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value as reflected on the statement of financial position.

Cash - Cash is held with major international financial institutions and therefore the risk of loss is minimal.

Other receivable - The Company is exposed to credit risk attributable to its debtor since a significant portion of this amount represents the amount agreed on a settlement of a claim by PPL (Note 4), payable over the next six years. The debtor has so far been diligent in paying the amounts on the due dates and PPL management will be monitoring the account on a regular basis.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation. The Company holds sufficient cash to satisfy obligations under accounts payable and accruals.

The Company monitors its liquidity position regularly to assess whether it has the funds necessary to meet its operating needs and needs for investing in new projects. The Company believes that it has sufficient funding to finance the committed drug development work, apart from meeting its operational needs for the foreseeable future.

However, as a biotech company at an early stage of development and without significant internally generated cash flows, there are inherent liquidity risks, including the possibility that additional financing may not be available to the Company, or that actual drug development expenditures may exceed those planned. The current uncertainty in global markets could have an impact on the Company's future ability to access capital on terms that are acceptable to the Company. There can be no assurance that required financing will be available to the Company.

22. CAPITAL DISCLOSURES

The Company considers the items included in Shareholders' Equity as capital. The Company had payables of approximately $1.3 million as at December 31, 2019 (approximately $ 1.1 million as at March 31, 2019) and current assets of approximately $3.5 million (approximately $6.6 million as at March 31, 2019). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue new business opportunities and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

As at December 31, 2019, the shareholders' equity was approximately $98.6 million (approximately $100 million as at March 31, 2019), approximately $3.0 million ($6.2 million as at March 31, 2019) of it was held in the form of cash.

The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. There have been no changes to the Company's approach to capital management during the three and nine months ended December 31, 2019 and 2018.

23. NON-CONTROLLING INTEREST

	PGL in 000s	SalvaRx in 000s	IOX in 000s	Saugatuck in 000s	Total in 000s
Balance as of April 1, 2018	$ -	$ -	$ -	$ -	$ -
Fair value of a subsidiary attributable to non-controlling interest on acquisition	-	-	38,826	90	38,916
Fair value:					
SalvaRx warrants vested upon acquisition		2,451			2,451
Vested portion of IOX stock options			7,364		7,364
Stock based compensation expense	-	-	1,111	-	1,111
Net loss attributable to non-controlling interest	(31)	-	(925)	(3)	(959)
Non-controlling interest at March 31, 2019	(31)	2,451	46,376	87	48,883
Fair value:					
Stock based compensation expense	-	-	1,777	-	1,777
Net loss attributable to non-controlling interest	(55)	-	(1,260)	(17)	(1,332)
Non-controlling interest at December 31, 2019	$ (86)	$ 2,451	$ 46,893	$ 70	$ 49,328

24. SUBSEQUENT EVENTS

There were no subsequent events to be disclosed as of February 28, 2020, the filing date of the financial statements for the nine-month period ended December 31, 2019.

PORTAGE BIOTECH INC.

THREE MONTHS ENDED DECEMBER 31, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Prepared as at February 28, 2020

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Management Discussion and Analysis

The following discussion and analysis by management of the financial condition and financial results for Portage Biotech Inc. for the three months ended December 31, 2019 should be read in conjunction with the unaudited Consolidated Interim Financial Statements for the three and nine months ended December 31, 2019, the three and six months ended September 30, 2019 and for the three months ended June 30, 2019 together with Management Discussion and Analysis dated December 30, 2019 and audited consolidated financial statements for the year ended March 31, 2019 and annual report in form 20-F for the same period.

Forward looking statements

This document includes forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of the Securities laws. These forward-looking statements include, among others, statements with respect to our objectives, goals and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words "may", "will", "could", "should", "would", "suspect", "outlook", "believe", "plan", "anticipate", "estimate", "expect", "intend", "forecast", "objective", "hope" and "continue" (or the negative thereof), and words and expressions of similar import, are intended to identify forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, which give rise to the possibility that predictions, forecasts, projections and other forward-looking statements will not be achieved. Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. We caution readers not to place undue reliance on these statements as a number of important factors, many of which are beyond our control, could cause our actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to; the applicability of patents and proprietary technology; possible patent litigation; approval of products in the Company's pipeline; marketing of products; meeting projected drug development timelines and goals; product liability and insurance; dependence on strategic partnerships and licensees; concentration of the Company's revenue; substantial competition and rapid technological change in the pharmaceutical industry; the publication of negative results of clinical trials of the Company's products; the ability to access capital; the ability to attract and retain key personnel; changes in government regulation or regulatory approval processes; dependence on contract research organizations; third party reimbursement; the success of the Company's strategic investments; the achievement of development goals and time frames; the possibility of shareholder dilution; market price volatility of securities; and the existence of significant shareholders.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When reviewing our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Additional information about factors that may cause actual results to differ materially from expectations, and about material factors or assumptions applied in making forward-looking statements, may be found in the "Risk Factors" section under "Business Environment" and elsewhere in the following Management's Discussion and Analysis of Operating Results and Financial Position for the three months ended December 31, 2019. We do not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by us or on our behalf; such statements speak only as of the date made. The forward-looking statements included herein are expressly qualified in their entirety by this cautionary language.

In this report the words "us", "we", "our", "the Company", and "Portage" have the same meaning unless otherwise stated and refer to Portage Biotech Inc. and its subsidiaries.

Nature of Operation and overview

Portage Biotech Inc. (“the Company”) was operating as an Ontario, Canada incorporated company, Bontan Corporation Inc. (“Bontan”) until July 5, 2013. On July 5, 2013, the Company changed its name to the current name and moved its jurisdiction to the British Virgin Islands (BVI) under a certificate of Continuance issued by the Registrar of Corporate Affairs of BVI.
The Company now continues as a BVI incorporated company with its registered office located at FH Chambers, P.O. Box 4649, Road Town, Tortola, BVI. Its Toronto agent, Portage Services Ltd., is located at 47 Avenue Road, Suite 200, Toronto, Ontario, M5R 2G3, Canada.

The Company continues to be a reporting issuer with the Ontario Securities Commission and the US Securities and Exchange Commission and its shares trade on the OTC Markets under the trading symbol “PTGEF,” effective August 23, 2013. Prior to this date, it was trading as Bontan Corporation Inc. under the trading symbol “BNTNF”. Effective October 28, 2013, the Company’s shares are also listed for trading in US currency on the Canadian Securities Exchange under the symbol “PBT.U”.

Portage develops pharmaceutical and biotech products through to clinical “proof of concept” focusing on unmet clinical needs. Following proof of concept, Portage will look to sell or license the products to large pharmaceutical companies for further development through to commercialization. Portage seeks products and co-development partners in cancer, infectious disease, neurology and psychiatry with novel targeted therapies, or reformulations that can be patented.

On January 8, 2019, the Company acquired 100% of the equity of SalvaRx Ltd. which has investments in and helped form six immune-oncology companies which are developing nine products.

The current organization chart of the Portage Group following the completion of the acquisition is as follows:

* Companies currently inactive.

Summary of our Key portfolio companies including our subsidiaries is provided below:

IOX Therapeutics Ltd.(“IOX”)

IOX was incorporated in England and Wales on February 10, 2015 by Oxford University Innovation Limited, Oxford University’s technology transfer subsidiary, together with the Ludwig Institute. As at the date of this Document, SalvaRx holds 15,313 Seed preferred shares having the same rights as Ordinary shares (an equity stake of 60.49%). IOX’s strategy is to develop a new type of immunotherapy against cancer, originally discovered through a partnership between the Ludwig Institute and Professor Cerundolo, director of the MRC Human Immunology Unit and head of the Department of Investigative Medicine at the University of Oxford.

On July 1, 2015, IOX obtained an exclusive licence (with the right to sub-licence) from the Ludwig Institute to use, research, develop and commercialise iNKT cell agonists, including compounds IMM47 and IMM60, for the treatment of various forms of human disease, including cancer, under the Ludwig Institute's intellectual property and know-how.

SalvaRx has entered into a collaborative research agreement with Oxford University to support a Phase I Study and Phase II Study that will allow the first human testing of the lead compound under licence to IOX. This initial trial is aiming to recruit approximately 60 participants in order to evaluate the safety and efficacy of the lead compound. The costs of these studies will be borne by the Oxford University under the research agreement.

IOX is currently engaged in meeting its clinical testing supply requirements.

Saugatuck Therapeutics, Ltd.

On August 23, 2017, SalvaRx entered into a shareholder agreement with Immunova, LLC, a private, Delaware-domiciled biotechnology company focused on use of nanolipogel (NLG) technology (the "Saugatuck Agreement") to incorporate a new company in British Virgin Islands, Saugatuck Therapeutics Ltd. (Saugatuck). Salvarx acquired 70% of the equity of Saugatuck and Immunova, LLC holds the remaining 30% of the equity of Saugatuck.

NLG technology, invented in the lab of Dr. Tarek Fahmy at Yale University, allows different combinations of drugs to be encapsulated in a single nanomedicine and delivered selectively to the tumour microenvironment, thus potentially minimizing systemic side-effects.

Saugatuck has acquired an exclusive licence from Yale University via Immunova for use of the NLG platform for delivering DNA aptamers and certain aptamer-based combination products.

Under the terms of the Saugatuck Agreement, SalvaRx undertook to invest in an aggregate amount of up to US$1 million, to be released in tranches on the completion of milestones. The first tranche of US$300,000 was made to Saugatuck to establish proof of concept.

Nekonal Oncology Limited

On February 27, 2017 SalvaRx entered into a shareholders' agreement with Nekonal SARL ("Nekonal Agreement"), a Luxembourg-based company holding intellectual property rights for therapeutics and diagnostics in the field of autoimmune disorders and oncology.

As part of the agreement, SalvaRx and Nekonal have formed a new company, Nekonal Oncology Limited, which is working to utilise SalvaRx's management and drug development expertise to exclusively explore the applications of Nekonal's technology in cancer immunotherapy.

Under the terms of the Nekonal Agreement, SalvaRx invested an initial €600,000, with agreement to fund up to an additional €300,000, subject to certain milestones being achieved. The initial investment comprised a €300,000 for an option in Nekonal SARL to participate in the funding of its auto-immune programs and a €300,000 equity investment in Nekonal Oncology Limited giving SalvaRx a 33% equity interest.

Nekonal Oncology is focusing on the development of first-in-class antibodies against a novel Tcell based target having potential for use as a monotherapy and combination therapy for solid and haematological malignancies. SalvaRx is overseeing a work plan to advance multiple therapeutic antibodies towards the clinic for use in oncology. Ian Walters, the CEO, is the current CEO of Nekonal Oncology.

SalvaRx and Nekonal are currently involved in a dispute regarding the next tranche of funding. SalvaRx claims that Nekonal management committed a breach of duties and fraud on its minority shareholders. Nekonal management has counterclaimed that SalvaRx is in breach of breach of contract with respect to the funding arrangement. While litigation is threatened, no legal proceedings have been formally commenced. Nekonal has halted all development and it intends to so until this matter can be resolved. The Company and Nekonal are currently negotiating a resolution of this matter. Company management is currently unable to predict the outcome of this matter or make any reliable estimate of a potential loss exposure, if any.

Portage Pharmaceuticals Ltd ("PPL")

On June 4, 2013, following the acquisition of Portage Pharma Ltd, the Company's wholly owned subsidiary, Portage Acquisition Inc. and Portage Pharma Ltd amalgamated. The amalgamated company was named Portage Pharma Limited and was incorporated in the BVI.
In July 2014, PPL successfully validated CellPorter®, a new proprietary cell permeable peptide platform technology derived from human proteins. CellPorter® has been shown to efficiently deliver an active pharmacological agent or cargo into cells without disrupting the cell membrane. In a collaboration with the Pirbright Institute (UK), a CellPorter® conjugated CD8 T-cell antigenic epitope derived from mycobacterium tuberculosis was demonstrated to provoke a specific CD8 T-cell immune response in Balb/c mice suggesting possible application of this technology for vaccines.

PPL has terminated consulting contract with its CEO, Dr. Marcoux and discontinued further activities.

PPL is now focusing on licensing or collaborating its CellPorter® platform with other pharmaceutical companies to develop new drugs (See Portage Glasgow Ltd. below)

Portage Glasgow Ltd. (PGL)

Portage Glasgow Limited ("PGL"), was incorporated on January 31, 2018 in Scotland, to develop more effectively targeted drugs to treat chronic conditions including cancer. PPL was allocated 650 ordinary shares in PGL (65% equity) and other two partners with contemporaneous licensing agreement were allocated the remaining 350 ordinary shares. The CEO of PPL, Dr. Frank Marcoux is the CEO of PGL and the chairman of its Board.

The University of Glasgow is providing therapeutic peptides developed through the research of Prof. George Baillie and access to a therapeutic peptide discovery platform.

PGL will focus on the commercialisation of new therapies aimed at disrupting protein-protein interactions (PPI) in disease pathways which give therapeutic benefit. Candidate peptides and PPI targets have already been identified from existing research at the University.

PGL management has been working on its development plans and budget.

Stimunity S.A.S.

On February 28, 2018, the Company made an initial investment of approximately €501,000 ($681,000) by subscribing to 3,780 new Class A shares at a price of €132.50 per share of Stimunity SAS ("Stimunity"), a Paris based immune-oncology company. The investment gave Portage 27% equity in Stimunity. In March 2019, Portage made an additional €600,000($688,000) investment in Stimunity increasing its equity to 36%.

Stimunity is an early-stage research and development company focused on the development of STING agonists in cancer. The technology, licensed from Institut Curie, Inserm, and the University of Oxford, is based on a unique biologic approach which encapsulates endogenous STING-activating molecules in a Virus-Like Particle (VLP).

Stimunity's first stage of the preclinical development plan was to unlock the mechanism of action of its main biological drug cGAMP-VLP (STI-001) and to reveal its therapeutic potential in comparison to competitors that are only focused on chemical approaches. STI-001 by its biologic nature shows a clear benefit for treating distant tumors in combination with immune checkpoint therapy whereas this effect was not comparable with competitor's compound.

Stimunity has now started the manufacturing of its biologic cGAMP-VLP (STI-001) lead compound.

Intensity Therapeutics Inc.

On April 22, 2016, SalvaRx announced its investment in US-based Intensity, a private biotechnology company pioneering a new approach to treating solid tumours. SalvaRx has invested US$2 million in cash for a 9.2% interest in Intensity as part of a Series A funding round.

On July 11, 2019, the Company purchased 100% equity in Intensity Holdings Limited ("IHL"), the wholly owned subsidiary of Fast Forward that holds Fast Forward's investment in Intensity. Portage paid US $1,298,061 for IHL through the issuance of 12,980,610 common shares of Portage. The sole asset of IHL consists of 288,458 shares of the private company, Intensity. This transaction has increased Portage's ownership to 1,288,458 shares of Intensity (approximately 9.7% of the outstanding shares of Intensity).

Intensity's platform, DfuseRx SM, identifies novel formulations that can be comprised of currently approved and effective cytotoxic or other anti-cancer agents for direct injection into solid tumours. The Intensity products not only directly kill tumour cells, but also improve the presentation of tumour antigen to the immune system.

Intensity's lead product, INT230-6, shows strong efficacy in preclinical models against the primary injected tumour without the devastating systemic exposure normally associated with cytotoxic compounds. Moreover, this lead compound can stimulate a potent systemic immune response that affects distal tumours.

On June 20, 2019, Intensity announced that it had entered into a clinical collaboration with Merck to evaluate INT230-6, Intensity's investigational treatment for refractory solid tumors, in combination with KEYTRUDA® (pembrolizumab). The Phase 1/2 study potentially will be initiated in the second half of the year and will evaluate the combination in patients with advanced solid malignancies, including pancreatic, bile duct, squamous cell, and non-MSI high colon cancers.

Sentien Biotechnologies, Inc. (Sentien)

Portage invested $700,000 in Sentien in August 2015 to acquire 210,210 series A preferred stock, which is fully convertible into equal number of Sentien's common shares, currently representing approximately 5.06% of Sentien's equity.

Sentien is a privately-owned, clinical-stage company pioneering new approaches to cell therapy. Sentien's technology harnesses the power of cell therapy with innovative drug delivery systems to treat a wide range of systemic inflammatory diseases. Sentien's lead product, SBI-101, is designed to allow for controlled, sustained delivery of mesenchymal stromal cell (MSC) secreted factors. This approach immobilizes the MSCs in an extracorporeal device, allowing for doses of therapeutic factors that are unattainable by direct injection.

SBI-101 is the first product application of Sentien's platform blood-conditioning technology that has the potential to restore balance to the immune system after acute vital organ injury, such as acute kidney injury.

Sentien raised $15 million up to January 2018 and commenced its Phase 1/2 clinical trial in June 2017 of its lead product SBI-101, a cell-containing dialysis device for the treatment of Acute Kidney Injury and have so far enrolled seven patients, passing the mid-point of the low dose cohort enrolment. The data safety monitoring board concluded that there were no safety issues and recommended continuation of enrolment. Clinical program for acute kidney injury continues. Sentien also developed two other therapies from SBI-101 which are in pre-clinical stages.

Summary of Results

The following table summarizes financial information for the quarter ended December 31, 2019 and the preceding eight quarters: (All amounts in '000 US$ except net loss per share, which are actual amounts)

Quarter ended	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2017
	in 000'$	in 000'$	in 000'$	in 000'$	in 000'$	in 000'$	in 000'$	in 000'$	in 000'$
Net loss (income) - attributable to the owners of the Company	376	1,273	1,442	1,924	283	209	219	(124,766)	351
Working capital	1,977	2,500	3,604	1,757	6,015	7,157	7,378	7,489	171,097
Shareholders' equity	98,574	98,248	98,222	99,674	8,979	9,229	9,436	9,619	171,597
Net profit (loss) per shares - basic	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.46	(0.00)
Net profit (loss) per shares - diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.46	(0.00)

Number of common shares, options

These are as follows:

As at,	December 31, 2019 and February 28, 2020
Shares issued and outstanding*	1,098,770,596
Options granted but not yet exercised (a)	595,842

(a) Options are exercisable into equal number of common shares at an average exercise price of US$0.15 and have a weighted average remaining contractual life of approximately 1.04 years as at December 31, 2019.

* Includes 9,360,668 shares allotted but not yet issued.

Business environment

Risk factors

Please refer to the Annual Report in the form F-20 for the fiscal 2019 for detailed information as the economic and industry factors that are substantially unchanged.

Business plan

Portage is a unique entity in the world of biotechnology, enabling research and development to produce more clinical programs and maximize potential returns by eliminating typical overhead costs associated with many biotechnology companies. We nurture the creation of early- to mid-stage, first- and best-in-class therapies for a variety of cancers, by providing funding, strategic business and clinical counsel, and shared services, to enable efficient, turnkey execution of commercially informed development plans. Our portfolio encompasses nine subsidiary companies whose products or technologies have established scientific rationales, including intra-tumoral, nanoparticles, liposomes, aptamers, cell penetrating peptides, and virus-like particles. In collaboration with our subsidiaries, we create viable product development strategies, to cost-effectively deliver best-in-class R&D, clinical trial design, and financial and project management, to ultimately build value and support commercial potential.

Development plans for our operating subsidiaries and associates are detailed under "Nature of operations and overview "section of this report.

Results of operations

The Company has no revenue. Following details analyze major expenses for the three months ended December 31, 2019 compared to those for the three months ended December 31, 2018. Our Management Discussion and Analysis report of December 30, 2019 relating to the first quarter ended June 30, 2019 and our report of December 30, 2019 relating to the second quarter ended September 30, 2019 provides details of significant events and expenses for that quarter and should be referred to in order to evaluate results and performance for the nine months ended December 31, 2019 compared to nine months ended December 31, 2018.

Three months ended December 31,	**2019**	**2018**
	In 000's US$	**In 000's US$**
Income	-	-
Expenses - operating	(1,082)	(258)
Share of losses in associate	(60)	(53)
Foreign exchange loss	(350)	-
Loss on extinguishment of debt	(33)	
Interest (expense) income	(201)	19
Net loss	(1,726)	(292)
Net loss, attributable to Portage shareholders	(376)	(307)

Expenses

The overall analysis of the operating expenses is as follows:

Three months ended December 31,	**2019**	**2018**
	In 000's US$	**In 000's US$**
Research and development	221	94
Consulting fee	730	77
Professional fees	139	75
Operating expenses	(8)	12
	1,082	258

Research and development costs

These costs comprised the following:

Three months ended December 31,	**2019**	**2018**
	In 000's US$	**In 000's US$**
Legal regarding Patents registration	26	15
Consultants - scientists and researchers	34	60
Other outside services - lab testing, peptide handling etc.	161	19
	221	94

Three months ended December 31, 2019

Significant increase in costs during the three months ended December 31, 2019 was mainly due to Salvarx group companies which were acquired in January 2019. Number of consultants increased from one during the three months ended December 31, 2018 to four during the three months ended December 31, 2019. Outside services costs included approximately $84,000 on clinical testing supplies manufacturing by third party suppliers for IOX.

We acquired three research programs with the acquisition of SalvaRx, IMM60, IMM65 and Saugatuck Aptamers. For the three months ended March 31, 2019, our expenses for research and development for IMM60 and Saugatuck Aptamers were approximately $0.1 million and $0.03 million, respectively. There was no spending for IMM65 in the three months ended March 31, 2019. All of our research programs are progressing nicely. IMM60 and 65 are

preparing their regulatory filings, with anticipate human clinical trial starts later this year. Saugatuck aptamers are also progressing nicely, after showing good results with the initial nanolipogel formulations of DNA aptamers they are now co-formulating aptamers with small molecules and preparing to test the new formulations in the second quarter of 2019.

Three months ended December 31, 2018

The operating subsidiaries of the Company did not conduct any significant new research work during the 2018 quarter, except for renewing existing patents and applying for new ones. Consultant costs relates to the fees charged by the CEO of PPL who also acts as CSO (chief scientific officer), who was mainly involved in analyzing results and overseeing development plan at PGL.

Further details regarding development activities are provided under “nature of operations and overview “section of this report.

Following were key activities during the three months ended December 31, 2019:

IOX

The drug product for human use was manufactured (IMM60 in a liposome). This material will be characterized and vialed for use in the first in human study. Other regulatory activities and preparation for a clinical trial application was done. In addition to the lead drug (IMM60), the company delivered active pharmaceutical ingredient to our collaborators in the PRECIOUS grant. They will take this material and co deliver it with a vaccine as part of the EU’s Horizon 2020 program. This will be the companies second drug to enter human testing.

Stimunity

Stimunity continues to study its lead drug in animal models of cancer. The company has studied its mechanism of action and shown that it has superior efficacy to competitor products. It continues to scale its manufacturing process and do the testing to enable a clinical trial application in the coming years.

Saugatuck

Saugatuck was able to successfully package a DNA aptamer in the nanolipogel formulation licensed from Yale. The aptamer was fully functional upon release from the particle. The team begun to characterize the properties of the aptamer in and out of the particle and compared it to the similar targeted antibody. The company is pleased to show that the aptamer-based formulation was superior to the antibody in controlling the dissemination of the cancer (reducing metastasis). The company will begin to explore combining the aptamer with other aptamers and small molecules to look for synergy.

Intensity

Intensity continues to enroll patients in its clinical trial. They announced publication of their data in Onco-immunology. The manuscript covers work done in collaboration with the National Institute of Health.

Consulting fees

Three months ended December 31, 2019

Consulting fees include cash fee of $285,000 and value of vested options in IOX of $445,000.

Approximately $240,000 of cash fee and all of the option value related to SalvaRx operations were not part of Portage in during the three months ended December 31, 2019, which explains significant increase in the consulting costs.

The Company has no employees. Most of the consulting fees relate to fees charged by four key consultants including CEO and CFO.

Three months ended December 31, 2018

Consulting fee comprised cash fee of $51,000 including fee of $45,000 charged by the CFO and the balance represented value of options vested during the period.

Professional fees

Three months ended December 31, 2019

Professional fee primarily include $33,000 of additional audit, accounting and other non-audit services fees for fiscal 2019 and an accrual of $75,000 towards the fiscal 2020 audit cost.

Three months ended December 31, 2018

Professional fee included $65,952 of legal fees and $9,000 of annual audit fee. Approximately $62,000 of the legal fee related to the legal work in connection with the acquisition of SalvaRx and included preparation of documents for regulatory approval and shareholders distribution.

Other operating costs

Other operating costs were relatively consistent for the three months ended December 31, 2019 and December 31, 2018.

Foreign exchange loss

The foreign exchange loss primarily relates to the foreign exchange rate impact from March 31, 2019 to December 31, 2019 on the deferred tax liability (resulting from the difference between the book and income tax basis of IPR&D acquired as part of the acquisition of SalvaRx) that may be settled in the future in Great British Pounds.

Interest expense

The increase in interest expense relates to the accrued interest and amortization of debt discount for the $3.7 million of unsecured notes acquired as part of the acquisition of SalvaRx on January 8, 2019.

Liquidity and Capital Resources

Working Capital

As at December 31, 2019, the Company had a net working capital of approximately $2.0 million and cash on hand, including short term deposits was approximately $3.0 million.

As March 31, 2019, the Company had net working capital of approximately $4.8 million and cash on hand was approximately $6.2 million.

Operating cash flow

During the nine months ended December 31, 2019, operating activities required a net cash outflow of approximately $2.9 million compared to $0.5 million for the prior period. Significant increase in cash requirement during the nine months ended December 31, 2019 was mainly due to operating costs of Salvarx group companies which were acquired in January 2019. Cash requirement was met form the existing cash on hand.

The Company is required to support further research and development at its subsidiaries, mainly IOX and Saugatuck. It also has commitments to providing more equity funds to its associates once they achieve the agreed milestones. No further activities will be carried out at PPL, PGL and EyGen until they find a financing partner. the Company plans to seek additional financing.

The Company has not yet determined whether costs incurred and to be incurred are economically recoverable. The Company's continuing operations are dependent upon any one of:

1. The existence of economically recoverable medical solutions;

2. The ability of the Company to obtain the necessary financing to continue and complete the research work on various products in its portfolio;

3. Securing partnership with other Pharma companies

4. future profitable production from or proceeds from the disposition of intellectual property.

Although there are no assurances that management's plan will be realized, management believes the Company will be able to secure the necessary financing to continue operations and successfully monetize SalvaRx portfolio, into the future.

Investing cash flows

On July 11, 2019, the Company acquired all the shares of Intensity Holding Limited (IHL) from Fast Froward Innovations Limited for $1,298,061 through the issuance of 12,980,610 common shares of Portage, at a deemed price of USD $0.10 per share. No cash outlay for this investment.

The Company issued $1.0 million of convertible notes receivable in the nine months ended December 31, 2018.

Financing cash flows

Two unsecured notes for $200,000 and $100,000, respectively, issued by Salvarx were repaid in cash during the nine months ended December 31, 2019.

Two unsecured notes of $25,000 each issued by PPL and EyGen were repaid during the nine months ended December 31, 2018.

Key Contractual obligations

Details of contractual obligations, commitments and contingent liabilities are provided in note 18 to the unaudited consolidated financials for the three and nine months ended December 31, 2019.

Off balance sheet arrangements

At December 31, 2019 and March 31, 2019 the Company did not have any off-balance sheet arrangements, including any relationships with unconsolidated entities or financial partnership to enhance perceived liquidity.

Transactions with related parties

The following are Significant related party transactions for the three and nine months ended December 31, 2019.

Investments

The Company has entered into related party transactions and certain services agreement with its joint venture and investments. Key management of the Company has also entered into related party transactions with the joint venture and investments. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors of Portage Biotech Inc., Chairman- Dr. Gregory Bailey, Chief Executive Officer- Dr. Ian Walters and Chief Financial Officer – Mr. Kam Shah are key management personnel. The related party transactions are as follows:

Nekonal

One of the three directors, Dr. Ian Walters on the Board of Directors of Nekonal is represented by Portage. Under the terms of the Nekonal Agreement, SalvaRx invested an initial €600,000. €300,000 was invested to further the drug development efforts of Nekonal's technology in cancer immunotherapy. Of the investment €50,000 was paid to each of SalvaRx and Nekonal SARL for fees called for under the services agreements with SalvaRx (management fees) and Nekonal SARL (scientist fees), respectively, for labor fees. The remainder of €200,000 is used for materials in the labs. Additionally, the CEO of the Company is also the CEO of Nekonal and employees of the Company comprise the management team of Nekonal under the service agreement for management services.

Stimunity

One of the three directors, Dr. Ian Walters on the Board of Directors of Stimunity is represented by Portage.

IOX

Two of the five directors, Drs. Declan Doogan and Ian Walters on the Board of Directors of IOX is represented by Portage. Additionally, Portage has an observer on the Board of IOX. The CEO of the Company is also the CEO of IOX and employees of the Company comprise the management team of IOX.

Saugatuck

One of the three directors, Dr. Ian Walters on the Board of Directors of Saugatuck is represented by Portage. Additionally, the CEO of the Company is also the CEO of Saugatuck and employees of the Company comprise the management team of Saugatuck.

Intensity

One of the four directors, Dr. Ian Walters on the Board of Directors of Intensity is represented by Portage. Additionally, the CEO of the Company is an officer and employee of Intensity.

PGL

On January 31, 2018, the Company's wholly-owned subsidiary, PPL, acquired 650 ordinary shares, or 65%, of Portage Glasgow Ltd. (PGL), a newly incorporated company in Glasgow, Scotland at less than $0.01 per share for a total consideration of $9.11. PPL's CEO, Dr. Frank Marcux, is also the chairman of the two-person board of directors of PGL.

Unsecured Notes Payable

The Unsecured Notes and the SalvaRx Notes include notes of the original amount of approximately $0.2 million and $3.2 million, respectively, issued to Dr. Gregory Bailey, Mr. James Mellon, Mr. Steven Mintz and Mr. Kam Shah - Directors of the Company. Interest expense includes approximately $0.1 million and $0.2 million interest respectively for the three and nine months ended December 31, 2019 due to the directors on these related party notes.

Related party transactions have been listed above, unless they have been disclosed elsewhere in the consolidated financial statements.

Transactions between the parent company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed.

Financial and derivative Instruments

The Company's financial instruments recognized in the balance sheet consist of the following:

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The following table summarizes the Company's financial instruments as at December 31, 2019:

	As at December 31, 2019		As at March 31, 2019	
Financial assets	**Amortized cost**	**Fair value to other comprehensive income**	**Amortized cost**	**Fair value to other comprehensive income**
Cash and cash equivalent	2,994	-	6,166	-
Prepaid expenses and other receivable	445	-	282	-
Investments	-	8,218	-	5,303

	As at December 31, 2019		As at March 31, 2019	
Financial liabilities	**Amortized cost**	**FVTPL**	**Amortized cost**	**FVTPL**
Accounts payable and accrued liabilities	1,249	-	1,107	-
Unsecured notes payable	3,606	-	3,663	-
Warrant liability	-	24	-	24

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Fair value of financial instruments

The Company's financial assets and liabilities are comprised of cash, receivables and investments in equities and private entities, accounts payable, warrant liability and unsecured notes payable.

The Company classifies the fair value of these transactions according to the following fair value hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – Values are based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.

- Level 2 – Values are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.

- Level 3 – Values are based on prices or valuation techniques that are not based on observable market data. Investment is classified as level 3 financial instrument.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy.

Management has assessed that the fair values of cash and cash equivalents, other receivables and accounts payable approximate their carrying amounts largely due to the short-term maturities of these instruments.
The following methods and assumptions were used to estimate their fair values:

Investment in Biohaven: Fair value was based on quoted market price of $54.44 per share (Level 1).

The investment in Nekonal and the option in Nekonal has been listed at a $0 fair value.

Investment in Sentien: fair value of the asset is determined by considering other comparable equity funding transactions by Sentien with unrelated investors.

Investment in Intensity: fair value of the asset is determined by considering other comparable equity funding transactions by Intensity with unrelated investors.

Unsecured notes payable and warrant liability: The fair value is estimated using a Black Scholes model (Level 3).

There have been no transfers between levels of the fair value hierarchy for the three and nine months ended December 31, 2019 and year ended March 31, 2019.

The Company's financial instruments are exposed to certain financial risks: credit risk and liquidity risk.

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value as reflected on the statement of financial position.

Cash - Cash is held with major international financial institutions and therefore the risk of loss is minimal.

Other receivable - The Company is exposed to credit risk attributable to its debtor since a significant portion of this amount represents the amount agreed on a settlement of a claim by PPL (Note 4), payable over the next six years. The debtor has so far been diligent in paying the amounts on the due dates and PPL management will be monitoring the account on a regular basis.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation. The Company holds sufficient cash to satisfy obligations under accounts payable and accruals.

The Company monitors its liquidity position regularly to assess whether it has the funds necessary to meet its operating needs and needs for investing in new projects. The Company believes that it has sufficient funding to finance the committed drug development work, apart from meeting its operational needs for the foreseeable future.

However, as a biotech company at an early stage of development and without significant internally generated cash flows, there are inherent liquidity risks, including the possibility that additional financing may not be available to the Company, or that actual drug development expenditures may exceed those planned. The current uncertainty in global markets could have an impact on the Company's future ability to access capital on terms that are acceptable to the Company. There can be no assurance that required financing will be available to the Company.

Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. Significant areas where estimation uncertainty and critical judgments are applied include valuation of financial instruments, valuation of property, plant and equipment, impairment losses, depletion and depreciation, and measurement of stock-based compensation.

New accounting standards, interpretations and amendments

During the current interim period the company adopted the requirements of IFRS 16 in respect to lease obligations. However, management determined that it had no leases to which the standard applied, and therefore there was no impact on its financial statements. The Company is also unaware of any applicable but not-yet-adopted standards that are expected to materially affect the financial statements of future periods.

Internal Controls Over Financial Reporting

Our Chief Executive Officer and our Chief Financial Officer ("the Management") are primarily responsible in establishing and maintaining controls and procedures concerning disclosure of material information and their timely reporting in consultation and under direct supervision of the audit committee which comprises three independent directors. We have also instituted controls involving dual signatures and approval processes. We plan to introduce more rigorous controls as our activities expand. However, given the size and nature of our current operations and the involvement of independent directors, significantly reduces the risk factors associated with the inadequate segregation of duties.

The Management has instituted a system of disclosure controls for the Company to ensure proper and complete disclosure of material information. The limited number of consultants and direct involvement of the Management facilitates access to real time information about developments in the business for drafting disclosure documents. All documents are circulated to the board of directors and audit committee according to the disclosure timelines.

Public securities filings

Additional information, including the Company's annual information form in the Form 20-F annual report is filed with the Canadian Securities Administrators at www.sedar.com and with the United States Securities and Exchange Commission and can be viewed at www.edgar.com.