CANNABIS WHEATON INCOME CORP.

(FORMERLY KNIGHTSWOOD FINANCIAL CORP.)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

THREE-MONTH PERIOD ENDED MARCH 31, 2017

DATE: MAY 30, 2017

Management Discussion and Analysis

This Management's Discussion and Analysis ("**MD&A**") was prepared as of May 30, 2017 unless otherwise indicated. This MD&A reviews the operating results, financial position and liquidity of Cannabis Wheaton Income Corp. (the "**Company**"). All amounts are stated in Canadian dollars. This MD&A should be read in conjunction with the condensed interim financial statements and the notes thereto for the three-month period ended March 31, 2017. Additional information of the Company is available on the Company's website at www.cannabiswheaton.com or on SEDAR at www.sedar.com.

This MD&A may contain forward-looking information that is based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. Forward-looking information speaks only of the date it is provided, is not a guarantee of future performance and involves risks and uncertainties that are difficult to control or predict. Readers should refer to the "Cautionary Note Regarding Forward Looking Statements" in this MD&A.

On March 24, 2017, the Company announced a forward split of its issued and outstanding common shares ("**Shares**"), on the basis of three Shares for every one Share outstanding (the "**Forward Split**"). The record date for implementation of the Forward Split was April 12, 2017. Pursuant to the Forward Split, each holder of a Share on the record date received two additional Shares, so as to hold three Shares on a post-Forward Split basis. On April 10, 2017, the Company completed the previously announced Forward Split and as a result, the Company's outstanding Shares increased from 49,733,951 Shares to 149,201,853 Shares. Unless otherwise specified, all references to share capital in this MD&A, are made on a post-Forward Split basis.

Description of Business, Overall Performance and Outlook

Historical Business of the Company

The Company is a publicly traded investment and merchant banking company. Historically, the Company's investments have been in private companies (the "**Investee Companies**") so as to provide those companies with the ability to issue debt instruments that are eligible for registered plans as defined in the *Income Tax Act* (Canada) ("**Deferred Plans**").

In January 2017, the Company and Knightswood Holdings Ltd. ("**Holdings**") entered into an assignment agreement under which the Company transferred all of its right, title and interest in the Investee Companies including all of the related contracts with the Investee Companies to Holdings. Holdings is a wholly-owned subsidiary of the Company incorporated for the purpose of holding the Company's equity interest in the Investee Companies and administering the contracts between the Company and the Investee Companies. The Company is currently looking for investment opportunities outside its current mandate of holding interests in only "Investee Companies". The Company anticipates making investments which do not involve only "Investee Companies", but which will involve more conventional equity and debt investments in private and public companies in various industries, including the cannabis industry.

During the period ended March 31, 2017, the Company did not make any new investments and did not reach a liquidity event.

Updated Investment Strategy and Recent Events

In the third quarter of 2016, the Company commenced its search for investment opportunities outside of holding interests in the Investee Companies and identified the cannabis industry to be of interest for future investments.

On January 6, 2017, at a special meeting of the Company's shareholders, the shareholders of the Company approved the following items:

- the increase of the Company's authorized share capital from 100,000,000 Shares to an unlimited number of Shares;
- the adoption of new articles to better reflect the provisions of the *Business Corporations Act* (*British Columbia*);
- the amendment to the Company's fixed stock option plan to increase the number of options available under the stock option plan to 4,238,697, on a pre-Forward Split basis (the "**Stock Option Plan**"); and
- the Company's possible continuance from British Columbia to Ontario pursuant to the *Business Corporations Act* (Ontario), as amended.

The Company has implemented the first three items above. The Company is currently contemplating a continuation to Ontario. A continuation to Ontario may be effected by the Company, at the discretion of the Board and without further notice to or approval of the shareholders, should the Board determine it to be advantageous to the Company.

In order to initiate its investment portfolio in the cannabis industry, the Company completed the following financings:

- on January 25, 2017, the Company closed the sale of the 20,309,182 special common share purchase warrants ("**Special Warrants**") for aggregate gross proceeds of $1,117,005, which were converted on February 23, 2017, without payment of any additional consideration or need for further action, into an equivalent number of units of the Company ("**Units**"), each Unit being comprised of one common share in the capital of the Company (each a "**Share**") and one common share purchase warrant (each a "**Warrant**"), each such Warrant entitling the holder thereof to acquire one additional Share at $0.07 until January 20, 2019, on a pre-Forward Split basis;
- on March 14, 2017, the Company closed the first tranche financing involving the distribution 18,272,773 units (the "**March Units**"), sold at $0.055 per March Unit. Each March Unit consists of one Share and one Warrant, with each Warrant entitling the holder to purchase one additional Share at $0.07 until March 19, 2019, on a pre-Forward Split basis, for aggregate gross proceeds of $1,005,003; and
- on March 21, 2017, the Company closed the second tranche closing of 7,237,883 March Units, sold at $0.055 per March Unit, on a pre-Forward Split basis, for aggregate gross proceeds of $398,085.

On March 1, 2017, the Company entered into a business management agreement with each of Elcyc Holdings Ltd. ("**Elcyc**") (a private company controlled by Maurice Levesque, one of the Company's former directors) and Canterra Capital Corp. ("**Canterra**") (a private company controlled by Stephen McCoach, one of the Company's former directors) to operate Holdings. Consistent with the Company's change in industry focus, this agreement provides Elcyc and Canterra with an option to acquire the Company's interest in the Investee Companies from Holdings for a nominal purchase price for a period of five years.

On March 2, 2017, Amelia Yeo resigned as the Chief Financial Officer of the Company.

On March 15, 2017, the Company issued an aggregate of 4,238,695 incentive stock options, on a pre-Forward Split basis, under the Company's Stock Option Plan to a number of consultants, each such option being exercisable to acquire one share, on a pre-Forward Split basis, at an exercise price of $0.075 per Share for five years. All of the options (and any Shares realized on the exercise thereof) are subject to resale restrictions expiring four months and one day following the date of issue.

Following the period ended March 31, 2017, the Company complete two acquisitions in the cannabis industry, see "Subsequent Events" below.

Results of Operations

The following table highlights the financials results of the Company for the first quarter ended March 31, 2017 compared with the same quarter in 2016.

For the 3 months ended March 31	2017	2016	Change from 2016
Assets	$2,512,477	$416,945	$2,095,532
Non-current liabilities	$ -	$ -	$ -
Cash flow from operations	$(494,140)	$19,265	$513,403
Dividends	$ -	$ -	$ -
Revenues	$ -	$ 51,000	$(51,000)
Total expenses	$ 1,485,000	$ 51,000	$1,434,000
General	$ 1,313,000	$ 32,000	$1,281,000
Operating	$ 172,000	$ 19,000	$153,000
Gain from sale of investment	$ -	$ 81,000	$(81,000)
Income (loss) before tax	$ (1,485,000)	$ 82,000	$(1,567,000)
Net income (loss)	$ (1,485,000)	$ 82,000	$(1,567,000)
Earnings (loss) per share, basic and diluted	$(0.03), $(0.02)	$0.03, $0.03	$(0.06), $(0.05)

For the first quarter ended March 31, 2017 the Company reported a net loss of $1,485,000 with basic loss of $0.03 per Share on a non-diluted basis and a loss of $0.02 per Share on a diluted basis. This compares to net income of $82,000 for the first quarter of 2016 with net income of $0.03 per Share on a non-diluted basis and $0.03 per Share on a diluted basis. The decrease in net income was primarily driven by an increase in general and operating expenses. An increase in operating expenses was primarily as a result of the Company finding new investment opportunities in the cannabis industry, cumulating in acquisitions which occurred following the first quarter ended March 31, 2017 – *See* "Subsequent Events" below.

During the three months ended March 31, 2017, the Company did not earn any fee income from Investee Companies. This compares to revenues of $51,000 from 13 Investee Companies in the same quarter of 2016.

Total expenses in the first quarter were $1,485,000, an increase of $1,434,000 from $51,000 in the same quarter of 2016. This increase was mainly due to consulting fees and management fees related to the Company's search for investments in the cannabis industry.

The table below compares the composition of the expenses for the first three months ended March 31, 2017 and 2016.

For the 3 months ended March 31	2017	2016	Change from 2016
General and administrative			
Consulting fees	$ 455,000	$ -	$ 455,000
Management fees	$ 842,000	$ 15,000	$ 827,000
Administration fees	$ 9,000	$ 9,000	$ -
Director's fees	$ 6,000	$ 8,000	$ (2,000)
	$ 1,313,000	$ 32,000	$ 1,281,000
Operating			
Share-based payments	$ 147,000	$ -	$ 147,000
Rent	$ 10,000	$ 6,000	$ 4,000
Transfer agent and filing fees	$ 9,000	$ 7,000	$ 2,000
Office and miscellaneous	$ 5,000	$ -	$ 5,000
Audit and legal	$ -	$ 2,000	$ (2,000)
Business development	$ -	$ 1,000	$ (1,000)
Marketing and travel	$ -	$ 2,000	$ (2,000)
	$ 172,000	$ 19,000	$ 153,000
	$ 1,485,000	$ 51,000	$ 1,434,000

Summary of Quarterly Results

For the 3 months ended March 31	Total Revenues	Net income (loss)	Earnings (loss per share Basic & Diluted
31-Mar-17	-	-$ 1,485,000	$(0.028), $(0,015)
31-Dec-16	$ 50,000	-$ 335,000	-0.036
30-Sep-16	$ 73,000	$ 15,000	0.002
30-Jun-16	$ 56,000	$ 7,000	-
31-Mar-16	$ 52,000	$ 83,000	0.009
31-Dec-15	$ 48,000	-$ 2,000	-
30-Sep-15	$ 74,000	$ 11,000	0.001
30-Jun-15	$ 71,000	$ 17,000	0.002

Net loss during the period ended March 31, 2017 was significantly higher partially on the account of the Company's new investment strategy as well as the payment of management consulting fees, which are described below in "Transactions with Related Parties".

Transactions with Related Parties

Canterra Capital Corp

Canterra, a company owned and controlled by a director of the Company, provides management consulting services to the Company on a month to month basis. For the three-month period ended March 31, 2017, the Company incurred $304,376 (March 31, 2016 - $nil) in management consulting fees. There was no amount outstanding to Canterra at March 31, 2017 (March 31, 2016 - $nil).

Elcyc Holdings Ltd.

Elcyc, a company owned and controlled by Maurice Levesque, President and director of the Company, provides management consulting services to the Company on a month to month basis. For the three-month period ended March 31, 2017, the Company incurred $132,500 (March 31, 2016 - $7,500). There was no amount outstanding to Elcyc at March 31, 2017 (March 31, 2016 - $nil).

Trilogy Bancorp

Trilogy Bancorp ("**Trilogy**"), a corporation having certain common directors with the Company, provides administrative services and office space to the Company for an agreed-upon amount on a month to month basis. For the three-month period ended March 31, 2017, the Company incurred $5,000 (March 31, 2016 - $15,000). There was no amount outstanding to Trilogy at March 31, 2017 (March 31, 2016 - $nil).

The Company pays a monthly fee to the directors for the services provided. For the three-month period ended March 31, 2017, the Company incurred $6,000 (March 31, 2016 - $7,500) in director's fees. The Company also paid $198,154 for additional consulting services to Maurice Levesque (March 31, 2016 - $nil) and $202,000 for additional consulting services to Stephen McCoach.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance, liquidity or capital resources of the Company.

Liquidity and Capital Resources

The Company manages its liquidity by closely monitoring its operating expenses and actual cash flows on a regular basis. At March 31, 2017, the Company had working capital of $1,811,000 as compared to $394,000 at December 31, 2016. Management does not foresee the Company will be running into working capital deficiency in the next two years with its current cash position.

The Company's capital resources consist of shareholder's equity. Prior to the completion of two acquisitions in the cannabis industry (noted below "Subsequent Events"), the Company was able to manage its cash flow.

Critical Accounting Estimates

The Company makes estimates about the future that affect the reported amount of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

Areas requiring estimates and judgements are as follows:

Determination of control of the Investee Companies

The financial statements of the Company and the Investee Companies are not consolidated, based on its interpretation of the definition of control under IFRS 10, the Company has determined that it does not have control over the Investee Companies. From a legal perspective, the Company controls all the Investee Companies as it owns either all or a majority of the voting rights in the Investee Companies. Under IFRS 10, the Company has neither the rights to the returns of the Investee Companies nor the ability to use power to affect returns of the Investee Companies.

Measurement of deferred tax assets and liabilities

The Company is required to make significant judgement when determining the provision for current income taxes, including estimates for uncollectible receivables, liabilities and contingencies. The provision for tax liability is the Company's best estimate based on its current understanding of the tax law. The Company believes it has adequately provided for the probable outcome; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

No deferred tax assets in relation to the unused capital loss of approximately $1 million are recognized as the Company believes that the probability of future capital gains is remote based on its current business operations.

Changes in Accounting Policies including Initial Adoption

Future changes in accounting standards

IFRS, Revenue from contracts with customers, is effective for entities with accounting periods beginning on or after January 1, 2018 with early adoption permitted. IFRS 15 provides a framework for how revenue is recognized in a contract and how to account for contract modifications. The standard discusses the amount of revenue to recognize as a function of the consideration to be entitled for the transfer of goods and services. At this time, The Company cannot reasonably determine the impact of adopting the future account standards to its financial reporting.

IASB issued IFRS 9, Financial Instruments, which is effective for entities with accounting periods beginning on or after January 1, 2018, with early adoption permitted. IFRS 9 replaces IAS 39, Financial Instruments: Recognition and Measurement by using a single model approach to determine whether a financial asset is measured at amortized cost or fair value. The Company intends to adopt IFRS 9 in its financial year beginning on January 1, 2018. At this time, the Company cannot reasonably determine the impact of adoption the future accounting standards will be on its financial reporting.

Financial Instruments and Risk Management

The Company's financial instruments include cash and cash equivalents, receivables and trade and other payables. Cash and cash equivalents are exposed to credit risk and the Company reduces its credit risks by placing these instruments with institutions of high credit worthiness. Receivables relate to outstanding fees owing from the Investee Companies and the Company mitigates the credit risk by entering into agreements with the Investee Companies and reviewing its exposure to credit risk on a regular basis. The Company is exposed to liquidity risk with respect to its trade and other payables and the Company manages liquidity risk by maintaining sufficient cash balances for settlement of financial liabilities on their due dates.

Risk Factors

As noted in "Subsequent Events" below, the Company completed two acquisitions in the cannabis industry following the period ended March 31, 2017. The Company's overall performance and results of operations are subject to a number of risks and uncertainties. Please refer to the Company's Revised Annual Information Form, in respect of the year ended December 31, 2016, dated May 23, 2017 (the "**AIF**") which is filed on SEDAR at www.sedar.com, for a detailed description of the risks and uncertainties, which are hereby incorporated by reference.

Outstanding Share and Option Data

As of March 31, 2017, 147,951,342 Shares were issued and outstanding. The number of issued and outstanding Shares has been retroactively adjusted in order to effect the Forward Split approved subsequent to the period ended March 31, 2017. The Forward Split was announced on April 10, 2017.

On March 15, 2017, the Company granted 12,716,085 stock options ("**Stock Options**") to new consultants of the Company, with each Stock Option permitting the holder to acquire one common share of the Company at a price of $0.025 per share. The Stock Options noted reflect the Forward Split. The Stock Options expire five years from the date of grant.

The following table summarizes information about Stock Options outstanding for the periods presented:

Expiry date		**Exercise Price**	**March 31 2017 Outstanding**	**December 31 2016 Exercisable**
March 14, 2022	$	0.025	12,716,085	-
	$	0.025	12,716,085	-

The following table reflects the continuity of Warrants for the periods presented:

WARRANT ACTIVITY	31 March 2017	Weighted Average Exercise Price	31 March 2016	Weighted Average Exercise Price
Balance – Beginning of Year	-	$ -	-	$ -
Issued	137,459,514	0.023	-	-
Expired	-	-	-	-
Exercised	(4,370,481)	0.023	-	-
Balance – End of Period	133,089,033	$ 0.023	-	$ -

Subsequent Events

a) On April 10, 2017, the Company completed the previously announced Forward Split and as a result, the Company's outstanding Shares increased from 49,733,951 Shares to 149,201,853 Shares.

b) On April 19, 2017, the Company signed a purchase agreement with 2557788 Ontario Ltd. ("**255**"), a private Ontario company acting at arm's length to the Company, pursuant to which the Company acquired all of 255's interests in certain patient outreach and services agreements (collectively, the "**Patient Services Agreements**") between 255 and a number of different patient outreach and service providers (each, a "**Patient Services Partner**") for total consideration of $1,200,000, paid in cash on closing. For a detailed description of the Patient Services Agreements and the Patient Services Partners, please refer to the Company's AIF, dated May 23, 2017, which is filed on SEDAR at www.sedar.com.

c) On April 26, 2017, Mark Lerohl and Mark Walker resigned as directors of the Company and Ian McKay was appointed as a director of the Company.

d) On April 27, 2017, the Company signed a purchase agreement with PanCann Streaming Corp. ("**PSC**"), a private Ontario company, acting at arm's length to Cannabis Wheaton, pursuant to which the Company acquired all of PSC's interests in certain binding interim streaming agreements (collectively, the "**Streaming Agreements**") between PSC and various licensed producers ("**LPs**") and LP Applicants (each, a "**Streaming Partner**") for total cash consideration of $1,000,000. For a detailed description of the Streaming Agreements and the Streaming Partners, please refer to the Company's AIF, dated May 23, 2017, which is filed on SEDAR at www.sedar.com.

e) On May 5, 2017, Stephen McCoach resigned as Chairman of the Board and Secretary of the Company and Maurice Levesque resigned as a director and President of the Company.

f) On May 5, 2017, Chuck Rifici was appointed as Chairman of the Board and Chief Executive Officer of the Company, Jeff Tung was appointed as Chief Financial Officer and Chief Operating Officer of the Company, Ian Rapsey was appointed as Chief Creative Officer of the Company and Brad McNamee was appointed as Chief Infrastructure Officer of the Company.

g) On May 5, 2017, the Company announced the addition of several individuals to its advisory board. For a detailed description of the Company's advisory board, please refer to the Company's AIF, dated May 23, 2017, which is filed on SEDAR at www.sedar.com.

h) On May 5, 2017, the Company changed its name to "Cannabis Wheaton Income Corp." and on May 8, 2017, the Company began trading on the Exchange under the new symbol "CBW", the Company has previously traded on the Exchange under the symbol "KWF".

i) On May 5, 2017, the Board adopted a new rolling 10% incentive stock option plan, which is subject to shareholder approval.

j) On May 19, 2017, the Company announced the appointment of Kevin Furet to the position of Chief Cultivation and Genetics Officer. Kevin will begin his duties at the Company effective September 1, 2017 in order to comply with certain pre-existing contractual obligations.

k) On May 23, 2017, the Company announced the proposed private placement of special warrants and convertible debenture units to be completed by a syndicate of agents, on a best efforts basis, for aggregate gross proceeds of up to $80,000,000.

Cautionary Note Regarding Forward Looking Statements

This MD&A contains certain forward-looking statements and forward-looking information within the meaning of applicable securities laws. All statements other than statements of historical fact are forward-looking statements. The use of any of the words such as "plans", "anticipates", "intends", expects", "estimates", "believes", "projects", "assumes, "forecasts" and similar expressions and such words that certain actions or results "may", "could", "would", "should", "might" or "will" be taken or occur are intended to identify forward-looking information. Forward-looking statements involve risks, uncertainties and other factors beyond the Company's ability to predict or control which may cause actual results and performance to differ materially from those anticipated. There can be no assurance that any forward-looking statement will materialize. Accordingly, readers should not place undue reliance on forward-looking statements.

Forward-looking information may include, but is not limited to:

- possible investments the Company may make in the future;
- raising additional financing to further the Company's investment business;
- the investment objectives and strategies of the Company in carrying out its business;
- identifying specific industries or businesses in which the Company will make its investments;
- the dependence of the Company's cash flow and financial performance on third parties;
- the price of medical cannabis;
- the fluctuations in the price of the Shares and market for the Shares;
- changes in laws, regulations and guidelines;

- future liquidity and financial position;
- the Company's expectations with respect to future growth;
- the ability of the Company to generate cash flow; and
- the Company's competitive position.

Although management believes that the expectation represented in such forward-looking statements are reasonable, there is no assurance that such expectations will prove to be correct. The Company cannot guarantee future results, performance or achievements.

Readers are further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect he reported amount of assets, liabilities, revenues and expenses. These estimates may impact the financial performance of the Company when further information becomes available.

The forward-looking information contained in this MD&A is made as of the date hereof and the Company undertakes no obligation to update publically or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless so required by applicable securities law.