CANNABIS WHEATON INCOME CORP.
(FORMERLY KNIGHTSWOOD FINANCIAL CORP.)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017

Stated in Canadian Funds

DATE: AUGUST 28, 2017

Management Discussion and Analysis

This Management's Discussion and Analysis ("**MD&A**") was prepared as of August 28, 2017 unless otherwise indicated. This MD&A reviews the operating results, financial position and liquidity of Cannabis Wheaton Income Corp. (the "**Company**" or "**Cannabis Wheaton**"). All amounts are stated in Canadian dollars. This MD&A should be read in conjunction with the condensed consolidated interim financial statements and the notes thereto for the six months period ended June 30th, 2017.

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 ("**Common Shares**"), on the basis of three Common Shares for every one Common 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 Common Share on the record date received two additional Common Shares, so as to hold three Common 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 Common Shares increased from 49,733,951 Common Shares to 149,201,853 Common 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

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 began seeking investment opportunities outside its original mandate of holding interests only in "Investee Companies". The Company anticipated making investments which did not involve only "Investee Companies", but which would involve more conventional equity and debt investments in private and public companies in various industries, including the cannabis industry.

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

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, which included cash of $288,000 on closing and the assumption of a promissory note in a separate legal agreement. For a detailed description of the Patient Services Agreements and the Patient Services Partners, 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.

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.

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 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.

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.

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.

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".

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

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.

On May 23, 2017, the Company announced that that it had engaged a syndicate of agents co-led by Eight Capital and Canaccord Genuity Corp. ("**Canaccord**") to sell, on a best efforts, private placement basis, special warrants and convertible debenture units of the Company for gross proceeds of up to $50,000,000 (the "**Proposed May Offering**"). Pursuant to the Proposed May Offering, the Company agreed to grant the Eight Capital and Canaccord an over-allotment option to offer up to that number of additional special warrants and convertible debenture units of the Company as is equal to 15% of the number sold in respect of the Proposed May Offering, increasing the size of the Proposed May Offering to a maximum of $57,500,000 in aggregate gross proceeds.

On May 29, 2017, the Company entered into a binding interim agreement (the "**ABcann Interim Agreement**") with ABcann Global Corporation ("**ABcann**") to invest $30,000,000 ("**ABcann Investment**") in order to fund the construction of 50,000 square feet of cultivation space (the "**Expansion Production Area**") at ABcann's proposed cannabis cultivation facility to be located in Napanee, Ontario known as the Kimmett facility. Upon completion of the $30 million investment, and upon accepting ABcann's construction budget and timeline for the construction of the Expansion Production Area, Cannabis Wheaton will provide all necessary funding to complete the construction of the Expansion Production Area. This expansion will be in addition to ABcann's current 100,000 square foot facility that is commencing construction imminently. In return, the Company will receive 50% of the proceeds (net of certain costs) of future wholesale or retail sales completed by ABcann with respect to cannabis produced in the Expansion Production Area (the "**EPA Allocation**"). The Company's entitlement to the EPA Allocation will not begin until after the completion of the Company's $30 million investment.

On June 5, 2017, the Company announced the mutual agreement to terminate its engagement letter with Eight Capital and Canaccord in connection with its previously announced Proposed May Offering.

On June 6, 2017, the Company announced that it entered into an engagement letter with Mackie Research Capital Company (the "**Agent**") to act as lead agent and sole bookrunner to sell special warrants ("**Special Warrants**") and convertible debenture units ("CD Units") for gross proceeds of up to $50,000,000 (the "**Offering**"). The Offering included an over-allotment option to offer up to that number of additional Special Warrants and/or CD Units as is equal to 15% of the number sold under the Offering, increasing the size of the Offering to a maximum of $57,500,000 in aggregate gross proceeds.

Special Warrants

Each Special Warrant will be automatically exercised (without any further action by the holder or payment of any further consideration and subject to customary anti-dilution adjustments) into one Unit (as described below) of the Company on the date (the "**Automatic Exercise Date**") that is the earlier of: (i) the date that is three business days following the date on which the Company obtains a receipt from the applicable Canadian securities regulatory authorities (the "**Securities Commissions**") for a (final) short form prospectus qualifying the distribution of the Units issuable upon exercise of the Special Warrants (the "**Qualifying Prospectus**"), and (ii) the date that is four months and one day after the closing date. Each Unit will consist of one Common Share in the capital of the Company and one Common Share purchase warrant of the Company (a "**Warrant**"). Each Warrant will (subject to acceleration and customary anti-dilution adjustments) entitle the holder thereof to purchase one Common Share, at any time on or prior to the date that is 24 months following the closing date, at an exercise price of $1.50 per Common Share. The Company has agreed to use its commercially reasonable efforts to obtain the Qualifying Prospectus on or before the date that is 90 days following closing of the Offering (the "**Qualification Deadline**") provided, however, that there is no assurance that a Qualifying Prospectus will be filed or that a receipt therefor will be issued by the Securities Commissions prior to the expiry of the statutory four month hold period. If a receipt for Qualifying Prospectus is not obtained before the Qualification Deadline, each holder shall be entitled to receive, without payment of additional consideration, 1.10 Units per Special Warrant.

CD Units

Each CD Unit was offered at a price of $1,000 for gross proceeds of up to $25,000,000 ($28,750,000 inclusive of the over-allotment option). Each CD Unit consists of $1,000 principal amount of 6% senior unsecured convertible debentures (the "**Convertible Debentures**") and 500 Common Share purchase warrants (the "**CD Warrants**") of the Company. Each CD Warrant (subject to acceleration and customary anti-dilution adjustments) will be exercisable to acquire one Common Share at an exercise price of $1.50 per share for a period of 24 months following the Closing Date. Subject to the Company filing a Qualifying Prospectus (as described above), the Convertible Debentures, the CD Warrants and the Common Shares will be subject to the statutory four month hold period. The Convertible Debentures bear interest from the closing date at 6.0% per annum, calculated semi-annually in arrears on June 30 and December 31 of each year. The first interest payment will be made on June 30, 2018 and will consist of interest accrued from and including the closing date to June 30, 2018. The Convertible Debentures will mature on the date that is 24 months from the closing date (the "**Maturity Date**"). The Convertible Debentures will be convertible into Common Shares at the option of the holder at any time prior to the close of business on the last business day immediately preceding the Maturity Date at a conversion price of $1.00 per Common Share (the "**Conversion Price**"), subject to adjustment in certain events. Holders converting their Convertible Debentures will receive accrued and unpaid interest thereon for the period from and including the date of the latest interest payment date to, but excluding, the date of conversion. Beginning on the date that is four months and one day following the closing date, the Company may force the conversion of the principal amount of the then outstanding Convertible Debentures at the Conversion Price on not less than 30 days' notice should the daily volume weighted average trading price of the Company's Common Shares be greater than $2.00 for any 10 consecutive trading days on the TSX Venture Exchange (the "**TSX-V**"), or such other exchange as the Common Shares may then be trading (the "**Trigger Event**"). In addition, upon the occurrence of the Trigger Event, the Company may also accelerate the expiry date of the Warrants and CD Warrants on not less than 30 days' notice.

On June 8, 2017, Hugo Alves was appointed as President and Director of the Company.

On June 15, 2017, Michael Lickver was appointed as Executive Vice President of Strategy of the Company.

On June 23, 2017, the Company announced that the increase in size of the previously announced Offering from up to $50,000,000 to up to $60,000,000 plus a 15% over-allotment option.

On June 29, 2017, the Company closed the Offering for aggregate gross proceeds of $50,252,203. The Company raised $30,000,000 through the issuance of 30,000 CD Units at a price of $1,000 per CD Unit and $20,252,203 through the issuance of 20,252,203 Special Warrants at price of $1.00 per Special Warrant. The Agent received the Agent's Commission which consisted of a cash commission of approximately $3,419,549 together with 3,419,549 broker warrants of the Company ("**Broker Warrants**"). Each Broker Warrant entitles the holder thereof to acquire one broker unit of the Company (each, a "**Broker Unit**"), at the price of $1.00 per Broker Unit (subject to adjustment in certain circumstances) at any time prior to 5:00 p.m. (Toronto time) on June 29, 2019. Each Broker Unit is comprised of one common share of the

Company (each, a "**Broker Unit Share**") and one common share purchase warrant of the Company (each, a "**Broker Unit Warrant**"). Each Broker Unit Warrant entitles the holder thereof to acquire one Warrant Share (as defined herein) at the price of $1.50 per Warrant Share (subject to adjustment in certain circumstances) at any time prior to 1:00 p.m. (Vancouver time) on June 29, 2019.

Results of Operations

The following table highlights the financials results of the Company for the six and three months ended June 30, 2017 compared with the same periods in 2016.

For the 6 months ended June 30		2017		2016		Change from 2016
Assets	$	48,249,808	$	416,945	$	47,832,863
Non-current liabilities	$	25,200,910	$	-	$	25,200,910
Cash flow from operations	$	(2,979,888)	$	(21,237)	$	(2,958,651)
Revenues	$	-	$	107,482	$	(107,482)
Total expenses	$	3,068,599	$	14,820	$	3,053,779
General and admin. expenses	$	1,378,103	$	63,900	$	1,314,203
Operating expenses	$	1,654,908	$	33,429	$	1,621,479
Non-operating income (expenses)	$	(35,588)	$	82,509	$	(118,097)
Income (loss) before tax	$	(3,068,599)	$	92,662	$	(3,161,261)
Net income (loss)	$	(3,068,599)	$	89,562	$	(3,158,161)
Earnings (loss) per share, basic and diluted	$	(0.03)	$	0.03	$	(0.06)

For the 3 months ended June 30		2017		2016		Change from 2016
Cash flow from operations	$	(2,485,748)	$	(1,972)	$	(2,483,776)
Revenues	$	-	$	56,086	$	(56,086)
Total expenses	$	1,583,469	$	45,748	$	1,537,721
General and admin. expenses	$	65,150	$	31,950	$	33,200
Operating expenses	$	1,482,731	$	14,496	$	1,468,235
Non-operating income (expenses)	$	(35,588)	$	698	$	(36,286)
Income (loss) before tax	$	(1,583,469)	$	10,338	$	(1,593,807)
Net income (loss)	$	(1,583,469)	$	7,238	$	(1,590,707)
Earnings (loss) per share, basic and diluted	$	(0.01)	$	-	$	(0.01)

For the six month period ended June 30, 2017 the Company reported a net loss of $3,068,599 with net loss of $0.03 per Common Share on a non-diluted and diluted basis. This compares to net income of $89,562 for the six months period ended June 30, 2016 with net income of $0.03 per Common 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. The increase in expenses was primarily as a result of the Company finding new investment opportunities in the cannabis industry, cumulating in acquisitions which occurred during the period ended June 30 2017.

During the three months ended June 30, 2017, the Company did not earn any fee income from Investee Companies. This compares to revenues of $107,482 from 13 Investee Companies in the same quarter of 2016.

General and Administration Expenses

General and administration costs increased by $1,314,203 and $33,200 respectively, for the three and six months ended June 30, 2017. This increase for the six month period was mainly due to consulting fees and management fees related to the Company's search for investments in the cannabis industry and the Company finding new investment opportunities in the cannabis industry, cumulating in acquisitions which occurred during the period ended June 30 2017.

Operating Expenses

Operating costs increased by $1,621,479 and $1,468,235 respectively, for the three and six months ended June 30, 2017. The increase for the six month period is mainly due scaling up the business operations and the completion of several equity financings. This resulted in costs incurred related to the filings on the TSX Venture Exchange, marketing costs, business development and legal fees. The table below compares the composition of the expenses for the first six months ended June 30, 2017 and 2016.

For the 6 months ended June 30		2017		2016		Change from 2016
General and administrative						
Consulting fees	$	455,473	$	-	$	455,473
Management fees	$	902,030	$	30,000	$	872,030
Administration fees	$	12,600	$	18,900	$	(6,300)
Director's fees	$	8,000	$	15,000	$	(7,000)
	$	1,378,103	$	63,900	$	1,314,203
Operating						
Share-based payments	$	147,000	$	-	$	147,000
Rent	$	13,400	$	11,100	$	2,300
Transfer agent and filing fees	$	92,096	$	8,093	$	84,003
Office and miscellaneous	$	8,215	$	1,901	$	6,314
Audit and legal	$	103,841	$	7,400	$	96,441
Business development	$	240,000	$	2,497	$	237,503
Marketing and travel	$	1,050,356	$	2,438	$	1,047,918
	$	1,654,908	$	33,429	$	1,621,479
	$	3,033,011	$	97,329	$	2,935,682

For the 3 months ended June 30		2017		2016		Change from 2016
General and administrative						
Consulting fees	$	-	$	-	$	-
Management fees	$	60,000	$	15,000	$	45,000
Administration fees	$	3,150	$	9,450	$	(6,300)
Director's fees	$	2,000	$	7,500	$	(5,500)
	$	65,150	$	31,950	$	33,200
Operating						
Share-based payments	$	-	$	-	$	-
Rent	$	3,350	$	5,550	$	(2,200)
Transfer agent and filing fees	$	82,972	$	622	$	82,350
Office and miscellaneous	$	2,975	$	1,601	$	1,374
Audit and legal	$	103,390	$	5,000	$	98,390
Business development	$	239,756	$	1,593	$	238,163
Marketing and travel	$	1,050,288	$	130	$	1,050,158
	$	1,482,731	$	14,496	$	1,468,235
	$	1,547,881	$	46,446	$	1,501,435

Non-operating Income and Expenses

During the three months ended June 30, 2017, interest charges were primarily from unsecured convertible debentures of $30,000,000 in aggregate closed during the period and long-term loans obtained in the quarter. Over the same period, the accretion expense was due to the unsecured promissory notes entered into by the Company as part of the acquisition of 255 and PSC.

Summary of Quarterly Results

		Total Revenues		Net income (loss)		Earnings (loss per share Basic & Diluted
30-Jun-17	$	-	$	(1,583,000)	$	(0.010)
31-Mar-17	$	-	$	(1,485,000)	$	(0.028)
31-Dec-16	$	51,000	$	(335,000)	$	(0.037)
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. Net loss during the period ended 30 June 2017 resulted from the fees in management, marketing, business development, audit and legal, and transfer agent and filing fees.

Transactions with Related Parties

The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company. Key management personnel include members of the Board of Directors, executive officers and the President. Compensation of key management personnel may include short-term and long-term benefits. Short-term benefits include salaries, bonuses and medical benefits. Long-term benefits include stock options or post-employment benefits. Compensation provided to current and former key management are as follows:

For the six months ended June 30	2017	2016
Short-term benefits	$853,693	$45,000
Long-term benefits (*)	$134,354	$ -
	$988,047	$45,000

(*) Consists of share-based payments as the fair value of options granted to key management personnel of the Company under the Company's stock option plan.

Canterra, a company owned and controlled by a former director of the Company, provides management consulting services to the Company on a month to month basis. For the six-month period ended June 30, 2017, the Company incurred $307,789 (June 30, 2016 - $15,000) in management consulting fees. There was no amount outstanding to Canterra at June 30, 2017 (June 30, 2016 - $Nil).

Elcyc, a company owned and controlled by the former President and former director of the Company, provides management consulting services to the Company on a month to month basis. For the six-month period ended June 30, 2017, the Company incurred $137,750 (June 30, 2016 - $15,000). There was no amount outstanding to Elcyc at June 30, 2017 (June 30, 2016 - $Nil).

The Company provides a monthly fee to former directors for services provided. For the six-month period ended June 30, 2017, the Company incurred $8,000 (June 30, 2016 – $15,000) in director's fees. The Company also paid $198,154 for additional consulting services to the former President and former director of the Company (June 30, 2016 - $Nil) and $202,000 for additional consulting services to another former director (June 30, 2016 - $Nil).

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 June 30, 2017, the Company had working capital of $46,554,246 as compared to $382,389 at December 31, 2016. The increase was mainly due to cash proceeds from the Offering. 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 is subject to risks and uncertainties that could significantly impair its ability to raise funds through debt or equity or to generate profits sufficient to meet future obligations, operational, or development needs. See "Risks" for information on the risks and uncertainties that could have a negative effect on the Company's liquidity.

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:

<u>Determination of control of the Investee Companies</u>

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 any unused capital losses are recognized as the Company believes that the probability of future capital gains is remote based on its current business operations.

Inputs when using Black-Scholes valuation model

The estimates used in determining the stock option and warrant fair values, utilizes estimates made by management in determining the appropriate input variables in the Black-Scholes valuation model. Inputs subject to estimates include volatility, forfeiture rates, estimated lives and market rates.

Discount rate

The discount rate used to calculate the net present value of the convertible debentures and the notes payable are based on management's best estimates of an approximate industry peer group weighted average cost of capital and management's best estimate of the Company's risk levels. Changes in the general economic environment could result in significant changes to this estimate.

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

Company's overall performance and results of operations are subject to a number of risks and uncertainties. Please refer to the Company's AIF, dated May 23, 2017, 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 June 30, 2017, 174,406,623 Common Shares were issued and outstanding. The number of issued and outstanding Common Shares has been retroactively adjusted in order to affect the Forward Split approved subsequent to the period ended March 31, 2017. The Forward Split was announced on April 10, 2017.

As of June 30, 2017, the Company issued 20,252,203 Special Warrants pursuant to the Offering. Each Special Warrant will be automatically exercised (without any further action by the holder or payment of any further consideration and subject to customary anti-dilution adjustments) into one Unit (of the Company on the Automatic Exercise Date that is the earlier of: (i) the date that is three business days following the date on which the Issuer obtains a receipt from the applicable Securities Commissions for the Qualifying Prospectus, and (ii) the date that is four months and one day after the closing date. Each Unit will consist of one Common Share and Unit Warrant. Each Unit Warrant will (subject to acceleration and customary anti-dilution adjustments) entitle the holder thereof to purchase one Common Share, at any time on or prior to the date that is 24 months following the closing date, at an exercise price of C$1.50 per Common Share. The Company has agreed to use its commercially reasonable efforts to obtain the Qualifying Prospectus on or before the Qualification Deadline provided, however, that there is no assurance that a Qualifying Prospectus will be filed or that a receipt therefor will be issued by the Securities Commissions prior to the expiry of the statutory four month hold period. If a receipt for Qualifying Prospectus is not obtained before the Qualification Deadline, each holder shall be entitled to receive, without payment of additional consideration, 1.10 Units per Special Warrant (representing up to an additional 2,025,220 Units).

As of June 30, 2017, the Company issued 30,000 CD Units. Each CD Unit is comprised of $1,000 principal amount of Convertible Debentures and 500 CD Warrants. The Convertible Debentures which are convertible into Common Shares at the option of the holder at any time prior to the close of business on the last business day immediately preceding the Maturity Date, at a price of C$1.00 per Common Share, subject to adjustment and acceleration in certain events. Each CD Warrant entitles the holder thereof to receive one Common Share of the Company upon the exercise of the CD Warrant at a price of $1.50 per Common Share (subject to adjustment in certain circumstances) at any time prior to 1:00 p.m. (Vancouver time) on June 29, 2019.

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

STOCK OPTION ACTIVITY	30 June 2017	Weighted Average Exercise price	31 December 2016	Weighted Average Exercise price
Balance – beginning of year	**-**	**$ -**	$ -	$ -
Granted	**12,716,085**	**0.025**	-	-
Balance – end of year	**12,716,085**	**$ 0.025**	$ -	$ -

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

WARRANT ACTIVITY	30 June 2017	Weighted Average Exercise Price	31 December 2016	Weighted Average Exercise Price
Balance – Beginning of Year	**-**	**$ -**	$ -	$ -
Issued	**152,459,514**	**0.1693**	-	-
Expired	**-**	**-**	-	-
Exercised	**(27,912,108)**	**0.025**	-	-
Balance – End of Period	**109,547,406**	**$ 0.202**	$ -	$ -

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

Date of Issuance	Date of Expiry	Exercise Price	30 June 2017	December 31 2016
June 28, 2017	June 27, 2019	$ 1.000	20,252,203	-

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

Date of Issuance	Date of Expiry	Exercise Price	30 June 2017	December 31 2016
June 28, 2017	June 27, 2019	$ 1.000	3,419,549	-

Subsequent Events

On July 10, 2017, pursuant to the ABcann Investment, the Company entered into the ABcann Subscription Agreement with ABcann, whereby the Company agreed to purchase $15,000,000 of ABcann Shares at an agreed upon valuation of $2.25 per ABcann Share. The Company's subscription in $15,000,000 ABcann Shares formed part of the ABcann Investment. On July 23, 2017, the Corporation received TSX-V approval of the ABcann Subscription and on August 2, 2017, the Corporation announced the completion of the ABcann Subscription.

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 publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless so required by applicable securities law.