INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of Future Farm Technologies Inc. (formerly Arcturus Growthstar Technologies Inc.) (the "Company") has been prepared by management, in accordance with the requirements of National Instrument 51-102 ("NI 51-102") as of July 31, 2017 and should be read in conjunction with the audited consolidated financial statements for the years ended February 28, 2017 and February 29, 2016 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in NI 51-102. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

OVERVIEW

Background and Description of Business

The Company was incorporated under the Company Act of British Columbia on May 31, 1984. The Company is in the early development stage. Currently, management is focusing on new business opportunities. On August 18, 2003 the trading of the Company's common shares were transferred from the TSX Venture Exchange to the NEX board and traded under the symbol of "OP.H". The Company also completed its 10-SB registration statement in 2003 with the US Securities and Exchange Commission and received clearance from regulatory authorities to have its shares commence trading on the NASD Electronic Bulletin Board under the symbol "BOVKF.OB". In February 2016, the Company's common shares were listed for trading on the Canadian Securities Exchange, under the symbol AGS, and delisted from the TSX Venture Exchange.

In July 2016, the Company announced that the Financial Industry Regulatory Authority (FINRA) has approved a change of the trading symbol of the Company's common shares. Effective July 19, 2016, the Company's common shares commenced trading on the OTC Bulletin Board under the trading symbol "AGSTF". On October 26, 2016, the Company started trading on the OTCQB® Venture Market.

Effective December 16, 2016, the Company was added to the CSE Composite Index. Effective February 2, 2017, the Company began trading on the CSE Composite Index under the symbol "FFT".

Effective January 24, 2017, the Company changed its name from Arcturus Growthstar Technologies Inc. to Future Farm Technologies Inc.

SIGNIFICANT EVENTS/OVERALL PERFORMANCE

In February 2016, the Company completed the acquisition (the "Acquisition") of certain LED (light-emitting diode) lighting equipment, inventory and accounts receivable from Ultimate Energy Savings Canada Inc. ("Ultimate Energy"). In consideration for the Acquisition, the Company issued 1,500,000 common shares and paid $60,000. In connection with closing of the Acquisition, the Company changed its name from "Bi-Optic Ventures Inc." to "Arcturus Growthstar Technologies Inc."

In February 2016, the Company entered into an agreement with Efficacy Technologies Inc. ("Efficacy") to acquire the ownership rights to a proprietary hydroponic plant feeding system developed by Efficacy. The system is innovative in its closed loop design that features a proprietary Opti-temp Root Cooling™ technology, Nutri-mist™ Feeding technology and EasyLift™, a removable growing basket for plant maintenance and care. The Company intends to commercialize the system and market it to the agricultural sector in conjunction with its existing LED lighting offerings. The system has applications all the way from independent home gardeners to greenhouse and vertical farm companies. In consideration for the rights to the system, the Company issued 100,000 common shares to Efficacy (the "Consideration Shares"), and granted to Efficacy a 2% royalty on gross sales of products derived from the system.

In May 2016, the company announced that Mr. Harry Chew resigned as a director of the company and Ms. Ann Fehr resigned as the CFO of the Company.

In May 2016, the Company entered into a definitive purchase agreement with TC Holdings Inc. and TerraCity Lawrence, LLC (the "Purchase Agreement") to acquire all of the outstanding interest of TC Holding Inc. ("TC Holding") in TerraCity Lawrence, LLC ("TerraCity") in consideration for 14,976,580 Common shares of the Company. TC Holdings is the registered and beneficial owner of the right, title and interest in 75 per cent of TerraCity's authorized outstanding capital. Ray Reedyk acted as a finder in connection with the transaction and a total of 1,497,658 Common shares of the Company were issued to the finder. In conjunction with the agreement, the Company also entered into a license agreement with TerraSphere Systems, LLC (the "License Agreement"), whereby Terrasphere Systems, LLC ("TerraSphere") has licensed worldwide rights to Arcturus for its proprietary system for growing plants in controlled environment agriculture facilities (the "TS CEA Growth System"). The worldwide right to the Controlled Environment Agriculture ("CEA") patents enables the company the right to implement an advanced agricultural method of growing vegetation that minimizes the use of natural resources. A CEA system can yield year-round crop production anywhere, anytime by eliminating weather-related crop failures. The system design uses 90% less water than conventional farming methods by recycling the water through a closed loop system. The design of an indoor environmentally controlled system eliminates the need for pesticides, herbicides and chemical fertilizers. This renewable system has no agricultural run-off. This business model provides a food supply solution to meet the needs of growing populations, particularly those with limited access to fresh, pesticide-free healthy foods at a reasonable cost. The planned commercial-scale CEA facility is defined as a light industrial, light manufacturing and urban agriculture greenhouse. The indoor production concept is more practical in an urban setting than a greenhouse due to lack of sufficient land space, security, and climate considerations. This patented system advances cultivation methods and food production systems to feasible state not achievable in the past. The CEA system design is comprised of individually programmed rooms that are automated, software driven and sensitive to environmental concerns. All plants are grown using the companies vertically stacked trays that are exposed to exacting amounts of light supplied by a low energy, accurate light spectrum source that is adjustable to accommodate a larger cultivar. Plants are watered via an injection system that measures and recycles the precise amount of water and nutrients needed to raise the plants. Produce is then grown and harvested in a cooled environment, which virtually eliminates waste due to degradation during and after the harvesting process. This system design can be customized and retrofitted for any space.

In May 2016, the Company announced the resignation of Robert Huston as Chief Executive Officer of the Company and the appointment of William Gildea as Chief Executive Officer and director of the Company. Mr. Huston will remain as a director of the Company and VP of the company's Lighting division. Mr. Gildea is the Founder and President of ECAP, LLC, a boutique investment firm committed to transforming environmental concerns into environmental and business opportunities. With over 20 years of experience, he is recognized as a pioneer in the field of environmental insurance and has a strong track record of successfully advancing environmental businesses and projects through effective finance and investment strategies. Mr. Gildea is also a Founder of Converted Organics Inc., a publicly traded company that utilizes a clean technology to manufacture organic fertilizer. Before founding ECAP, Mr. Gildea held senior positions at Connecticut Bank & Trust and Phoenix Investment Counsel. He was also a Founder and Managing Director of Environmental Warranty. Mr. Gildea holds an MBA from Rensselaer Polytechnic Institute.

In June 2016, the Company announced the appointment of Scott Davis as Chief Financial Officer of the Company. Mr. Davis is a partner of Cross Davis & Company LLP Chartered Professional Accountants, a firm focused on providing accounting and management services for publicly-listed companies. His experience includes CFO positions of several companies listed on the TSX Venture Exchange. His past experience consists of senior management positions, including four years at Appleby as an Assistant Financial Controller, two years at Davidson & Company LLP Chartered Professional Accountants as an Auditor and five years with Pacific Opportunity Capital Ltd. as an Accounting Manager.

In July 2016, the Company announced the appointment of Mr. Craig Stanley as a director of the Company. Mr. Stanley is CEO of CBO Financial, Inc., which he founded in 1999 as a financial consulting firm that aids mission driven organizations in the development and financing of projects that revitalize distressed communities. Since then Mr. Stanley and CBO have facilitated investment of $850 million in flexible, below market financing to help transform low income communities and the lives of people who call them home. CBO has received six awards totaling $150M from the U.S. Treasury Department under the New Markets Tax Credit program, in addition to securing 11 additional awards for clients totaling $378M. CBO is headquartered in Columbia, Maryland and serves a nationwide service area including Puerto Rico and Guam.

In July 2016, the Company announced that it had completed the production design to its proprietary hydroponic plant feeding system, developed by Efficacy Technologies (the "System"). The System is innovative in its closed loop design, which features a proprietary Opti-temp Root Cooling™ technology, Nutri-mist™ Feeding technology and EasyLift™, a removable growing basket for plant maintenance and care. The Company engaged Dudaco Ltd. (www.dudaco.com), Vietnam's largest manufacturer of agricultural spraying equipment to produce the System, which may be used by independent home gardeners as well as greenhouse and vertical farm companies.

In July 2016, the Company announced that it became a USA quoted OTC company and that the Financial Industry Regulatory Authority (FINRA) staff had received the information submitted by Spartan Securities Group, Ltd. ("Spartan") pursuant to FINRA Rule 6432 and Rule 15c2-11 under the Securities Exchange Act of 1934 ("SEA") in connection with the Company's securities and, in reliance upon the information contained in such submission, determined that Spartan had demonstrated compliance with FINRA Rule 6432 and could initiate a priced quotation of $0.01 Bid, $0.15 Ask in OTC Link for BOVKF.

In July 2016, the Company announced the appointment of Mr. John Sweeney as a director of the Company. Mr. Sweeney brings with him 16 years of direct cGMP (current Good Manufacturing Practices) manufacturing experience in operations of industry leading biotechnology companies including Pfizer, Wyeth, Genzyme and most recently as Vice President of Operations at Tilray, a 60,000 square foot federally licensed Canadian medical cannabis operation on Vancouver Island. He has extensive knowledge and experience in the requirements of regulated manufacturing for commercial and clinical products and served as liaison for auditing regulatory agencies including the FDA and EMA. Mr. Sweeney holds an MS in Engineering Management from Tufts University in Medford, MA and a BS in Biology from the University of New Hampshire, Durham.

In July 2016, the Company announced that FINRA had approved a change of the trading symbol of the Company's common shares. Effective July 19, the Company's common shares commenced trading on the OTC Bulletin Board under the trading symbol "AGSTF".

In August 2016, the Company announced that Rob Huston resigned from the Company's Board of Directors in order that he may focus on building the Company's LED division.

In August 2016, the Company announced that Mr. Mike Withrow resigned as Chairman of the Company's Board of Directors. Mr. Bill Gildea was appointed Chairman as Mr. Withrow's replacement.

In August 2016, the Company announced that it has entered into a three-year lease with an option to extend for commercial space in North Kingstown, RI, where it plans to develop its flagship farm. This 20,000-sq ft farm has the capacity to grow a wide variety of crops, including produce and medicinal plants. The Company plans to use this space to showcase its proprietary scalable, indoor Controlled Environment Agriculture (CEA) technology, which allows it to produce crops more cost effectively than traditional farming methods, without the use of chemical pesticides, all while using 90% less water and fertilizer.

In August 2016, the Company issued 1,200,000 units with a fair value of $84,000 to settle debt of $60,000 owed a company controlled by a former director of the Company and a company of which the Chief Financial Officer is a partner. This resulted in a loss on settlement of debt of $24,000. Each unit consists of one common share and one share purchase warrant exercisable at $0.10 per share expiring on February 3, 2018.

In August 2016, the Company closed a non-brokered private placement (the "Placement") consisting of 4,110,000 units (the "Units") at a price of $0.05 per Unit for total proceeds of $205,500. Each Unit consists of one common share (the "Shares") and one transferable share purchase warrant (the "Warrants"). Each Warrant entitles the holder to purchase one additional common share, exercisable at a price of $0.10 per share for a period of 18 months from the date of issue. All securities issued will be subject to a four-month hold period. Proceeds from the financing will be used for general working capital purposes.

In September 2016, the Company announced that Mr. Rob Huston, the head of the Company's LED division, won 1st place for the "Indica – Private Grower" category at Bio Cup Canada, the largest cannabis cup to ever take place in Canada. Mr. Huston used the Company's Scorpion COB grow lights with Shiatsu Kush seeds from BC Bud Depot. Five plants were grown legally using an MMAR patient license in a 4'x8' space, using 1500 watt total, consisting of 1 Scorpion 9x 525 watt and 3 Scorpion 5x 325 watt each. Mr. Huston's five plants were harvested at eight weeks and resulted in a 1.35-lb harvest.

In September 2016, the Company announced that it had engaged the services of Stockhouse.com to provide increased market awareness and investor relations services to the Company. Stockhouse is a financial portal with one of the largest communities of active investors in North America. It provides financial news, tools and information that enable its investor community to uncover and share opportunities on high growth investment sectors, market trends, small cap stocks and more.

In September 2016, the Company announced that it had engaged the services of a boutique investment bank as a placement agent and financial advisor to the Company. The bank is a full service retail and institutional broker-dealer which provides investment banking, venture capital/private placement, debt equity and advisory services.

In September 2016, the Company announced that it had contracted Mr. John Sweeney to provide professional consulting services in the area of cGMP (current Good Manufacturing Practices) manufacturing and operational management support.

In September 2016, the Company announced it had contracted with Ms. Belinda Tyldesley to provide professional corporate secretarial and regulatory compliance services for the Company. Ms. Tyldesley brings with her more than 15 years experience as a paralegal with law firms in Melbourne, London and Vancouver, which has helped her to gain an in-depth understanding of the dynamics of dealing with various regulatory and legal bodies. She has worked with numerous public companies trading on the TSX, TSX-V and CSE in the resource and technology sectors. Her services include corporate secretarial, governance and regulatory compliance services, overseeing capital pool companies' qualifying transactions, IPO's and diverse transactions in corporate environments.

In September 2016, the Company announced that it had engaged the services of CBO Financial, Inc. as its financial advisor with respect to New Market Tax Credits (NMTC) for a vertical farm project. The NMTC program is designed to incentivize private investment in low-income communities. NMTCs are provided to financial institutions in exchange for equity investments that eligible businesses can use to subsidize project development costs. CBO Financial helps driven organizations, such as Arcturus, to finance facilities that will provide goods and services that benefit populations in need and revitalize communities. Arcturus' partnership with CBO Financial is both shareholder and capital structure friendly in the sense that the draw of capital is non-dilutive in nature.

In September 2016, the Company entered into a consulting agreement with Tim Hungerford. Pursuant to the agreement, the Company issued 100,000 common shares valued at $14,000.

In October 2016, the Company issued 12,000,000 common shares valued at $2,580,000 to acquire a large portfolio of revenue generating apps and source code ("App Portfolio"). This all-stock acquisition brings on a seasoned team of app developers, which expands the Company's tech portfolio and positions it for rapid rollout of a suite of marijuana centric apps. It also positions the Company to receive consistent monthly income, as the App Portfolio's trailing 12-month EBITDA was USD $139,000 or CDN $183,000. Pursuant to the agreement, the Company issued 3,000,000 common shares as a finder's fee in connection with the asset purchase agreement valued at $645,000.

In October 2016, the Company announced that it has established a new mobile gaming division (www.420AppGaming.com) with the intent to put out 420 themed games, which will generate revenue through In App Purchases (IAP) as well as through ad impressions.

In October 2016, the Company announced that in addition to being listed on the Canadian Stock Exchange, it would now also be traded on the OTCQB® Venture Market. The OTCQB® Venture Market is for early-stage and developing U.S. and international companies. To be eligible, companies must be current in their reporting and undergo an annual verification and management certification process. Companies must meet $0.01 bid test and may not be in bankruptcy.

In October 2016, the Company granted 3,300,000 stock options exercisable at $0.31 for a period of five years.

In November 2016, the Company granted 1,000,000 stock options exercisable at $0.31 for a period of five years.

In November 2016, the Company issued 1,000,000 common shares valued at $395,000 pursuant to the consulting agreement with a third party.

In December 2016, the Company announced that its LED division, LED Canada, had received its largest purchase order to date from a 40-year-old Canadian chain of stores. The Company's LED Canada and COB Grow Lights divisions offer a wide variety of cutting edge LED lights for commercial, municipal, and home applications as well as greenhouse and indoor cultivation of legal cannabis.

In December 2016, the Company announced that it had partnered with CBO Financial, Inc. ("CBO") for the development and operation of a major "LED" vertical farm project in Baltimore, Maryland. The Company also signed a Letter of Intent ("LOI") to lease 25,000-sq ft of commercial shell space from Volunteers of America Chesapeake to accommodate the Baltimore farm. Volunteers of America Chesapeake ("VOAC") owns a building in Baltimore, MD that will undergo additional improvements to accommodate the Company' Controlled Environment Agriculture ("CEA") technology, which uses LED lights to grow plants on vertically stacked levels. As a partner in this indoor farm, VOAC has agreed to contribute generous rent concessions to the Company. The farm will be co-located in a residential reentry center, which helps ex-offenders reenter society and the workforce after serving federal prison sentences. The farm will provide job training and therapeutic opportunities for VOAC's residents. The Company, CBO and VOAC intend to use this Baltimore model to expand the Company's CEA technology and training and therapeutic programs developed by VOAC into other markets throughout the United States. The Company previously announced that CBO would act as the Company's financial advisor with respect to New Market Tax Credits (NMTC) for certain vertical farming projects. As part of this Baltimore farm transaction, CBO Financial will be arranging for $5,000,000 in NMTC based financing. CBO will also plan, co-finance, and perform day-to-day operations at the farm, and Arcturus will provide the system design, off-take agreements, co-finance, and offer ongoing O&M support. The Baltimore Farm is expected to be a showcase for the Company's LED horticulture lighting technology and the first of many projects that CBO and the Company will work on together in collaboration with Volunteers of America Chesapeake. The NMTC program is designed to incentivize private investment in low-income communities. NMTCs are provided to financial institutions in exchange for equity investments that eligible businesses can use to subsidize project development costs. CBO Financial helps driven organizations, such as the Company, to finance facilities that will provide goods and services that benefit populations in need and revitalize communities.

In December 2016, the Company announced that it had signed a definitive agreement to acquire a 15-acre parcel of land in Redland, Florida, in a county that is designated to legally cultivate, process and dispense cannabis. Redland is an unincorporated community within Miami-Dade County, with Biscayne National Park to the east and Everglades National Park to the west. Redland is a Miami suburb and a major agricultural area. Miami-Dade County is referred to as the nation's "Salad Bowl" and "Winter Bread Basket." With this acquisition and the previously announced 10-acre greenhouse acquisition near Orlando, the Company has the potential, if fully licensed, to develop 25-acres of cannabis crops. The 15-acre farm is located in a designated legal grow zone with close proximity to Miami.

In January 2017, the Company closed the initial tranche of a private placement financing by issuing a total of 1,180,000 units (the "Units") for gross proceeds of $295,000. Each Unit consists of one common share and one-half share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to purchase one additional common share at an exercise price $0.35 per share. The Warrants are exercisable for a period of twelve months from date of issuance. In connection with the initial tranche of the financing, the Company paid finders a cash commission totaling $21,200 and issued a total of 68,400 finder's warrants valued at $14,359. Each finder's warrant is on the same terms as the Warrants.

In January 2017, the Company closed the second tranche of its private placement financing by issuing an additional 1,021,596 Units for gross proceeds of $255,399. In connection with the second tranche of the financing, the Company paid finders a cash commission totaling $17,284 and issued a total of 66,848 finder's warrants valued at $10,428. Each finder's warrant is on the same terms as the Warrants.

In February 2017, the Company announced the appointment of John Sweeney as its Chief Operating Officer. Mr. Sweeney will transition into this executive position from his current role as a consultant and his big pharma background and expertise will help the Company capitalize on its current growth initiatives. While serving as a consultant for the Company, Mr. Sweeney helped position the business firmly within the North American cannabis market through organic and inorganic growth initiatives.

In February 2017, the Company announced the creation of a Cannabis Advisory Board ("the Board"). The Company has selected its Chief Operating Officer John Sweeney to serve as the Chairman of the Board and will strategically select the other Board members based on their ability to contribute important insight to the Company on specific cannabis opportunities and developments. The Company is also pleased to announce that it has selected Mr. Chris Lesh as the Cannabis Advisory Board's first member. Mr. Lesh has over 10 years experience within the cannabis cultivation and dispensary industry in Washington State. Mr. Lesh previously served as Production Director for Privateer Holdings, Inc. ("Privateer") and played an important role in its success. While working for Privateer, Mr. Lesh worked with Mr. Sweeney and was responsible for the operational oversight of cannabis production at Tilray's Vancouver facility. Tilray, which is owned by Privateer, is a global leader in medical cannabis research and production dedicated to advancing the science and safety of cannabinoid medicine for patients with a diverse range of conditions including epilepsy, cancer, chronic pain and multiple sclerosis. Tilray operates one of the largest and most sophisticated medicinal cannabis research and production facilities in the world and offers pharmaceutical grade medical cannabis products to patients, pharmacies and researchers in Australia, Canada, the European Union and the Americas. In addition to overseeing cannabis production at Tilray, Mr. Lesh was also responsible for the sourcing of additional production capacity throughout the west coast and Canada. The Cannabis Advisory Board will play an important role in Future Farm's medical cannabis division as it will vet potential business opportunities and partnerships, discover and review value-added organic growth initiatives, and establish new relationships that will help the Company expand its presence within the North American cannabis industry.

In February 2017, the Company announced that its subsidiary, FFM Consulting Services, LLC, a California limited liability company, had entered into a management agreement with a California non-profit company. The non-profit has secured a sublicense to legally manufacture cannabis oil using a non-volatile method compliant under the Medical Marijuana Regulation And Safety Act ("MMRSA"), in southeastern Los Angeles County, California. The non-profit will produce highly pure cannabis concentrates to supply California's medical marijuana patients' rapidly growing demand for both THC and CBD oil. The company will also focus on increasing inventory and capacity as California prepares to create a market for legal recreational cannabis. FFM Consulting Services, LLC, which is majority owned by the Company, will manage the new state-of-the-art extraction facility. California is the 6th largest economy in the world and according to ArcView Research the cannabis market in California is expected to reach US$6.5 billion by 2020. Cannabis concentrates and edibles are the largest and fastest growing segments of the cannabis market. The market is accelerating as consumers become more educated on the various oil infused products that can be produced, as well as how well they work. As consumers become more educated, they grow more interested in using oil as a flower alternative.

In February 2017, the Company announced that it had selected Mr. Derek Ross as the second member of its Cannabis Advisory Board. Mr. Ross has extensive experience in extraction cultivation and the marketing of cannabis. Mr. Ross has over ten years of experience working as a consultant for various non-profit dispensary and cultivation organizations all across the United States. Mr. Ross is the CEO and Founder of Cannatech LLC, a Rhode Island-based cannabis consulting company as well as Cannatech Medicinals, a Massachusetts registered cannabis dispensary. Mr. Ross has been central to the design of controlled environment cultivation facilities for clients, ranging from residential to industrial scale and regularly conducts extensive training seminars and classes on the best practices for fruitful cultivation. Mr. Ross is also the Founder & President of RCRI Inc., a Rhode Island non-profit business that advocates on behalf of cannabis professionals, patients and caregivers. The company works with legislators, regulators, industry participants on legislation and regulations. Mr. Ross has helped shape the ongoing legal framework for medical cannabis in Rhode Island and is drafting legislation for the recreational cannabis industry.

In March 2017, the Company announced that it had selected Mr. Donny Sizemore and Mr. David Gawitt as the third and fourth members of its Cannabis Advisory Board. Mr. Gawitt and Mr. Sizemore have extensive experience in extraction, cultivation, and the marketing of cannabis. Both have knowledge, backgrounds, and industry relationships, which makes them useful strategic additions to the Board, as they will add value on several near-term west coast initiatives. Mr. Sizemore is a proven project developer, brand conceptualizer and organizational builder. Donny melds 28 years of project development experience and a penchant for serious industry analysis with a unique set of brand building acumen. He is CEO of Dominion Solaris, LLC, which consults and teaches best practices in sorting through various state compliance, building code, and operational metrics within the cannabis industry. Donny focuses on bottom line results that are data driven, spanning from seed-to-sale production through full brand development. His cannabis industry competence and connections will be fully implemented across a various mix of disciplines and creative endeavors for the Company. Mr. Gawitt has over ten years of experience working as a consultant for various dispensary and cultivation organizations, primarily in the western United States. Mr. Gawitt is the CEO and Founder of CannaSure Agriculture LLC, a Denver, Colorado based cannabis-consulting company, which serves as a consultant to startups as well as established producers. Mr. Gawitt is experienced in production, retail design, regulatory compliance and marketing strategies as well as brand building.

In March 2017, the Company announced that its majority owned subsidiary, FFM Consulting Services, LLC, a California limited liability company, had entered into a management agreement with a California non-profit company. The non-profit has secured a sublease for the purpose of cultivating premium grade cannabis in Riverside County, California. The cultivation facility will supply its high-quality cannabis to the previously announced extraction facility where it will be further processed into premium grade concentrates. The Company expects to help the non-profit operate and expand within the 17,000-square foot state-of-the-art cultivation facility and that it will be fully functional following completion of facility modifications within three months, with the first harvest 90-days thereafter. The cultivation operation will implement the use of the Company's CEA systems, including the Company's patented vertical farming technology and COB LED grow lights, thereby positioning the nonprofit to be able to produce high-grade and pure cannabis ideally suited for extraction. By using the Company's proprietary vertical stacking technology for its clones, there will be more space to devote to the flowering room, which will increase the overall cannabis production capacity in the space.

In March 2017, the Company announced that it had engaged CFN Media to conduct a market visibility program, beginning on March 20, 2017. CFN Media, a leading creative agency and media network dedicated to the worldwide cannabis, helps marijuana businesses attract investors, customers (B2B, B2C), capital, and media visibility. Private and public marijuana companies and brands in the US and Canada rely on CFN Media to grow and succeed. CFN Media launched in June of 2013 to initially serve the growing universe of publicly traded marijuana companies across North America.

In March 2017, the Company announced that its majority owned subsidiary, FFM Consulting Services, LLC, has purchased an extraction machine for the manufacture of concentrated cannabis oil and purified distillate. The equipment purchased is designed to rapidly manufacture premium cannabis oil to supply the growing demand for cannabis concentrates in the state of California. The equipment utilizes a closed-loop system to produce high quality oil in a high throughput system with minimal maintenance and labor. The equipment is estimated to be delivered, installed and in full production within the next 90 days. Projected vendor recommendations and ROI are:

- Load Capacity per run = 20lb
- Run Time = 1 hour (24 potential runs daily)
- Oil yield = 10% on average
- Estimated oil yield per run = 9080 grams
- Estimated wholesale price per gram = $10-$20
- Potential revenue per hour = 9080 x $10 = $9,080

Cannabis concentrates and edibles are the largest and fastest growing segments of the cannabis market, which many experts believe will overtake cannabis whole flower sales by 2020. The market for cannabis concentrates is booming because they are used to make edibles, topical ointments, capsules and other packaged products that require a more professional extraction. As the recreational industry gets underway in California, many in the concentrates niche believe it's going to continue to explode in popularity.

In March 2017, the Company granted 500,000 stock options exercisable at $0.42 for a period of five years.

In April 2017, the Company announced that it had closed on the acquisition of a 15-acre parcel of land in Redland, Florida, and continues its path to acquire a second business, a 10-acre operating greenhouse in Apopka, Florida. Both companies are in counties that are designated to legally cultivate, process and dispense cannabis.

In April 2017, the Company announced that it had contracted with Christopher Lesh to provide professional consulting services related to business acquisitions, cannabis cultivation, and sourcing raw materials for extraction or resale. Mr. Lesh has over 10 years experience within the cannabis cultivation and dispensary industry in Washington State and previously served as the Production Director for Privateer Holdings, Inc. Mr. Lesh currently serves as an advisor on the Company's Cannabis Advisory Board.

In April 2017, the Company announced that it had sold out of its exclusive line of Scorpion LED COB Grow Lights, which recently passed Intertek's ETL certification process. Intertek is one of the world's largest testing, inspection and certification companies and its ETL Mark is proof of product compliance to North American safety standards. With the ETL testing complete, the Company is now able to implement its planned sales and marketing strategy into the fast growing North American cannabis cultivation market. With its ETL certification, the Company's Scorpion line of LED indoor grow lights is approved for retail sale across all of North America, which opens up its biggest market for rapid growth. The Company's ETL approved LED COB Grow Lights cover a broad spectrum of wattages (including 120W, 245W, 315W, 375W, 495W, 560W) for growing clones or flowering plants. The Company is well positioned to satisfy any cultivator's needs, from the small grower to the large industrial scale grower. With twenty-six U.S. states and the District of Columbia broadly legalizing marijuana use, the increased demand on energy consumption in pro-cannabis territories is expected to skyrocket, continuing the trend towards LED "grow light" solutions that reduce energy costs while increasing yields. Analysts forecast the global LED lighting market for horticulture application to grow at a CAGR of 22.55% during the period 2016-2020. A recent study revealed that legalized indoor marijuana-growing operations account for 1% of total electricity use in the United States, at a cost of $6 billion 1 annually. As the cannabis industry continues its rapid global expansion, cultivation facilities are increasingly turning to LEDs to reduce energy costs and boost profits, and the Company intends to be a part of this growing market. The Company's Scorpion Grow Lights have been in high-demand, and having ETL certification means the Company can carry the needed inventory to meet the demand.

In May 2017, the Company announced that announce that its Florida partner has received a bank term sheet in the amount of $2,673,698 at prime plus 2% to acquire a 10-acre greenhouse property and business located near Orlando, Florida. This term sheet enables the Company and its partner to move forward with the acquisition within 45-days. The Company previously signed a letter of intent to acquire a 10-acre operating greenhouse in Florida, which is in a designated zone to legally cultivate, process and dispense cannabis. The greenhouse fits Florida's stringent criteria for agricultural farmers looking to manufacture cannabis which, under the current law, applicants had to have been in business in Florida for at least 30 years and grow a minimum of 400,000 plants at the time they applied. With this acquisition, the Company is potentially positioned as one of the public sector's first movers into Florida's cannabis market. This acquisition is in the designated legal grow zone with close proximity to Orlando, which has a local population of almost 2.5 million and attracts over 62 million visitors annually, making it a prime location. The 10-acre greenhouse is much more than a "Zoned for Cannabis" piece of land, but is also a fully operational greenhouse business in full production. The greenhouse property, which has been family operated since 1959, currently grows ornamental plants sold in large box stores throughout North America. In the past 12 months, it has generated over $2,600,000 in revenue with EBITDA of over $400,000, which is expected to continue until Amendment 2 allows the potential for the property to be converted for growing cannabis. In the interim the Company plans to use its CEA technology to potentially quadruple the current ornamental plant yields, thereby increasing both profit and revenue.

In May 2017, the Company announced that its extraction machine, purchased by the Company's majority owned subsidiary, FFM Consulting Services, LLC for the manufacture of concentrated cannabis oil and purified distillate, had been delivered to the California extraction facility. Mr. John Sweeney, Future Farm's COO, was on site for the delivery and oversaw the installation with the equipment vendor. He expects the secondary processing equipment to be set-up on May 11th, at which time Mr. Sweeney will perform the first shakedown run and simultaneously begin training staff. Data generation and process development is expected to commence on May 12th with the first independent run expected to occur on Monday, May 15th. For this initial test run, 20 pounds of high quality trim was processed. The extraction equipment is designed to be able to rapidly scale the manufacture premium cannabis oil to supply the growing demand for cannabis concentrates in the state of California. The equipment utilizes a closed-loop system to produce high quality oil in a high throughput system with minimal maintenance and labor. Now that the equipment is delivered and installed, the Company expects the facility to be in full production within 90 days.

In May 2017, the Company announced that its subsidiary, FFM Consulting Services, LLC, a California limited liability company, has engaged CFN Media to produce short films of its extraction and cultivation facilities as they extract and grow cannabis in California this week. CFN Media, the leading agency and digital media network dedicated to the North American cannabis industry, announced it will be filming the Company's cannabis extraction and state-of-the-art LED grow facilities in greater Los Angeles, California over the next two weeks. The film production will explore the Company's equipment and operational expertise in growing cannabis and extracting to produce oils and edibles. Once edited the video will be uploaded onto the Company's website and widely distributed online.

In May 2017, the Company announced that the Company's Board of Directors has approved its application to uplist from OTCQB to OTCQX International, the Premier Tier of the OTC Market. Concurrent with this development, the Company has engaged a sponsoring brokerage and counsel to serve as the Company's Designated Advisor for Disclosure (DAD). To qualify for uplisting onto OTCQX International, companies must be listed on a Qualified Foreign Exchange, meet stringent financial and disclosure standards, and be sponsored by a professional third-party advisor.

In May 2017, the Company entered into a licensing agreement with Hampton Chocolate Factory, LLC whereby the Company has been granted an exclusive, revocable, limited right to develop and sell the Cannabis Brand (the "Brand") in exchange for a royalty of 15% of sales resulting from the products. A minimum guarantee of $20,000 per month will become effective once the brand achieves $500,000 in run rate sales at which point the royalty rate will drop to 10% of sales.

In June 2017, the Company announced that its e-commerce website LEDCanada.com has been fully updated and SEO-optimized to better reflect its product line and respond to growing consumer demand for LED grow lights. Customers can now better view and purchase the award-winning line of LED lights at https://LEDCanada.com/.

In June 2017, the Company announced that its director, Scott McDermid, has taken on the role of managing LED Canada, a Canadian LED manufacturer and distributor of commercial-grade LED lighting bulbs, fixtures, lamps, retrofits, and more. LED Canada's prior manager, Rob Huston, is moving to the role of technology officer. In May 2017, the Company announced that it sold out of its exclusive line of Scorpion LED COB Grow Lights, which recently passed Intertek's ETL certification process. With Mr. McDermid's experience as a successful manager, Future Farm is now able to quickly and seamlessly implement its planned sales and marketing strategy for LED Canada into the flourishing North American cannabis cultivation market. Mr. McDermid is a seasoned manager and real estate investor currently managing over $250,000,000 in real estate holdings across North America. He holds two degrees, one in sales and marketing and the other in business management, both from British Columbia Institute of Technology.

SELECTED ANNUAL INFORMATION

The following financial represents selected information of the Company for the three most recently completed financial years:

	February 28, 2017	February 29, 2016	February 28, 2015
Total Revenue	$ 273,549	$ 6,427	$ -
Loss and comprehensive loss for the year	(5,183,180)	(403,820)	(394,988)
Basic and diluted loss per share	(0.12)	(0.03)	(0.08)
Total assets	7,043,431	191,356	281,776
Total long term liabilities	795,783	-	-

During the year ended February 28, 2017, the Company recorded revenues from its LED division of $186,723 and from its app portfolio of $86,826. The Company recorded advertising, promotion, and public relations expenses of $645,807, consulting and management fees of $1,530,762, and share-based compensation of $1,529,443. The increase in revenue reflect the acquisitions of the LED and app portfolio divisions during the 2016 and 2017 fiscal years. The Company also recorded intangible assets of $1,458,216 relating to the asset purchase agreement with TerraCity Lawrence, LLC and $119,000 of intangible assets and $2,461,000 of goodwill relating to the acquisition of the app portfolio with MindCure (of which $1,294,000 was impaired as at February 28, 2017). The increase in expenses reflect the Company's new business model which includes developing and acquiring technologies that will position it as a leader in the evolution of Controlled Environment Agriculture ("CEA").

During the year ended February 29, 2016, the Company recorded revenues from its LED division of $6,427. The Company's main expenses were consulting and management fees of $122,739 and professional fees of $133,018.

During the year ended February 28, 2015, the Company's main expenses were consulting and management fees of $56,125 and professional fees of $74,372.

SUMMARY OF QUARTERLY REPORTS

The following is a summary of the results from the eight previously completed financial quarters:

	February 28, 2017	November 30, 2016	August 31, 2016	May 31, 2016
Revenue	$ 80,770	$ 143,662	$ 24,936	$ 24,181
Total assets	7,043,431	5,631,485	1,401,041	1,227,468
Loss for the period	(2,598,094)	(2,311,635)	(232,857)	(40,594)
Loss per common share	(0.04)	(0.04)	(0.01)	(0.00)
	February 29, 2016	**November 30, 2015**	**August 31, 2015**	**May 31, 2015**
Revenue	$ 6,427	$ –	$ –	$ –
Total assets	191,356	97,253	140,493	178,279
Loss for the period	(176,123)	(88,785)	(45,269)	(93,643)
Loss per common share	(0.01)	(0.01)	(0.00)	(0.01)

During the three months ended February 28, 2017, the Company recorded consulting and management fees of $434,380 due to new consulting and management contracts the Company had entered into including a commitment to issue 1,500,000 shares valued at $51,000 to Bill Gildea, the CEO of the Company, share based compensation of $360,861 due to the fair value of stock options granted during the period and impairment of goodwill of $1,294,000.

In addition, the board of directors and management of the Company have assessed the non-controlling interest measurement on the acquisition of TerraCity Lawrence, LLC in the condensed consolidated financial statements for the nine months ended November 30, 2016 and has determined that there was an error in the measurement. Management does not consider the error to be material based on the total assets of the Company as at November 30, 2016 and the error has been corrected in the audited consolidated financial statements for the year ended February 28, 2017.

During the three months ended November 30, 2016, the Company recorded consulting and management fees of $446,457 due to new consulting and management contracts the Company has entered into in order to begin their new business model of developing and acquiring technologies related to CEA, advertising and promotion expenses of $446,231 due to new marketing contracts the Company has entered into including Maph Enterprises LLC to provide business advisory services to the Company, and share based compensation of $1,168,582 due to the fair value of stock options granted during the period. The Company also issued 12,000,000 common shares valued at $2,580,000 to acquire a portfolio of revenue generating apps and source code ("App Portfolio"). The App Portfolio was valued at $119,000 and the Company recorded $2,461,000 in goodwill.

During the three months ended August 31, 2016, the Company recorded consulting and management fees of $121,925 due to new consulting and management contracts the Company has entered into. The Company also recorded loss on settlement of debt by issuance of common shares for $24,000.

During the three months ended May 31, 2016, the Company entered into an asset purchase agreement to which the Company acquired a 75% interest in TerraCity Lawrence, LLC, a limited liability company developing a commercial scale urban agriculture business. Pursuant to the agreement, the Company issued 14,976,580 common shares valued at $823,712.

During the three months ended February 29, 2016, the Company completed the acquisition of certain LED (light-emitting diode) lighting equipment and intellectual property from Ultimate Energy Savings Canada Inc. resulting in revenues of $6,427 (reflected from the date of acquisition on February 12, 2016 to February 29, 2016). There were no revenues earned in any of the previous quarters.

The primary factors affecting the magnitude and variations of the Company's losses are as follows:

- Beginning in the period ended November 30, 2015 and continuing through February 28, 2017, the Company began to plan for the increased level of advertising and promotion activities in connection with the asset purchase agreements, and proposed business operation expansion.
- Beginning in the period ended November 30, 2015 and continuing through February 28, 2017, the Company increased its human resources in response to expected increase in business activities related to the asset purchase agreements.

RESULTS OF OPERATIONS

For the year ended February 28, 2017

Revenues

During the year ended February 29, 2016, the Company completed the acquisition of certain LED (light-emitting diode) lighting equipment from Ultimate Energy Savings Canada Inc. and during the year ended February 28, 2017, the Company completed the acquisition of a large portfolio of revenue generating apps and source code. These acquisitions resulted in revenues of $273,549 during the year ended February 28, 2017 (February 29, 2016 - $6,427).

General and administrative expenses

During the year ended February 28, 2017, the Company recorded a loss of $5,183,180 ($0.12 per share) compared to a loss of $403,820 ($0.03 per share) for the year ended February 29, 2016.

The Company incurred general and administrative expenses of $3,782,413 for the year ended February 28, 2017 compared with $415,716 for the year ended February 29, 2016. Expense details are as follows:

a) Advertising, promotion, and public relations of $645,807 (February 29, 2016 - $4,919) as a result of increased level of advertising and promotion activities. These expenses have increased over the prior year because the company received its OTCQB listing in the current year and has initiated a marketing campaign to increase the Company's awareness and reach in the North American market with an emphasis in the United States. It is important for the Company to increase its awareness in the US because many of the operations and projects are based in that market.

b) Bad debts of $54,086 (February 29, 2016 - $13,754) related to the Company's estimate of the amount of receivables that are uncollectible.

c) Consulting and management fees of $1,011,762 (February 29, 2016 - $122,739) related to additional human resources and new commitments required as a result of expanded business operations in the current year. The Company also recorded a commitment to issue 1,500,000 shares valued at $51,000 to Bill Gildea, the CEO of the Company.

d) Share based compensation of $1,529,443 (February 29, 2016 - $Nil) reflects the fair value in respect of stock options granted during the year using the black-scholes calculation.

The Company also recorded a loss on settlement of debt by issuance of common shares for $24,000 and an impairment of goodwill of $1,294,000.

For the three months ended February 28, 2017

Revenues

During the year ended February 29, 2016, the Company completed the acquisition of certain LED (light-emitting diode) lighting equipment from Ultimate Energy Savings Canada Inc. and during the year ended February 28, 2017, the Company completed the acquisition of a large portfolio of revenue generating apps and source code. These acquisitions resulted in revenues of $80,770 during the three months ended February 28, 2017 (February 29, 2016 - $6,427).

General and administrative expenses

During the three months ended February 28, 2017, the Company recorded a loss of $2,598,094 ($0.04 per share) compared to a loss of $182,648 ($0.01 per share) for the three months ended February 29, 2016.

The Company incurred general and administrative expenses of $1,153,400 for the three months ended February 28, 2017 compared with $189,004 for the three months ended February 29, 2016. Expense details are as follows:

a) Advertising, promotion, and public relations of $574,801 (February 29, 2016 - $4,919) as a result of increased level of advertising and promotion activities. These expenses have increased over the prior period because the company received its OTCQB listing in the current year and has initiated a marketing campaign to increase the Company's awareness and reach in the North American market with an emphasis in the United States. It is important for the Company to increase its awareness in the US because many of the operations and projects are based in that market.

b) Consulting and management fees of $434,380 (February 29, 2016 - $22,945) related to additional human resources and new commitments required as a result of expanded business operations in the current period. The Company also recorded a commitment to issue 1,500,000 shares valued at $51,000 to Bill Gildea, the CEO of the Company.

c) Share based compensation of $360,861 (February 29, 2016 - $Nil) reflects the fair value in respect of stock options granted during the period using the black-scholes calculation.

The Company also recorded an impairment of goodwill of $1,294,000.

RELATED PARTY TRANSACTIONS

(a) During the year ended February 28, 2017, the Company incurred $Nil (February 29, 2016 - $15,000) in management fees to Myntek Management, a company controlled by Henry Chew, the former President of the Company. As at February 28, 2017, $2,625 (2016 - $3,750) was owed to this company.

(b) During the year ended February 28, 2017, the Company incurred $Nil (February 29, 2016 - $31,650) in rent to Pacific Paragon Capital, a company controlled by Henry Chew, the former President and Sunny Chew, a former director of the Company.

(c) During the year ended February 28, 2017, the Company incurred $30,550 (February 29, 2016 - $27,580) in rent to Rocky Mountain Property Management, a company controlled by Scott McDermid, a director of the Company.

(d) During the year ended February 28, 2017, the Company incurred $Nil (February 29, 2016 - $12,000) in professional fees to Wynson Management, a company controlled by Sunny Chew, a former director. As at February 28, 2017 - $2,100 (2016 - $4,200) was owed to this company.

(e) During the year ended February 28, 2017, the Company incurred $9,000 (February 29, 2016 - $21,000) in consulting fees to Mike Withrow, a former director of the Company.

(f) During the year ended February 28, 2017, the Company incurred $50,000 (February 29, 2016 - $nil) in consulting fees to Chiron Capital Inc., a company controlled by Mike Withrow, a former director of the Company.

(g) During the year ended February 28, 2017, the Company incurred $111,187 (February 29, 2016 - $Nil) in consulting fees to CBO Financial Inc., a company controlled by Craig Stanley, a director of the Company.

(h) During the year ended February 28, 2017, the Company incurred $41,801 (February 29, 2016 - $nil) in professional fees to Cross Davis & Co. LLP, an accounting firm of which Scott Davis, the Chief Financial Officer is a partner. As at February 28, 2017 - $6,584 (February 29, 2016 - $nil) was owed to this company.

(i) During the year ended February 28, 2017, the Company incurred $230,473 (February 29, 2016 - $nil) in management fees to Bill Gildea, the Chief Executive Officer. As at February 28, 2017, $28,027 (February 29, 2016 - $nil) was owed to the officer and a total of $51,000 related to a commitment to issue shares.

(j) During the year ended February 28, 2017, the Company incurred $58,240 (February 29, 2016 - $nil) in consulting fees to Biosimilarsolutions LLC, a company controlled by John Sweeney, a director of the Company. As at February 28, 2017, $4,817 (February 29, 2016 - $nil) was owed to this company.

(k) During the year ended February 28, 2017, the Company incurred $nil (February 29, 2016 - $14,829) in professional fees to Fehr and Associates, an accounting firm of which Ann Fehr, the former Chief Financial Officer is a partner. As at February 28, 2017, $15,000 (2016 - $15,752) was owed to this company.

(l) As at February 28, 2017, $18,947 (2016 - $nil) was owed from Alternative Extracts Inc., a company owned by Mike Withrow, a former director of the Company. Subsequent to year end, $14,560 of this amount was received.

(m) As at February 28, 2017, $2,282 (2016 - $nil) was owed to Rob Huston, the former Chief Executive Officer of the Company.

(n) During the year ended February 28, 2017, the Company issued 1,000,000 common shares fair valued at $0.07 per share to settle debt of $50,000 owed to Chiron Capital Inc., a company controlled by Mike

Withrow, a former director of the Company. Accordingly, the Company recorded a loss on settlement of debt of $20,000.

(o) During the year ended year ended February 28, 2017, the Company issued 200,000 common shares fair valued at $0.07 per share to settle debt of $10,000 owed to Cross Davis & Co. LLP, an accounting firm of which Scott Davis, the Chief Financial Officer is a partner. Accordingly, the Company recorded a loss on settlement of debt of $4,000.

(p) As at February 28, 2017, an amount of $Nil (February 29, 2016 - $8,245) was owed from Ultimate Energy, a company controlled by Rob Huston, the former Chief Executive Officer of the Company pursuant to the asset purchase agreement dated October 1, 2015 for net revenues generated between the date of the agreement and the effective closing date.

(q) During the year ended February 28, 2017, the Company recorded stock based compensation of $300,583 related to options granted to officers and directors of the Company (February 29, 2016 - $nil).

(r) During the year ended February 29, 2016, the Company issued 420,000 common shares with a fair value of $25,200 to settle debt of $21,000 owed to Mike Withrow, a former director of the Company. This resulted in a loss on settlement of debt of $4,200.

LIQUIDITY AND CAPITAL RESOURCES

As at February 28, 2017, the Company had $2,810,043 in current assets (February 29, 2016 – $185,356) and had working capital of $2,120,359 (February 29, 2016 – $33,946).

The Company is entirely dependent on raising equity capital to carry on its business operations. It had $2,090,615 cash on hand as at February 28, 2017 (February 29, 2016 - $97,561). There is no guarantee that the Company will be able to raise the equity capital required to funds its ongoing operations.

During the year ended February 28, 2017, the Company closed a non-brokered private placement (the "Placement") consisting of 4,110,000 units (the "Units") at a price of $0.05 per Unit for total proceeds of $205,500. Each Unit consists of one common share (the "Shares") and one transferable share purchase warrant (the "Warrants"). Each Warrant entitles the holder to purchase one additional common share, exercisable at a price of $0.10 per share for a period of 18 months from the date of issue. All securities issued will be subject to a four-month hold period. Proceeds from the financing will be used for general working capital purposes.

During the year ended February 28, 2017, the Company closed the initial tranche of a private placement financing by issuing a total of 1,180,000 units (the "Units") for gross proceeds of $295,000. Each Unit consists of one common share and one-half share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to purchase one additional common share at an exercise price $0.35 per share. In connection with the initial tranche of the financing, the Company paid share issuance costs of $21,200 and issued 68,400 finder's warrants valued at $14,359.

During the year ended February 28, 2017, the Company closed the second tranche of the private placement financing by issuing an additional 1,021,596 Units for gross proceeds of $255,399. In connection with the second tranche of the financing, the Company paid share issuance costs of $17,284 and issued 66,848 finder's warrants valued at $10,428.

During the year ended February 28, 2017, the Company received proceeds of $1,915,000 from exercise of 14,600,000 warrants and subsequently, the Company received proceeds of $50,000 from exercise of 500,000 warrants.

During the year ended February 28, 2017, the Company received issued 2,400,000 common shares for proceeds of $834,000 related to exercise of options.

In March 2017, the Company closed a non-brokered private placement for 7,671,016 units (the "Units") at a price of $0.27 per Unit for gross proceeds of $2,071,174. Each Unit is comprised of one common share of stock and one-half share purchase warrant that is exercisable at $0.37 per common share for one-year with certain acceleration clauses. In connection with the financing, the Company paid share issuance costs of $210,205 and issued 408,168 broker's warrants valued at $97,048.

On December 18, 2014, the Company's newly acquired subsidiary, TerraCity Lawrence, LLC entered into a loan agreement with a third party whereby it borrowed US $100,000 and agreed to pay US$120,000 on February 17, 2015 (of which the $26,218 (US$20,000) arrangement fee was recorded as an interest expense during the year ended February 28, 2017). During the year ended February 28, 2017, the Company repaid $98,475 (US$75,000) of the note. The Company is currently in default on this payment and as at February 28, 2017 the Company owed $59,225 (US$45,000) ($33,007 (US $25,000) in principal was paid subsequent to year end).

During the year ended February 28, 2017, the Company acquired three parcels of land in Florida for future development of cannabis crops. The consideration paid totaling $1,015,547 represents the assumption of the mortgages outstanding on these parcels of land at the time of acquisition of $851,885, the commitment to issue shares in connection of the acquisition valued at $58,750 and a finder's fee on the acquisition of land of $104,912. If at any time up to five years from the acquisition date (the "Expiration Date"), the Company has been unable to obtain a Florida State license to cultivate cannabis (the "license") it has the right to return the property to the vendor which will agree to an assumption of the existing mortgages on which the principal and accrued interest outstanding is not to exceed the total amount as of the date of acquisition and the Company will have no further obligation or payment due. If the Company is unable to obtain the license, the vendor will have 180 days from the Expiration Date, within which to exercise the option to retake ownership of the property and assume the existing mortgages, on which the principal and accrued interest outstanding is not to exceed US$850,000. In connection with the purchase of the property, the Company is obligated to issue 1,000,000 common shares to a private company, of which 250,000 shares are to be immediately earned in full as a finders' fee. Accordingly, the Company recorded a transaction cost of $58,750 as its commitment to issue shares as at February 28, 2017. The 250,000 shares were issued subsequent to February 28, 2017. The remaining 750,000 common shares will be held in escrow on behalf of the finder and is not to be considered fully earned until the earliest of the date which the Company obtains the licenses or the date that the deadline expires without the vendor having take back the three parcels of land. As at February 28, 2017 the Company does not have an obligation to issue the common shares as the license has not been obtained and the deadline has not expired. The Company also paid $104,912 (US $80,000) as finder's fees in connection to the acquisition of the land. The mortgages bear interest at 4.5% per annum and have maturity dates through to May 2, 2029. As at February 28, 2017, the current portion of mortgage payable was $56,102.

The Company's liquidity for analysis is expected to increase due to its increased business activities in connection with the asset purchase agreement.

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. Given the continuation of weak investor sentiment in capital markets, there exists a material uncertainty as to the Company's ability to raise additional funds on favorable terms in order to continue as a going concern.

The Company will require additional funds to fund budgeted expenses over the next 12 months since the current cash position is not sufficient to cover the anticipated operating budget. These funds may be raised through equity financing, debt financing, or other sources, which may result in further dilution in the equity ownership of our shares.

ADDITIONAL DISCLOSURES FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

An analysis of the material components of the Company's general and administrative expenses is disclosed in the audited consolidated financial statements for the year ended February 28, 2017 to which this MD&A relates.

OUTSTANDING SHARE DATA

As at the date of this report, the Company had 90,418,859 common shares issued and outstanding and the following stock options and warrants outstanding:

Number of options outstanding	Exercise price $	Expiry date
2,900,000	0.31	October 7, 2021
500,000	0.42	March 8, 2022
500,000	0.22	March 22, 2022
3,900,000		

Number of warrants outstanding	Exercise price $	Expiry date
590,000	0.35	January 11, 2018
84,800	0.35	January 11, 2018*
510,798	0.35	January 20, 2018
66,848	0.35	January 20, 2018*
210,000	0.10	February 18, 2018
3,835,507	0.37	March 7, 2018
408,168	0.37	March 7, 2018*
5,706,121		

* Finder's warrants

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been previously disclosed.

COMMITMENTS

a) On November 1, 2015, the Company entered into a consulting agreement with a non-related party for a period of one year to which the Company is to pay annual consulting fees of $100,000 plus GST as well as issue 140,000 common shares in three installments as follows: 50,000 upon signing (issued), 50,000 on March 1, 2016 (not issued), and 40,000 on July 1, 2016 (not issued). In addition, the Company has agreed to issue bonus shares as follows:

   - 100,000 common shares if the Company reaches $500,000 of sales within six months
   - 250,000 common shares if the Company reaches $1,000,000 of sales within a year
   - 500,000 common shares if the Company reaches $2,000,000 of sales within a year
   - 2,000,000 common shares if the Company reaches $10,000,000 of sales within a year

   During the year ended February 28, 2017, both parties agreed to a mutual release for a settlement payment of $21,600 which was paid during the year ended February 28, 2017.

b) In May 2016, the Company entered into a management contract with the Chief Executive Officer ("CEO") of the Company. As per the agreement, the Company is required to issue the CEO 1,500,000 common shares of the Company effective on the date of the agreement. During the year ended February 28, 2017, the Company had not fulfilled this obligation and a commitment to issue shares for $51,000 was recorded. Subsequent to year end, 750,000 of the shares were issued with a fair value of $0.034.

   Subject to the terms of the agreement, if the contract is terminated without cause, the officer will be entitled to cash severance of US $180,000 plus an advance for one year's rent on the officers' current apartment.

c) In June 2016, the Company entered into an agreement with CBO Financial Inc. ("CBO") whereby CBO will assist the Company in securing "New Market Tax Credits" of up to $6,000,000. A director of the Company is the Chief Executive Officer of CBO. In connection with their services, CBO will be paid a closing fee equal to 6% of the credit and in addition will incur on going management fees equal to 0.5% of the credit for 7 years.

   In February 2017, the Company entered into a project management agreement with CBO in connection with the proposed Baltimore project. In connection with the agreement, the Company will pay CBO US$140,000. As at February 28, 2017, the Company had incurred $27,540 (US$21,000) in consulting expenses. Subsequent to year end, an additional $83,540 (US$63,000) was paid. The remaining US$56,000 is due within the next fiscal year.

d) In November 2016, the Company entered into a consulting agreement with Core Capital Partners Inc. ("Core Capital") for a term of one year. The Company may terminate the agreement by giving 6 months' written notice. As at February 28, 2017, the Company has a commitment of $60,000 in connection with the agreement.

e) In February 2017, the Company completed a property transfer agreement to acquire three plots of land in Florida. In connection with the transaction, the Company has an obligation to issue 250,000 common shares as a finders' fee ("Finders' Shares") (issued subsequent to year end) and an additional 750,000 common shares should the Company be successful in obtaining a license to cultivate cannabis. The Company has booked a commitment to issue shares with a value of $58,750 at year end in relation to the Finders' Shares.

f) Mortgage payments

   In connection with the mortgage payable, the Company is obligated to make monthly mortgage payments of $7,838 (US$6,029). Annual mortgage payments for the next five years total $94,053 (US$72,348).

RISKS AND UNCERTAINTIES

The Company is pursuing new acquisition opportunities with the commercial ventures in LED lighting technology for use by the agricultural industry, retail consumers, wholesale buyers and government agencies. The Company has no ongoing revenue or income from operations. The Company has limited capital resources and has to rely upon the sale of its assets or sale of its common shares for cash required to make new investments and to fund the administration of the Company.

These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company or which are presently considered immaterial may also adversely impact the Company's business, results of operations, and financial performance. The most significant risks and uncertainties faced by the Company are (in no specific order):

Going concern
The Company's capability to continue as a going concern is dependent upon its ability to obtain additional debt or equity financing to meet its obligations as they come due. If the Company were unable to continue as a going concern, then significant adjustments would be required to the carrying value of assets and liabilities, and to the balance sheet classifications currently used. While the Company has been successful in raising funds in the past, it is uncertain whether it will be able to raise necessary funds to further develop its products.

No commercial products have been developed
We have not completed the development of any commercial products, and accordingly we have not begun to market or generate revenues from sales of the products we are developing.

There can be no assurance that any of our future product candidates will meet applicable regulatory standards, obtain required regulatory approvals, be capable of being produced in commercial quantities at reasonable costs, be successfully marketed or that the investment made in such product candidates will be recouped through sales or related royalties. There can be no assurance that we will ever achieve profitability. As a result, an investment in our common shares involves a high degree of risk and should be considered only by those persons who can afford a total loss of their investment.

Competition
The Company plans to compete in an industry in which there are few, but growing number of participants. The Company will have to prove its ability to compete against companies that are further ahead in pursuing the similar commercial ventures and have greater financial, technological, production and marketing resources.

Change in laws, regulations, and guidelines
The Company's operations are subject to a variety laws, regulations and guidelines relating to the manufacture, management, transportation, storage, and disposal of medical marijuana and hemp but also including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company that it may invest in or acquire.

In addition to the federal rules, the Company, its subsidiaries, and/or its associate(s) will not be able to legally grow or sell medical marijuana without compliance to Municipal or State by-laws, laws and regulations.

Limited operating history
The Company is subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Future financing
The Company will require financing for the building and operation of facilities and business, which are capital intensive. In order to execute on an anticipated growth strategy, the Company will require equity and/or debt financing to support start up and on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed, if ever, or on terms which are acceptable. The Company's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions would limit the Company's plans and would have a material adverse effect start-up and planned operations.

Dilution
To conduct its business, the Company may from time to time require additional funds. The Company may have to issue additional securities including, but not limited to, common shares or some form of convertible security, the effect of which will result in a dilution of the equity interests of any existing shareholders.

Dependence on key personnel
The Company strongly depends on the business and technical expertise of its management and it is unlikely that this dependence will decrease in the near term. Loss of the Company's key personnel could slow the Company's ability to innovate, although the effect on ongoing operations would be manageable as experienced key operations personnel could be put in place. As the Company's operations expand, additional general management resources will be required.

If the Company expands its operations, the ability of the Company to recruit, train, integrate and manage a large number of new employees is uncertain and failure to do so would have a negative impact on the Company's business plans.

There can be no assurance that any one of these risk factors would not impact the Company's ability to fund capital expenditures or acquisitions associated with the medical marijuana industry and may have a material adverse effect on start-up and planned operations.

Critical Judgments in Applying Accounting Policies and Key Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period. Estimates and assumptions may be revised as new information is obtained, and are subject to change. The Company's accounting policies and estimates used in the preparation of the financial statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

The critical judgments and estimates that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized are disclosed in note 2 of the consolidated financial statements for the year ended February 28, 2017.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the BC Business Corporations Act ("BCBCA") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and in the best interest of the Company.

FORWARD-LOOKING INFORMATION

Some of the statements contained in this MD&A are forward-looking statements, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur.

Forward-looking statements may be identified by such terms as "believes", "if", "expects", "estimates", "may", "could", "should", "will", "intends" and similar expressions. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties.

Although the Company believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements concerning the Company's expectations for: the Company's current financial resources being sufficient to fund operations; the Company's ability to obtain additional funds through the sale of equity or debt commitments.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and other factors including: changes in general economic conditions and conditions in the financial markets; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with the Company's activities; and changing foreign exchange rates and other matters discussed in this MD&A.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. Further information regarding these and other factors, which may cause results to differ materially from those projected in forward-looking statements, are included in the filings by the Company with securities regulatory authorities. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual reports could differ from management's estimates.

CONTINGENCIES

The Company is involved in various claims and legal actions in the ordinary course of business. The claims were initiated by the Company's previous landlord and lender. As at February 28, 2017, the Company recorded a litigation provision of $190,000 in connection with the claims.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

OTHER MD&A REQUIREMENTS

Additional disclosure of the Company's technical reports, material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com.

RECENT ACCOUNTING POLICIES

Please refer to the February 28, 2017 consolidated financial statements on www.sedar.com.

FINANCIAL INSTRUMENTS

Please refer to the February 28, 2017 consolidated financial statements on www.sedar.com.