INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of Future Farm Technologies Inc. (the "Company") has been prepared by management, in accordance with the requirements of National Instrument 51-102 ("NI 51-102") as of October 30, 2017 and should be read in conjunction with the condensed consolidated interim financial statements for the six months ended August 31, 2017 and 2016 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The following should also be read in conjunction with the audited financial statements for the year ended February 28, 2017 and all other disclosure documents of the Company. 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

Future Farm Technologies Inc. (the "Company") was incorporated in the province of British Columbia, Canada on May 31, 1984. The Company is listed on the Canadian Securities Exchange (the "Exchange") under the symbol "FFT".

The Company's head office is located at 510 – 580 Hornby Street, Vancouver, British Columbia, V6C 3B6. The Company is an indoor plant growth technology company specializing in LED lighting, mobile applications and vertical farming solutions.

SIGNIFICANT EVENTS/OVERALL PERFORMANCE

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 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.

In August 2017, the Company announced that a video of the previously announced California extraction facility is now online and available for viewing. The extraction equipment is designed to be able to rapidly scale the manufacture of 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.

In August 2017, the Company announced that it has entered into a Conditional Lease Commitment with Veteran's Capital Corp, a specialty finance company providing financial and leasing services to various types of business clients ("Veterans Capital"). Veterans Capital has agreed to provide the Company with a secured lease line of credit in an amount not to exceed $500,000. The Lease will be secured by the Company's previously announced cannabis extraction equipment.

In August 2017, the Company announced that its subsidiary, FFM Consulting Services, LLC, is making progress in California with respect to the management services being provided to the Huntington Park extraction facility and the Riverside County cultivation facility. Since installation of the extraction equipment at the Huntington Park facility, the team has been scaling up production and dialing in operations using various strains and types of solvents to produce high quality extraction distillates. The team has acquired over 250-lbs of high quality trim material of both THC and distinct CBD strains from various organic producers located in Northern California. All of the acquired trim material is of high quality and fully tested to ensure that it is free of pesticides and microbiological contamination. The team extracted the first CBD batch using organic grape alcohol resulting in a highly pure, potent, and effective medicinal product. This CBD product is suitable for patients seeking therapeutic relief from their symptoms without incurring the "high" associated with THC containing extracts. The Company is working toward completing multiple purchase orders for its whole flower and extracted oil products that are expected to be completed in early September. The Riverside County cultivation facility is progressing as well and the team will be harvesting during the end of August. The Company will be able to use this first harvest to execute a side-by-side comparison of its own LED grow lights versus the standard High Pressure Sodium (HPS) lights. The HPS lights are currently consuming 1000 watts per light whereas the Company's LED Canada grow lights are utilizing 550 watts per light. The Company expects to use data from the harvest to better understand the savings potential per kilowatt-hour over the lifecycle of each plant.

In August 2017, the Company announced an update with respect to its Baltimore farm. As previously announced, the Company signed a LOI to lease 25,000-sqft of commercial space from Volunteers of America ("VOA") Chesapeake to accommodate a vertical farm in Baltimore, MD, which will distribute high value healthy produce to local area retail stores, restaurants, institutional non-profits and other buyers. The facility's design and budget are now complete and a second location will double the size of the project to almost 50,000-sqft and speed up the development. The Company expected to gain site control of the second location in Baltimore within the next 7-10 days. This particular site is more accommodating to the Company's controlled environment agriculture ("CEA") technology requirements and requires less construction build-out. It is expected that this second location will be operational sooner than the original location and will therefore become Phase 1 of the Baltimore project. As previously announced, Craig Stanley and CBO Financial will act as the Company's financial advisor with respect to New Market Tax Credits (NMTC) and will be arranging for $5,000,000 in NMTC-based financing for each phase of the Baltimore farms. The NMTC program is a $65 billion federal program 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. The primary objectives of both farms remain the same — establish economical and environmentally friendly vertical farms; provide job training opportunities (specifically to the VOA's reentry program for ex-offenders in Baltimore, MD) as well as to the local community; provide therapeutic programs, which will be expanded to the disabled population; support entrepreneurship development; and establish a model for replication at other reentry and social services facilities. One of the primary objectives of the projects is to provide opportunities to develop therapeutic programs involving all aspects of planting, growing/nurturing, harvesting and selling plants. The American Horticultural Therapy Association (AHTA) defines "Horticultural Therapy" as the "engagement of a person in gardening and plant-based activities, facilitated by a trained therapist, to achieve specific therapeutic treatment goals." AHTA believes that Horticultural Therapy (HT) is an active process, which occurs in the context of an established treatment plan where the process itself is considered the therapeutic activity rather than the end product. The therapeutic benefits of garden environments have been documented since ancient times. Today, HT is accepted as a beneficial and effective therapeutic modality and is widely used within a broad range of rehabilitative, vocational, and community settings. HT helps improve memory, cognitive abilities, task initiation, language skills, and socialization. In physical rehabilitation, HT can help strengthen muscles and improve coordination, balance, and endurance. In vocational HT settings, people learn to work independently, problem solve, and follow directions.

In August 2017, the Company announced the resignation of Scott Davis as Chief Financial Officer and that the Company's Board member Craig Stanley has agreed to act as interim CFO. Mr. Davis intends to pursue other business ventures but will remain with the Company as a consultant going forward. The Company's Board of Directors has initiated a search to locate a replacement CFO with experience in the vertical farming and cannabis space.

In September 2017, the Company announced that it is collaborating with the Volunteers of America ("VOA") and CBO Financial to develop a new vertical farming facility in Mobile, Alabama. The Alabama project will be designed, financed and constructed in tandem with the previously announced Baltimore facilities. By bundling the projects together, the parties expect to save on financing fees related to New Market Tax Credits, facility design and engineering, and equipment expenses, including HVAC and LED lighting. Future Farm has already secured site control of a facility in Mobile, Alabama and is in the process of completing that facility's design and budget. The property consists of 21,123-sf under roof and 2.71 acres of land. The facility design is underway and is expected to be completed within 2-3 weeks. The Company is also pleased to announce that it has identified a site and negotiations are under way with respect to the previously announced second location in Baltimore. This particular site is more accommodating to the Company's controlled environment agriculture ("CEA") technology and requires less construction build-out. CBO Financial will act as the Company's financial advisor with respect to New Market Tax Credits (NMTC) and will be arranging for $4,000,000 in NMTC-based financing for the Alabama farm. The NMTC program is a $65 billion federal program 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 Future Farm, to finance facilities that will provide goods and services that benefit populations in need and revitalize communities.

In September 2017, the Company announced that it has harvested the first cannabis crop from the previously announced Riverside County, CA cultivation facility and is currently drying, curing, trimming and packaging the flower in preparation for sale and distribution to medical patients in California later. The list of strains included in the harvest are Sour OG, Cookies N' Cream, Girl Scout Cookies, Martian Candy and Fire OG. The Company is estimating the harvest of approximately 90-lbs with a market value of $144,000 - $180,000.

In September 2017, the Company announced that it has engaged the services of Stockhouse 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. As part of this engagement Stockhouse's investment arm, Radical Capital Ltd., will invest $68,000 in a $250,000 bought deal.

In September 2017, the Company announced that its subsidiary FFM Consulting Services, LLC has completed the first cannabis oil sale out of the previously announced California oil extraction facility and is currently in discussions with large distributors who are requesting pricing on 2,500 kilos of cannabis oil per year. The extraction facility team is using a unique process of running organic grape seed oil in its alcohol extraction equipment, which is capable of large-scale production. According to cannabis market research firm the Arcview Group, California makes up more than one-fourth of all legal marijuana sales in the 50 U.S. states plus Canada combined. Cannabis concentrates and edibles are the largest and fastest growing segments of the cannabis market, which many experts believe will overtake flower sales by 2020. The popularity of wax, shatter and oil has blossomed along with various consumption devices. The market is booming more so, however, because cannabis concentrates are used to make edibles, topical ointments, capsules and other packaged products that require a more professional extraction.

In September 2017, the Company announced that pursuant to Stockhouse's Client Services Agreement previously announced, Stockhouse will provide services for one year from the effective date of the Agreement and the Company will pay Stockhouse $68,203 for said services.

In September 2017, the Company announced a new joint venture with Cannatech LLC, a Massachusetts cannabis consulting company (https://www.cannatech.com/about-us). This joint venture will grow, research, develop, and sell premium hemp extracts that contain a broad range of cannabinoids and natural hemp derivatives. Cannatech has done pioneering work with hemp by growing high CBD strains, which have tested in the 15-26% range, while staying compliant with state and federal laws. Hemp is a smaller, but fast growing, closely related business to the cannabis business. According to Hemp Business Journal, total retail value of hemp products sold in the U.S. in 2016 was $688 million, and sales of hemp CBD products boosted the industry to a five year 22% CAGR. The same group estimates the hemp industry will grow to $1.8 billion by 2020 in the USA. As part of this joint venture agreement, Cannatech will provide the Company with multiple compliant hemp strains that test in the 'high' CBD percentile. It will also provide hemp strain lineage and breeding options to better develop hemp strains that thrive in the southeastern United States. The joint venture plans to grow in the state of Florida, where the Company already owns 15-acres of land and is working towards closing on another 10-acres. Florida is the latest state to pass legislation allowing for the growing of hemp. Earlier this month, Gov. Rick Scott signed the Industrial Hemp Pilot Projects bill (Senate Bill 1726) into law. The bill gives Florida A&M University (FAMU) and the University of Florida permission to conduct research pilot projects on growing and selling hemp. Hemp is a member of the Cannabis Sativa L family, but unlike marijuana, it contains only 0.3 percent or lower tetrahydrocannabinol (THC), the psychoactive chemical that causes a euphoric response. Grown for centuries for its seeds and stalks, hemp was a staple crop and legal to cultivate in the United States until the 1930s. It may be used to produce a multitude of products, including food, paper, textiles, building materials, and body care products.

In September 2017, the Company announced that it has closed a non-brokered private placement for 1,704,753 units (the "Units") at a price of $0.15 per Unit for gross proceeds of $248,894. Each Unit is comprised of one common share and one share purchase warrant with each whole warrant exercisable at $0.20 per common share for one year with certain acceleration clauses.

In September 2017, the Company announced that it has signed a license agreement with AR E1, LLC ("ARE1") wherein the Company has acquired the exclusive right to use ARE1's patented technology in the cannabis industry. The Company and ARE1 will work together to merge augmented reality (AR) and ad-tech with the cannabis industry through the CannaCube Live™ platform. This transaction brings both an impressive portfolio of intellectual property as well as a very experienced development team whom have created over 300 AR apps for major clients. The Company is aiming to carve out its niche in the cannabis market with augmented reality enhanced packaging for branding as well as an ad-tech driven platform where dispensaries, cultivators, processors and others will use its AR platform to create a richer customer experience in stores, on the farm and at home. As consideration for the exclusive right to use AR E1, LLC's patented AR technology in the cannabis industry, the Company agrees to issue 5,000,000 shares to AR E1, LLC, with up to an additional 5,000,000 shares payable in installments upon the completion of certain milestones, as set forth in the parties' agreement. There is no finder's fee associated with this transaction.

In October 2017, the Company announced that its subsidiary FFM Consulting Services, LLC has completed a wholesale oil sale of 3525 grams of crude cannabis oil from the California oil extraction facility located in Huntington Park. The sale was made to a large distributor with whom the Company is now negotiating a supply contract for 100-250 kilos of oil per week.

In October 2017, the Company announced that it has entered into a purchase and sale agreement with Derek Ross of Cannatech LLC for the acquisition of a 120-acre licensed industrial hemp farm in Amity, ME (the "Farm"). The Farm has just finished harvesting its first crop, which is now being prepared for further processing into high-grade cannabidiol oil, or CBD hemp oil. As part of this acquisition, the Company and Cannatech have also entered into a new joint venture agreement to continue operating the Farm. With this acquisition, the Company is now strategically positioned in both the fast growing hemp market as well as the cannabis market. Derek Ross of Cannatech will stay on as the operator and grower of high CBD strains and retain a 20% interest in the Farm. The Farm is currently the largest operating hemp farm in Maine. Hemp is a fast growing, high margin closely-related business to the cannabis business growing at a 22% CAGR currently valued at over $688 million, and estimated to grow to $1.8 billion by 2020 in the USA. Hemp is a member of the Cannabis Sativa L family, but unlike marijuana it contains only 0.3 percent or lower tetrahydrocannabinol (THC), the psychoactive chemical that causes a euphoric response. Grown for centuries for its seeds and stalks, hemp was once a staple crop and legal to cultivate in the United States until the 1930s. It can be used to produce a multitude of products, including food, paper, textiles, building materials, and body care products. As consideration for the acquisition of the Farm, the Company agrees to pay Derek Ross $80,000, payable in equal installments over the course of six months. Mr. Ross is also entitled to receive 250,000 shares of the Company's common stock upon closing of the real estate transaction. There is no finder's fee associated with this transaction.

In October 2017, the Company announced a new joint venture between Future Farm and TCG Investments, LLC, owners of the Clinica Verde brand of medical cannabis dispensaries ("Clinica Verde"). The Company will purchase five pre-qualifications for medical dispensary licenses from Clinica Verde ("Licenses"). Subsequently, the Licenses will be contributed into a joint venture company that will operate five medical cannabis dispensaries in Puerto Rico under the Clinica Verde brand. Clinica Verde has already established itself as the leading medical cannabis dispensary operator in Puerto Rico, with five additional operating dispensaries. The Company has been working for several months on this exciting opportunity to own an interest in five dispensaries, which have the potential to provide consistent cash flow. While Hurricane Maria's devastation to the island was cause for concern, the Company remains committed to helping its partners expand their dispensary presence in order to provide the people of Puerto Rico with a reliable source of medical marijuana, as well as continuing to create a diversified portfolio of cannabis investments for the Company's shareholders. The Company looks forward to contributing to the expansion of the medical cannabis industry, which is a key driver for the future economic development of Puerto Rico. Medical marijuana is legally used in Puerto Rico to address more than a dozen conditions, including Alzheimer's, cancer, Lou Gehrig's disease, Parkinson's, rheumatoid arthritis, Crohn's disease, epilepsy and more. On October 6th, Puerto Rico's Department of Cannabis' board approved allowing patients to go to any open clinic, regardless of the dispensary they had been assigned. The new rule lasts until two weeks after the state of emergency has ended or until the board decides to terminate it. Puerto Rico's MMJ industry has full governmental support, which means the island could become the cannabis tourism mecca of the Caribbean. Importantly, the island's cannabis law includes a reciprocity policy that allows dispensaries to serve patients whom are visiting for business or just on vacation, as long as they hold a medical marijuana card from their home state.

SUMMARY OF QUARTERLY REPORTS

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

		August 31, 2017		May 31, 2017		February 28, 2017		November 30, 2016
Revenue	$	46,031	$	85,554	$	80,770	$	143,662
Total assets		5,196,246		6,586,804		7,043,431		5,631,485
Loss for the period		(1,960,637)		(4,159,913)		(2,598,094)		(2,311,635)
Loss per common share		(0.02)		(0.05)		(0.04)		(0.04)
		August 31, 2016		**May 31, 2016**		**February 29, 2016**		**November 30, 2015**
Revenue	$	24,936	$	24,181	$	6,427	$	–
Total assets		1,401,041		1,227,468		191,356		97,253
Loss for the period		(232,857)		(40,594)		(176,123)		(88,785)
Loss per common share		(0.01)		(0.00)		(0.01)		(0.01)

During the three months ended August 31, 2017, the Company recorded consulting and management fees of $518,324 due to new and ongoing consulting and management contracts the Company had entered into in the current and previous periods. Share based compensation of $485,456 includes the fair value of stock options granted during the period.

During the three months ended May 31, 2017, the Company recorded consulting and management fees of $700,066 due to new and ongoing consulting and management contracts the Company had entered into in the current and previous periods including the issuance of 250,000 shares with a value of $107,500 to the Company's members on its Cannabis Advisory Board. Share based compensation of $2,427,583 includes the fair value of stock options granted during the period and also the issuance of 5,000,000 common shares valued at $2,150,000 to a third party as a finder's fee for a California Extraction License. In connection with the project, the Company paid a total of $619,983 (US$464,040) in relation to project management fees and for the purchase of equipment.

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 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 August 31, 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 August 31, 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 six months ended August 31, 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 $131,585 during the six months ended August 31, 2017 (2016 - $49,117).

General and administrative expenses

During the six months ended August 31, 2017, the Company recorded a loss of $6,120,550 ($0.07 per share) compared to a loss of $273,451 ($0.01 per share) for the six months ended August 31, 2016.

The Company incurred general and administrative expenses of $6,232,488 for the six months ended August 31, 2017 compared with $282,997 for the six months ended August 31, 2016. Expense details are as follows:

a) Advertising, promotion, and public relations of $591,886 (2016 - $28,433) 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 previous fiscal 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 $1,218,390 (2016 - $130,925) related to additional human resources and new and ongoing commitments required as a result of expanded business operations in the current period.

c) Project management fees and expenses of $894,978 (2016 - $Nil) in connection with the California Extraction License in relation to project management fees and for the purchase of equipment.

d) Share based compensation of $2,913,039 (2016 - $Nil) reflects the fair value in respect of stock options granted during the period using the black-scholes calculation and also the issuance of 5,000,000 common shares valued at $2,150,000 to a third party as a finder's fee for a California Extraction License.

For the three months ended August 31, 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 $46,031 during the three months ended August 31, 2017 (2016 - $24,936).

General and administrative expenses

During the three months ended August 31, 2017, the Company recorded a loss of $1,960,637 ($0.02 per share) compared to a loss of $232,857 ($0.01 per share) for the three months ended August 31, 2016.

The Company incurred general and administrative expenses of $2,013,485 for the three months ended August 31, 2017 compared with $226,686 for the three months ended August 31, 2016. Expense details are as follows:

a) Advertising, promotion, and public relations of $396,455 (2016 - $27,520) 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 previous fiscal 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 $518,324 (2016 - 121,925) related to additional human resources and new and ongoing commitments required as a result of expanded business operations in the current period.

c) Project management fees and expenses of $180,369 (2016 - $Nil) in connection with the California Extraction License in relation to project management fees and for the purchase of equipment.

d) Share based compensation of $485,456 (2016 - $Nil) reflects the fair value in respect of stock options granted during the period using the black-scholes calculation.

RELATED PARTY TRANSACTIONS

(a) During the period ended August 31, 2017, the Company incurred $nil (2016 - $9,000) in consulting fees to Mike Withrow, a former director of the Company.

(b) During the period ended August 31, 2017, the Company incurred $16,548 (2016 - $14,100) in rent and $26,000 in consulting fees to Rocky Mountain Property Management, a company controlled by Scott McDermid, a director of the Company. As at August 31, 2017, $20,475 (February 28, 2017 - $nil) was owed to this company.

(c) During the period ended August 31, 2017, the Company incurred $nil (2016 - $21,444) in professional fees to Rob Huston, the former Chief Executive Officer of the Company.

(d) During the period ended August 31, 2017, the Company incurred $62,033 (2016 - $9,000) in professional fees to Cross Davis & Co. LLP, an accounting firm of which Scott Davis, the former Chief Financial Officer is a partner. As at August 31, 2017, $nil (February 28, 2017 - $6,584) was owed to this firm.

(e) During the period ended August 31, 2017, the Company incurred $118,662 (2016 - $nil) in management fees to Bill Gildea, the Chief Executive Officer. As at August 31, 2017, $26,193 (February 28, 2017 - $26,193) was owed to the officer.

(f) During the period ended August 31, 2017, the Company incurred $118,662 (2016 - $nil) in consulting fees to Biosimilarsolutions LLC, a company controlled by John Sweeney, a director of the Company. As at August 31, 2017 - $28,720 (February 28, 2017 - $4,822) was owed to this company.

(g) During the period ended August 31, 2017, the Company incurred $129,539 (2016 - $nil) in consulting fees to CBO Financial Inc., a company controlled by Craig Stanley, a director and officer of the Company.

(h) During the period ended August 31, 2017, the Company incurred $nil (2016 - $50,000) in consulting fees to Chiron Capital Inc., a company controlled by Mike Withrow, a former director of the Company.

(i) During the period ended August 31, 2016, 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 shares for debt of $20,000 during the period ended August 31, 2016.

(j) During the period ended August 31, 2016, 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 former Chief Financial Officer is a partner. Accordingly, the Company recorded a loss on shares for debt of $4,000 during the period ended August 31, 2016.

LIQUIDITY AND CAPITAL RESOURCES

As at August 31, 2017, the Company had $859,865 in current assets (February 28, 2017 – $2,810,043) and had working capital of $27,145 (February 28, 2017 – $2,120,359).

The Company is entirely dependent on raising equity capital to carry on its business operations. It had $272,277 cash on hand as at August 31, 2017 (February 28, 2017 - $2,090,615). There is no guarantee that the Company will be able to raise the equity capital required to funds its ongoing operations.

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.

In September 2017, the Company closed a non-brokered private placement for 1,704,753 units (the "Units") at a price of $0.15 per Unit for gross proceeds of $248,894. Each Unit is comprised of one common share and one share purchase warrant with each whole warrant exercisable at $0.20 per common share for one year with certain acceleration clauses.

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 (issued) and a finder's fee on the acquisition of land of $104,912 (paid). 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 (issued). 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 August 31, 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. The mortgage payments are made through receiving rental income and during the period ended August 31, 2017, the Company recognized

$46,316 of rental income which were applied to the mortgages. As at August 31, 2017, the current portion of mortgage payable was $54,993.

During the period ended August 31, 2017, the Company received proceeds of $50,000 from exercise of 500,000 warrants.

During the period ended August 31, 2017, the Company received proceeds of $62,000 from exercise of 400,000 options.

Subsequent to the period ended August 31, 2017, the Company received proceeds of $279,000 from exercise of 1,700,000 options.

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 condensed consolidated financial statements for the six months ended August 31, 2017 to which this MD&A relates.

OUTSTANDING SHARE DATA

As at the date of this report, the Company had 94,973,612 common shares issued and outstanding and the following stock options and warrants outstanding:

Number of options outstanding	Exercise price $	Expiry date
2,800,000	0.31	October 7, 2021
500,000	0.42	March 8, 2022
500,000	0.22	May 22, 2022
500,000	0.195	August 23, 2022
50,000	0.275	September 21, 2022
4,350,000		

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 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. During the period ended August 31, 2017, 1,500,000 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. 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. During the period ended August 31, 2017, an additional $129,539 (US$119,000) was paid.

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 August 31, 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 in June 2017) 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 outlined in Note 12 in the condensed consolidated financial statements for the six months ended August 31, 2017, 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):

<u>Going concern</u>
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.

<u>No commercial products have been developed</u>
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 condensed consolidated financial statements for the period ended August 31, 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. As at the date of this report, 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 condensed consolidated financial statements for the six months ended August 31, 2017 on www.sedar.com.

FINANCIAL INSTRUMENTS

Please refer to the condensed consolidated financial statements for the six months ended August 31, 2017 on www.sedar.com.