Arcturus Growthstar Technologies Inc.

Management Discussion and Analysis

For the Six months ended August 31, 2016

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of 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 October 27, 2016 and should be read in conjunction with the condensed consolidated interim financial statements for the six months ended August 31, 2016 and 2015 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The following should be read in conjunction with the audited financial statements for the year ended February 29, 2016 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

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 trade under the symbol of "AGS". 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.

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 has 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, 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 will entitle 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 has 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 has engaged the services of a prestigious, boutique investment banker 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 and whose representatives have been involved in excess of $50 Billion in capital market transactions.

In September 2016, the Company announced that it has 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 has 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 has 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 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 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 a third party. Pursuant to the agreement, the Company issued 100,000 common shares.

In October 2016, the Company announced that it has closed on its transaction 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 instantly expands the Company's tech portfolio and positions Arcturus 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 12,000,000 common shares.

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. According to the Global Games Market Report, gamers worldwide will generate a total of $99.6 billion in revenues in 2016, up 8.5% compared to 2015. For the first time, mobile gaming will take a larger share than personal computers with $36.9 billion, up 21.3% globally. Arcturus' mobile app plan is to first launch a series of 420 themed casual games like Slots, Poker, Solitaire and Bingo, which

all have a large and broad appeal. According to ThinkGaming, five of the top 20 grossing revenue games are slots games while the rest are tried and true games that have proven to be winners on mobile devices and consistently in the top charts.

In October 2016, the Company entered into a consulting agreement with a third party. Pursuant to the agreement, the Company issued 3,000,000 common shares.

In October 2016, the Company announced that in addition to being listed on the Canadian Stock Exchange, it will 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.

During the period ended August 31, 2016, the Company received proceeds of $90,000 from exercise of 900,000 warrants and in October 2016, the Company received proceeds of $870,000 from exercise of 5,800,000 warrants.

SUMMARY OF QUARTERLY REPORTS

Quarter ended:		**Revenue $**	**Net Loss $**	**Basic and diluted loss per common share $**
Q2/17	Aug 31, 2016	24,936	(232,857)	(0.01)
Q1/17	May 31, 2016	24,181	(40,594)	(0.00)
Q4/16	February 29, 2016	6,427	(176,123)	(0.01)
Q3/16	November 30, 2015	–	(88,785)	(0.01)
Q2/16	August 31, 2015	–	(45,269)	(0.00)
Q1/16	May 31, 2015	–	(93,643)	(0.01)
Q4/15	February 28, 2015	–	(76,429)	(0.02)
Q3/15	November 30, 2014	–	(38,751)	(0.01)

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 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:

- In Q1/16, the Company had increased consulting and management fees due to increased activities.
- Starting in Q3/16 and continuing through Q2/17, the Company began to plan for the increased level of marketing activities in connection with the asset purchase agreement, and proposed business operation expansion.
- Starting in Q3/16 and continuing through Q2/17, the Company increased its human resources in response to expected increase in business activities related to the asset purchase agreement.

RESULTS OF OPERATIONS

For the Six months ended August 31, 2016

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., resulting in revenues of $49,117 (2015 - $nil) during the six months ended August 31, 2016.

General and administrative expenses

During the six months ended August 31, 2016, the Company recorded a loss of $273,451 ($0.01 per share) compared to a loss of $138,912 ($0.01 per share) for the six months ended August 31, 2015.

The Company incurred general and administrative expenses of $282,997 for the six months ended August 31, 2016 compared with $138,912 for the Six months ended August 31, 2015. Expense details are as follows:

a) Advertising and promotion of $28,433 (2015 - $nil) as a result of increased level of marketing activities.

b) Bad debts of $8,000 (2015 - $nil) related to the Company's estimate of the amount of receivables that are uncollectible.

c) Rent and utilities of $16,548 (2015 - $nil) as a result of the Company moving to a new location and entering into a new office lease.

d) Consulting and management fees of $130,925 (2015 - $62,211) related to additional human resources and new commitments required as a result of expanded business operations in the current period.

e) Professional expenses of $51,461 (2015 - $40,012) as a result of increased professional work during the current period.

f) Transfer agent and regulatory fees of $19,016 (2015 - $6,228) as a result of increased business activities and new contracts in the current period.

g) Wages & related of $22,848 (2015 - $nil) as a result of increased business activities and new contracts in the current period.

The Company also recorded loss on settlement of debt by issuance of common shares for $24,000.

For the Three months ended August 31, 2016

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., resulting in revenues of $24,936 (2015 - $nil) during the three months ended August 31, 2016.

General and administrative expenses

During the three months ended August 31, 2016, the Company recorded a loss of $232,857 ($0.01 per share) compared to a loss of $45,269 ($0.00 per share) for the three months ended August 31, 2015.

The Company incurred general and administrative expenses of $226,686 for the three months ended August 31, 2016 compared with $45,269 for the three months ended August 31, 2015. Expense details are as follows:

a) Advertising and promotion of $27,520 (2015 - $nil) as a result of increased level of marketing activities.

b) Bad debts of $4,000 (2015 - $nil) related to the Company's estimate of the amount of receivables that are uncollectible.

c) Rent and utilities of $8,274 (2015 - $nil) as a result of the Company moving to a new location and entering into a new office lease.

d) Consulting and management fees of $121,925 (2015 - $7,500) related to additional human resources and new commitments required as a result of expanded business operations in the current period.

e) Professional expenses of $32,521 (2015 - $14,980) as a result of increased professional work during the current period.

f) Transfer agent and regulatory fees of $12,903 (2015 - $3,852) as a result of increased business activities and new contracts in the current period.

g) Wages & related of $15,011 (2015 - $nil) as a result of increased business activities and new contracts in the current period.

RELATED PARTY TRANSACTIONS

a) During the period ended August 31, 2016, the Company incurred $Nil (2015 - $15,000) in management fees to a company controlled by the former President of the Company. As at February 29, 2016 - $3,750 was owed to this company (August 31, 2016 - $3,750 reclassified to accounts payable).

b) During the period ended August 31, 2016, the Company incurred $Nil (2015 - $15,000) in rent to a company controlled by the former President and a former director of the Company.

c) During the period ended August 31, 2016, the Company incurred $14,100 (2015 - $Nil) in rent to a company controlled by a director of the Company.

d) During the period ended August 31, 2016, the Company incurred $Nil (2015 - $12,000) in professional fees to a company controlled by a former director. As at February 29, 2016 - $4,200 was owed to this company (August 31, 2016 - $4,200 reclassified to accounts payable).

e) During the period ended August 31, 2016, the Company incurred $9,000 (2015 - $nil) in consulting fees to a former director of the Company.

f) During the period ended August 31, 2016, the Company incurred $50,000 (2015 - $nil) in consulting fees to a company controlled by a former director of the Company.

g) During the period ended August 31, 2016, the Company incurred $21,444 (2015 - $nil) in professional fees to the former Chief Executive Officer of the Company.

h) During the period ended August 31, 2016, the Company incurred $9,000 (2015 - $nil) in professional fees to a company of which the Chief Financial Officer is a partner.

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 a company controlled by a former director of the Company. Accordingly, the Company recorded a loss on shares for debt of $20,000.

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 a company of which the Chief Financial Officer is a partner. Accordingly, the Company recorded a loss on shares for debt of $4,000.

k) As at August 31, 2016, an amount of $Nil (February 29, 2016 - $8,245) was owed from a company controlled by 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.

LIQUIDITY AND CAPITAL RESOURCES

As at August 31, 2016, the Company had $312,918 in current assets (February 29, 2016 – $185,356) and had working capital deficiency of $94,725 (February 29, 2016 – working capital of $33,946).

The Company is entirely dependent on raising equity capital to carry on its business operations. It had $192,176 cash on hand as at August 31, 2016 (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 period ended August 31, 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 will entitle 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 period ended August 31, 2016, the Company received proceeds of $90,000 from exercise of 900,000 warrants and in October 2016, the Company received proceeds of $870,000 from exercise of 5,800,000 warrants.

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 unaudited condensed consolidated interim financial statements for the period ended August 31, 2016 to which this MD&A relates.

OUTSTANDING SHARE DATA

As at the date of this report, the Company had 62,496,247 common shares issued and outstanding and the following stock options and warrants outstanding:

Number of options outstanding	Exercise price $	Expiry date
3,300,000	0.31	October 7, 2021
3,300,000		

Number of warrants outstanding	Exercise price $	Expiry date
4,200,000	0.15	December 12, 2016
1,200,000	0.10	February 3, 2018
4,110,000	0.10	February 18, 2018
9,510,000		

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 April 17, 2015, the Company entered into a premises lease agreement pursuant to which the Company is to pay a basic monthly rent of $2,350.

(b) On October 1, 2015, the Company entered into an employment agreement with a former Director of the Company and former CEO pursuant to which the Company is to pay a salary of $4,000 per month and issue a one-time bonus of 1,000,000 common shares of the Company upon signing the agreement. In addition, the Company has agreed to issue a further one-time bonus of $25,000 payable through the issuance of 500,000 common shares of the Company immediately following public filings of the Company's annual financial statements showing revenues in excess of $1,000,000.

(c) 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 period ended August 31, 2016, both parties have agreed to put the agreement on hold.

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) are:

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 in the condensed consolidated financial statements for the period ended August 31, 2016 are consistent with those applied in the preparation of and as disclosed in note 2 to the Company's audited financial statements for the year ended February 29, 2016.

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 Bi-Optic Ventures Inc. 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

There are no contingent liabilities.

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 August 31, 2016 unaudited condensed consolidated financial statements on www.sedar.com.

FINANCIAL INSTRUMENTS

Please refer to the August 31, 2016 unaudited condensed consolidated financial statements on www.sedar.com.

DIRECTORS AND OFFICERS

William Gildea, *Chief Executive Officer and Director*
Scott Davis¸ *Chief Financial Officer*
Scott McDermid, *Director*
Craig Stanley, *Director*
John Sweeney, *Director*