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 July 31, 2017 and should be read in conjunction with the condensed consolidated interim financial statements for the three months ended May 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.

SUMMARY OF QUARTERLY REPORTS

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

	May 31, 2017	February 28, 2017	November 30, 2016	August 31, 2016
Revenue	$ 85,554	$ 80,770	$ 143,662	$ 24,936
Total assets	6,586,804	7,043,431	5,631,485	1,401,041
Loss for the period	(4,159,913)	(2,598,094)	(2,311,635)	(232,857)
Loss per common share	(0.05)	(0.04)	(0.04)	(0.01)
	May 31, 2016	**February 29, 2016**	**November 30, 2015**	**August 31, 2015**
Revenue	$ 24,181	$ 6,427	$ –	$ –
Total assets	1,227,468	191,356	97,253	140,493
Loss for the period	(40,594)	(176,123)	(88,785)	(45,269)
Loss per common share	(0.00)	(0.01)	(0.01)	(0.00)

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 May 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 May 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 three months ended May 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 $85,554 during the three months ended May 31, 2017 (2016 - $24,181).

General and administrative expenses

During the three months ended May 31, 2017, the Company recorded a loss of $4,159,913 ($0.05 per share) compared to a loss of $40,594 ($0.00 per share) for the three months ended May 31, 2016.

The Company incurred general and administrative expenses of $4,191,494 for the three months ended May 31, 2017 compared with $56,311 for the three months ended May 31, 2016. Expense details are as follows:

a) Advertising, promotion, and public relations of $195,431 (2016 - $913) 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 $700,066 (2016 - $9,000) related to additional human resources and new and ongoing commitments required as a result of expanded business operations in the current period. The Company also issued 250,000 shares with a value of $107,500 to the Company's members on its Cannabis Advisory Board.

c) Project management fees and expenses of $714,609 (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 $2,427,583 (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

RELATED PARTY TRANSACTIONS

(a) During the period ended May 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 May 31, 2017, the Company incurred $7,050 (2016 - $7,050) in rent to Rocky Mountain Property Management, a company controlled by Scott McDermid, a director of the Company.

(c) During the period ended May 31, 2017, the Company incurred $nil (2016 - $6,433) in professional fees to Rob Huston, the former Chief Executive Officer of the Company.

(d) During the period ended May 31, 2017, the Company incurred $19,860 (2016 - $nil) in professional fees to Cross Davis & Co. LLP, an accounting firm of which Scott Davis, the Chief Financial Officer is a partner. As at May 31, 2017, $6,972 (February 28, 2017 - $6,584) was owed to this firm.

(e) During the period ended May 31, 2017, the Company incurred $60,263 (2016 - $nil) in management fees to Bill Gildea, the Chief Executive Officer. As at May 31, 2017, $26,193 (February 28, 2017 - $26,193) was owed to the officer and a total of $25,500 related to a commitment to issue shares.

(f) During the period ended May 31, 2017, the Company incurred $50,454 (2016 - $nil) in consulting fees to Biosimilarsolutions LLC, a company controlled by John Sweeney, a director of the Company. As at May 31, 2017 - $12,951 (February 28, 2017 - $4,822) was owed to this company.

(g) During the period ended May 31, 2017, the Company incurred $75,038 (2016 - $Nil) in consulting fees to CBO Financial Inc., a company controlled by Craig Stanley, a director of the Company.

LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2017, the Company had $2,213,263 in current assets (February 28, 2017 – $2,810,043) and had working capital of $1,567,953 (February 28, 2017 – $2,120,359).

The Company is entirely dependent on raising equity capital to carry on its business operations. It had $1,191,777 cash on hand as at May 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.

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 subsequent to May 31, 2017) 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 subsequent to the period ended May 31, 2017). The remaining 750,000 common shares will be held in escrow on behalf of the finder and is not to be considered fully earned until the earliest of the date which the Company obtains the licenses or the date that the deadline expires without the vendor having take back the three parcels of land. As at May 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 May 31, 2017, the Company recognized $25,472 of rental income which were applied to the mortgages. As at May 31, 2017, the current portion of mortgage payable was $58,293.

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 three months ended May 31, 2017 to which this MD&A relates.

OUTSTANDING SHARE DATA

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

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

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

* Finder's warrants

OFF-BALANCE SHEET ARRANGEMENTS

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

PROPOSED TRANSACTIONS

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

COMMITMENTS

a) On November 1, 2015, the Company entered into a consulting agreement with a non-related party for a period of one year to which the Company is to pay annual consulting fees of $100,000 plus GST as well as issue 140,000 common shares 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. In April 2017, 750,000 of the shares were issued with a fair value of $0.034.

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

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

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

d) In November 2016, the Company entered into a consulting agreement with Core Capital Partners Inc. ("Core Capital") for a term of one year. The Company may terminate the agreement by giving 6 months' written notice. As at May 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 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 three months ended May 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 May 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 three months ended May 31, 2017 on www.sedar.com.

FINANCIAL INSTRUMENTS

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