INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of Future Farm Technologies Inc. (the "Company") has been prepared by management, in accordance with the requirements of National Instrument 51-102 ("NI 51-102") as of October 24, 2018 and should be read in conjunction with the condensed consolidated interim financial statements for the six months ended August 31, 2018 and 2017 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, 2018 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. ("Future Farm" or the "Company") was incorporated in the province of British Columbia, Canada on May 31, 1984. Effective January 24, 2017, the Company changed its name from Arcturus Growth Star Technologies, Inc. to Future Farm Technologies Inc. The Company is listed on the Canadian Securities Exchange (the "Exchange") under the symbol "FFT" and on the OTCQB® under the symbol "FFRMF".

Future Farm is a Canadian company with interests throughout North America including California, Massachusetts, Florida, Maine, Puerto Rico, Rhode Island and Newfoundland. The Company's mission is to advance sustainable agriculture through indoor plant growth technology and through the production of wholesale and retail cannabis products, including hemp. Future Farm is committed to using only the highest quality processes and products. Towards this goal, the Company acquires or partners with licensed cannabis operators, and acquires or develops leading technologies in cannabis production, breeding, genetics, and Controlled Environment Agriculture ("CEA"). Future Farm's scalable, indoor CEA systems utilize minimal land, water and energy resources. The Company holds an exclusive, worldwide license to use a patented vertical farming technology that, when compared to traditional plant production methods, generates yields up to 10 times greater per square foot of land.

The Company's head office is located at 543 Granville Street, Vancouver, British Columbia, V6C 1X8.

SIGNIFICANT EVENTS/OVERALL PERFORMANCE

Future Farm had an active first six months of the 2019 fiscal year. The Company made significant progress incorporating acquisitions and advancing developmental projects into operating entities. The following will discuss the Company's activities in its operating divisions: Cultivation; Processing, Breeding and Genetics; Retail; and Technology. Finally, management will discuss corporate updates.

CULTIVATION

FLORIDA

Future Farm owns a fully operational approximately 10-acre greenhouse business in Apopka, Florida known as White Sand Nursery ("White Sand"). White Sand currently grows ornamental plants sold in large retail stores throughout North America. The Company intends to continue operating the greenhouse as it applies for licensing as a cannabis cultivator from the State of Florida. The Company is also exploring the possibility of growing hemp on farmland acquired as part of the transaction. This acquisition represents a major milestone for the Company and positions it in the emerging Florida cannabis market, estimated by some to have US$1.6 billion in annual sales by 2020.

In August 2018, the Company announced that White Sand hired Jose Sikaffy as Director of Cultivation in preparation for entering the Florida medical cannabis business. Mr. Sikaffy graduated from Valencia College in Orlando and holds a degree in plant science and agriculture technology. He was most recently employed as Cultivation Director of Remeny/Tredwell Nursery, a Florida licensed medical cannabis facility in Eustis.

Mr. Sikaffy joins an application team that already includes Florida cannabis attorney Michael Minardi, and an experienced Florida cannabis operator, Brett Puffenbarger. Pending license approval, the Company plans to upgrade the existing facility in preparation for cannabis production. Because the State of Florida has not yet released the form of application that the Company will need to complete and submit to obtain a license, it is not possible to predict when the Company will submit its application or whether the application will be approved.

In June, the Company announced calendar year 2017 financial results for the nursery business. Results exceeded management's expectations at the time of the acquisition, generating revenue of US$2,878,483 and EBITDA of US$425,585 for calendar year 2017. Financials for the business are calculated on a modified cash- accounting basis. The Company expects the greenhouse business to generate US$3,000,000 in revenue for calendar year 2018 and approximately US$450,000 in EBITDA.

PRODUCE FARMS

The Company is pursuing opportunities to grow produce using CEA in collaboration with CBO Financial Inc. ("CBO") and Volunteers of America ("VOA"). The Company, with the assistance of CBO, is seeking locations in Maryland and Alabama to accommodate vertical farms. The goal is to develop the two projects together to save on financing fees, facility design and engineering, and equipment expenses. It is not possible to predict the exact timing of these projects at this time.

Future Farm has determined that the next step for the produce farm opportunity is to develop a prototype farm as a demonstration project for potential financiers. Craig Stanley, who is the President of CBO and a director of Future Farm, and CBO will act as the Company's financial advisor with respect to New Market Tax Credits ("NMTCs") to be used as part of the financing for these projects. NMTCs are provided to financial institutions in exchange for equity investments that eligible businesses can use to subsidize project development costs. CBO Financial helps companies such as Future Farm use NMTCs to finance facilities that will provide goods and services that benefit populations in need and revitalize communities.

The primary objectives of both farms remain the same — establish economical and environmentally friendly vertical farms, provide job training opportunities (specifically to the VOA's reentry program for ex-offenders), provide therapeutic programs, support entrepreneurship development, and establish a model for replication at other reentry and social services facilities.

MAINE

The Company is strategically positioned in both the cannabis market as well as the fast-growing hemp market. In the hemp space, the Company operates its 80% subsidiary, Future Farm Maine, LLC ("Future Farm Maine"), which received three licenses for industrial hemp cultivation in the state: one each for farms in Amity and Hersey, and one for the Company's processing facility in Belfast. Future Farm Maine is expected to provide multiple revenue streams from the sale of (1) harvested hemp biomass, (2) CBD concentrate and isolate extracted from the biomass, and (3) certified organic hemp seeds propagated for sale.

The Company owns a 120-acre industrial hemp farm in Amity (the "Amity Farm"), leases an additional 100 acres in Hersey, and has an option to lease up to an additional 1,000 acres. The land under lease is organic and so all activity, equipment, practices and applications must follow the Organic Guidelines set forth by the Maine Organic Farmers and Gardeners Association. Future Farm Maine leased approximately 13,000-square feet of indoor space, with the option to expand, in Belfast. The Company built out the space with state-of-the-art LED lighting and equipment in order to germinate certified and feminized hemp seedlings which have now been planted at the Hersey Farm.

Derek Ross, the prior Amity Farm operator and the Director of the project in Attleboro, Massachusetts described below, grew and harvested the farm's first crop of hemp plants in 2017. Mr. Ross has stayed on as the operator and

his company will retain a 20% interest in Future Farm Maine. He and his team have recently begun harvesting the 2018 crop.

In August 2018, the Company announced that Maine farmers would soon have access to an estimated 15,000,000 organic, feminized high-CBD hemp seeds from Future Farm. After initial setbacks due to the discovery of ledge at its leased farm in Hersey and seed delivery delays, the Company hired Nathan Gray to provide professional consulting services for industrial hemp cultivation and processing operations and management. The Company has implemented additional operational procedures as part of its ongoing efforts to be the largest hemp cultivator and CBD producer in New England. Under Mr. Gray's leadership, the Company estimates that its Maine farms will produce approximately 26,000 pounds of biomass in 2018. That amount is expected to increase to 200,000 pounds in 2019. Costs associated with biomass and seed projections are estimated to be US$1.0 million to US$1.5 million annually.

In October 2018, the Company announced that hemp from the farm passed the state-mandated testing for acceptable limits of THC (<0.03% THC). The favorable testing results illustrate the agricultural expertise of the Future Farm team and clear the last regulatory hurdle for harvest as planned in mid-October. As part of the Company's dedication to quality and adherence to high standards, Future Farm will next utilize independent laboratories to test the harvested hemp throughout the drying and curing processes.

This year, 50 acres will be harvested in Maine. In addition to biomass, three-and-a-half acres of Future Farm's land in Amity are dedicated to the cultivation of feminized, high-CBD seeds of the Cherry Wine variety. With the benefit of experience, the Company plans to significantly expand its hemp cultivation in 2019. Future Farm will also bring state-of-the-art, scalable extraction equipment to its Belfast facility to take full advantage of the fast-growing CBD oil market. The Company plans to process harvested hemp onsite to create both CBD oil and high-value isolate that is used to make edibles, lotions and tinctures.

According to Hemp Business Journal, the total retail value of hemp products sold in the U.S. in 2016 was $688 million, with that figure expected to grow to $1.8 billion by 2020. Hemp is a member of the Cannabis Sativa L family, but unlike marijuana, it contains only 0.3 percent or lower tetrahydrocannabinol ("THC"), the psychoactive chemical that causes a euphoric response. Grown for centuries for its seeds and stalks, hemp was a staple crop and legal to cultivate in the United States until the 1930s. It may be used to produce a multitude of products, including food, paper, textiles, building materials, and body care products.

RHODE ISLAND

In January 2018, the Company purchased a 15,000 square foot building in Providence, Rhode Island. The building is located in a M-1 zone, which permits the cultivation of cannabis by right. Once licensed, the Company expects that this property will be used as a licensed medical marijuana cultivation space, providing wholesale cannabis to Rhode Island's state-sanctioned dispensaries. The Company has a letter of intent to lease the building to an entity that holds a provisional license for the cultivation of wholesale medical marijuana in Rhode Island.

In June, the Company announced that it completed the demolition of the interior of its Providence building, which allows for the build-out of a cultivation facility to commence in earnest. As of October 2018, renovation is underway to create 6,480-square feet of cultivation space, in addition to processing space and a commercial kitchen to prepare edible cannabis products.

PUERTO RICO

Future Farm entered a Memorandum of Understanding with KOM-Agro Management Services, LLC to jointly develop, operate, and own a medical cannabis cultivation and processing business in Puerto Rico under the name Natural Health Solutions, LLC ("NHS"). The project, if it moves forward, would complement the Company's venture with Clinica Verde dispensaries, described below. NHS was granted a Pre-Qualification of License Approval for the construction, development and operation of a cultivation establishment. Final authorization to operate is subject to the Puerto Rico Health Department's final inspection once construction is complete. Future Farm and Kom-Agro are still evaluating the best location for the facility. At this point, therefore, it is not possible to predict whether Future Farm will develop this project or timing.

PROCESSING, BREEDING AND GENETICS

PROCESSING

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 strong because they are used to make edibles, topical ointments, capsules and other packaged products that require more professional extraction technology.

The Company's 80% subsidiary, FFM Consulting Services, LLC, purchased an extraction machine for the manufacture of concentrated cannabis (including hemp) oil and purified distillate. Approximately US$160,000 of that equipment's cost was later financed under a US$500,000 equipment leasing facility with Veteran's Capital Corp. The equipment is designed to rapidly manufacture premium cannabis oil to supply the growing demand for cannabis concentrates. The equipment utilizes a closed-loop, high throughput system to produce high quality oil with minimal maintenance and labor.

The strategic decision was made to optimize operations and take advantage of operational synergies by moving the extraction equipment to the Company's hemp drying and curing facility in Maine, where it will be used for the production of CBD oil and distillate derived from hemp.

BREEDING AND GENETICS

The Company is in the process of forming a jointly owned limited liability company ("Future Farm Rahan") with Rahan Meristem Ltd. ("Rahan"). Rahan is a world renowned global agro-biotechnology company based in Israel with more than 250 employees in five locations and over 40 years of experience in plant propagation and breeding. Rahan provides a variety of laboratory and agro-technical services to growers, technology companies and academic institutes and is currently doing business in over 20 countries. Future Farm Rahan will develop, own and utilize Rahan's proven, patented and proprietary technology to mass-produce elite clones of cannabis and hemp plants. Clones of this sort are tissue culture-produced plants that are genetically identical to the plant from which they were taken. Rahan has mastered their breeding process over a 40-year span, working with many global plant breeders to create the next-generation of plants that are sterile and resistant to diseases. Through elite cloning, one may create a new harvest with exact replicas of the best performing plants. The Company and Rahan intend to create varieties of cannabis with higher levels of THC and CBD, using Rahan's proprietary technology of non-GMO, in-vitro mutagenesis. The business is vetting candidates for lead scientist and preparing to set up lab operations in California and Newfoundland, Canada.

In August 2018, the Company completed its acquisition of a 50% interest in CEPG Consulting and Design Inc. ("CEPG"), a Canadian corporation located in St. John's, Newfoundland, which was previously wholly owned by Snellen Holdings (1994) Co. Ltd. ("SHC"). SHC has been developing controlled environment plant growth systems since 1981. In consideration for the acquisition, SHC received 483,871 shares of Future Farm common stock and a cash payment of CAD$71,780. In addition, Mr. Chris Snellen, owner of SHC, received a cash payment of CAD$50,000.

CEPG will apply for a dealer license from Health Canada, which will enable research and development to begin on the growth of cannabis plants. Once licensed, the R&D facility will use state-of-the-art controlled environment equipment and techniques to create a research hub for Future Farm Rahan, which is expected to create valuable IP to be sold or licensed worldwide. The program will operate out of an existing building that was transferred into CEPG by SHC and may also construct new laboratories.

RETAIL

VERTICALLY-INTEGRATED DISPENSARIES, MASSACHUSETTS

In March 2018, the Company entered into an agreement to invest, by loaning BCWC, LLC ("BCWC") up to US$5,003,100 in convertible promissory notes. US$1,325,000 of that amount has been paid. BCWC holds a provisional license from the Massachusetts Department of Public Health. The license, when final, will allow BCWC

to engage in cannabis cultivation, processing and retailing. Under the license, BCWC expects to cultivate cannabis with up to 300 lights, process and extract oil to make edibles and infused products, and sell through up to three medical dispensaries. BCWC may also sell up to 30% of its cannabis to other dispensaries. BCWC leases a 24,700 square foot building which it is building out for cultivation, processing and, possibly, retail, unless another retail location is identified to be one of the three permitted under the license.

Under the terms of the investment, FFT is to loan BCWC up to US$5,003,100 over a series of payments to complete its buildout. The loan converts to 51% ownership in BCWC on the date on which BCWC receives its Registered Marijuana Dispensary Certificate of Registration from the Commonwealth of Massachusetts. That event occurs after final site inspection of the completed facility by the Commonwealth. BCWC expects that inspection to occur in the first quarter of calendar year 2019.

ArcView Market Research and New Frontier Research estimate the adult use recreational market in Massachusetts to be $1.1 billion by 2020.

DISPENSARIES, PUERTO RICO

Future Farm is a 40% owner of FFPR, LLC ("FFPR") and holds a 50% economic interest in the company. FFPR will own and operate five dispensaries in Puerto Rico under the Clinica Verde brand. Clinica Verde has already established itself as a leading medical cannabis dispensary operator in Puerto Rico and is owned by TCG Investments, a partner in FFPR.

The Company paid US$865,000 to its two partners in FFPR to receive the 50% economic interest. The partners contributed five pre-qualifications for medical dispensary licenses to FFPR.

FFPR, has leased a location in the Condado district of San Juan, one of the island's most highly trafficked areas, will begin construction on the location as soon as building permits are finalized. As of October 2018, four of the five dispensary locations have been identified, all in desirable areas.

Hurricane Maria's devastation to Puerto Rico after the Future Farm entered into a term sheet to make its investment in FFPR was cause for concern. After careful review, however, the Company determined that it could commit to helping its partners expand their dispensary presence in order to provide the people of Puerto Rico with a reliable source of medical marijuana, as well as continuing to create a diversified portfolio of cannabis investments for the Company's shareholders. The Company looks forward to contributing to the expansion of the medical cannabis industry, which is a key driver for the future economic development of Puerto Rico.

LED CANADA

As of October 2018, LED Canada continues to operate out of its showroom in Vancouver, British Columbia, which also integrates its warehouse for cost-savings. The Company is conducting a technology and marketing review in order to increase sales via e-commerce channels.

TECHNOLOGY

On July 26, 2018, Future Farm conducted an annual general and special meeting of its shareholders at which shareholders passed a special resolution authorizing a plan of arrangement among Future Farm, the Future Farm shareholders and NexTech. On July 31, 2018 the Supreme Court of British Columbia issued its final order approving the plan of arrangement for Future Farm to spin-out 11,000,000 common shares of Nextech to Future Farm shareholders on a pro rata basis. Future Farm shareholders would then own approximately 25.86% of the issued and outstanding common shares of NexTech.

The spin-out transaction was completed with an effective date of August 31, 2018 by way of statutory plan of arrangement under the Business Corporations Act (British Columbia). Pursuant to the arrangement, Future Farm shareholders of record on August 30, 2018 were entitled to receive approximately 0.086145 of a NexTech common share for each common share of Future Farm held by that shareholder. No fractional NexTech shares were issued and

the number of such shares issued to each eligible Future Farm shareholder was rounded up or down to the next whole number. NexTech is seeking a listing of its common shares on the CSE. There can be no guarantee that the NexTech shares will be listed on any stock exchange.

Future Farm shareholders should consult their brokers for specific questions regarding their holdings.

CORPORATE UPDATES

In March 2018, the Company granted incentive stock options to certain directors, officers, employees and/or consultants to acquire a total of 2,893,750 common shares of the Company at an exercise price of $0.65 per share. As per the Company's Stock Option Plan, the options expire five (5) years from the date of grant and vest immediately. These options were canceled in July 2018.

In March 2018, the Company appointed a new auditor, Dale Matheson Carr-Hilton Labonte ("DMCL"). DMCL is an independent Vancouver-based accounting firm with 20 partners and over 150 professional and support personnel. They are recognized for their expertise in audit and assurance, accounting, taxation and business advisory for public and private companies, not-for-profits and owner-managed businesses.

In March 2018, the Company closed a second financing with a fund of Yorkville Advisors Global, LP ("Yorkville"). The Company issued a Secured Convertible Debenture in the Principal Amount of US$4,000,000, bearing annual interest at 8% and repayable within 18-months, or convertible into Common Shares of the Company at a price of $0.58 per share. In connection with the Debenture, the Company also granted a warrant to purchase 7,421,150 Common Shares at an average price of $0.70 per share. The warrant expires on March 7, 2021. This warrant was canceled in August 2018.

In May 2018, the Company closed on a cash investment of US$500,000 for a 10% interest in YLK Partners NV, LLC, an Arizona-based company that has in place a management services agreement to provide turn-key services for the management, administration, and operation of a licensed medical marijuana cultivation and processing facility being developed in Arizona (the "Arizona Facility"). Later in May, the Company sold that 10% interest to Solis Tek, Inc. ("Solis Tek") (OTCQB: SLTK), a vertically integrated cannabis technology innovator, manufacturer, and distributor. Solis Tek has acquired all of the outstanding interest in YLK Partners NV, LLC and plans to develop the 70,000 square foot Arizona Facility into one of the most technologically advanced cultivation and processing facilities in Arizona. Solis Tek issued 500,000 warrants exercisable at US$0.01 per share to Future Farm as consideration for the interest.

In June 2018, the Company granted incentive stock options to certain directors, officers, employees and/or consultants to acquire 1,000,000 common shares of the Company at an exercise price of $0.50 and 1,000,000 common shares of the Company at an exercise price of $0.45 per share. As per the Company's Stock Option Plan, the options expire five (5) years from the date of grant and vest immediately.

In July 2018, the Company announced that due to the complex accounting related to its many business activities in fiscal 2018 it was unable to meet the filing deadline for its 2018 annual audited financial statements (the "Annual FS"), its related management's discussion and analysis (the "Annual MD&A"), and CEO and CFO certifications (collectively, the "Required Filings"), which were due on June 28, 2018. As a result, the Company was subject to a cease trade order issued by the British Columbia Securities Commission on July 5, 2018. The Required Filings were filed on Wednesday, July 18, 2018 and the cease order was subsequently lifted.

In August 2018, Belinda Tyldesley resigned as the Company's Corporate Secretary. Attorney Mary C. Butler will be the Company's Corporate Secretary, effective upon completion of certain required filings.

On August 10, 2018, the Company announced that it closed on a new investment from Yorkville. Proceeds from the private placement will be used to refinance a previous investment made by Yorkville and to support the continued development of the Company's various projects throughout North America. Under the terms of the financing, the Company entered into a Secured Convertible Debenture in the Principal Amount of US$4,202,423, of which US$3,202,423 refinances the remaining principal and accrued interest on the US$4,000,000 Convertible Debenture entered into with Yorkville in March 2018 and US$1,000,000 will be paid in cash to Future Farm. The new Debenture bears annual interest at 8% and is repayable within 12 months, or convertible into Common Shares of the Company

at a price of C$0.20 per share. In connection with the Debenture, the Company has also granted a warrant to purchase 13,000,000 Common Shares at a price of C$0.24 per share. The warrant expires on August 9, 2021.

In September 2018, the Company announced an extension to its Conditional Lease Commitment with Veterans Capital Corp, a specialty finance company providing financial and leasing services to various types of business clients ("Veterans Capital"). Veterans Capital agreed to extend to March 1, 2019 the period of time during which the Company can access its secured lease line of credit in an amount not to exceed US$500,000.00. Future Farm also announced that with respect to the equipment lease financing extension with Veterans Capital, the Company issued 1,250,000 warrants with a five-year term exercisable at C$0.38 per warrant, each warrant entitling the holder to purchase one common share in the capital stock of the Company.

In September 2018, the Company announced the grant of incentive stock options to certain directors, officers, employees and consultants to acquire a total of 4,625,000 common shares of the Company at an exercise price of CAD$0.395 per share. As per the Company's Stock Option Plan, the options expire five (5) years from the date of grant and vest immediately.

SUMMARY OF QUARTERLY REPORTS

The following is a summary of the results from the eight previously completed financial quarters. Revenues and expenses in this section are as reported, and not adjusted for operations that were later discontinued:

	August 31, 2018	May 31, 2018	February 28, 2018	November 30, 2017
Revenue	$775,051	$1,304,749	$ 324,506	$ 88,584
Total assets	13,366,912	13,035,832	10,913,967	6,264,069
Loss for the period	(7,749,897)	(2,114,490)	(13,076,768)	(1,913,247)
Loss per common share	(0.06)	(0.02)	(0.13)	(0.02)

	August 31, 2017	May 31, 2017	February 28, 2017	November 30, 2016
Revenue	$ 46,031	$ 85,554	$ 80,770	$ 143,662
Total assets	5,196,246	6,586,804	7,043,431	5,631,485
Loss for the period	(1,960,637)	(4,159,913)	(2,598,094)	(2,311,635)
Loss per common share	(0.02)	(0.05)	(0.04)	(0.04)

During the three months ended August 31, 2018, the Company recorded $775,051 in revenues. The Company recorded consulting and management fees of $605,664, and professional fees of $365,529 due to new and ongoing consulting and management contracts the Company entered into in the current and previous periods. The Company recognized $930,779 in share-based compensation expense during the three months ended August 31, 2018. The Company recorded depreciation of $91,092. The Company recorded two non-cash expenses related to convertible debenture financings: a fair value change on the derivative liability of $4,283,706, and accretion expense of $627,648.

During the three months ended May 31, 2018, the Company recorded $1,304,749 in revenues. The Company recorded consulting and management fees of $791,287, and professional fees of $564,881 due to new and ongoing consulting and management contracts the Company entered into in the current and previous periods. The Company recognized $1,844,330 in share-based compensation expense during the three months ended May 31, 2018 of which $30,512 related to the incremental cost for options for which terms were modified during the period. The Company also issued 2,925,514 common shares valued at $1,813,819 for consulting services in connection with the BCWC investment. The Company also recorded an intangible asset depreciation of $50,329 relating to the value of customer relationships at White Sand. The Company recorded two non-cash expenses related to convertible debenture financings: a fair value change on the derivative liability, which offset expenses by $2,647,572, and accretion expense of $455,654.

During the three months ended February 28, 2018, the Company recorded $324,506 in revenues. The Company recorded consulting and management fees of $697,873, and professional fees of $1,589,867 due to new and ongoing consulting and management contracts the Company entered into in the current and previous periods. Share based payments of $5,110,689 includes the fair value of stock options granted during the period. The Company also recorded intangible assets of $585,943 relating to the stock purchase of White Sand Nurseries, and $1,150,000 relating to the license agreement with AR E1 LLC. The Company took a goodwill impairment of $1,003,262 relating to the App Portfolio. The Company also recorded two non-cash expenses related to loans: a fair value change on the derivative liability of $3,065,741 and accretion expense of $105,859.

During the three months ended November 30, 2017, the Company recorded consulting and management fees of $508,602 due to new and ongoing consulting and management contracts the Company had entered into in the current and previous periods. Share based compensation of $947,386 includes the fair value of stock options granted during the period.

During the three months ended August 31, 2017, the Company recorded consulting and management fees of $518,324 due to new and ongoing consulting and management contracts the Company had entered into in the current and

previous periods. Share based compensation of $485,456 includes the fair value of stock options granted during the period.

During the three months ended May 31, 2017, the Company recorded consulting and management fees of $700,066 due to new and ongoing consulting and management contracts the Company had entered into in the current and previous periods including the issuance of 250,000 shares with a value of $107,500 to the Company's members on its Cannabis Advisory Board. Share based compensation of $2,427,583 includes the fair value of stock options granted during the period and also the issuance of 5,000,000 common shares valued at $2,150,000 to a third party as a finder's fee for the partnership between FFM Consulting and a licensed California extraction partner. 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 William 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 relation to the App Portfolio. 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 entered into in current and previous periods, advertising and promotion of $446,231 due to new marketing contracts the Company entered into 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.

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

- Beginning in the period ended August 31, 2016 and continuing through present, 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 August 31, 2016 and continuing through present, the Company increased its human resources in response to expected increase in business activities related to the asset purchase agreements. This is reflected in project management, consulting and management fees, and professional fees.

RESULTS OF OPERATIONS

For the six months ended August 31, 2018

Revenues

During the six months ended August 31, 2018, the Company recorded revenues from ongoing operations of $2,079,800 (2017- $50,331).

Operating expenses

During the six months ended August 31, 2018, the Company recorded a net loss for the period of $9,940,228 ($0.08 per share) compared to a loss of $6,120,550 ($0.07 per share) for the six months ended August 31, 2017.

The Company incurred operating expenses for ongoing operations of $7,213,755 for the six months ended August 31, 2018 compared with $6,117,569 for the six months ended August 31, 2017. Expense details are as follows:

a) Advertising, promotion, and public relations of $316,577 (2017- $591,886) as a result of continued advertising and promotion activities.

b) Consulting and management fees of $1,396,951 (2017 - $1,153,890) related to human resources.

c) Professional fees of $930,410 (2017-$241,003) related to commitments required as a result of expanded business operations in the current period

d) Share-based payments of $2,775,109 (2017 - $2,913,039) includes $1,813,819 for the fair value of common shares issued related to the investment in BCWC, $891,078 related to stock options granted, $30,512 related to the incremental cost for options for which terms were modified during the period, and $39,700 related to the difference in fair value for warrants exchanged for shares.

For the three months ended August 31, 2018

Revenues

During the three months ended August 31, 2018, the Company recorded revenues from ongoing operations of $775,051 (2017- $9,426).

Operating expenses

During the three months ended August 31, 2018, the Company recorded a net loss for the period of $7,749,897 ($0.06 per share) compared to a loss of $1,960,637 ($0.02 per share) for the three months ended August 31, 2017.

The Company incurred operating expenses for ongoing operations of $3,149,333 for the three months ended August 31, 2018 compared with $1,958,325 for the three months ended August 31, 2017. Expense details are as follows:

a) Advertising, promotion, and public relations of $168,613 (2017- $396,455) as a result of continued advertising and promotion activities.

b) Consulting and management fees of $605,664 (2017 - $486,074) related to human resources.

c) Professional fees of $365,529 (2017-$198,261) related to commitments required as a result of expanded business operations in the current period

d) Share-based payments of $930,779 (2017 - $485,456) including $891,079 for the fair value of stock options granted, and $39,700 for the fair value difference on warrants exchanged for shares.

RELATED PARTY TRANSACTIONS

(a) During the six-month period ended August 31, 2018, the Company incurred $16,548 (2017 - $16,548) in rent and $39,000 (August 31, 2017 - $26,000) in consulting fees to Rocky Mountain Property Management, a company controlled by Scott McDermid, a director of the Company and manager of the LED division of the Company. At August 31, 2018, $16,546 (February 28, 2018 - $34,125) was owed to this company.

(b) During the six-month period ended August 31, 2018, the Company incurred $Nil (August 31, 2017 - $62,033) in professional fees to Cross Davis & Co. LLP, an accounting firm of which Scott Davis, the former Chief Financial Officer is a partner. At August 31, 2018, $Nil (February 28, 2018 - $Nil) was owed to this company.

(c) During the six-month period ended August 31, 2018, the Company incurred $123,960 (August 31, 2017 - $118,662) in management fees to Bill Gildea, the Chief Executive Officer. In addition, during the period, the Company entered into a swap free agreement with Mr. Gildea in which Mr. Gildea agreed to exchange 1,500,000 free trading shares of the Company with holders of 1,500,144 restricted shares of the Company. In exchange the CEO of the company received a fee of $111,090, recorded as an expense. At August 31, 2018, $113,344 (February 28, 2018 - $155,864) was owed to the officer.

(d) During the six-month period ended August 31, 2018, the Company incurred $81,088 (August 31, 2017 - $87,958) in consulting fees to Biosimilarsolutions LLC, a company controlled by John Sweeney, a director of the Company. At August 31, 2018 - $16,288 (February 28, 2018 - $15,988) was owed to this company.

(e) During the six-month period ended August 31, 2018, the Company incurred $186,243 (August 31, 2017 - $129,539) in consulting fees to CBO Financial Inc., a company controlled by Craig Stanley, a director and officer of the Company. At August 31, 2018 - $169,364 (February 28, 2018 - $63,953) was owed to this company.

(f) During the six-month period ended August 31, 2018, the Company recorded stock-based payments of $8,303 (August 31, 2017 - $Nil) related to options granted to officers and directors of the Company.

LIQUIDITY AND CAPITAL RESOURCES

As at August 31, 2018, the Company had $2,309,311 in current assets (February 28, 2018 – $3,025,020) and had a working capital deficiency of $10,909,888 (February 28, 2018 – working capital deficiency of $4,357,250).

The Company is entirely dependent on raising equity capital to carry on its business operations. It had $644,318 cash on hand as at August 31, 2018 (February 28, 2018 - $236,233). 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, 2018, the Company received proceeds of $371,865 from exercise of 1,876,557 warrants and proceeds of $171,000 from the exercise of 372,000 options.

In March 2018, the Company closed a second financing with Yorkville. The Company issued a Secured Convertible Debenture in the Principal Amount of US$4,000,000, bearing annual interest at 8% and repayable within 18-months, or convertible into Common Shares of the Company at a price of $0.58 per share. In connection with the Debenture, the Company also granted a Warrant Certificate to purchase 7,421,150 Common Shares at an average price of $0.70 per share. The warrant expires on March 7, 2021. In August, these warrants per cancelled as part of the subsequent financing arrangement with Yorkville.

On August 10, 2018, the Company announced that it closed on a third investment from Yorkville. Under the terms of the financing, the Company entered into a Secured Convertible Debenture in the Principal Amount of US$4,202,423, of which US$3,202,423 refinances the remaining principal and accrued interest on the Convertible Debenture entered into with Yorkville in March 2018 and US$1,000,000 will be paid in cash to Future Farm. The new Debenture bears annual interest at 8% and is repayable within 12 months, or convertible into Common Shares of the Company at a price of C$0.20 per share. In connection with the Debenture, the Company granted a Warrant Certificate to purchase 13,000,000 Common Shares at a price of C$0.24 per share. The Warrant Certificate expires on August 9, 2021. The Company also cancelled the Warrant Certificate related to the Convertible Debenture issued March 2018.

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

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

ADDITIONAL DISCLOSURES FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

An analysis of the material components of the Company's general and administrative expenses is disclosed in the audited consolidated financial statements for the period ended August 31, 2018 to which this MD&A relates.

OUTSTANDING SHARE DATA

As at the date of this report, the Company had 130,086,796 common shares issued and outstanding and the following stock options and warrants outstanding:

Number of options outstanding	Exercise price $	Expiry date
2,150,000	0.31	October 7, 2021
500,000	0.42	March 8, 2022
500,000	0.195	August 23, 2022
281,250	0.96	February 8, 2023
928,000	0.50	June 6, 2023
700,000	0.45	June 12, 2023
4,625,000	0.395	September 21, 2023
9,684,250		

Number of warrants outstanding	Exercise price $	Expiry date
5,000,000	0.40	December 21, 2020
1,459,212	0.72	December 21, 2020
13,000,000	0.24	August 9, 2021
537,500	0.20	August 4, 2022
356,104	0.88	December 22, 2022
1,250,000	0.38	September 20, 2023
21,602,816		

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

In May 2016, the Company entered into a management contract with the Chief Executive Officer ("CEO") of the Company. 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.

In June 2016, the Company entered into an agreement with CBO Financial Inc. ("CBO") whereby CBO will assist the Company in securing "New Market Tax Credits" of up to $6,000,000. A director and officer of the Company is the Chief Executive Officer of CBO. In connection with its 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 completed a property transfer agreement to acquire three plots of land in Florida. In connection with the transaction, the Company had an obligation to issue 250,000 common shares as a finders' fee ("Finders' Shares") (issued) valued at $58,750 and an additional 750,000 common shares should the Company be

successful in obtaining a license to cultivate cannabis. As at May 31, 2018, the property was transferred back to the original seller. The Company has no outstanding commitment remaining with regard to this transaction.

In February 2017, the Company entered into a project management and consulting services agreement with CBO in connection with TerraCity's proposed Baltimore and Mobile projects. In March 2018, the Company renewed the agreement and agreed to pay CBO US$24,000 monthly.

In May 2017, the Company signed a 12-month lease agreement with a company controlled by a director of the company. The monthly payment is $2,758 and the lease term has a 1-year option. The lease automatically renewed in May 2018.

In December 2017, the Company signed a lease agreement with Haymart, LLC for 100 acres in Maine. The term of the lease is 4 years starting January 1, 2018. During the term of the lease the Company agrees to pay US$100,000 per year.

In January 2018, the Company entered into a lease agreement with 248 Northport LLC for premises at 248 Northport Ave, Belfast, Maine. The term of the lease is 2 years starting February 1, 2018. During the term of the lease the Company agrees to pay US$42,120 per year.

In January 2018, the Company renewed a lease agreement with Baywood Nurseries Company, Inc. for premises in the County of Orange, State of Florida. The term of the lease is one year. During the term of the lease the Company agrees to pay $30,000 per year.

In March 2018, FFPR, the Company's affiliate in Puerto Rico, signed a lease for a medical dispensary location in the Condado district of San Juan. The build out of this location is expected to begin in the near future.

In September 2018, the Company announced an extension to its Conditional Lease Commitment with Veterans Capital Corp, a specialty finance company providing financial and leasing services to various types of business clients ("Veterans Capital"). Veterans Capital agreed to extend to March 1, 2019 the period of time during which the Company can access its secured lease line of credit in an amount not to exceed US$500,000.00. Future Farm also announced that with respect to the equipment lease financing extension with Veterans Capital, the Company issued 1,250,000 warrants with a five-year term exercisable at C$0.38 per warrant, each warrant entitling the holder to purchase one common share in the capital stock of the Company.

RISKS AND UNCERTAINTIES

The Company is pursuing new acquisition opportunities with commercial and research ventures for controlled environmental agriculture, cannabis products including hemp, and retail development. The Company has only a small amount of 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 with state, provincial and local by-laws, laws and regulations.

Marijuana remains illegal under federal law in the United States

Marijuana remains illegal under federal law in the United States. It is a Schedule I controlled substance. Even in those jurisdictions in which the use of marijuana has been legalized at the state level, its prescription is a violation of federal law. The United States Supreme Court has ruled that it is the federal government that has the right to regulate and criminalize cannabis, even for medical purposes. Therefore, federal law criminalizing the use of marijuana supersede state laws that legalize its use for even medicinal purposes. At present the states are maintaining their positions against the federal government, maintaining existing laws and passing new ones in this area, but there can be no assurance that this will continue to be the case. The political and regulatory circumstances surrounding the treatment of U.S. marijuana-related activities are uncertain. In the event that U.S. federal law against marijuana is enforced, there could be material consequences for any issuer with U.S. marijuana related activities, including prosecution and asset seizure.

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 November 30, 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.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Please refer to the unaudited interim condensed consolidated financial statements for the period ended August 31, 2018 on www.sedar.com.

FINANCIAL INSTRUMENTS

Please refer to the unaudited interim condensed consolidated financial statements for the period ended August 31, 2018 on www.sedar.com.