This management's discussion and analysis ("MD&A") is provided to enable the reader to assess material changes in financial condition and results of operations of Marapharm Ventures Inc. ("Marapharm" or the "Company") for the nine months ended December 31, 2016. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2016 prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A complements and supplements, but does not form part of the Company's consolidated interim financial statements. Additional information relating to the Company is available on SEDAR at www.sedar.com and at www.marapharm.com.

This MD&A contains forward-looking statements. Statements regarding the anticipation of receiving Health Canada approval, the prospective acquisition of land, buildings, licenses, or any other assets, the adequacy of cash resources to carry out the Company's business plan, the need for future financing, and expected regulatory changes in the marijuana industry are forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language on page 17. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

All dollar amounts contained herein are expressed in Canadian dollars unless otherwise indicated. This MD&A has been prepared as of February 28, 2017 (the "report date").

## BUSINESS OVERVIEW

Marapharm Ventures Inc. ("Marapharm" or the "Company"), was incorporated under the Business Corporations Act (British Columbia) on April 24, 2007 under the name "0789189 B.C. Ltd." On March 5, 2012, the Company approved a Plan of Arrangement (the "Plan") with its parent company, Whitewater Resources Ltd., and became a reporting issuer. On May 21, 2013, the Company changed its name to "Capital Auction Market Inc." On August 1, 2014, the Company changed its name to "Marapharm Ventures Inc." The Company reached an agreement on December 10, 2014, to acquire Marapharm Inc., a company that was established to enter the emerging market of marijuana for medical purposes under Canadian regulations, and has submitted an application for a license with Health Canada. The consolidated financial statements now include the operations of the subsidiaries Marapharm Inc., Marapharm Washington LLC, Marapharm Las Vegas LLC, and EcoNevada, LLC. The Company's head office is located at Suite 200 – 537 Leon Avenue, Kelowna, B.C., V1Y 2A9.The Company's common shares commenced trading on the Canadian Stock Exchange ("CSE") on May 8, 2015 under the symbol "MDM". The Company's common shares also trade on the OTC Markets under the ticker symbol "MRPHF" and the Frankfurt and Stuttgart Stock Exchange under the ticker symbol "2MØ".

Marapharm was formed to create a global entity pursuing commercial ventures within the medical and recreational marijuana industry.

### <u>Kelowna, BC, CANADA</u>

The Company has a lease arrangement for an 11-acre property in Kelowna identified as a potential marijuana growing location in the Company's MMPR License application, which is in the Review Stage of the approval process.

This initial project includes the construction of a brand new facility on 11 acres in British Columbia's Okanagan Valley, with expansion plans in place to meet strategic advantages for growth and market penetration. Marapharm has successfully advanced past the Security Clearance stage and into the Review stage of the MMPR application to become a licensed producer of marijuana in Canada. The Review stage is a complete review of the Company's application. Once through the review process, the members of the Kelowna project anticipate that Marapharm will receive a license to build and begin working with local regulatory bodies in order to proceed.

In addition to its MMPR application, the Company owns Maragold, an all-natural oil product line, and to date has completed the hemp formulations for the products. Due to scheduling and workload delays, the Company shelved its spring launch of the products and is hoping to begin its first production in early 2017. Raw materials, bottles, packaging and labels have been sourced and a marketing strategy is in place. During the year ended March 31, 2016, the Company recorded an impairment of $49,999 due to the uncertainty of future cash flows. The recorded book value of this intangible asset on the balance sheet is $1.

**Las Vegas, Nevada, United States**

In Nevada, the Company controls a provisional grow licence in Las Vegas, where it is planning to build a medical marijuana facility of up to approximately 70,000 square feet.

On May 11, 2015, the Company, entered into an arm's-length agreement to purchase approximately 5.9 acres of land in Apex Business Park in North Las Vegas, Nevada, as well as the rights by assignment, to purchase the equity interests in a Nevada limited liability company to use a provisional license, which is a tenant by lease, to grow medical marijuana (the "Transaction"). The agreement also gives the Company an option to acquire the equity interests in the company that holds the license, in tranches, which would give the Company an interest of 85% for the first tranche and 15% for the second tranche. The Company has not exercised either of these tranches to date. On December 29' 2016, the Company closed the purchase of 1.17 acres of land adjacent to the land purchased on May 11, 2016 in Las Vegas, Nevada.

In addition to this agreement, Marapharm has completed a separate opportunity for 100% ownership of EcoNevada, LLC, a company that owns two licenses, one for cultivation and the other for processing, bringing the total square footage of all pending licenses to approximately 300,000sq', including a 16,000sq' processing license.

The plan is to merge all 3 licenses onto the 7-acre parcel and operate as a campus. The special use permits, allowing all three licenses to operate from that property, have been approved by the City of North Las Vegas. Marapharm will commence the project, with two 5,000-square-foot starter buildings. The purpose of the smaller buildings will be to house the three licenses, supply product to the market in the interim, and allow for training of staff. The buildings have arrived and site work has commenced. The installation of wet utilities in the business park is planned for completion in 2017 and power will be fully available by mid-2017. Since the starter buildings have been designed to be self-sufficient, if utility installation remains incomplete, the Company will be able to operate at full capacity. On completion of this initial phase, the Company will begin construction of the remaining campus in a phased development.

**Whatcom County, Washington, United States**

On August 1, 2016, the Company entered into a leasing agreement with the option to purchase an industrial frontage property in Whatcom County, Washington, for 13.6 acres of land with a 28,000-square-foot industrial building, a 9,190-square-foot truck wash building, a 7,200-square-foot mechanic shop and a 2,208 square-foot industrial building, highway frontage property for USD$4,200,000. On February 12, 2017, the Company announced its intention to close the acquisition on or before February 28, 2017.

Marapharm Washington, LLC, a wholly owned subsidiary of the Company, has closed on an asset purchase, agreement for a lease and purchase option agreement for the leasehold improvements and equipment within the 28,000- square-foot industrial building on the site. The Company has invested, and will continue to invest, an additional several hundred thousand dollars into improvements, including a building for production, packaging, and equipment. AlphaPheno Inc. holds a cultivation license for up to 30,000 square feet of cultivation and a production license with no footage limitations. AlphaPheno Inc. is the tenant and the lease payment to the Company is proposed to be USD$200,000 per month upon completion of the renovations, retroactive to the date that operations commenced. This will provide them with a fully equipped turn-key facility. Marapharm expects to enter into branding and licensing agreements with AlphaPheno Inc.

**California**

Marapharm announced on November 16th and 21st , 2016, that the Company had entered into two agreements for the acquisition of properties for purposes of entering the cannabis market, on land pre-approved for all three types of marijuana license, in the State of California. Marapharm is completing due diligence with regard to regulations and licensing. Deposits are being held in escrow.

**HIGHLIGHTS**

- On May 11, 2015, the Company announced that it had entered into an agreement to purchase approximately six (6) acres in the Apex Industrial Park, located in North Las Vegas, Nevada. The Company has secured a provisional grow licence and will build a seventy thousand (70,000 sq.) square-foot medical marijuana facility.

- On September 24, 2015, the Company announced that their application to Health Canada for an MMPR license had progressed to the Security Clearance Process stage and is now in the final review. According to the Health Canada website, there are several stages to the application process, the security clearance stage being a significant milestone in that process.

- On October 10, 2015, the Company finalized the purchase of 5.9 acres in the Apex Industrial Park, located in North Las Vegas, Nevada, pursuant to the agreement dated May 11, 2015.

- On December 10, 2015, the Company announced that its shares had commenced trading under the symbol "MRPHF" on the OTCQB ® venture market in the United States. The OTCQB ® venture stage marketplace is for entrepreneurial and development stage U.S. and international companies such as Marapharm. The shares of the Company previously traded on the OTCPink ® open marketplace.

- On February 19, 2016, the Company announced that their application to Health Canada for an MMPR license has progressed to the Review stage. According to the Health Canada website, there are several stages to the application process, the security clearance stage being a significant milestone in that process.

- On March 8, 2016, the Company announced that it had entered into an agreement for the acquisition of two further medical marijuana licenses, one a cultivation license and the other a production license, in Las Vegas, Nevada.

- On March 26, 2016 the Company announced that it had extended the March 25, 2016 expiry date of a total of 1,100,000 share purchase warrants, exercisable at a price of $0.37 per share, for an additional year to March 25, 2017.

- On April 14, 2016, the Company issued 2,640,000 units at $0.20 per unit for gross proceeds of $528,000. Each unit consists of one common share and one common share purchase warrant. Each whole common share purchase warrant will entitle the holder to acquire one additional common share at an exercise price of $0.40 until April 14, 2017. In connection with the private placement, the Company issued 89,000 common shares and 264,500 share purchase warrants, and paid $35,000 in finders' fees. The finders' warrants have the same terms as the share purchase warrants issued for the private placement.

- On May 2, 2016, the Company issued 320,000 common shares pursuant to the amended investor relations agreement originally entered into on May 7, 2015. Refer to Note 13.

- On June 16, 2016, the Company announced changes to corporate management as it transitions from a start-up to an operational company. The Company also provided a corporate update to its shareholders.

  On June 16, 2016, the Company issued 2,817,500 units at $0.20 per unit for gross proceeds of $563,500. Each unit consists of one common share and one common share purchase warrant. Each whole common share purchase warrant will entitle the holder to acquire one additional common share at an exercise price of $0.40 until June 16, 2017. In connection with the private placement, the Company issued 47,500 common shares and 226,000 share purchase warrants, and paid $33,900 in cash related to finders' fees. The finders' warrants have the same terms as the share purchase warrants issued for the private placement.

- The Company further announced that it has received approval at a public hearing held on June 8, 2016, from the City of North Las Vegas to relocate and merge three medical marijuana licenses onto one property, owned by Marapharm Las Vegas LLC, a subsidiary of the Company. Building permits are in place and two starter buildings are approved to house the three licenses. Delivery is scheduled from the 19th to the 21st of December, 2016, and ground work has begun.

- On July 27, 2016, the Company announced that its common shares had been made eligible for book-entry delivery and depository services by The Depository Trust Company (the "DTC") to facilitate electronic settlement and transfer of its common shares on the OTC Markets (www.otcmarkets.com, symbol "MRPHF").

- On August 15, 2016, pursuant to the agreement dated March 8, 2016, the Company paid a deposit of US$75,000 to secure the acquisition of a 75.5% interest in the Nevada company that holds the two additional licenses in Nevada.

- On August 17, 2016, the Company, through its wholly-owned subsidiary Marapharm Washington, LLC, announced that it had concluded the asset purchase of an operating Tier 3 marijuana production and processing facility in Washington. A "Tier 3" production facility allows the licensee to grow up to 30,000 square feet of marijuana at any one time. A "Tier 3" processing facility allows unlimited processing.

- On September 1, 2016, the Company completed the transaction for a 75.5% interest in EcoNevada, LLC, a Nevada company that holds two medical marijuana licenses. An additional USD$225,000 in cash and 1,072,813 shares were issued with a contract value of USD$300,000 and fair value of $439,853 as of the transaction completion date.

- On September 7, 2016, Marapharm announced the closing of a $1,000,000 non-brokered private placement unit offering previously announced on July 18, 2016, which was oversubscribed for gross proceeds of $2,173,250. The Company issued 10,866,250 units, each unit comprised of one common share and one whole common share purchase warrant. Each whole common share purchase warrant will entitle the holder to acquire one additional common share at an exercise price of $0.40 until September 6, 2017. In connection with the private placement, the Company issued 352,500 common shares and 1,022,500 share purchase warrants, and paid $126,400 in cash related to finders' fees. The finders' warrants have the same terms as the share purchase warrants issued for the private placement.

- On September 15, 2016, Marapharm was contacted by Health Canada and informed that it would permit an amendment to the Health Canada application to incorporate the new ACMPR regulations without losing its position in the process.

- On September 19, 2016, Marapharm announced that Kurt Keating had accepted the position of General Manager of Marapharm Las Vegas LLC, to oversee cannabis operations.

- On September 28, 2016, Marapharm announced a bond offering of up to US$5,000,000 at an issue price of US$10,000 per bond, bearing compound interest at the annual rate of 8.5% until the maturity date of three years from the proposed closing date. The proceeds will be used as a debt facility for Marapharm Las Vegas, LLC and will be secured by all present and after acquired property, buildings, and three special licenses. The Company reserves the right to amend the terms of the proposed bond offering as required by market conditions.

- On September 30, 2016, Marapharm announced that as part of the Company's long-term strategy it was implementing a dividend policy for payment of future cash dividends to be determined by the Board of Directors in order to be able to react to future market conditions.

- On October 3, 2016, Marapharm announced the formation of a Management Advisory Group in order to strengthen the operations of the Company. The Management Advisory Group would consist of up to five members who have expertise in acquisitions, mergers, international financing, foreign markets, marketing, product development, and sales.

- On October 11, 2016, Marapharm announced a concurrent non-brokered private placement of secured convertible bonds for gross proceeds of up to US$10 million for Marapharm Washington LLC. The bonds will have a face value of US$10,000 per bond bearing interest at the annual rate of 8.5% until the maturity date of December 30, 2021, which at the time of the disclosure was five years from the proposed closing date. The bonds will be a debt facility for Marapharm Washington LLC and will be secured by the assets of Marapharm Washington LLC, consisting of all present and after acquired property, cash, and leases. The Company reserves the right to amend the terms of the proposed bond offering as required by market conditions.

- On October 25, 2016, the Company announced the appointment of Ron Cannan to the Management Advisory Group. Ron has extensive experience in both government as a Member of Parliament and appointments to the Treasury Board Subcommittee, the House of Commons' Finance Committee, the Canada-U.S. Inter-Parliamentary Committee, and in the private sector with Hershey Foods, Coca Cola, Costco, and Corus Entertainment.

- On November 9, 2016, Marapharm announced the appointment of Bradley J. Dixon, a trial and commercial litigation attorney based in Boise, Idaho, to the Management Advisory Group. Mr. Dixon was selected as one of "America's leading lawyers for Business" by Chambers USA.

- On November 16, 2016, Marapharm announced that it had entered into an agreement to purchase an industrial facility in southern California and three marijuana licenses, the completion of which is subject to satisfactory due diligence and receipt of regulatory approvals.

- On November 21, 2016, Marapharm announced that in addition to the previously announced California property, they had entered into a second agreement for the acquisition of an industrial property and three marijuana licenses in California, the completion of which is subject to satisfactory due diligence and background checks.

- On November 23, 2016, Marapharm announced it was ordering two Cannabis ACM machines for use in dispensaries in Washington and Nevada. The machines provide secure product storage, inventory management, point of sale transactions, privacy for the consumer, and a reduction in labour costs. Pending investigation into the regulatory requirements regarding the placement of the machines.

- On November 28, 2016, the Company agreed to purchase the remaining 24.5% issued and outstanding shares of EcoNevada, LLC for a contract value of USD$24,500. EcoNevada, LLC issued 100,001 shares as payment for the remaining 24.5% interest with a fair value of $155,002 as of the transaction date. The Company now owns 100% of EcoNevada, LLC.

- On December 29, 2016, the Company closed the purchase of 1.17 acres of land adjacent to the 5.9 acres in the Apex Industrial Park, located in North Las Vegas, Nevada, on the terms secured on October 10, 2015. The Company paid US$114,979 for the additional land and also paid off the mortgage on the 5.9 acres of land. Furthermore, the Company has started the buildout of the 7-acre property and has received two starter buildings.

- On January 1, 2017, the Company entered into a 1-year lease agreement for premises located in Kelowna, British Columbia, for use as the Company's head office. Monthly rent is $6,000 per month includes utilities and taxes.

- On January 4, 2016, the Company subscribed to 5,000,000 units in a private placement offering of Veritas Pharma Inc. at a price of $0.22 per unit for an aggregate investment of $1,100,000. Each unit consists of one common share and one share purchase warrant, with the warrants entitling the Company to acquire one additional share at a price of $0.30 per share for a period of 18 months from the date of issuance.

  Furthermore, the Company entered into a subscription agreement to acquire an additional 5,000,000 warrants for $250,000. The warrants entitle the Company to acquire one additional common share at a price of $0.05 per share for a period of 18 months from the date of issuance.

- On February 12, 2017, the Company announced it has entered into an agreement to purchase 13.6 acres of industrial, highway frontage property for USD$4,200,000. The transaction should close on or before February 28, 2017. The property currently has multiple buildings on the property including the 30,000-square-foot building with marijuana cultivation and processing licenses, a 9,190-square-foot truck wash building, a 7,200-square-foot mechanic shop, a 2,208-square-foot office building, and large sheds. Wal-Mart presently uses an area of the property for truck and trailer parking. There is ample room for further development.

- On February 21, 2017, the Company has entered into an agreement to purchase 80% of the shares of Moringa Cooperative, Inc., presently doing business as MedicalDriveBy as a medical delivery service, with the specific and limited purpose to deliver, facilitate or coordinate cannabis transactions between qualified patients and caregivers. Terms of the transaction are the payment of $300,000 USD in cash and additional funds may be required for further delivery vehicles, expansion and working capital.

## OUTLOOK

The Company believes it is well positioned in Canada and the United States to develop a future in marijuana-related industries. Management's business model is to work toward acquiring and purchasing licenses and facilities in strategic locations. Management also remains committed to providing other synergies and products for people to increase or enhance their overall quality of life.

The Company is optimistic about its chances to capitalize on, and profit from, opportunities created by the dynamic nature of the relatively new medical and recreational marijuana industry currently thriving in Canada and the United States.

In Canada, Marapharm expects positive changes in the industry as a result of the announcement of legalization of recreational marijuana in 2017 by the federal Liberal Party.

In the United States, Marapharm is securing strategic opportunities in the industry and with Nevada and California receiving a "yes" vote for recreational marijuana on the 2016 ballot, the Company is well-positioned to benefit from this emerging sector.

*(In Canadian Dollars)*

## SELECTED ANNUAL INFORMATION

The following table sets forth selected audited financial information of the Company from the last three completed financial years ended March 31:

| | For the year ended | | |
|---|---|---|---|
| | March 31, 2016 | March 31, 2015 | March 31, 2014 |
| Total revenue | $ - | $ - | $ - |
| Net (loss) income for the year | (3,295,344) | (4,630,155) | 86,836 |
| Basic (loss) income per common share | (0.09) | (0.17) | 0.01 |
| | | | |
| Total assets | $ 1,167,257 | $ 1,194,804 | $ - |
| Total non-current financial liabilities | 377,363 | - | - |

The year ended March 31, 2016 includes finance costs of $13,546, impairment of intangible asset of $49,999 due to estimated future cash flows, and impairment of land of $725,345 due to a decline in fair value.

## SUMMARY OF QUARTERLY RESULTS

| Quarter ended: | | Net Income (loss) | Basic and diluted gain (loss) per common share |
|---|---|---|---|
| | | $ | $ |
| Q3/17 | December 31, 2016 | (2,896,144) | (0.05) |
| Q2/17 | September 30, 2016 | (604,401) | (0.01) |
| Q1/17 | June 30, 2016 | (471,297) | (0.01) |
| Q4/16 | March 30, 2016 | (1,530,785) | (0.04) |
| Q3/16 | December 31, 2015 | (197,923) | (0.01) |
| Q2/16 | September 30, 2015 | (555,855) | (0.01) |
| Q1/16 | June 30, 2015 | (973,505) | (0.03) |
| Q4/15 | March 31, 2015 | (4,529,078) | (0.17) |

There were no revenues earned in any of the last eight quarters. The Company is showing trends of expansion and increased activity over the last eight quarters. The Company announced in a press release on September 27, 2016 that it would be receiving a lease payment from AlphaPheno Inc. of US$200,000.00 per month. This lease payment will be payable on completion of the proposed renovations and equipping of the facility as per Washington State regulations and once payable, will be retroactive to the start of their tenancy. The agreement now is that from April 15, 2017 to the completion of the renovations, AlphaPheno Inc. will be paying $25,241 (comprised of $21,000 base rent plus $4,241 per month on loan receivable) and $200,000 plus $4,241 once renovations are complete.

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

- In Q3/17, the Company incurred $464,527 of investor relations costs, $714,870 of consulting fees, $259,789 of professional fees, and $257,714 of share-based compensation.
- In Q1/17, the Company incurred $129,306 in professional fees, $80,334 in Washington property investigation costs, and $137,911 in consulting fees which were higher expenses because they were directly related to the increased activity in Washington.
- In Q4/16, the Company incurred finance costs of $13,546, impairment of intangible asset of $49,999, and impairment of land of $725,345.
- In Q3/16, the Company closed its private placement for gross proceeds of $540,500.
- In Q2/16, the Company closed its first private placement for gross proceeds of $407,000.

- In Q1/16, Q2/16, and Q3/16, the Company recorded share-based compensation of $757,928, 314,304, and $28,396, respectively, where there were no stock options issued in any of the prior quarters.
- In Q3/15, Q4/15, Q1/16, Q2/16, Q3/16, and Q4/16, the Company increased resources devoted to investor relations and recognized expenses in the amount of $22,955, $27,114, $158,198, $17,980, $37,605, and $40,390, respectively.
- In Q4/15, the Company recognized a $4,345,659 impairment of goodwill that was related to the acquisition of Marapharm Inc.
- Starting in Q4/15, the Company increased its human resources expenditures and began paying management and consulting fees on a monthly basis.

**RESULTS OF OPERATIONS**

The Company incurred a net loss and total comprehensive loss of $2,872,782 and $2,896,144, respectively, during the three months ended December 31, 2016, an increase of $2,544,537 and $2,698,221 respectively, as compared to net loss and total comprehensive loss of $328,245 and $197,923, respectively, for the three months ended December 31, 2015.

The key components contributing to the change in the net loss during the quarter ended December 31, 2016 compared to the quarter ended December 31, 2015 was comprised of the following:

- Consulting costs of $1,275,182 (2015 – $120,449) was higher by $1,154,733 over the same period last year due to increased corporate marketing and ramp up of the buildout of the Nevada and Washington properties.
- Project investigation costs of $148,196 (2015 – nil) related to the proposed transaction in the State of Washington. Testing and various other expenses were incurred during the feasibility and negotiation process where no such activity occurred in the same period last year.
- Rent expense of $97,741 (2015 – $27,127) was $70,614 higher than the same period last year due to the Washington property lease.
- Professional fees of $288,186 (2015 – $28,295) was $259,891 higher than the same period last year as the Company had increased legal spend with the increased business transactions during the quarter.
- Share-based compensation of $923,225 (2015 – nil) as the Company granted stock options that vested immediately during the quarter.

The key components contributing to the change in the net loss during the nine months ended December 31, 2016 compared to the nine months` ended December 31, 2015 was comprised of the following:

- Consulting costs of $1,631,107 (2015 – $371,717) was higher by $1,259,390 over the same period last year due to the shift in focus to the Washington and Nevada properties and new work related to expanding business in the United States. Also, the Company increased corporate marketing efforts globally.
- Project investigation costs of $334,959 (2015 – nil) related to the proposed transaction in the State of Washington. Testing and various other expenses were incurred during the feasibility and negotiation process where no such activity occurred in the same period last year.
- Rent expense of $203,896 (2015 – $105,898) was $97,998 higher than the same period last year due to the Washington property lease.
- Professional fees of $484,036 for the nine months ended December 31, 2016 was $411,217 higher than the $72,819 in professional fees during the nine months ended December 31, 2015. The majority of the increase related to increased legal work related to obtaining new licenses and general business expansion.

## LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2016 the Company had $5,520,787 in current assets (March 31, 2016 – $534,211) and had working capital of $5,029,220 (March 31, 2016 – $51,210).

The Company raised $2,821,750, through the sale of common shares during the nine months ended December 31, 2016. Furthermore, through the exercise of options and warrants, the Company was able to raise $6,000,748 to help fund operations.

The Company is dependent on raising equity capital to carry on its business operations for the next 12 months. It has $3,718,516 in cash on hand as at December 31, 2016. There is no guarantee that the Company will be able to raise the additional equity capital required to fund its ongoing operations.

The Company's liquidity for analysis has increased substantially due to its financing and increased activity from its start of a commercial venture in the medical marijuana business.

Other than the Washington property, there are no fixed payment contracts with management, personnel, landlords or any other party and accordingly is capable of operating with very little working capital needs.

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. The Company will need to raise additional funds since the current cash position is not sufficient to cover the anticipated operating budget for the next twelve months. There is strong investor sentiment in this sector, however, due to political indecision, there exists a material uncertainty as to the Company's ability to raise additional funds on favourable terms in order to continue as a going concern.

## OFF-BALANCE SHEET ARRANGEMENTS

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

## PROPOSED TRANSACTIONS

On February 12, 2017, the Company announced it has entered into an agreement to purchase 13.6 acres of industrial, highway frontage property for USD$4,200,000. The transaction should close on or before February 28, 2017. The property currently has multiple buildings on the property including the 30,000 square foot building with marijuana cultivation and processing licenses, a 9,190-square-foot truck wash building, a 7,200-square-foot mechanic shop, a 2,208-square-foot office building and large sheds. Wal-Mart presently uses an area of the property for truck and trailer parking. There is ample room for further development.

On February 21, 2017, the Company has entered into an agreement to purchase 80% of the shares of Moringa Cooperative, Inc., presently doing business as MedicalDriveBy as a medical delivery service, with the specific and limited purpose to deliver, facilitate or coordinate cannabis transactions between qualified patients and caregivers. Terms of the transaction are $300,000 USD and additional funds may be required for further delivery vehicles, expansion and working capital.

*(In Canadian Dollars)*

## RELATED PARTY TRANSACTIONS

### Related Party Transactions

The Company's related parties, as defined by IAS 24, Related Party Disclosures, include the Company's subsidiaries and the following directors, executive officers, key management personnel, and enterprises which are controlled by these individuals, if any:

| Related Party | Relationship |
|---|---|
| Linda Sampson, President, CEO and Director | Director/Management |
| Corey Klassen, CFO and Director | Director/Management |
| Yari Nieken, Director and Corporate Secretary | Director/Management |
| Brian Peterson, Former Director and Secretary | Former Director |
| James Turner, Former Director, Secretary | Former Director |
| Les Kjosness, Former Director, President and CEO | Former Director |

The Company considered the executive officers and directors as the key management of the Company.

Total compensation of key Company personnel for the nine months ended December 31, 2016 and 2015 is as follows:

| | For the nine months ended | | | |
|---|---|---|---|---|
| | | December 31, 2016 | | December 31, 2015 |
| Directors' fees | $ | 13,500 | $ | 13,500 |
| Management fees, salaries and wages | | 90,000 | | 135,000 |
| Project management cost | | 38,074 | | - |
| Share based compensation | | 383,894 | | 572,569 |
| | $ | 525,468 | $ | 721,069 |

### Related party transactions

During the nine months ended December 31, 2016, the Company incurred $nil (December 31, 2015 - $45,000) and $6,000 (December 31, 2015 - $nil) to Les Kjosness, the former Chief Executive Officer of the Company for management fees and rent, respectively.

During the nine months ended December 31, 2016, the Company incurred $13,500 in board fees, with $4,500 owed to directors Yari Nieken and Corey Klassen, $3,000 owed to Linda Sampson and $1,500 owed to Les Kjosness.

During the nine months ended December 31, 2016, the Company incurred $90,000 (December 31, 2015 - $90,000) to Linda Sampson, the Chief Executive Officer of the Company, for management fees.

During the nine months ended December 31, 2016, the Company granted 1,050,000 (December 31, 2015 – 1, 700,000) stock options with a fair value of $383,894 (December 31, 2015 - $572,569) to directors, officers and consultants of the Company.

During the nine months ended December 31, 2016, Yari Nieken exercised 250,000 stock options at a price of $0.40 per share for gross proceeds of $100,000 and also forwarded an additional $100,000 to exercise 100,000 stock options for $1.00 per share. The latter shares were issued subsequent to quarter end.

### Related party balances

As at December 31, 2016, the Company owed $81,953 (March 31, 2016 - $64,078) to Linda Sampson, the Chief Executive Officer of the Company, which is non-interest bearing, unsecured, and due on demand.

As at December 31, 2016, the Company owed $7,050 (March 31, 2016 - $5,500) to two directors of the Company for directors' fees. Yari Nieken is owed $1,050 (2016- nil), Corey Klassen is owed $6,000 (2016 - $2,000) and Brian Peterson $nil (2016- 3,500).

## APPROVAL

The Company's Board of Directors has approved the Company's condensed consolidated interim financial statements for the nine months ended December 31, 2016. The Company's Board of Directors has also approved the disclosures contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

## OUTSTANDING SHARE DATA

The Company's authorized share capital consists of an unlimited number of common shares without par value.

At the date of this MD&A, the Company had 75,217,253 (December 31, 2016 – 68,094,503) common shares issued and outstanding. In addition, the Company had 2,662,500 (December 31, 2016 – 4,025,000) stock options outstanding, and 16,538,000 (December 31, 2016 – 21,573,920) warrants outstanding.

## SUBSEQUENT EVENTS

The Company entered into a 1-year lease agreement for premises located in Kelowna, B.C., beginning on January 1, 2017. Monthly rent is $6,000 per month including utilities & taxes.

The Company entered into a 2-year lease agreement with Ironguide Ventures Inc. (note 15) for an additional building located on site for $3,000 USD a month for the first year and $4,000 USD a month for the second year.

On January 4, 2016, the Company subscribed to 5,000,000 units in a private placement offering of Veritas Pharma Inc. at a price of $0.22 per unit for an investment of $1,100,000. Each unit consists of one common share and one common share purchase warrant, with the warrants entitling the Company to acquire one additional common share at a price of $0.30 per share for a period of 18 months from the date of issuance. Furthermore, the Company entered into a subscription agreement to acquire an additional 5,000,000 warrants for $250,000. The warrants entitle the Company to acquire one additional share at a price of $0.05 per share for a period of 18 months from the date of issuance

On February 12, 2017, the Company announced it has entered into an agreement to purchase 13.6 acres of industrial, highway frontage property for $4,200,000 USD. The transaction should close on or before February 28, 2017. The property currently has multiple buildings on the property, including the 30,000-square-foot building with marijuana cultivation and processing licenses, a 9,190-square-foot-truck wash building, a 7,200-square-foot mechanic shop, a 2,208-square-foot office building, and large sheds. Wal-Mart presently uses an area of the property for truck and trailer parking. There is ample room for further development.

On February 21, 2017, the Company has entered into an agreement to purchase 80% of the shares of Moringa Cooperative, Inc., presently doing business as MedicalDriveBy as a medical delivery service, with the specific and limited purpose to deliver, facilitate or coordinate cannabis transactions between qualified patients and caregivers. Terms of the transaction are $300,000 USD and additional funds may be required for further delivery vehicles, expansion and working capital.

Subsequent to December 31, 2016, 376,000 warrants expired unexercised.

Subsequent to December 31, 2016, 4,659,920 warrants were exercised for cash proceeds of $3,107,053.

Subsequent to December 31, 2016, 1,362,500 stock options were exercised for cash proceeds of $787,500.

## COMMITMENTS

On May 7, 2015, the Company entered into a consulting agreement with an investor relations firm with a one-year term and a fee of $35,000 per month payable through issuance of 560,000 common shares. During the year ended March 31, 2016, the agreement was amended to reduce the fee of $35,000 per month to $10,000 per month from October to December 2015, and to $8,750 per month from January to April 2016, which is payable through the issuance of 320,000 shares. These shares were issued on May 2, 2016. During the nine months ended December 31, 2016, the Company incurred $8,750 in expenses related to this agreement.

On August 23, 2016 the Company entered into a one -year marketing and consulting agreement with Ingrid Tsaprailis. Under the agreement, the Company will pay consulting fees of 115,000 common shares. During the nine months ended December 31, 2016 the Company issued 115,000 common shares with a fair value of $47,150 and charged $16,793 to consulting expenses related to the services received.

On September 18, 2016, the Company entered into a two year management agreement with Kurt Keating. Under the agreement, the Company will pay fees of $8,000 USD per month. During the nine months ended December 31, 2016, the Company paid $32,653 ($24,000 USD).

On September 19, 2016 the Company entered into a one-year marketing and consulting agreement with Solar Properties Ltd. Under the agreement, the Company will pay consulting fees of 1,361,278 common shares. During the nine months ended September 30, 2016, the Company issued 837,532 common shares with a fair value of $668,875 and charged $181,421 to consulting expenses related to the services received.

On September 19, 2016 the Company entered into a one-year marketing and consulting agreement with Hilltop Business Center Ltd. Under the agreement, the Company will pay consulting fees of 1,000,000 common shares. During the nine months ended December 31, 2016, the Company issued 500,000 common shares with a fair value of $390,000 and charged $105,781 to consulting expenses related to the services received.

On September 19, 2016, the Company entered into a one-year marketing and consulting agreement with Pioneer Ventures Inc. Under the agreement, the Company will pay consulting fees of 1,180,639 common shares. During the nine months ended December 31, 2016, the Company issued 678,766 common shares with a fair value of $529,437 and charged $143,601 to consulting expenses related to the services received.

On November 8, 2016, the Company entered into a two-year management advisory group agreement with Ron Cannan. Under the agreement, the Company will issue 165,000 options exercisable at $0.93. During the nine months ended December 31, 2016, the Company issued 165,000 options with a fair value of $98,239.

On November 8, 2016, the Company entered into a two-year management advisory group agreement with Brad Dixon. Under the agreement, the Company will issue 165,000 options exercisable at $0.70 USD. During the nine months ended December 31, 2016, the Company issued 165,000 options with a fair value of $98,239

On November 4, 2016, the Company entered into two separate four-month marketing and consulting agreements with bullVestor (Helmut Pollinger) and Loud Media and Awareness. Under the agreement, the Company will pay consulting fees upon invoice for services rendered. During the nine months ended December 31, 2016, the Company paid $370,053 and $81,147, respectively.

On November 16, 2016 the Company entered into a three-month marketing and consulting agreement with Market IQ. Under the agreement, the Company will pay consulting fees upon the presentation of invoices for services rendered. During the nine months ended December 31, 2016, the Company paid $174,905.

*(In Canadian Dollars)*

Effective August 1, 2016, the Company entered into a 5 -year facility lease with Ironguide Ventures Inc. The Company also acquired an option to purchase the property for $4,200,000 USD. The Company's minimum annual lease payments are as follows:

| | US $ |
|---|---|
| 2017 | 54,000 |
| 2018 | 216,000 |
| 2019 | 240,000 |
| 2020 | 266,000 |
| 2021 | 297,000 |
| 2022 | 104,000 |
| | 1,177,000 |

During the nine months ended December 31, 2016, the Company paid $117,786 (USD$90,000) lease payments (December 31, 2015 -$nil). These amounts had been charged to statement of loss and comprehensive loss during the nine months ended December 31, 2016.

## CONTINGENT LIABILITY

On August 4, 2016, Armadillo Resources Ltd., a company controlled or directed by the Company's former President and Chief Executive Officer and director, Mr. Les Kjosness, filed a small claims court notice of claim against the Company with respect to unpaid office expense. The financial effect of this claim is not determinable at this time. An allowance of $12,000 has been recorded in general and administrative expense as at December 31, 2016.

## DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company is accumulated and communicated to management as appropriate to allow timely decision-making regarding required disclosures. The Company's CEO and CFO have concluded that information required to be disclosed in the Company's consolidated financial statements and MD&A (the "filings") have been disclosed and fairly presented in the filings and that processes are in place to provide them with sufficient knowledge to support such representation. However, a control system, no matter how well conceived, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

## FINANCIAL AND OTHER INSTRUMENTS

*Fair Values*

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at December 31, 2016, as follows:

| | Fair Value Measurements Using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets for identical instruments (Level 1) $ | Significant other observable inputs (Level 2) $ | Significant unobservable inputs (Level 3) $ | Balance, March 31, 2016 $ |
| Cash | 3,718,516 | – | – | 329,547 |

*(In Canadian Dollars)*

The fair values of other financial instruments, which include amounts receivable, loan receivable, accounts payable and accrued liabilities, loan payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

*Credit Risk*
Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Accounts receivable consists of expense recoveries receivable and GST receivable. GST receivable is due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

*Interest Rate Risk*
Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is held mainly in bank accounts and therefore there is currently minimal interest rate risk. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of December 31, 2016.

*Foreign Exchange Rate Risk*
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies.

As at December 31, 2016, the Company had the following monetary liabilities denominated in foreign currencies:

| | US$ |
|---|---:|
| Cash | 114,422 |
| Accounts payable and accrued liabilities | (209,012) |
| Loan payable | - |
| | (94,590) |

Based on the above net exposures as at December 31, 2016, a 10% change in the US dollar against the Canadian dollar would result in an increase or decrease of approximately $9,459 in the Company's net loss.

The Company manages foreign currency risk by minimizing the value of financial instruments denominated in foreign currencies. The Company has not entered into any foreign currency contracts to mitigate this risk.

*Liquidity Risk*
Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

The Company maintained cash at December 31, 2016 in the amount of $3,718,516 and raised additional capital by selling equity in order to meet short-term operating requirements. As at December 31, 2016, the Company had accounts payable and accrued liabilities of $409,614. All accounts payable and accrued liabilities are current.

## NEW ACCOUNTING STANDARDS AND ACCOUNTING STANDARDS NOT YET EFFECTIVE

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended December 31, 2016, and have not been applied in preparing these financial statements.

*NEW:*

IFRS 7 Financial Instruments (Amended)
IAS 34 Interim Financial Reporting (Amended)
IAS 16 and 38 Property, Plant and Equipment and Intangible Assets (Amended)

*NOT YET EFFECTIVE:*

IFRS 9 Financial Instruments
IFRS 15 Revenue from Contracts with Customers
IFRS 16 Leases
IAS 7 Disclosure Initiative (Amendments to IAS 7 Statement of Cash Flows)

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

## RISKS AND UNCERTAINTIES

The Company is pursuing commercial ventures in the medical marijuana business that encompass the biotechnology and agricultural industries and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. The Company has no ongoing revenue or income from operations. The Company has limited capital resources and has to rely upon the sale of its assets or sale of its common shares for cash required to make new investments and to fund the administration of the Company.

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

- Going concern
- No commercial products have been developed
- Reliance on license
- Market acceptance
- Competition
- Technology
- Change in laws, regulations, and guidelines
- Limited operating history
- Future financing & Dilution
- Dependence on key personnel
- Risks Inherent in an Emerging Agricultural Business
- Vulnerability to Rising Energy Costs
- Unfavourable Publicity or Consumer Perception
- Product Liability & Product Recalls
- Reliance on Key Inputs
- Dependence on Suppliers and Skilled Labour
- Difficulty to Forecast
- Litigation

Please refer to the MD&A as at the fiscal year ended March 31, 2016 for an expanded discussion of risks.

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management also ensures that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable.

The Company's board of directors follow recommended corporate guidelines for public companies to ensure transparency and accountability to shareholders. The board of directors meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

The Company's management is responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Issuer files the Venture Issuer Basic

Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

**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 Business Corporations Act (British Columbia) ("BCBCA") dealing with conflicts 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 Marapharm are required to act honestly, in good faith, and in the best interest of Marapharm.

**CAUTION REGARDING FORWARD LOOKING STATEMENTS**

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 ob0aining an MMPR licence; the Company obtaining rights to grow marijuana in the USA and 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. As required by securities legislation applicable to reporting issuers, it is the Company's policy to update, from time to time, forward-looking information in its periodic management discussions and analyses and provide updates on its activities to the public through the filing and dissemination of news releases and material change reports.

## ADDITIONAL INFORMATION

Additional information related to the Company is available for view on the SEDAR website at www.sedar.com.