ICC INTERNATIONAL CANNABIS CORP.
(Formerly Kaneh Bosm Biotechnology Inc.)

Management's Discussion & Analysis
For the Nine Month Period Ended November 30, 2018

Date: January 28, 2019

General
This Management's Discussion & Analysis ("MD&A") of ICC International Cannabis Corp. (the "Company") has been prepared by management and should be read in conjunction with the condensed consolidated interim financial statements and accompanying notes for the nine months ended November 30, 2018 and the audited financial statements and accompanying notes for the year ended February 28, 2018. The condensed consolidated interim financial statements, together with the following MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The audited financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include the operating results of the Company.

This MD&A was reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on **January 28, 2019.**

The Company's critical accounting estimates, significant accounting policies and risk factors have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian dollars unless noted otherwise.

Additional information relating to the Company, including regulatory filings, can be found on the SEDAR website at www.sedar.com or the Company's website https://intlcannabiscorp.com/

Forward-Looking Statements
Information set forth in this MD&A may involve forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the Company's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology. Forward-looking statements in this MD&A include, but are not limited to: volatility of stock price and market conditions, regulatory risks, difficulty in forecasting, key personnel, limited operating history, competition, investment capital and market share, market uncertainty, additional capital requirements, management of growth, pricing policies, litigation, no dividend history. The risk factors described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company's forward-looking statements. In addition, any forward-looking statements represent the Company's estimates only as of the date of this MD&A and should not be relied upon as representing the Company's estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in MD&A include: (a) execution of the Company's existing plan to become a global leader in the cultivation and distribution of Cannabis and Cannabis related products. Forward looking statements are based on a number of assumptions that may prove to be incorrect including but not limited to assumptions about: the impact of competition; the ability to obtain new financing on acceptable terms; the ability to retain skilled management and staff; currency, exchange and interest rates; the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest. The preceding list is not exhaustive of all possible factors. All factors should be considered carefully when making decisions with respect to the Company. Readers should not place undue reliance on the Company's forward-looking statements, as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that such forward-looking statements will materialize. Unless required by applicable securities laws the Issuer disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, see "Risk Factors".

While the Company considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section titled "Risk Factors".

Overview

ICC International Cannabis Corp. (formerly Kaneh Bosm Biotechnology Inc.), ("the Company") was incorporated on March 1, 2006 pursuant to the Business Corporations Act, (British Columbia). On September 17, 2018, the Company changed its name from Kaneh Bosm BioTechnology Inc. to ICC International Cannabis Corp. The shares of the Company are traded on the Canadian Securities Exchange ("CSE") under the symbol "WRLD.U" and the United States OTC stock market's OTC Pink, under the symbol "WLDCF". The Company's head office and registered and records office is 789 West Pender Street, Suite 810, Vancouver, BC, Canada, V6C 1H2.

The Company is an international cannabis company and through its wholly owned subsidiaries has agreements in place for European-based pharmaceutical distribution, wholesale importation, research and development, as well as, licenses to cultivate, produce, distribute, store, and export Cannabis and Cannabis derivatives and industrial hemp in around the world.

ICC International Cannabis' corporate mandate is to plan, design, build and operate the highest quality, lowest cost Cannabis production, processing and distribution facilities worldwide. ICC boasts an in-depth understanding of both the Cannabis and biomedical industries, as well as world-class experience within the many associated Cannabis industry vehicles and derivatives. The Company is equipped with a suite of comprehensive solutions for emerging companies within the Cannabis industry. ICC's robust service offering allows the Company to formulate key alliances and critical associations within a wide range of Cannabis verticals.

Europe

Denmark
Licences for cannabis cultivation and manufacturing

Portugal
Cultivation, extraction, formulation and export of CBD products

Germany
Cannabis import licence, EU GMP certified packaging and distribution center, 165 hectares of CBD cultivation

Poland
Licences for the extraction and manufacturing of CBD products

Greece
Interest in CBD production licences with conditional pre approval for a medical cannabis licence

Italy
Candidate for one of seven medical Cannabis cultivation licences, CBD cultivation and distribution

Macedonia
Licences for medical cannabis cultivation, extraction, formulation and export

Bulgaria
Licences for medical cannabis cultivation, extraction, formulation and export

United Kingdom
One of three companies to successfully import medical cannabis

Switzerland
Cannabis cultivation and extraction

Malta
Import/export and processing for finished dose medical cannabis

South America

Colombia
Licences to cultivate, produce, distribute, store, and export cannabis and cannabis derivatives

Argentina
820 hectares of potential outdoor cultivation

Africa

Lesotho
Licences to cultivate, produce, distribute, store, and export cannabis and cannabis products

Oceania

Australia
Late stage medical cannabis cultivation applicant, coupled with a Northern Territory sponsorship

35,000 KG — EU-GMP MEDICAL CANNABIS IMPORT AGREEMENT OVER A THREE YEAR TERM WITH WAYLAND GROUP

2,400 KG — OF CBD ISOLATE PRODUCED IN 2018

OVER 2,700 — CANNABIS STRAINS

39,100 PHARMACIES — REPRESENTING 110 CLIENTS IN 16 COUNTRIES

19 LICENCES — FOR CULTIVATION, SPANNING FOUR CONTINENTS

50,000 KG — OF CBD ISOLATE IN 2019

740K KG — OF FORECASTED DIRED CANNABIS PRODUCTION FROM OUTDOOR CANNABIS CULTIVATION

Overall Performance

During the period ended November 30, 2018, management was active in pursuing international cannabis assets and has successfully closed on the following transactions:

MARATHON GLOBAL

COSMOS HOLDINGS

– procurement and distribution

Marathon Global Inc. ("Marathon") has an exclusive agreement with Cosmos Holdings Inc., ("Cosmos") a European based pharmaceutical distributor, to procure and distribute medical cannabis products and all cannabis derivatives for clients of Cosmos in approved countries within its distribution network of 110 clients, representing approximately 35,000 pharmacies in 16 countries. This relationship brings an unparalleled ability to supply the overwhelming demand for Cannabis and Cannabis extracts in Europe as Cosmos brings generations worth of experience and relationship to the Company.

On May 17, 2018 and amended on May 24, 2018, the Company closed a definitive agreement with Marathon to acquire 44.12% of its issued and outstanding share capital. Under the terms of the agreement, the Company issued 15 million shares in exchange for 7,500,000 shares of Marathon. The Company also paid a finder's fee of 1,200,000 shares to an arm's length party in connection with the agreement.

Overall Performance (Continued)

Marathon (Continued)

On May 22, 2018, the Company closed a share purchase agreement with Marathon to purchase 1,000,000 common shares of Marathon at a price of $1.00 per share for total consideration of $1,000,000. Following completion of the share purchase agreement, the Company owns 50% of the issued and outstanding share capital of Marathon.

On June 25, 2018, the Company closed a definitive agreement with Marathon to acquire the remaining 50% of the Company. Under the terms of the agreement, the Company issued 15 million shares and paid $1,000,000. The Company paid a finder's fee of 1,200,000 shares to an arm's length party in connection with the agreement.

In total, the Company paid $2,000,000 in cash and 30,000,000 common shares with a fair value of $14,775,000 for total consideration of $16,775,000. The Company recognized an intangible asset of $16,775,000 and accounted for this acquisition as an asset acquisition.

On November 7th, 2018, the Company announced it has received an inaugural purchase order from Cosmos for 10,000mL of THC Cannabis oil, 5,000g of dried Cannabis flower and 5,000mL of CBD oil. The Company expects to receive subsequent Purchase Orders throughout 2019.

CANAFRICA

-Cultivate, manufacture, supply, hold, import, export and transport cannabis

Through CanAfrica Holdings ("CanAfrica") wholly owned subsidiary, Pharmaceutical Development Company (Pty) Ltd ("PDC"), PDC holds a license to cultivate, manufacture, supply, hold, import, export and transport cannabis and derivative products. The Kingdom of Lesotho, Africa has an ideal climate for low cost greenhouse cannabis production; it averages over 300 days of sunshine annually. Lesotho was the first African nation to legalize medical cannabis in 2017.

Management believes that by establishing a presence in Africa, it will extend its current business model and allow the Company to produce its own products to push through its unique and substantial European distribution networks and into its award-winning BioCanna ADM automated retail system.

On June 1, 2018, the Company completed a share purchase agreement to acquire 100% interest in 2635835 Ontario Inc. dba CanAfrica. Under the terms of the agreement, the Company issued 29.5 million common shares and paid $1,288,635 in cash. The Company issued 2.36 million common shares as a finder's fee to an arm's length finder. Upon acquisition, the Company recognized an intangible asset of $15,934,635.

On September 9, 2018, the Company engaged Volare, a leading Lesotho-based infrastructure and development consultancy firm. Volare will assist with the development of cannabis cultivation, storage and manufacturing facilities and has identified key land parcels that are well suited for agriculture and manufacturing.

Overall Performance (Continued)

Canna Colombia Holdings

– cultivate, produce, hold, sell and export cannabis in Columbia.

Canna Colombia Holdings Inc. ("Canna Colombia"), through its wholly-owned Colombian subsidiary, Cannabis Medical Group SAS ("CM Group"), holds licences to cultivate, produce, hold, sell and export cannabis and its by-products. Colombia has become a highly sought-after jurisdiction for Cannabis cultivation activities as it has a world leading combination of broad public and private sector acceptance, ideal growing conditions and a massive addressable market. CM Group previously acquired 13 hectares of optimal agricultural land located in Funza, the heart of the "Bogota Savanna", which is also one of the safest areas in Colombia. It is conveniently located within a 20km drive to Bogota's international airport. The lease on this land has been prepaid for a period of 10 years.

On June 28, 2018, the Company completed a share purchase agreement with Canna Colombia to acquire 100% of its issued and outstanding share capital. Under the terms of the agreement, the Company paid US$2.0 million (CAD $2,610,400), and issued 30 million common shares. The Company also paid a finder's fee of 2,400,000 common shares to an arm's length party in connection with the agreement. As total consideration, the Company paid US $2.0 and issued 30,000,000 common shares with a fair value of $15,300,000. Upon acquisition, the Company recognized an intangible asset of $17,910,000.

During the period ended November 30, 2018, the Company commenced construction of its Colombia Cannabis Centre of Excellence ("COE"). The Company's COE will serve as headquarters for the Company's flagship property located in Bogota Savannah in Funza, Colombia.

The COE's mission is to advance ICC's craft Cannabis cultivation capabilities. Once complete, the COE will act as a collaboration facility, where renowned industry growers, geneticists and service providers can assemble and pursue revolutionary Cannabis centric projects and initiatives. It is ICC's belief that the COE will assist in catapulting Colombia into a world-class Cannabis cultivation jurisdiction.

During the period ended November 30, 2018, Company began phase 1 construction. The Company is developing a one-hectare, polycarbonate greenhouse. Once completed, the Company will begin test trials of its 10 primary cannabis strains. The Company's COE is forecasted to produce between 25,000 and 40,000 kilograms of dried cannabis flowers per year and once optimized, the project is anticipated to generate up to 500,000 kilograms of dried cannabis flower per annum.

Overall Performance (Continued)

EU CANNABIS
CORP.

-medical cannabis and hemp cultivation, manufacturing, distribution and export

EU Cannabis Corp. ("EU Cannabis") has an option to acquire a 90% working interest in industrial hemp licenses ("Licenses") held by Cannatec Greece A.E. ("Cannatec"). Cannatech currently holds three Licenses covering a total of 16 acres situated within the Greek prefecture of Imathia. These Licenses were granted to Cannatec by the Hellenic Republic Ministry of Agricultural Development and Food and permit EU Cannabis to cultivate, manufacture, distribute and export industrial hemp and its many cannabidiol ("CBD") derived extracts. Greece boasts over 300 days of unadulterated sunshine per year, resulting in attractive climate for outdoor industrial hemp cultivation.

On June 29, 2018, the Company entered into a definitive agreement with EU Cannabis to acquire 100% of EU Cannabis' issued and outstanding shares. EU Cannabis has an option to acquire a 90% working interest in industrial hemp licenses ("Licenses") held by Cannatec Greece A.E. ("Cannatec"). Under the terms of the agreement, the Company paid US$250,000, and issued 18 million common shares. The Company paid a finder's fee of 1,440,000 shares to an arm's length party in connection with the agreement. As total acquisition cost, the Company paid US $250,000 and issued 18,000,000 common shares with a fair value of $10,620,000. Upon acquisition, the Company recognized an intangible asset of $11,050,625.

ICC controls a 16-acre land package situated in northern Greece, which will be dedicated to medical grade cannabis cultivation, extraction, distribution, as well as research and development. Greece boasts over 300 days of unadulterated sunshine per year, resulting in attractive climate for outdoor Cannabis cultivation. ICC's distribution network of approximately 35,000 pharmacies throughout 16 countries will complement the company's Greek cultivation capabilities.

Greece is a European Union ("EU") member country and will operate as ICC's southern European cultivation and production hub. The EU has a population of over 500 million, affording ICC with a unique opportunity to service this high-growth marketplace. The service and tourism sectors amount to the majority of Greece's economic output, contributing close to 85 per cent of annual gross domestic product. Approximately 16.5 million tourists visit Greece each calendar year.

During the period, he Company issued 12,000,000 common shares and $200,000 to an arms length party to acquire a conditional medical cannabis cultivation license in Greece. In connection with this acquisition, the Company issued 1,200,000 common shares as a finders fee.

Also, the Company is in the process of collaborating with the Greek government to obtain an inaugural medical cannabis cultivation license through the acquisition of 1153596 BC Ltd. The Company has received a preapproval support letter for a medical cannabis cultivation license ("License") from Hellenic Republic of Greece. The License allows the Company to begin construction of a planned medical cannabis cultivation facility in Imathia, Greece.

Overall Performance (Continued)

ARICANNABIS

-consumer products, strategic partnerships, management, educational and training resources

On August 15, 2018, the Company completed a share exchange agreement to acquire 100% interest in Ariacannabis Biotech Corp. ("Aricannabis").

Aricannabis works on an exclusive basis with NuCare Health ("NuCare") to provide Cannabis products to over 2,800 independent and corporate pharmacies across South Africa. NuCare also provides their medical partners with the following:

- Access to innovative consumer products;
- Strategic partnerships with key suppliers;
- Management of channel pressure; and
- Educational and training resources

Pursuant to the acquisition, the Company issued 2,000,000 common shares with a fair value of $1,120,000. The Company recognized an intangible asset of $1,120,000.

DANAVIAN
Cannabis Ltd.

-Licenses for cannabis cultivation and manufacturing, management, agricultural technologies

On August 22, 2018, the Company entered into a share purchase agreement to acquire 100% interest in Danavian Cannabis Ltd ("Danavian").

Danavian controls licenses for cannabis cultivation and manufacturing in the Kingdom of Denmark. Kaneh Bosm's entry into Denmark mirrors industry peers such as Canopy Growth Corporation, Green Organic Dutchman Holdings, Aurora Cannabis Inc. and CannTrust Holdings.

Danavian has engaged an Israeli cannabis organic cultivation and management company, Sababa Sciences Inc. ("Sababa Sciences"). Sababa Sciences will provide end-to-end management including the implementation of advanced Israeli agricultural technologies for high quality medical cannabis treatments. Danavian and Sababa Sciences have designed a 55,000 square foot, fully automated greenhouse facility that will meet IMC-GAP, ISO:9001 and European GMP standards. Finished cannabis and cannabis derivatives produced by Danavian will be sold through Denmark's retail pharmacy network.

On January 1, 2018, Denmark legalized medical cannabis following a unanimous vote by the Danish parliament. Since legalization, the Danish government has displayed strong support for cannabis development, in the forms of research grants and tax incentives.

Overall Performance (Continued)

Danavian (Continued)

Danavian holds claim to premier European cannabis assets; domiciled in a jurisdiction with a highly skilled agriculture and manufacturing workforce. Davavian also boasts various industry relationships that will complement future development potential throughout Scandinavia. Continued development of Danavian's Danish cannabis portfolio will help serve both local and export market demand. Danavian is tactically positioned in immediate proximity to Germany, allowing for direct imports of CBD products, as well as medical cannabis flower.

During the period ended November 30, 2018, the Company paid $1,569,819 in cash.

During the period ended November 30, 2018, the Company issued 37,800,001 common shares pursuant to the acquisition commitments.

The Company issued 3,024,000 common shares as finder's fees for the acquisition to an arm's length party.

- *Hemp processing and extraction license*

Subsequent to period end, the Company announced the agreement with Polannabis Holdings ("Polannabis"). Polannabis, through its subsidiary, controls a Polish hemp processing and extraction licence. The licence permits the extraction and manufacturing of Cannabinoid ("CBD") derived products from hemp. Polannabis has access to over 850 acres of premium hemp crops; estimated to produce up to 6,800 tons of material for CBD extraction.

Polannabis boasts an existing extraction and manufacturing facility, equipped with a proprietary Hydrocarbon extraction technologies. Polannabis' operations are currently producing CBD isolates, distillates, bulk oils, paste and tinctures. Through its agreement with Maria Curie-Sklodowska University ("MCSU"), one of the largest universities in Poland, Polannabis has established superior post-processing separation protocols and testing procedures. The strategic, research and operational joint-venture with MCSU, located in Lublin, Poland, provides product testing, analytical services, as well as process and product development support.

Polannabis brings a highly experienced roster of engineering, scientific, logistics, marketing and sales personnel, as well as existing sales agreements in various European Union ("EU") member countries. Polannabis has secured a monthly off-take agreement for 100 kilos of 99.9% CBD isolate. The off-take agreement will be initiated immediately upon the completion of its planned capacity and processing expansion. ICC's immediate investment in Polannabis will increase its CBD extraction capacity to an initial run-rate of over 2,400,000 grams per year, prior to the Phase II build out which will begin in 2019.

ICC has engaged Sababa Sciences ("Sababa"), an Israeli based cannabis company to design, build and oversee the expansion of Polannabis' Polish assets. Sababa's team has extensive experience in cannabinoid extraction, organic cultivation, product development and medical research.

Poland is the sixth most populous EU member state and collectively with Greece will function as ICC's flagship European hemp cultivation and extraction hub. The EU has over 500 million potential consumers, affording ICC with a unique opportunity to service this high growth marketplace. The acquisition of Polannabis provides ICC with immediate revenue generation and the ability to leverage its European distribution network. ICC has an exclusive agreement with Cosmos Holdings ("Cosmos"), a European based pharmaceutical distributor, to procure and distribute medical cannabis products and all cannabis derivatives for clients of Cosmos in approved countries within its distribution network of 110 clients. Cosmos' distribution network represents approximately 35,000 pharmacies across 16 countries.

Overall Performance (Continued)

Polannabis (Continued)

In connection with the transaction, ICC will fund the current business for initial development and European expansion with a $2,500,000 capital infusion. Subsequent to period end, the Company issued 26,515,151 shares. A contingent consideration of up to CAD $2.5 million in cash to founding principles may be paid based on Polannabis achieving CAD $25 million in EBITDA by 2021. ICC plans to invest an additional CAD $2 million.

GREEN GENE
RESEARCH INC

- *Craft cannabis strains seeds and genetics*

On November 27, 2018, the Company acquired Green Gene Research Inc. ("Green Gene"), via a three-cornered amalgamation with the Company's wholly owned subsidiary, 1187483 B.C. Ltd. Green Gene boasts experience in the fields of Cannabis research, testing, cultivation, as well as the optimization of proprietary seeds and strains.

Green Gene controls a portfolio of over 120 laboratory tested-craft cannabis strains, which the Company intends to leverage to differentiate its products. The laboratory tested craft cannabis strains have been curated and assembled by a team of experienced geneticists and breeders. The Company can leverage these cannabis strains to realize consistent cash flows including:

- Licensing of premium genetics strains;
- Wholesale seed sales;
- Clone fulfilment services;
- Custom breeding programs; and,
- Tissue culture and strain patenting services.

As part of the transaction, Green Gene will transfer ownership of its strain portfolio, seed inventory and clone catalogue to the Company. As consideration, the Company issued 10,000,000 common shares with a fair value of $4,200,000 and 800,000 finder common shares with a fair value of $336,000.

ENIGMA

- *Portuguese hemp cultivation and processing license*

In December 2018, the Company acquired Enigma Unipesoal Lda ("Enigma"). Enigma controls one of the first hemp licenses in Portugual, which permits the cultivation, processing, importing and exploration of hemp-derived product. In 2015, Enigma harvested its first hemp crop and has become a notable importer of proprietary hemp seeds. The License allows the Company to cultivate hemp on 400 acres of fertile agricultural land in the Castelo Branco region of Portugal . The Company estimates yields of 45,000 kg of finished, extracted , pure cannabidiol isolate per annum.

In connection with the transaction, the Company issued 18,000,000 common shares and 1,800,000 finder common shares.

Overall Performance (Continued)

- *Macedonian medical cannabis cultivation and extraction license and Bulgarian medical cannabis and hemp cultivation license*

In December 2018, the Company acquired Balkan Cannabis Corp. ("Balkan"). Balkan controls Macedonian medical cannabis cultivation and extraction licenses as well as Bulgarian medical cannabis and hemp cultivation licenses. The Company intends to leverage Balkan's extensive Eastern Europe network to target the second wave of European cannabis legislation and Balkan intends to be the first mover within the Eastern Europe medical cannabis and hemp industry.

Through Balkan's subsidiary ("Macedonia Subsidiary"), the Company is granted an exclusive agreement with an existing facility to cultivate, manufacture and export medical cannabis in Macedonia. The facility is located on a 30-hectare land parcel in Valandovo, Macedonia. Balkan controls 67% of Macedonia Subsidiary with the remainder owned by a strategic regional partner.

Through Balkan's subsidiary ("Bulgarian Subsidiary"), the Company is granted a license to produce, manufacture and export hemp and medical Cannabis. Balkan controls 50% interest of the subsidiary with the remainder owned by a strategic partner. Through the Bulgarian Subsidiary, the Company controls a 15,000 hectare land parcel.

In connection with the transaction and subsequent to period end, the Company issued 61,000,000 common shares.

- *Global international assets and license portfolio*

On January 15, 2019, the Company entered into a Letter of Intent ("LOI") with Wayland Group Corp. ("Wayland") to acquire 49.9% of Wayland's international assets and license portfolio. Upon completion of the LOI, the Company will acquire the following operations, partnerships, licenses and assets (Collectively, the "Assets"):

- German Cannabis import license, indoor medical cannabis cultivation license application, 820,000 ft2 facility with 50,000 sq. ft. certified packaging/distribution center (replacement cost of 110M Euro), annual production of over 2,400 kg of CBD isolate, 165 hectares of CBD cultivation operations, as well as a three-year agreement to supply medical Cannabis to 2,200 pharmacies.

  The 820,000 ft2 Ebersbach Facility has a replacement cost of 110M Euro. Of the many applicants for German medical THC cultivation licenses, only two have a completed facility and of those that do, the largest is 14,000 sq. ft. or 1.7% the size of the Ebersbach Facility.

- Swiss cannabis cultivation operation, with 60,000 square foot cultivation facility, proprietary genetics portfolio available for export, THC distillate import capabilities and material revenues from Haxxon AG operations;
- Leading candidacy for one of seven medical cannabis licences to be issued by the Italian government, as well as an ownership interest in a joint venture to produce Cannabis products;
- Maltese license to manufacture finished-dose medical Cannabis;

Overall Performance (Continued)

Wayland (Continued)

- Colombian licences for THC/CBD production, extraction and export and pending access to a EU- GMP certified API facility for Cannabis distillate processing;
- Leading candidacy for UK-based medical Cannabis iport license, Australia late stage medical Cannabis applicant;
- Leading candidacy for the first Argentinian Federal Medical Cannabis licence, approval expected in early 2019, existing supply agreements for CBD products; and
- Integration of Wayland's European operations teams into the International Subsidiary.

As consideration for the Assets, the Company will issue 300,000,000 common shares at a deemed value of USD $0.43 per share.

Strategic Partnerships

On August 17, 2018, the Company entered into a strategic agreement with Auxly Cananbis Group Inc. ("Auxly"). Auxly subscribed to $5,000,000 of senior unsecured conventible debentures ("Debenture") of the Company by way of a non-brokered private placement. The Debenture bear a coupon of 8% and matures on September 17, 2021. The Debentures can be convereted into units at the option of Auxly, at an exercise price of $0.53 per unit; each unit consists of one common share and one share purchase warrant of the Company exercisable at $1.06 for a period of three years. Auxly will provide guidance and assistance for all future production facility design and development, cannabis licensing and regulatory compliance, cultivation-strategy development, branding and marketing matters, distribution-channel expansion and related financing.

Green Tree International Inc.

On November 1, 2018, the Company acquired 9.1% of Green Tree International Inc. ("Green Tree") through an investment of USD $1,000,000. Green Tree is the parent Company of Amercanex. The Company will collaborate with Amercanex to deploy it's revolutionary Electronic Cannabis Market ("ECM"). ECM is a transactional platform that will change the cannabis and hemp industry. By identifying market opportunities, and the needs of the users, the Company will improve pricing, fill demand and improve inventory management while systematically reducing overall expenses and regulatory compliance costs.

On November 6, 2018 the Company acquired 5% of the outstanding share capital of Cannabis Lifestyle Partners Corp ("CLP"). in consideration for a cash payment of USD $3,500,000 (CAD $4,595,500). CLP entered into an agreement with Authentic Brand Group ("ABG") to create a partnership for the sale of cannabis products to key companies and individuals.

ABG is the owner of iconic global brands, such as Marilyn Munroe and Tapout, and can leverage its connections and expertise to develop, market, and distribute consumer cannabis products across the world.

Equity Transactions

On April 5, 2018, the Company closed a non-brokered private placement consisting of 16,030,000 units at a price of $0.25 per unit for gross proceeds of $4,007,500. Each unit is comprised of one common share and one common share purchase warrant. Each warrant will be exercisable by the holder to purchase one additional common share per warrant at an exercise price of $0.50 for a period of two years.

The Company intends to use the net proceeds for acquisitions and general working capital. The table below provides a breakdown of the intended use, the amounts used to date and any variances.

Intended use of proceeds		**Amount to date November 30, 2018**		**Variances**
Cannabis acquisitions (70%)	$2,805,250	Cannabis acquisitions (70%)	$3,399,479	594,229
General Working Capital (30%)	$1,202,250	General Working Capital (30%)	$608,021	(594,229)
Total	$4,007,500	Total to date	$4,007,500	-

Variances occurred as the Company incurred higher than expected acquisition costs, which was offset by controlling and maintaining general working capital expenditures.

Equity Transactions (Continued)

On June 19, 2018, the Company completed a non-brokered private placement consisting of 10,000,000 units ("Units") at a price of $0.50 per Unit for gross proceeds of $5,000,000. Each Unit was comprised of one common share and one common share purchase warrant; each warrant will be exercisable by the holder to purchase one additional common share per warrant at an exercise price of $0.50 for a one-year period. In conjunction with the private placement, the Company incurred finders' fees consisting of cash of $108,007 and finders' warrants measured at a fair value of $44,102. A total of 120,000 finders' warrants were granted with the same terms as the warrants issued as part of the private placement units. Finders' warrants were valued using the Black-Scholes Option Pricing Model with the following assumptions: stock price - $0.51; exercise price - $0.51; expected life – 1 year; volatility – 215%; dividend yield -$0; and risk-free rate – 1.84%.

The Company intends to use the net proceeds for acquisitions and general working capital. The table below provides a breakdown of the intended use, the amounts used to date and any variances.

Intended use of proceeds		**Amount to date November 30, 2018**		**Variances**
Cannabis acquisitions (90%)	$4,402,794	Cannabis acquisitions (70%)	$4,500,000	97,206
General Working Capital (10%)	$481,199	General Working Capital (30%)	$391,993	(89,206)
Total	$4,891,993	Total to date	$4,891,993	

Variances occurred as the Company incurred higher than expected acquisition costs, which was offset by controlling and maintaining general working capital expenditures.

On November 15, 2018, the Company completed a non-brokered private placement consisting of 8,426,664 units ("Units") at a price of $0.60 per Unit for gross proceeds of $5,055,998. Each Unit was comprised of one common share and one common share purchase warrant; each warrant will be exercisable by the holder to purchase one additional common share per warrant at an exercise price of $1.20 for a three year period. In conjunction with the private placement, the Company incurred finders' fees consisting of cash of $377,353 and finders' warrants measured at a fair value of $19,135. A total of 45,600 finders' warrants were granted with the same terms as the warrants issued as part of the private placement units. Finders' warrants were valued using the Black-Scholes Option Pricing Model with the following assumptions: stock price - $0.49; exercise price - $0.1.20; expected life – 3 year; volatility – 192%; dividend yield -$0; and risk-free rate – 2.26%.

The Company intends to use the net proceeds for acquisitions and general working capital. The table below provides a breakdown of the intended use, the amounts used to date and any variances.

Intended use of proceeds		**Amount to date November 30, 2018**		**Variances**
Cannabis acquisitions (80%)	$3,742,916	Cannabis acquisitions or investments (80%)	$1,383,844	-
General Working Capital (20%)	$935,729	General Working Capital (20%)	$345,961	-
Total	$4,678,645	Total to date	$1,729,805	-

Variances occurred as the Company incurred higher than expected acquisition costs, which was offset by controlling and maintaining general working capital expenditures.

During the period ended November 30, 2018, the Company issued 3,119,000 common shares pursuant to warrant exercises for gross proceeds of $1,473,500. During the period ended November 30, 2018, the Company issued 2,421,911 common shares pursuant to stock option exercises for gross proceeds of $1,086,875.

During the period, the Company entered into a strategic agreement with Auxly, and issued unsecured convertible debentures for $5,000,000.

Subsequent to period end, 50,000 stock options were exercised for gross proceeds of $10,000, and 50,000 warrants were exercised for gross proceeds of $3,500.

Results of Operations for the nine month period ended November 30, 2018 compared to 2017

	Three months ended November 30, 2018 $	**2017 $**	**Nine months ended November 30, 2018 $**	**2017 $**
Expenses				
Accretion of convertible debenture	**57,224**	-	**57,224**	-
Consulting fees	**1,789,277**	73,667	**2,069,124**	151,667
Corporate development	**2,295,755**	-	**2,569,069**	-
General and administration	**50,697**	7,567	**129,493**	13,850
Investor communications	**16,266**	2,405	**53,952**	14,536
Interest	**87,310**	266	**87,310**	7,760
Interest income	**(7,403)**	-	**(7,403)**	-
Professional fees	**255,421**	11,900	**366,870**	30,502
Regulatory and filing fees	**16,970**	-	**16,970**	-
Share based compensation	**5,782,259**	-	**10,311,903**	-
Web development	**12,633**	-	**12,633**	-
	(10,386,409)	(95,895)	**(15,667,145)**	(218,315)
Other items				
Gain on debt settlement	**35,500**	-	**35,500**	-
Foreign exchange loss	**(18,137)**	(7)	**(11,215)**	(57)
Loss and comprehensive loss for the period	**(10,369,046)**	(95,902)	**(15,642,860)**	(218,372)
Loss and comprehensive loss per share	**(0.05)**	(0.01)	**(0.12)**	(0.01)
Weighted average number of shares outstanding	**213,145,101**	12,792,751	**126,341,670**	15,001,261

Results of Operations for the nine month period ended November 30, 2018 compared to 2017 (Continued)

During the nine and three month period ended November 30, 2018, the Company completed a number of strategic cannabis acquisitions. For the comparative period, the Company was rather in-active other than a few related party transactions. The previous period is therefore not indicative of the current period and therefore does not provide the reader with an appropriate benchmark to evaluate performance period over period.

During the nine-month period ended November 30, 2018, the Company incurred loss and comprehensive loss of $15,642,860 compared to $218,372 in the comparative period. Explanations of the nature of costs incurred, along with explanations for those changes in costs are discussed below:

- Share based compensation increased to $10,311,903 compared to $Nil as the Company granted stock options to directors, officers and consultants. On June 22, 2018, the Company issued 7,591,911 stock options at an exercise price of $0.51 per common share for a 5-year period. On September 13, 2018, the Company issued 11,240,400 stock to consultants at an exercise price of $0.51 per common share for a 5-year period. On November 21, 2018, the Company issued 500,000 stock options with an exercise price of $0.47 per common share for a 5-year period. The aggregate fair value of these stock options issued was $10,311,903. This compared to $Nil in the comparative period.
- Professional fees and general and administration increased to $366,870 and $129,493 compared to $30,502 and $13,850 in the comparative period, respectively. The overall increase is attributed to legal and accounting fees and an increase in travel and office fees in connection with the various acquisitions.
- Investor communications increased to $53,952 from $14,536 as the Company's public filing activity substantially increased during the period.
- Regulatory and filing fees increased to $16,970 from $Nil as the Company completed regular and mandatory filings with the Canadian Securities Exchange.
- Consulting fees and corporate development increased to $2,069,124 and $2,569,069 as the Company hired consultants and various fees in connection with the acquisitions, respectively. The Company relies heavily on Consultants to help them achieve their goals on all facets of business and these consultants bring a wide range of expertise and connections to the Company. Consultants include Management, Advisors, Technical Support and other support roles. Corporate development consists of expenses incurred to increase the Company's global brand awareness and presence in the Cannabis industry. Q3 2019 was a crucial quarter for the Company, with the Company completing numerous acquisition's during and subsequent to the period. Specifically, the Company completed the Danavian, Green Gene and 115 acquisition, while actively negotiating the Pollanabis, Enigma, Balkan, Green Tree, Cannabis Lifestyle Partners Corp. and Wayland acquisitions. This requires substantial consultation and due diligence to ensure these transactions are fairly priced and beneficial to the Company and its shareholders. As a result, in line with expectations, consultation and corporate development increased during the period.

During the three-month period ended November 30, 2018, the Company incurred loss and comprehensive losses of $10,369,046 compared to $95,902. A significant amount of the overall expenditures was incurred during the three-month period ended November 30, 2018 and the explanations of the nature of cost incurred are similar to the above descriptions.

Summary of Quarterly Results

The following table sets forth selected quarterly financial information for each of the last eight most recently completed quarters. This information is derived from audited financial statements prepared by management and unaudited interim condensed consolidated financial statements. The information is reported in accordance with IFRS and expressed in Canadian Dollars unless otherwise stated.

	2019			2018				2017
	Qtr 3	Qtr 2	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4
	$	$	$	$	$	$	$	$
Revenue	-	-	-	-	-	-	-	-
Total assets	114,712,663	69,573,988	3,981,304	105,814	191,487	161,424	17,489	25,062
Long term liabilities	3,726,283	-	-	-	-	-	-	-
Net Loss	(10,369,046)	(5,128,453)	(101,319)	(770,528)	(95,902)	(65,419)	(57,051)	(137,505)
Basic and diluted loss per share	(0.05)	(0.04)	(0.00)	(0.05)	(0.01)	(0.00)	(0.00)	(0.01)

The amount and timing of expenses and availability of capital resources vary substantially from quarter to quarter, depending on the level of activities being undertaken at any time and the availability of funding from investors or collaboration partners. The increase from Q3 2019 from Q2 2019 relates to the issuance of stock based compensation of $5,782,259. Furthermore, the Company completed several acquisition during Q3 2019 that required the consultation of lawyers, consultants and accountants, resulting in an overall increase in expenditures. Assets increased as the Company completed acquisition's during the period, increasing the overall value of intangible assets. Long term liabilities increased in Q3 2019 as the Company entered into a convertible debt agreement. The significant increase in Q2 2019 and Q4 2018 relates to the fair value of share-based payment expense for options granted and consulting and professional fees incurred to pursue cannabis projects. The significant increase in 2019 Q2 is mostly related to non-cash stock based compensation expense of $4,529,644. The remaining increases are related to expenses incurred in connection to the numerous acquisitions that occurred during the year and advertising to increase brand awareness. Furthermore, the Company updated its management and incurred fees to retain their expertise.

Liquidity and Capital Resources

The financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to execute the Company's business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise the Company's business programs depending on its working capital position.

The Company has financed its operations to date through the issuance of common shares.

	November 30, 2018	February 28, 2018
	$	$
Working capital (deficit)	4,629,503	(96,381)
Liabilities	256,953	294,016
Deficit	20,763,134	5,120,274

Other than the above mentioned current liabilities, the Company has no short-term capital spending requirements and future plans and expectations are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests

Liquidity and Capital Resources (Continued)

The Company's future revenues, if any, are expected to be from the sale of hemp and cannabis and their related derivatives. The economics of developing and producing cannabis are affected by many factors including the cost of operations, variations in the quality of cannabis, and the price of cannabis and related derivatives. There is no guarantee that the Company will be able to successfully develop its production facilities and distribution channels.

Liquidity and Capital Resources – Cash Flow

Operating Activities:

During the period ended November 30, 2018, $4,878,832 (2017 - $387,279) cash was used in operating activities. This consisted mainly of cash paid for consulting, corporate development, due diligence and day to day expenditures related to the various acquisitions completed during the period. Furthermore, the Company advanced cash to its various subsidiaries to build out its facilities and operations around the world. Included in prepaid expenses are $1,066,821 in prepaid consulting expenses. The Company recorded non cash stock based compensation of $10,311,903.

Financing Activities:

During the period ended November 30, 2018, $21,123,513 of cash was provided by financing activities. The Company completed three private placements for net proceeds of $13,578,138, exercised warrants for gross proceeds of $1,473,500 and exercised stock options for gross proceeds of $1,086,875. The Company entered into a strategic investment with Auxly Cannabis Group ("Auxly") where Auxly subscribed for $5,000,000 of senior unsecured convertible debentures of the Company. As consideration, Auxly can access the Company's strategic international cannabis licenses, assets and distribution networks.

Investing Activities:

During the period ended November 30, 2018, $13,384,280 was used in investing activities. This primarily consists of payments made on acquisition of Canna Colombia, EU Cannabis, Marathon, Danavian and Canafrica. Furthermore, the Company made strategic investments in Cannabis Lifestyle Partners Corp. ("CLP"), whereby acquiring 5% of the outstanding common shares of CLP in exchange for USD $3,500,000 (CAD $4,595,500). Furthermore, the Company advanced EUR $500,000 (CAD $758,250) to VF 1883 Pharmaceuticals, LDA, to acquire land, building, and a cannabis cultivation and sale license in Portugal. The loan bears interest of 6% per annum, is unsecured and matures on March 1, 2019. See the unaudited condensed interim financial statements for the period ended November 30, 2018 for further acquisition details.

Management's current strategy is to continue to look for marijuana related projects and cannabis related companies to acquire. As the Company has not generated positive cash flows, management recognizes the Company's need to continue to raise funds through the sale of its securities.

In the event that proceeds from any future financings are insufficient to cover planned expenditures, Management will allocate available resources in such manner as deemed to be in the Company's best interest. This may result in a significant reduction in the scope of existing and planned operations.

These financial statements do not reflect any adjustments related to the recoverability and classification of assets or the amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

Related Party Transactions

The Directors and Executive Officers of the Company are as follows:

Eugene Beukman	Chief Executive Officer and Director
Michael Martinz	President and Director
Peter Nguyen	Chief Financial Officer
Kent Ausburn	Director
Brendan Purdy	Director

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

	Nine months period ended	
	November 30, 2018	**November 30, 2017**
	$	**$**
St. Cloud Mining (Rudy de Jonge, former CEO) – Management Fees	40,000	90,000
Consulting fees to the former CFO	8,000	18,000
Fees charged by the CFO	11,000	-
Consulting fees charged by a private company controlled by the CEO	50,000	-
Professional fees charged by a private company controlled by the CEO	119,221	-
Stock based compensation	119,328	74,699
Total	347,549	182,699

Included in accounts payable and accrued liabilities is $2,000 (February 28, 2018 - $70,221) payable to directors and officers of the Company.

Proposed Transactions

The Company does not currently have any proposed transactions approved by the Board of Directors. All current transactions are fully disclosed in the interim consolidated financial statements for the period ended November 30, 2018.

Investor Relations

The Company has not entered into any investor relations contracts and all investor relation activity is carried out by directors and officers of the Company.

Financial Instruments

The Company classifies its cash and cash equivalents as financial assets at fair value through profit or loss and accounts payable and accrued liabilities and loan payable as other financial liabilities. The fair values of payable and accrued liabilities and loan payable approximate their carrying values due to the short-term nature of these instruments. Convertible debenture was initially valued under Level 3 of the fair value hierarchy using a discount rate of 20%, which was based on similar debt for comparable companies.

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in IFRS 7 – *Financial Instruments – Disclosures*:

Level 1 – Observable inputs other than quoted prices include in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities that are not active; or other inputs that are observable or can be corroborated by observable market data. Cash and cash equivalents are classified as Level 1.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs which are supported by little or no market activity.

Financial Instruments (Continued)

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents which are held in large Canadian financial institutions. The Company believes this credit risk is insignificant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at November 30, 2018, the Company had cash balance of $2,948,840 (February 28, 2018 - $73,491) to settle current liabilities of $256,953 (February 28, 2018 - $187,195). In general, the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash balances and and convertible debt subject to interest rate risk Interest rate risk is limited due to the fact that the convertible debt has a fixed rate of interest.

Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

As the Company operates in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency transaction and translation risks.

The Company's main risk is associated with the fluctuation of Danish Krones, as the Company holds cash and VAT receivable denominated in Danish Krones. The Company has deteremined that as at November 30, 2018, the risk of foreign currency risk is limited as the Company holds nominal amount of foreign currency.

As of November 30, 2018, the Company had no hedging agremeents in place with respect to foreign exchange rates. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risk at this time.

Other MD&A Disclosure Requirements

Disclosure by venture issuer
An analysis of the material components of the Company's general and administrative expenses is disclosed in the financial statements to which this MD&A relates.

Outstanding Share Data
As at the date of this document, **January 28, 2019,** the Company had the following number of securities outstanding:

- 363,828,833 common shares issued and outstanding
- 22,382,311 options outstanding
- 39,998,502 warrants outstanding

Subsequent Events

The Company completed several share issuances subsequent to the period ended November 30, 2018:

- Issuance of 26,515,151 common shares and 2,121,212 finder common shares relating to the Polannabis agreement;
- Acquired Enigma through the issuance of 18,000,000 common shares and 1,800,000 finder common shares;
- Balkan and its subsidiaries through the issuance of 61,000,000 common shares and 4,880,000 finder common shares;
- Settled the acquisition of 9.1% of Green Tree International Inc. through the issuance of 2,401,786 common shares for a deemed value of USD $750,000; and,
- Issued 1000,000 common shares pursuant to a warrant exercise and option exercise for gross proceeds of $13,500.

The Company issued stock options:

- On December 10, 2018, the Company granted 1,691,911 stock options to a consultant of the Company, with an exercise price of $0.51 and a term of 5 years.
- On December 12, 2018, the Company granted 750,000 stock options to a consultant of the Company, with an exercise price of $0.415 and a term of 5 years.
- On January 2, 2019, the Company granted 1,000,000 stock options to consultants of the Company, with an exercise price of USD $0.25 and a term of 5 years.

The Company entered into an Letter of Intent with Wayland to acquire 49.9% of Wayland's international assets for 300,000,000 common shares.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosures concerning the Company's expenses are provided in the Company's statement of loss and comprehensive loss and note disclosures contained in its interim condensed financial statements for the period ended November 30, 2018. These statements are available on its SEDAR Page. Site accessed through www.sedar.com.

Risks Related to the Company's Business

This section discusses factors relating to the business of Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

Reliance on Licensing

The ability of the Company to continue its business of growth, storage and distribution of medical marijuana is dependent on the good standing of all licenses, including the licenses to produce and sell cannabis and hemp derivatives, and adherence to all regulatory requirements related to such activities. Any failure to comply with the terms of the licenses, or to renew the licenses after their expiry dates, would have a material adverse impact on the financial condition and operations of the business of the Company. Although the Company believes that it will meet the requirements of future extensions or renewals of the licenses, there can be no assurance that the regulating bodies will extend or renew the licenses, or if extended or renewed, that they will be extended or renewed on the same or similar terms. Should the regulatory bodies not extend or renew the licenses, or should they renew the licenses on different terms, the business, financial condition and operating results of the Company would be materially adversely affected.

Change in Law, Regulations and Guidelines

The Company's business is subject to a variety of laws, regulations and guidelines relating to marketing, distribution, cultivation, management and sale and disposal of medical marijuana but also laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines may cause adverse effects to the Company's operations. The Liberal Party of Canada, which has formed the current federal Government of Canada, has made electoral commitments to legalize, regulate and tax recreational cannabis use in Canada. On April 13, 2017, the Government of Canada introduced the Cannabis Act. On June 19, 2018, Prime Minister Justin Trudeau announced that the Cannabis Act and its regulations will come into force in Canada on October 17, 2018, on order to provide the provinces and territories time to prepare for retail sales. The Cannabis Act passed its final legislative step and received Royal Assent on June 21, 2018. The legislative framework pertaining to the Canadian recreational cannabis market will be subject to significant provincial and territorial regulation.

Regulatory Risk

Achievement of the Company's business objectives are contingent, in part, upon compliance with the regulatory requirements, enacted by these government authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by government authorities. 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 Company's business, results of operation and financial condition.

Limited Operating History and No Assurance of Profitability

The Company is subject to all of the business risks and uncertainties associated with any early stage enterprise, including under-capitalization, cash shortages, limitation with respect to personnel, financial and other resources, and lack of revenues. The Company has incurred operating losses in recent periods. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of the early stage of operations.

Unfavourable Publicity or Consumer Perception

The success of the medical marijuana industry may be significantly influenced by the public's perception of marijuana's medicinal applications. Medical marijuana is a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to medical marijuana will be favourable. The medical marijuana industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical marijuana is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of medical marijuana may have a material adverse effect on our operational results, consumer base and financial results.

Realization of Growth Targets

The Company's ability to produce marijuana is affected by a number of factors, including plant design errors, non-performance by third party contractors, increases in materials or labour costs, construction performance falling below expected levels of output or efficiency, environmental pollution, contractor or operator errors, breakdowns, aging or failure of equipment or processes, labour disputes, as well as factors specifically related to indoor agricultural practices, such as reliance on provision of energy and utilities to the facility, and potential impacts of major incidents or catastrophic events on the facility, such as fires, explosions, earthquakes or storms.

Additional Financing

There is no guarantee that the Company will be able to execute on its strategy. The continued development of the Company may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business strategy or the Company ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other Companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may contain provisions, which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Company's ability to pursue its business objectives.

Uninsured or Uninsurable Risk

The Company may be subject to liability for risks against which it cannot insure or against which the Company may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company's normal business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position and operations.

Key Personnel

The Company's success will depend on its directors' and officers' ability to develop and execute on the Company's business strategies and manage its ongoing operations, and on the Company's ability to attract and retain key quality assurance, scientific, sales, public relations and marketing staff or consultants now that production and selling operations have begun. The loss of any key personnel or the inability to find and retain new key persons could have a material adverse effect on the Company's business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense, and no assurance can be provided that the Company will be able to attract or retain key personnel in the future, which may adversely impact the Company's operations.

Jurisdictions Outside of Canada

The Company has acquired several Company's outside of Canada and further intends to expand its operations and business into global markets. There can be no assurance that any market for the Company's products will develop in any such foreign jurisdiction. The Company may face new or unexpected risks or significantly increase its exposure to one or more existing risk factors, including economic instability, changes in laws and regulations and the effects of competition. These factors may limit the Company's capability to successfully expand its operations and may have a material adverse effect on the Company's business, financial condition and results of operations.

Strategic Alliances

The Company currently has, and may in the future enter into, strategic alliances with third parties that the Company believes will complement or augment its existing business. The Company's ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance our business, and may involve risks that could adversely affect the Company, including significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that the Company's existing strategic alliances will continue to achieve, the expected benefits to the Company's business or that the Company will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on the Company's business, financial condition and results of operations.

New Product Development

The medical cannabis industry is, and the recreational cannabis industry will be, in its early stages of development and it is likely that the Company, and its competitors, will seek to introduce new products in the future. In attempting to keep pace with any new market developments, the Company may need to expend significant amounts of capital in order to successfully develop and generate revenues from new products introduced by the Company. As well, the Company may be required to obtain additional regulatory approvals from Health Canada and any other applicable regulatory authority, which may take significant amounts of time. The Company may not be successful in developing effective and safe new products, bringing such products to market in time to be effectively commercialized, or obtaining any required regulatory approvals, which, together with any capital expenditures made in the course of such product development and regulatory approval processes, may have a material adverse effect on the Company's business, financial condition and results of operations.

Litigation

The Company may become party to litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect its business. Monitoring and defending against legal actions, whether or not meritorious, can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant and we could, in the future, be subject to judgments or enter into settlements of claims for significant monetary damages. While the Company has insurance that may cover the costs and awards of certain types of litigation, the amount of insurance may not be sufficient to cover any costs or awards. Substantial litigation costs or an adverse result in any litigation may adversely impact the Company's business, operating results or financial condition.

Agricultural Operations

Since the Company's business will revolve mainly around the growth of medical marijuana, an agricultural product, the risks inherent with agricultural businesses will apply. Such risks may include disease and insect pests, among others. Although the Company expects to grow its product in a climate controlled, monitored, indoor location, there is no guarantee that changes in outside weather and climate will not adversely affect production. Further, any rise in energy costs may have a material adverse effect on the Company's ability to produce medical marijuana.

Transportation Disruptions

The Company will depend on fast, cost-effective and efficient courier services to distribute its product. Any prolonged disruption of this courier service could have an adverse effect on the financial condition and results of operations of the Company. Rising costs associated with the courier service used by the Company to ship its products may also adversely impact the business of the Company and its ability to operate profitably.

Fluctuating Prices of Raw Materials

The Company's revenues will be derived from the production, sale and distribution of marijuana. The price of production, sale and distribution of marijuana will fluctuate widely due to how young the marijuana industry is and is affected by numerous factors beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new production and distribution developments and improved production and distribution methods. The effect of these factors on the price of product produced by the Company and, therefore, the economic viability of any of the Company's business, cannot accurately be predicted.

Political and Economic Instability

The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in medicine and agriculture development or investment policies or shifts in political attitude in certain countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, distribution, price controls, export controls, income taxes, expropriation of property, maintenance of assets, environmental legislation, land use, land claims of local people and water use. The effect of these factors cannot be accurately predicted.

Growth Expansion Efforts

There is no guarantee that the Company's intentions to acquire and/or construct additional cannabis production and manufacturing facilities in Canada and in other jurisdictions with federal legal cannabis markets, and to expand the Company's marketing and sales initiatives will be successful. Any such activities will require, among other things, various regulatory approvals, licenses and permits and there is no guarantee that all required approvals, licenses and permits will be obtained in a timely fashion or at all. There is also no guarantee that the Company will be able to complete any of the foregoing activities as anticipated or at all. The failure of the Company to successfully execute its expansion strategy (including receiving required regulatory approvals and permits) could adversely affect the Company's business, financial condition and results of operations and may result in the Company failing to meet anticipated or future demand for its cannabis-based pharmaceutical products, when and if it arises. Moreover, actual costs for construction may exceed the Company's budgets. As a result of construction delays, cost overruns, changes in market circumstances or other factors, the Company may not be able to achieve the intended economic benefits from the construction of the new facilities, which in turn may materially and adversely affect its business, prospects, financial condition and results of operations.

Execution of Future Acquisitions or Dispositions

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of the Company's ongoing business; (ii) distraction of management; (iii) the Company may become more financially leveraged; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; (v) increasing the scope and complexity of the Company's operations, and (vi) loss or reduction of control over certain of the Company's assets. The presence of one or more material liabilities of an acquired company that are unknown to the Company at the time of acquisition could have a material adverse effect on the results of operations, business prospects and financial condition of the Company. A strategic transaction may result in a significant change in the nature of the Company's business, operations and strategy. In addition, the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Company's operations.

Market Risk for Securities

The market price for the Common Shares of the Company could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Company. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Competition

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

Because of the early stage of the industry in which the Company intends to operate, the Company expects to face additional competition form new entrants. If the number of users of medical marijuana in Canada increases, the demand for products will increase and the Company expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To be competitive, the Company will require a continued high level of investment in research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially affect the business, financial condition and results of operations of the Company.

Global Economy

An economic downturn of global capital markets has been shown to make the raising of capital by equity or debt financing more difficult. The Company will be dependent upon the capital markets to raise additional financing in the future, while it establishes a user base for its products. As such, the Company is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to the Company and its management. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized, which could have an adverse impact on the Company's operations and the trading price of the Company's shares on the Exchange.