RMMI CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2020

The following is Management's Discussion and Analysis ("**MD&A**") of the financial results of RMMI Corp. ("**RMMI**" or the "**Company**") for the three months ended March 31, 2020. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2019 and the audited consolidated financial statements for the years ended December 31, 2019. The unaudited condensed interim consolidated financial statements were prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*. Unless otherwise noted, all financial information is expressed in Canadian dollars. This MD&A is based on information available as of May 22, 2020 and was reviewed and approved by the board of directors of RMMI on May 22, 2020.

On April 1, 2018, the Company issued 11,779,700 common shares of RMMI Corp. in exchange for all the issued and outstanding shares (the "**Transaction**") of Rocky Mountain Marijuana Inc. ("**Rocky Mountain**"). For accounting purposes, the Transaction was treated as a reverse acquisition with Rocky Mountain being the accounting acquirer. Therefore, the Company's historical financial statements reflect those of Rocky Mountain. Prior to the Transaction, RMMI had no business operations.

On September 24, 2018, RMMI completed its initial public offering of 1,765,700 common shares for gross proceeds of approximately $4.4 million. On September 25, 2018, the common shares commenced trading on the Canadian Securities Exchange ("**CSE**" or the "**Exchange**") under the trading symbol "RMMI".

On October 11, 2019, the Company received its cultivation, processing and medical sales licence (the "Licence") from Health Canada.

Going Concern

The Company is in a development stage and has not commenced commercial operations or generated any revenue. During the three months ended March 31, 2020, the Company incurred a net loss and comprehensive loss of $442,443 (three months ended March 31, 2019 - $382,368) and utilized cash of $200,436 (2019 - $407,334) in operations. The Company's working capital deficit was $1,151,250 at March 31, 2020 (December 31, 2019 - $735,253). The continued operations of the Company are dependent on its ability to obtain additional financing and generate future positive operating cash flows. RMMI will commence its cultivations immediately upon completion of some utility system connections and final renovations at the RMMI Property. In the past the Company has been successful in raising capital to fund operations however there is no guarantee of future success. The Company's secured noteholders have agreed to extend the maturity date of the secured notes until May 31, 2020 and we expect to ask for additional extensions if refinancing is not available by then but there is no guarantee that they will agree to further extensions.

The Company has incurred operating losses since inception and requires funds to meet its overhead and to commence commercial operations. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Management is currently exploring various options that, if successful, will enable the Company to have access to sufficient funds to complete construction, commence commercial operations, generate operating cash flows and be able to settle the liabilities as and when they become due. These include, but are not limited to:

- Engaging agents to source debt capital;
- Discussions with various parties for equity capital; and
- Discussions with third parties on joint venture, partnership, merger or other transactions.

If for any reason the Company is unable to continue as a going concern, then this could impact the Company's ability to realize its assets and discharge its liabilities in the normal course of business at the amounts stated in the condensed consolidated interim financial statements. The consolidated financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the expenses and the statement of financial position classifications used. Such adjustments could be material.

Forward Looking Statements

Certain statements contained in this MD&A constitute "forward-looking statements" or "forward-looking information" within the meaning of the applicable securities legislation (collectively, "**forward-looking statements**"). These statements relate to management's expectations about future events, results of operations and the Company's future performance (both operational and financial) and business prospects. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements can be identified by words such as: "anticipate," "intend," "contemplate," "continue," "propose," "predict," "plan," "goal," "seek," "believe," "project," "forecast," "pursue," "potential," "objective," "estimate," "expect," "strategy," "future," "likely," "might," "may," "shall," "should," "could," "will," "capable," and similar references to future periods. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. Unless otherwise indicated, these statements speak only as of the date of this MD&A. In addition, this MD&A may contain forward-looking statements and forward-looking information attributed to third-party industry sources.

In particular, this MD&A contains the following forward-looking statements pertaining to, without limitation, the following: the consolidated financial statements of the Company upon producing marijuana; development of the RMMI Property (as defined herein); changes in general and administrative expenses; future business operations and activities and the timing thereof; the future tax liability of the Company; the estimated future contractual obligations of the Company; the future liquidity and financial capacity of the Company; and its ability to fund its working capital and forecasted capital expenditures.

With respect to the forward-looking statements contained in this MD&A, the Company has made assumptions regarding: the ability to raise capital; the continued availability of capital; the ability to obtain financing on acceptable terms; RMMI's ability to successfully execute its plans and intentions; and the continuation of the current tax and regulation.

We believe the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward looking statements included in, or incorporated by reference into, this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A. The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors. For a detailed discussion of the risk factors, please see heading "*Risk Factors*" included in the Company's Annual Information Form dated February 28, 2019.

Readers are cautioned that the list of factors in the Company's Annual Information Form dated February 28, 2019 are not exhaustive. The forward-looking statements contained in this MD&A and the documents incorporated by reference herein are expressly qualified by this cautionary statement. The forward-looking statements contained in this document speak only as of the date of this document and the Company does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws.

Non-IFRS financial measures

This MD&A includes reference to "working capital" which is a non-IFRS financial measure. Management believes that working capital, in addition to other conventional financial measures prepared in accordance with IFRS provides information that is helpful to understand the financial condition of the Company. The objective of using working capital is to present readers with a view of the Company from management's perspective by interpreting the material trends and activities that affect the liquidity and financial position of the Company. This measure is not necessarily comparable to similarly titled measures used by other public companies. "Working capital" is calculated as current assets less current liabilities.

Overview

RMMI was incorporated on February 6, 2018 under the *Business Corporations Act* (Alberta). The Company subsequently amended its articles of incorporation on February 13, 2018 to include a new class of preferred shares. Rocky Mountain was incorporated under the *Business Corporations Act* (Alberta), on December 13, 2016. The Company's registered office is located at 1050, 639 – 5th Avenue SW, Calgary, Alberta, T2P 0M9. RMMI completed its initial public offering and became a listed entity on the CSE under the symbol "RMMI" effective September 25, 2018.

On September 14, 2017, Rocky Mountain applied to Health Canada to become a licensed producer of cannabis under the Health Canada's *Access to Cannabis for Medical Purposes Regulations* ("**ACMPR**"). With the enactment of the *Cannabis Act* and the *Cannabis Regulations* (Canada) (collectively, the **"Cannabis Act"**) effective October 17, 2018, Rocky Mountain has transitioned its application from the ACMPR to the Cannabis Act.

On October 11, 2019, Rocky Mountain received its cannabis cultivation, processing and medical sales licence from Health Canada. The Company owns a facility in Newell County, Alberta (the "**RMMI Property**") which has been renovated as a cannabis cultivation facility, with some interior wall construction and utility installation remaining. RMMI is a development stage company and commencement of commercial operations depends on obtaining adequate financing.

Overall Performance

Selected Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the Company's financial statements.

	(unaudited) As at and for the three-month periods ended March 31	
	2020	**2019**
Revenue	**$NIL**	$NIL
Net loss and comprehensive loss	**$442,433**	$382,368
Basic and diluted loss per share	**$0.03**	$0.03
Total assets	**$7,210,698**	$7,958,944
Total long-term liabilities	**n/a**	$6,234
Working capital (deficiency)/surplus	**($1,151,250)**	$2,971.284
Shareholders' equity	**$5,795,212**	$7,128,436

To date, the Company has not generated any revenue, given its stage of operations. The Company's financial success will be dependent on several factors including its ability to become operational under its standard cannabis licence.

For the three months ended March 31, 2020, the Company had no revenue and reported a net loss and total comprehensive loss of $442,433 with basic and diluted loss per share of $0.03. In comparison, in the three months ended March 31, 2019, the Company had no revenue and reported a net loss and total comprehensive loss of $382,368 with basic and diluted loss per common share of $0.03.

In the three months ended March 31, 2020, the higher net loss in 2020 compared to 2019 is as a result of interest and financing costs related to the Company's outstanding secured notes partially offset by lower general and administrative expenses and lower share based compensation expense in 2020 compared to 2019.

As at March 31, 2020, while the Company had an accumulated deficit of $4,086,794 due to its stage of operations, the Company had a working capital deficiency of $1,151,250. The Company requires additional capital in the form of debt, equity, convertible securities or other options, to fund its future capital and operating requirements until it can generate revenue and cash flow from its standard cannabis licence.

Outlook

In 2020, the Company will continue advancing its business plan of becoming a producer and seller of cannabis under the *Cannabis Act*. The Company's priorities include:

- raising additional capital to complete renovations, purchase equipment, and for general and administrative expenses, operations, and expansion of its cultivation capacity;
- pursue strategic transactions to protect and enhance shareholder value;
- installing cultivation and processing equipment;
- hiring additional employees;
- cultivating and selling cannabis products and derivatives;
- receiving a licence to sell cannabis in the recreational markets; and
- continuing product development and consumer education..

Results of Operations

Revenue

RMMI is in a development stage and commencement of commercial operations depends on raising additional capital to become operational under its standard cannabis licence. As such, RMMI has not yet earned any revenue.

General and Administration Expenses

RMMI's general and administration expenses for the three-months ended March 31, 2020 were $227,933 compared to $321,496 in the 2019 period.

	(unaudited) For the three-month periods ended March 31	
	2020	**2019**
Salaries, fees and employee benefit expenses for employees and consultants to oversee the affairs of the Company	**$150,971**	$181,335
Legal, auditor and other professional fees and services	**1,666**	50,188
Other general and administrative expenses	**75,296**	89,973
Total	**$227,933**	$321,496

The differences in the above major expense categories between 2020 and 2019 are primarily as a result of:

- the Company has employed fewer staff members in the 2020 period compared to 2019, resulting in lower salaries and related expenses; and

- the Company incurred lower professional fees in the 2019 period due primarily to a reduction in financial advisory, legal and related costs.

In the short term, the Company's total general and administrative expenses for 2020 are expected to be lower than the three months ended March 31, 2020 as the Company conserves cash, as it seeks additional financing. As the Company progresses to commercial operations and completes the remaining work on its cultivation facility, increases the number of staff members to execute its business plan and structures its activities to prepare for marijuana production and sales operations, total general and administrative expenses are expected to rise later in 2020.

Interest and financing costs

On September 13, 2019, the Company issued secured notes totaling $1,000,000 to fund working capital costs. Certain members of RMMI's executives and board of directors participated in the financing in the collective amount of $425,000. The secured notes carry a 12% per annum interest rate, with an original maturity date of December 31, 2019 and are secured by a fixed charge on all present and after acquired property of the Company until the loan is repaid in full. A 5% facility fee was payable at the original maturity. The secured notes were extended from their original maturity date of December 31, 2019 to May 31, 2020 and 5% extension fees accrued monthly. The cumulative interest and facility fee are now payable at the extended maturity date of May 31, 2020. During the three months ended March 31, 2020, interest and facility fee totaled $180,000 and was recognized in the profit and loss and included in the accounts payable and accrued liabilities as at March 31, 2020.

Lease finance expense

As a result of the adoption of IFRS 16 Leases on January 1, 2019 under the modified retrospective approach, the Company recorded a lease obligation liability of $49,664 at January 1, 2019. Lease payments are allocated to reducing the lease obligation and a calculated lease finance expense. In the three months ended March 31, 2020, $315 was recorded as a lease finance expense.

Share-based Compensation

	(unaudited) For the three-month periods ended December 31	
	2019	**2018**
Non-cash share-based compensation expense	$20,000	$45,800

During the three months ended March 31, 2020, the Company issued NIL options (three months ended March 31, 2019 – NIL options). The share-based compensation expense recognized during the three months ended March 31, 2020 was $20,000 (three months ended March 31, 2019 - $45,800). During the three months ended March 31, 2020, NIL options were exercised.

The decrease in share-based compensation expense in the 2020 periods compared to the 2019 periods is due to fewer options vesting in 2020 compared to 2019.

Liquidity and Capital Resources

For the three months ended March 31, 2020, RMMI used net cash in operating activities totalling $200,436.

For the three months ended March 31, 2020, RMMI used net cash in investing activities totalling $5,739. This cash was used for project management for the redevelopment of the RMMI Property.

For the three months ended March 31, 2020, RMMI did not generate or use cash in financing activities.

As at March 31, 2020, the Company had working capital deficit of $1,151,250.

The Company expects to spend approximately $2 million in remaining capital expenditures to complete the renovations and utility hook-ups in the RMMI Property. The Company will need to raise additional debt and/or equity financing to fund capital expenditures and working capital requirements to achieve commercial operations.

Quarterly Results

	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Revenue	$NIL	$NIL	$NIL	$NIL	$NIL	$NIL	$NIL	$NIL
Net loss	$442,433	$312,678	$370,792	$316,021	$382,368	$447,258	$652,993	$295,612
Basic and diluted loss per share	$0.03	$0.03	$0.03	$0.02	$0.03	$0.03	$0.05	$0.03
Total assets	$7,210,698	$7,437,014	$8,260,820	$8,449,970	$7,958,944	$7,639,428	$8,112,170	$4,921,138
Total long-term liabilities	$NIL	$NIL	$NIL	$NIL	$6,234	$NIL	$NIL	$NIL
Working capital/(deficit)	($1,151,250)	($735,253)	($496,437)	$248,851	$2,971,284	$5,245,047	$6,278,000	$3,263,486
Shareholders' equity	$5,795,212	$6,217,645	$6,515,438	$6,836,230	$7,128,436	$7,455,054	$7,841,803	$4,545,828

Summary of quarterly results:

- In Q1 2020, the Company continued to seek additional financing to complete the Newell property and become operational. The Company was able to extend the maturity date of its Secured Notes and incurred interest expense and extension fees on the Secured Notes.

- In Q4 2019, the Company received its cultivation, processing and medical sales licence from Health Canada. The secured notes maturity was extended to March 31, 2020 with extension fees accruing on January 1, 2020 and at future dates if the notes remains outstanding. The Company continued to incur general and administrative costs to achieve commercial operations.

- In Q3 2019, the Company secured notes totaling $1,000,000. Certain members of RMMI's executives and board of directors have participated in the financing in the collective amount of $425,000. The secured notes carry a 12% per annum interest rate, matures December 31, 2019 and are secured by the Newell property. A 5% facility fee is also payable at maturity.

- In Q1, Q2 and Q3 2019, the Company continued to renovate its RMMI Property for cannabis operations. This investment in property, plant and equipment has contributed to the increase in total assets of the Company and a reduction in RMMI's working capital balance. RMMI continued to incur net losses and comprehensive losses because it had not obtained the necessary licences at September 30, 2019 to be operational and had not earned any revenue, leading to a reduction in shareholders' equity.

- In Q4 2018, the Company transitioned its application to become a licenced producer to the *Cannabis Act* and progressed the development of its RMMI Property.

- In Q3 2018, the Company completed its initial public offering ("**IPO**") and became a listed issuer on the CSE under the trading symbol "RMMI". The Company issued 1,765,500 common shares for gross proceeds of $4,414,250. As partial compensation, 141,256 broker warrants were issued. The fair value of the broker warrants was recorded to share issue costs. The Company also paid cash commissions of $353,140 and other costs of $164,642 which were recorded as share issues costs. The gross proceeds of the IPO, less the related share issue costs, was the primary reason for the increase in the Company's total assets, working capital and shareholders' equity. Additionally, $353,400 of costs associated with becoming a listed entity were expensed as transaction costs.

Related Party Transactions

The following is a summary of transactions with directors and officers, and companies controlled by directors of the Company. The amounts are measured at the exchange amount which is the fair value of the transactions.

(a) Transactions with related parties for the three months ended March 31:

	2020	**2019**
Legal fees paid or payable to a firm at which a director of the Company is a partner:	$5,028	$20,565

At March 31, 2020, $5,206 (March 31, 2019 - $6,128) was owing to the law firm at which a director of the Company is a partner. This amount is recorded in accounts payable and accrued liabilities.

(b) Secured notes

Several officers and directors of the Company participated in the Company's secured note financing. These related parties are owed their proportionate share of the facility fee and interest and these amounts are recorded in accounts payable and accrued liabilities.

Outstanding Share Data

The Company is authorized to issue an unlimited number of voting common shares and preferred shares with no par value.

At the date of this MD&A, the Company has 13,577,628 common shares issued and outstanding, 2,015,256 warrants and 1,030,000 options outstanding.

Contractual Obligations

Purchase of property, plant and equipment

In 2018, the Company placed purchase orders with several suppliers in the normal course of business for acquisition of property, plant and equipment related to its Newell facility that had not been supplied or delivered at March 31, 2020. Certain progress payments had been completed and recorded as Deposits. At March 31, 2020, payments of $28,000 and US$320,000 remain outstanding subject to future delivery and construction milestones.

Capital Expenditures

In January 2018, the Company acquired land and buildings in Newell County, Alberta for $1,025,000. This amount includes $125,000 of deposits that was paid at December 31, 2017. The Company incurred other directly attributable costs totaling $9,556 in connection with the acquisition of land and building. The purchase price was allocated to land and buildings based on a third-party appraisal report. The buildings include two warehouse facilities which are expected to be retrofitted as the Company's cannabis production facilities. A portion of the smaller of the two warehouse facilities was put in use for the Company's hemp cultivation testing program during the year and was subjected to depreciation.

In the three months ended March 31, 2020, the Company incurred $7,749 (three months ended March 31, 2019 - $1,523,414) of costs related to the retrofit of the Newell property. These expenses primarily relate to design, engineering, construction and project management. The majority of the buildings and improvements are not considered available for use and are not subject to depreciation.

During the three months ended March 31, 2020, the Company purchased furniture and equipment totaling $NIL for head office (three months ended March 31, 2019 - $1,757).

At March 31, 2020, the Company had made deposits totaling $348,715 to two vendors (December 31, 2019 - $348,715 to two vendors) as progress payments on long lead-time equipment to be delivered in 2020. Additional progress payments on this equipment are due when specific construction or delivery and installation milestones have been met.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates

A summary of the Company's significant accounting policies is contained in Note 2 to the December 31, 2019 audited consolidated financial statements. These accounting policies are subject to estimates and key judgments about future events, many of which are beyond the Company's control. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in that last annual financial statements.

Significant accounting policies

Please refer to the December 31, 2019 audited financial statements and accompanying notes for a description of the significant accounting policies used by the Company. The policies set out in the Company's December 31, 2019 financial statements were consistently applied to all periods presented.

Financial Instruments Fair Value and Risk Management

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to credit risks, market risks and liquidity risks. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical. At March 31, 2020, the Company's financial instruments consist of cash, accounts payable and accrued liabilities and secured notes. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfil its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents. All of the Company's cash was held at one financial institution at March 31, 2020, which is a Canadian Chartered Bank. Management believes that the risk of loss is minimal but the Company is subject to concentration of credit risk.

The Company has a GST receivable outstanding with the Canada Revenue Agency ("CRA") for $3,777. The Company deems CRA to be creditworthy and collection of the receivable will occur.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash. As at December 31, 2019, the Company's financial liabilities consist of accounts payable and accrued liabilities, secured notes and lease liability. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. There have been no changes in the Company's strategy with respect to credit/liquidity risk in the year.

Currency risk

The operating results and financial position of the Company are reported in Canadian dollars. The Company purchases some equipment that are denominated in United States dollars ("US dollars"). The purchase value of some of the Company's equipment is subject to currency transaction and translation risks.

The Company's main risk is associated with fluctuations in U.S. dollars as the Company holds cash in Canadian dollars and has commitments in U.S. dollars. Assets are translated based on the foreign currency translation policy.

The Company has determined that as at March 31, 2020, the effect of a $0.01 increase or decrease in U.S. dollars against the Canadian dollar on commitments would result in an increase or decrease of approximately $3,200 (March 31, 2019 - $4,750) to the Company's commitments.

At March 31, 2020, the Company had no hedging agreements in place with respect to foreign exchange rates. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Capital risk management

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, to meet its capital expenditures for its continued operations, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, or acquire or dispose of assets. As at March 31, 2020, the Company has $1,000,000 of secured notes outstanding. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company considers its shareholders' equity as capital which, as at March 31, 2020 is $5,795,212.

Additional Disclosure for Ventures Issuers without Significant Revenue

An analysis of the material components of the Company's general and administrative expenses is disclosed in this MD&A. Applicable disclosure have also been provided under the headings "General and Administrative Expenses" and "Capital Expenditures" to this MD&A.

Other

Additional information relating to the Company can be found under RMMI's SEDAR profile at www.sedar.com.