

AMENDED



GLOBAL CANNABIS APPLICATIONS CORP.
(formerly Fundamental Applications Corp.)

MANAGEMENT DISCUSSION AND ANALYSIS
For the three months ended September 30, 2017

(AMENDED)

1.1 Date of Report: December 5, 2017

The following Management Discussion and Analysis (“MD&A”) of Global Cannabis Applications Corp. (formerly Fundamental Applications Corp.) (the “Company” or “Global Cannabis”) has been prepared by management, in accordance with the requirements of National Instrument 51-102 as of November 29, 2017, and should be read in conjunction with the unaudited consolidated financial statements and notes thereto for the three months ended September 30, 2017, and the audited consolidated financial statements and notes thereto for the year ended June 30, 2017, all which are available on SEDAR at www.sedar.com.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the consolidated financial statements and MD&A, is complete and reliable. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

Forward-Looking Statements

This MD&A contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian and US securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. These forward-looking statements include, but are not limited to, statements concerning:

- the Company’s strategies and objectives, both generally and in respect of its existing business and planned business operations;
- the Company’s plans to acquire users for its products;
- the Company’s future cash requirements;
- general business and economic conditions;
- the Company’s ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations; and,
- the timing, pricing, completion, and regulatory approvals of proposed financings if applicable.

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward-looking statements are risks and uncertainties beyond the Company’s ability to predict or control, including, but not limited to, risks related to the Company’s ability to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein under “Risk Factors”.

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this MD&A. Such statements are based on a number of assumptions, which may prove incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- conditions in the financial markets generally, and with respect to the prospects for small capitalization commercial/technology companies specifically;
- the Company’s ability to roll out its business plan which includes new product launches and associated planning in production, sales, distribution and marketing; and,
- the Company’s ability to secure and retain employees and contractors to carry out its business plans.

These forward-looking statements are made as of the date hereof and the Company does not intend and does

not assume any obligation, to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

1.2 Overall Performance

Nature of Business and Overall Performance

The Company was incorporated on July 14, 2014, under the *Business Corporation Act* (British Columbia) under the name of Kluster Technologies Inc. On August 1, 2014, the Company changed its name to Antisocial Holdings Ltd. and later changed its name to Fundamental Applications Corp. on September 2, 2014. On April 10, 2017, the Company changed its name to Global Cannabis Applications Corp.

On September 18, 2014, the Company commenced trading on the Canadian Securities Exchange (“CSE”) under the trading symbol “FUN”. On April 18, 2017, in connection with the Company’s change of name, the Company commenced trading on the CSE under the trading symbol “APP”.

The registered and records office of the Company is Suite 1820, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2.

The Company designs, develops, markets, and acquires innovative mobile applications targeted at the “Millennials” generation, people born in an age of digital technology, internet access, and smartphones. This demographic is an early adopter of mobile technology, has significant discretionary income, and is lifestyle driven with a willingness to try new things. The Company’s four leading mobile platforms are OPINIT, Foro, a peer-to-peer mobile ecommerce marketplace app; Truth, a one-to-one anonymous messaging app; and Serum™, an app that enables users to post questions to their friends and receive answers anonymously. The Company is currently focused on the cannabis industry and is developing the Citizen Green CannaLife and CannaMed mobile applications and is focussed on viral global expansion by providing the best digital experience in the cannabis market.

Plan of Arrangement

On July 21, 2014, the Company entered into an arrangement agreement and plan of arrangement (the “Arrangement”) with Antisocial Holdings Ltd. (“Antisocial”), and Salient Corporate Services Inc. (“Salient”).

Pursuant to the Arrangement, the following principal steps were completed on September 12, 2014:

- Antisocial purchased all the issued and outstanding common shares of Fundamental, a wholly-owned subsidiary of Salient incorporated on July 14, 2014, for the sole purpose of the Arrangement, from Salient for consideration of \$10,000 and paid \$7,920 for estimated expenses that Salient incurred during the transaction;
- Global Cannabis acquired 13,700,000 common shares of Antisocial, being all the issued and outstanding share capital, from all the shareholders of Antisocial through a 1-for-1 share exchange; and,
- Global Cannabis issued 396,000 common shares of Fundamental to Salient for 1,000 common shares and \$7,920 in cash, which were subsequently distributed to the shareholders of Salient as of the record date of August 20, 2014, on a pro-rated basis according to their shareholdings.

Upon the Arrangement becoming effective on September 12, 2014, Global Cannabis became a reporting issuer in the jurisdictions of Alberta and British Columbia, and issued a total of 14,096,000 common shares.

As a result of the arrangement, the former shareholders of Antisocial, for accounting purposes, are considered to have acquired control of the Company. Accordingly, the arrangement has been accounted for as a reverse takeover that was not a business combination and effectively a capital transaction of the Company. As Antisocial is deemed to be the accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on April 4, 2014, are included in the consolidated financial statements at their historical carrying value. The consolidated financial statements are a continuation of Antisocial in accordance with IFRS 3, Business Combinations. The Company’s results of operations are included from September 12, 2014, onwards.

The public company listing cost does not meet the criteria for recognition of an intangible asset in accordance with IAS 38 “Intangible Assets”. Accordingly, the Company charged \$17,920 to the Statement of Comprehensive Loss on the date of the reverse acquisition.

Significant Acquisitions and Dispositions

On July 31, 2014, the Company completed an Asset Purchase Agreement with Vibecast Corp. for the purchase of the intellectual property and intellectual property rights, the application software, and the Trade-Marks using the term “Serum”, for the Application Software named “Serum” which had been in development since April 15, 2014. In consideration, the Company issued to Vibecast Corp. 3,000,000 common shares at a deemed price of \$0.02 to acquire all the assets relating to the Application Software (the “SerumTM Assets”).

On April 8, 2015, the Company completed the acquisition of Foro Technologies Inc. (“Foro”), the owner of the intellectual property and rights for two organically built applications, Truth and Foro.

Pursuant to the terms of the Foro acquisition, the Company exchanged \$50,000 cash and 1,700,000 shares for 100% of the issued and outstanding shares of Foro. A total of 500,000 of the 1,700,000 shares were released immediately and the remaining 1,200,000 shares were subject to escrow restrictions and were to be released upon the achievement of certain milestones. A total of 600,000 of the escrowed shares were to be released once Foro reached a minimum of 25,000 regular users of Foro and the remaining 600,000 escrowed shares were to be released once Foro reached 50,000 regular users Foro. If the milestones had not been achieved by April 8, 2016, all escrowed shares not yet released were to be cancelled. Concurrent with the acquisition, the Company issued 224,927 shares and the cash consideration of \$50,000 was used to payout certain creditors of Foro Technologies Inc. On April 9, 2016, the date which is 12 months after closing, the milestones had not been met; accordingly, the 960,000 escrowed shares were subsequently returned to treasury.

On September 21, 2016, the Company completed the acquisition of OPINIT LLC (“OPINIT”), acquiring a mobile application whereby the Company issued 7,500,000 shares for 100% of the issued and outstanding shares of OPINIT (Note 8). Of the 7,500,000 shares, 3,500,000 with a fair value of \$472,500 were released immediately and the remaining 4,000,000 shares (the “Milestone Shares”) are subject to release restrictions whereby they shall be released upon achievement of certain milestones. A total of 2,000,000 of the Milestone Shares shall be released upon the completion of the development and release of the BETA version of the university instance desktop portal including integration feeds from OPINIT mobile application and the Foro mobile application. The remaining 2,000,000 Milestone Shares will be released pro-rata to the Opinit Shareholders in connection with the combined user counts of both the OPINIT mobile application and the Foro Mobile Application. The milestone shares were valued on the date of the acquisition based on the probability that they would be realized in the future and an additional \$317,250 was recorded. On December 28, 2016, the total combined user count was over 300,000, accordingly, the Company released 1,000,000 Milestone shares with a fair value of \$135,000. In addition to the shares released for the milestone, 50,000 shares with a fair value of \$2,000 were issued for advisory fees related to reaching the milestone. The Company issued 175,000 shares, which have been recorded with a fair value of \$23,625, to an arm’s-length finder. In the event that the Company enters into any form of amalgamation, merger, arrangement or similar transaction which results in the acquisition of 20% or more of the voting securities of the Company, the entirety of the Milestone Shares will be issued and released to the OPINIT shareholders

1.3 Selected Annual Information

(N/A)

1.4 Results of Operations

Results of Operations for the three months ended September 30, 2017, compared to 2016

The Company incurred a net and comprehensive loss of \$432,229 for the three months ended September 30, 2017, (the “Current Period”) compared to a net and comprehensive loss of \$424,375 for the three months ended September 30, 2016 (the “Comparative Period”). During the Current Period, the Company has continued to market and develop its mobile application suite while commencing a focus on the Cannabis marketplace and investigating the integration of block chain technologies into the cannabis medial supply chain.

The difference in net and comprehensive loss incurred during the Current Period, compared to that incurred during the Comparative Period was largely a result of the following:

- Amortization of intangible assets increased to \$58,411 in the Current Period from \$20,742 in the Comparative Period as a result of amortization of OPINIT in the Current Period (\$40,669) and the lack of amortization of Serum in the Current Period (\$3,000). Amortization of Foro, and Truth, has remained the same compared to the Comparative Period.
- Consulting Fees decreased by \$50,701 to \$166,643 (Comparative Period: \$199,571) as fewer consultants were used in the Current Period in connection with the marketing and development of the mobile applications which were the primary focus of the Comparative Period. During the last three quarters the Company has been focussed on the cannabis marketplace and block chain technologies.
- Marketing has decreased by \$50,701 to \$58,445 (Comparative Period: \$109,146) as fewer resources have been allocated to marketing due to the shift in focus to the Cannabis marketplace.
- Share-based payments totalling \$89,300 in the Current Period are \$89,300 more than those of the Comparative Period (\$Nil) as there were no stock options granted during the Comparative Period.
- Transfer agent, listing, and filing fees dropped by \$1,351 to \$18,418 (Comparative Period: \$17,067). This is consistent with the Comparative Period
- Travel decreased to by \$14,368 to \$4,228 (Comparative Period: \$18,596) as a result of fewer regional and international travel expenditures required by the consultants of the Company in the Current Period.

During the three months ended September 30, 2017, the Company continued to focus on the opportunity to use its existing mobile application code base as a foundation for the development of Citizen Green (a dedicated app providing users options on where to purchase cannabis safely and legally, and to provide a forum to interconnect the cannabis community) and to explore the application of block chain technologies within the medical cannabis industry.

1.5 Summary of Quarterly Results

The following is a summary of the Company's financial results for the most recently completed quarters.

Three months ended	Total revenues	Net loss	Loss Per Share (basic and diluted)
September 30, 2017	Nil	(432,229)	\$0.01
June 30, 2017	Nil	(294,192)	0.02
March 31, 2017	Nil	(339,924)	0.01
Dec 31, 2016	Nil	(417,950)	0.01
Sep 30, 2016	Nil	(424,375)	0.02
June 30, 2016	Nil	(1,095,610)	0.04
Mar 31, 2016	Nil	(209,597)	0.01
Dec 31, 2015	Nil	(191,814)	0.01

The year ending June 30, 2016, began with a focus marketing the Foro mobile application and targeted the students entering the school year which commenced in September 2015. Significant resources were used to market the Foro application during this quarter of 2016. Marketing declined in Q2 and then commenced again in Q3 and Q4 for fiscal year ended June 30, 2016, and during the first quarter of fiscal year ended June 20, 2017. The Company acquired the OPINIT mobile application in Q2 of 2017 and marketing efforts continued for each of Foro and OPINIT until mid-fiscal 2017 at which point the Company recognized the opportunities within the Cannabis marketplace for which it could use portions of the Foro and OPINIT code base to build Citizen Green as described in section 1.4 above. The Company has continued to build the Citizen Green mobile application and is continuing to look at block chain application within the medical cannabis space.

1.6 Liquidity

As at September 30, 2017, the Company had a working capital deficiency of \$429,136 (\$112,539 in cash and

\$14,794 in GST receivable) compared to a working capital deficiency of \$636,923, (\$10,635 in cash and \$28,195 in GST receivable) at September 30, 2017.

The Company has not pledged any of its assets as security for loans, or otherwise is not subject to any debt covenants. Based on current information, the Company anticipates that its working capital is insufficient to meet its expected ongoing obligations for the coming year.

The Company has financed its operations to date primarily through the issuance of common shares and the exercise of stock options or warrants. The Company continues to seek capital through various means including the issuance of equity and/or debt. During this period the Company has not received loans from a third party to fund operating expenses.

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. (See section 1.16 Subsequent Events for additional information.)

1.7 Capital Resources

At September 30, 2017, the capital of the Company consists of cash in the bank and GST/HST recoverable totaling \$127,333. The Company will have to generate additional cash from either debt or equity raised through the Canadian public markets to meet its commitments.

1.8 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions with Related Parties

Related party transactions are comprised of services rendered by directors and/or officers of the Company or a company with a director in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

Key management compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. During the three months ended September 30, 2017, the Company entered into the following transactions with key management personnel:

	Three months ended	
	Sep 30, 2017	Sep 30, 2016
Fees paid or accrued to the CEO (B. Moore)	\$ 45,000	\$ 50,071
Fees paid or accrued to a company controlled by the CFO (A. Helm)	15,000	15,000
	\$ 60,000	\$ 65,071

During the three months ended September 30, 2017, share based compensation for key management during the period totaled \$Nil (2016: \$Nil).

The transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

At September 30, 2017, a balance of \$Nil (2016: \$37,500) was owing to related parties. This amount is unsecured, non-interest bearing and due on demand.

1.10 First Quarter

The first quarter's focus was the development of Citizen Green - a dedicated app providing users options on where to purchase cannabis safely and legally, and to provide a forum to interconnect the cannabis community. Citizen Green uses portions of the Company's existing Foro and OPINIT code as a base for its development.

First Quarter Highlights

On July 19, 2017, the Company announced that it has entered into discussions with respect to medical cannabis technology applications including artificial intelligence, data scraping and blockchain delivery with a leading Australian technology accelerator and aggregator, Fintechgration.

On August 14, 2017, the Company announced that it has closed a private placement whereby it has issued 4,101,000 units at a price of \$0.075 per unit for gross proceeds of \$307,575. Each unit consists of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the company for a period of five years from closing at an exercise price of \$0.10 cents per common share.

On September 6, 2017, the Company announced that it has launched Global Cannabis Apps Corp. (Australia) Pty. Ltd., a private Australian company held 61 per cent by GCAC.

On September 19, 2017, the Company announced that Blaise Bratter has joined its advisory board effective immediately.

On September 21, 2017, the Company announced that it has appointed Adam Miller, founder of the Medical Cannabis Council, to the board of directors of Global Cannabis Applications Corp. (Australia) Pty. Ltd., the company's 61-per-cent subsidiary in Australia.

1.11 Proposed Transactions

There are no proposed transactions that will materially affect the performance of the Company.

1.12 Critical Accounting Estimates

Significant Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and estimating the fair value for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions.

Significant Judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements is the classification of financial instruments and the going concern assumption.

1.13 Changes in Accounting Policies

No changes in accounting policies.

Significant Accounting Policies

New accounting policies that the Company has adopted during the period or expects to adopt are noted below (also disclosed in the annual June 30, 2017, financial statements and interim September 30, 2017, financial statements):

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the financial statements upon adoption of this new and revised accounting pronouncement.

IFRS 9 – Financial Instruments (effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

1.14 Financial Instruments and Risk Management

As at September 30, 2017, the Company's financial instruments consist of cash, accounts payable and accrued liabilities.

Fair value

The carrying value of cash, accounts payable and accrued liabilities approximate their fair value due to the relatively short-term nature of these instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and amounts receivable. The risk arises from the non-performance of counterparties of contractual financial obligations. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The Company intends to meet its current obligations in the following year with funds to be raised through private placements.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management does not believe the Company is exposed to significant interest rate risk as liabilities and cash are either fixed rate (7.5%) or non-interest bearing as at September 30, 2017.

1.15 Other MD&A Requirements

This MD&A should be read in conjunction with the unaudited financial statements for the period ended September 30, 2017. This MD&A is intended to assist the reader's understanding of the Company and its operations, business, strategies, performance and future outlook from the perspective of management. The documents mentioned above, as well as news releases and other important information may be viewed through the SEDAR website at www.sedar.com.

This MD&A may contain management estimates of anticipated future trends, activities, or results; these are not a guarantee of future performance, since actual results may vary based on factors and variables outside of management's control. Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible to ensure that information disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's Audit Committee meets with management to review the financial statement results, including the MD&A, and to discuss other financial, operating and internal control matters. The Audit Committee is free to meet with the independent auditors throughout the year.

Summary of Outstanding Share Data

The following table outlines outstanding share data as of the date of this report:

	Number Issued and Outstanding
Common shares	57,501,861
Stock Options	5,350,000
Warrants	16,889,517
Fully Diluted	79,741,378

Directors and Officers

As of the date of this report, the Company's directors and officers are Bradley Moore (Director and Chief Executive Officer), Jeffrey Hayzlett (Director), and Alexander Helmel (Director and Chief Financial Officer).

1.16 Subsequent Events

Subsequent to June 30, 2017, the Company:

- On October 5, 2017, the Company closed a non-brokered private placement issuing of 4,010,000 units at a price of \$0.10 cents per unit to raise gross proceeds of \$401,000. Each unit consists of one common share and one common share purchase warrant that entitles the holder to purchase one common share for a period of two years at an exercise price of \$0.13 per warrant share.
- On October 12, 2017, the Company granted 100,000 stock options to a director and officer of a subsidiary of the Company. Each option entitles the holder to purchase one common share of the Company at an exercise price of \$0.14 per share for a period of five years.
- On November 16, the Company announced that it has closed a private placement whereby the Company has issued 2.3 million units at a price of 10 cents per unit for gross proceeds of \$230,000. Each unit consists of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the company for a period of two years from closing at an exercise price of \$0.13 per common share.

- On November 20, 2017, the Company granted 500,000 stock options to a director and officer of a subsidiary of the Company. Each option entitles the holder to purchase one common share of the Company at an exercise price of \$0.16 per share for a period of five years.
- On November 22, 2017, the Company granted 375,000 stock options to consultants of the Company. Each option entitles the holder to purchase one common share of the company at an exercise price of \$0.315 per share for a period of five years.
- On November 24, 2017, the Company granted 500,000 stock options to directors and officers of the Company. Each option entitles the holder to purchase one common share of the company at an exercise price of \$0.395 per share for a period of five years.
- On November 28, 2017, the Company announced that it has closed a non-brokered private placement, issuing a total of 3,501,852 units at a price of 13.5 cents per unit to raise gross proceeds of \$472,750. Each unit consists of one common share and one-half common share purchase warrant, where each full warrant entitles the holder to purchase one additional common share of the company for a period of two years from closing at an exercise price of 17 cents per share.