

## **ACADEMY EXPLORATIONS LIMITED**

Management Discussion and Analysis  
For the Three month period ended July 31, 2018

This Management Discussion and Analysis (“MD&A”) of Academy Explorations Limited (the “Company”) provides analysis of the Company’s financial results for the three month period ended July 31, 2018. The following information should be read in conjunction with the accompanying unaudited financial statements and the notes thereto. This MD&A was prepared using information that is current as of September 28, 2018, unless otherwise stated

This discussion includes certain statements that may be deemed “forward-looking statements”. All statements in this discussion other than statements of historical facts, that address future acquisitions and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or development may differ materially from those forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, regulatory approvals, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

### **Overall Performance:**

Management's strategy is to stay liquid while searching for an appropriate opportunity with a private corporation that is looking to expand its operations by acquiring control of, or investment capital from, a publicly owned company such as Academy.

Management decided to invest in guaranteed investment certificates and bank preferred shares.

We have looked at some prospective deals. In all cases the private corporation was not yet mature enough or the amount to be invested was too great relative to our capital resources. By mature, we mean their length of time in business was greater than two years, their latest annual gross revenue was greater than one million dollars, and latest annual net profit was greater than 5%.

We hold by our belief that rather than wind-down Academy, or resume mineral exploration, our shareholders' investment can be best put to work by Academy finding the right opportunity for investment in, merger with or a reverse take-over by another corporation.

We are also considering direct investment in residential and retail real estate.

Management continues to make efforts to reduce Academy's operating expenses.

### Selected Annual Information

	2018	2017	2016	2015	2014
Total revenue:	\$6,903	\$6,626	\$6,511	\$2,750	\$2,816
Total net loss:	(38,911)	(30,949)	(70,737)	(65,006)	(6,129)
Net loss per share:	(2.48¢)	(1.97¢)	(4.53¢)	(4.15¢)	(0.04¢)
Total assets:	\$226,058	\$265,924	\$297,573	\$367,597	\$434,408
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil
Cash dividends declared per share:	Nil	Nil	Nil	Nil	Nil

### Summary of quarterly results:

	July 31, 2018	April 30, 2018	Jan. 31, 2018	Oct. 31, 2017	July 31, 2017	April 30, 2017	Jan. 31, 2017	Oct.31, 2016
Total revenue	\$966	\$1,580	\$1,587	\$1,590	\$2,146	\$1,027	\$1,629	\$2,279
Total net income (loss)	\$(395,834)	\$(16,034)	\$(9,240)	\$(10,863)	\$(2,774)	\$(8,973)	\$(293)	\$(14,280)
Net income (loss) per share	(4.59)¢	(1.02)¢	(0.59)¢	(0.69)¢	(0.18)¢	(0.58)¢	(0.01)¢	(0.91)¢

As at July 31, 2018, the Company had working capital of \$323,103. Management believes this working capital will be sufficient to fund its activities. Management plans to still maintain a high degree of liquidity in Academy to cover Academy's monthly operating expenses and to enable the efficient implementation of an investment in, merger with or a reverse take-over by, another corporation, when and if appropriate.

### Additional disclosure for Venture Issuers without Significant Revenue

As the Company has no significant revenue from its operations, the following is a breakdown of the material costs in the periods noted:

	July 31, 2018	April 30, 2018	January 31,2018
Salary of CFO	\$ 4,000	\$6,000	\$6,000
Consulting fees	377,279	-	-
Legal and audit	15,000	4,000	-
	October 31, 2017	July 31, 2017	April 30,2017
Salary of CFO	\$ 6,000	\$6,000	\$6,000
Shareholders' information	8,842	-	-
Legal and audit	2,073	-	4,000
	January 31, 2017	October 31, 2016	
Salary of CFO	\$ 6,000	\$6,000	
Shareholders' information	1,596	8,972	
Legal and audit	1,758	-	

### **Financial Instruments and Other Risks**

The Company's financial instruments consist of cash in bank, accounts receivable, certificates, and accounts payable and accrued liabilities. The carrying value is the same as the cost because of their short term nature and maturities. The Company sold its bank preferred shares in June, 2018 for \$128,490 which cost preferred shares is \$137,500, for a loss of \$11,010.

### **Transactions with related parties:**

Paul Appleby the former Director, President and CFO received an annual salary of \$24,000.

### **Share Capital**

The company has issued 26,567,234 common shares as of July 31, 2018 which includes 1,567,234 common shares issued as of the year ending April 30, 2018 and an additional 25,000,000 common shares issued on July 5, 2018 further discussed in "Private Placement".

### **Changes in Directors and Officers**

On June 26, 2018, Paul Appleby, Jon Hussman and Eric Feldbloom resigned as directors of the Company, and Paul Appleby tendered his resignation as President, Chief Executive Officer and Chief Financial Officer of the Company. Binyomin Posen, Sruli Weinreb and Barry Polisuk were appointed as directors of the Company to fill the vacancies created by the foregoing resignations. Binyomin Posen was appointed to the

offices of Chief Executive Officer and Chief Financial Officer and Shimmy Posen was appointed as Secretary of the Company.

### **Private Placement**

On July 5, 2018 the Company issued an aggregate of 25,000,000 common shares ("Common Shares") at a price of \$0.02 per Common Share for gross proceeds of \$500,000. All of the Common Shares issued pursuant to the Offering are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation. The net proceeds of the Offering will be used for general working capital purposes. Shimcity Inc., a corporation controlled by Shimmy Posen, the Secretary of the Company, subscribed for Common Shares in the Offering. This issuance constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). However, Mr. Posen's acquisition is exempt from the formal valuation and majority of the minority shareholder approval requirements set out in MI 61-101 since, at the time the transaction was agreed to: (i) the securities of the Company were not listed or quoted on one of the exchanges or markets specifically identified in MI 61-101; (ii) neither the fair market value of the securities to be distributed in the Offering nor the consideration to be received for those securities, insofar as the transactions involves interested parties, exceeded \$2,500,000; and (iii) the Company has one or more independent directors and, at least two thirds of said independent directors approved the transaction, all as required pursuant to sections 5.5 and 5.7 of MI 61-101.

The Company also, on July 5, 2018 authorized the grant of 400,000 incentive stock options to certain of its directors and officers. Each such option entitles the holder to acquire one Common Share for a period of 3 years at an exercise price of \$0.02 per Common Share

### **Proposed Business Combination**

As disclosed in a press release dated July 26, 2018, the Company announced that it has entered into a letter of intent (the "LOI") dated July 26, 2018 with Colorado-based Dixie Brands, Inc. ("Dixie") whereby the parties will complete a business combination by way of a transaction that will constitute a reverse takeover of the Company by Dixie (the "Transaction"). Pursuant to the Transaction, the Company will apply to list on the Canadian Securities Exchange (the "CSE"). The resulting issuer that will exist upon completion of the Transaction (the "Resulting Issuer") will change its business from mining to the cannabis industry and intends to apply for listing of its common shares on the CSE. The final structure of the Transaction will be determined by the parties following receipt of tax, corporate and securities law advice and is subject to the approval of the CSE. The Transaction is an arm's length transaction. Upon the closing of the Transaction (the "Closing") and after giving effect to the maximum Private Placement and the Debt Conversion (each defined below), it is expected that former shareholders of Dixie will hold approximately 95% of the common shares of the

Resulting Issuer (the “Resulting Issuer Shares”) and current shareholders of the Company will hold approximately 5% of the Resulting Issuer Shares (on a fully-diluted basis). Dixie Brands, Inc. (“Dixie”) is a marketing, intellectual property and product development company designed to build and manage the expansion of the Dixie product portfolio worldwide. What started as a Dixie Elixir beverage in 2010, as part of the legal medical marijuana market in Colorado, has grown to be the first true national consumer package goods company in the cannabis industry. Dixie has three portfolio companies under its umbrella: Dixie Elixirs & Edibles, Aceso Wellness (Hemp-derived CBD based human dietary supplement), and Therabis (Hemp-derived CBD based pet food supplement). The company currently operates in four U.S. states with an aggressive expansion plan for 2019. Dixie has also executed a license agreement with Auxly Cannabis (“Auxly”) in May of 2018. This agreement permits Auxly to exclusively produce and distribute Dixie branded products throughout Canada. Dixie’s expansion strategy will be to control manufacturing and distribution in all markets where it participates while simultaneously building a global brand known for its quality and efficiency.

**Other Information**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Binyomin Posen, Director, Chief Executive Officer and Chief Financial Officer.