

TIDAL ROYALTY CORP.
(formerly known as Tulloch Resources Ltd.)

MANAGEMENT DISCUSSION AND ANALYSIS

For the quarter ended October 31, 2017

December 22, 2017

This management's discussion and analysis provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the period ended October 31, 2017, compared to the period ended October 31, 2016. This report prepared as at December 22, 2017 intends to complement and supplement our interim condensed financial statements (the "financial statements") as at October 31, 2017 which have been prepared in accordance with International Financial Reporting Standards, and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards board ("IASB"). and should be read in conjunction with the financial statements and the accompanying notes. Readers are also advised to read the Company's audited financial statements and accompanying notes for the year ended July 31, 2017, (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards.

Our financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", or the "Company", we mean Tidal Royalty Corp. (formerly Tulloch Resources Ltd.)

Business Description

The Company is an investment company with a focus on the legal cannabis industry in the United States. We anticipate making investments involving conventional equity, licensing, royalties, debt and other forms of investments in private and public companies, in the US legal cannabis related industry.

The Company intends to invest in all aspects of the legal cannabis industry, including production, distribution, and technologies (such as extraction and processing equipment), delivery services, packaging and security services.

The success and ultimate outcome of the Company's operations cannot presently be determined because they are contingent on future matters. See Risk Factors

The Company is a reporting issuer in the provinces of British Columbia and Ontario with plans to list on the Canadian Securities Exchange (CSE).

Highlights and Overall Performance

With our shareholders' consent (received September 5, 2017), the Company changed its business from mineral exploration to that of investment company. The Company anticipates making investments involving conventional equity, debt and other forms of investments in private and public companies with a plan to focus its investments in the cannabis industry in the United States. While the Company has identified the legal cannabis industry to be of interest for investments, and while it is in discussions to make various acquisitions, it should be noted that (i) no contracts have been entered into, and (ii) as such there is no guarantee the Company will make any investments in cannabis related businesses, or, if made, that any such investments will be profitable. There can be no assurance that the Company will be successful in its ventures, or that it will meet the conditions for listing on the CSE. (See: Risk Factors). To execute this change in our business the Company has reorganized its management and added new directors to its board who have relevant investment experience.

Significant Events

On July 26, 2017 the Company consolidated its share capital on a one-for-three basis. All share and per share information have been restated to retroactively reflect this consolidation for all periods presented.

Results of Operations

The Company did not have any revenues from operations during the three-month period ended October 31, 2017 and the fiscal years ended July 31, 2017, July 31, 2016 and July 31, 2015. Please refer to the audited annual financial statements pertaining to those fiscal years for presentation of the significant operating costs.

During the three-month period ended October 31, 2017, the Company's net loss increased by \$49,164 from a net loss of \$913 for the three month period ended October 31, 2016 (\$0.00 per Share) to a net loss of \$50,077 (\$0.02 per Share) for the period ended October 31, 2017. The following is a breakdown of the expenses incurred by the Company in each three-month period ending October 31, 2017 and 2016:

Year Ended	October 31, 2017	October 31, 2016
Consulting Fees	28,935	-
General and Administration	1,562	913
Professional fees	14,110	-
Transfer agent and filing fees	11,470	-
Total	\$ 56,077	\$ 913

Most categories of expenses showed increases in 2017 compared with 2016, as the Company reorganized management and redirected its business. The increase in expenses relates to an increase in a activity associated with the Company's reorganization of management and related duties.

Summary of Quarterly Results

The following table sets forth selected quarterly financial information for the eight most recently completed quarters.

Three Months Ended	Oct 31 2017 \$	Jul. 31 2017 \$	Apr 30 2017 \$	Jan 31 2017 \$	Oct 31 2016 \$	Jul. 31 2016 \$	Apr. 30 2016 \$	Jan 31 2016 \$
Total revenues	-	-	-	-	-	-	-	-
Net loss and comprehensive loss	(56,077)	(24,854)	(5,390)	(1,267)	(913)	(18,188)	(3,438)	(14,432)
Net loss per share – Basic and diluted	(0.02)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)

During the three-month period ending October 31, 2017 the Company incurred a net loss of \$56,077 compared to a net loss of \$913 for the same period in the prior year. The increase in loss of \$55,164 is due to an increase in activity as can be reflected by the \$28,935 consulting fee in the quarter ending October 31, 2017. For the quarter ending July 31, 2017, the Company incurred a net loss of \$24,854, compared with a loss of \$18,188 in the three-month period ending July 31, 2016. Administration expenses made up the bulk of the expenses. The decreased loss for the year ending July 31, 2017 reflects lower expenses as management reduced expenses as the Company restructured management and implemented a new business plan.

Liquidity

At October 31, 2017, the Company had cash of \$22,619 (July 31, 2017 - \$20,265) which management considers being insufficient to continue operations for the coming year. In order to continue operations, and in particular, to fund ongoing expenditure commitments to pursue its investment goals and service its obligations listed in the un-audited financial statements, the Company will need to raise additional capital. The Company expects to finance operating costs by public or private placement of common shares, exercise of warrants, exercise of options, debt financing, or loans from directors and companies controlled by directors. There is a risk that the Company will not be able to secure sufficient working capital to continue as a going concern because of an inability to obtain external financing or an inability to raise sufficient capital in order to meet its obligations as they become due.

Capital Resources

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions and financial needs. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

Working Capital

At the quarter ended October 31, 2017, the Company had negative working capital of \$191,734 (July 31, 2017 - \$135,657) which management considered insufficient to continue operations for the coming year. The Company will be seeking to raise further funds from, private placements financings, loans from directors in order to continue operations, and in particular to fund ongoing expenditure commitments as they arise. The Company also plans to finance through private and public offerings.

As at	October 31, 2017	July 31, 2017
Total Assets	\$ 24,915	\$ 22,334
Total Liabilities	216,649	157,991
Working Capital	(191,734)	(135,657)
Shareholder's Equity	(191,734)	(135,657)

Cash Used in Operating Activities

Net cash used in operating activities during the three months ended October 31, 2017 was \$56,293 (2016 – 162) which mainly consisted of funds used in expenses during the quarter

Cash Used in Investing Activities

The Company used nil cash in investing activities in the three-month periods ended October 31, 2017 and 2016.

Cash Generated by Financing Activities

Total net cash generated during the three-month period ended October 31, 2017 was \$40,000 (2016 - \$Nil) by the issuance of loans payable and from related parties \$12,647 (2016 – \$ Nil).

Off-Balance Sheet Arrangements

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

Transactions with Related Parties

Key Management Personnel Compensation

For the three-month period ended	October 31, 2017	October 31, 2016
Consulting fee paid to companies owned by directors and officers	\$ 28,935	\$ Nil
Total	\$ 28,935	\$ Nil

As at October 31, 2017, the Company owed \$35,413 (July 31, 2017 - \$22,766) to related parties. These amounts comprised of \$10,000 (July 31, 2017 - \$10,000) loan made by a company controlled by a director and \$21,174 (July 31, 2017 - \$4,239) due to companies controlled by directors and \$4,239 (July 31, 2017 - \$8,527) due to an officer of the Company. The payable is unsecured, non-interest bearing and have no specific terms for repayment.

Proposed Transaction

The Company is in the process of raising up to \$6,000,000, which might increase, in a non-brokered private placement by issuing up to 120 million units at \$0.05 per unit, with each unit comprising of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional common share at a price of \$0.05 per common share expiring two years from closing.

Outstanding Share Data

At October 31, 2017 the Company had only common shares outstanding:

Securities	Number	Exercise Price	Expiry Date
Common shares	2,843,636	N/A	N/A
Fully diluted share capital	2,843,636	N/A	N/A

On July 26, 2017 the Company consolidated its share capital on a one-for-three basis. All share and per share information have been restated to retroactively reflect this consolidation for all periods presented.

During the year ended July 31, 2016, the shareholders approved the increase in the authorized share capital of the Company from 100,000,000 common shares to an unlimited number of common shares, without par value and created a new class for an unlimited number of preferred shares without par value.

Risks Factors

Marijuana industry and operational risks

The Company anticipates making investments involving conventional equity, debt and other forms of investments in private and public companies and anticipates seeking investment opportunities in the US with a plan to focus its investments in the cannabis industry in the United States. There are certain risks involved with such business activities, including:

- Cannabis is illegal under US federal law, but has been legalized by many US states
- the activities of the Company would be subject to evolving regulation that is subject to changes by governmental authorities in Canada and the U.S.
- third parties with which the Company does business, including banks and other financial entities, may perceive that they are exposed to legal and reputational risk because of the Company's cannabis business activities;
- the Company has no operating history in this sector;

Risks Factors (Continued)

Marijuana industry and operational risks (Continued)

- the operation of the Company can be impacted by adverse changes and developments affecting the Company's interests;
- the Company's ability to recruit and retain management, skilled labour and suppliers is crucial to the Company's success;
- the Company's ability to repatriate returns generated from investments in the U.S. may be limited by anti-money laundering laws;
- the Company has a history of net losses, may incur significant losses in the future and may not achieve or maintain profitability;
- even if its financial resources are sufficient to fund its current operations, there is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company may require additional financing and 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 favourable to the Company.
- 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;
- the Company believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception of the Company's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that the future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medical cannabis market or any particular product, or consistent with earlier publicity;
- the Company and other interests face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury;
- any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Company;
- the Company is largely reliant on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the medical cannabis industry in Canada or the United States. A failure in the demand for its products to materialize because of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company;
- the Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems of controls;
- the Company may engage in acquisitions or other strategic transactions or make investments that could result in significant changes or management disruption;
- the Company could fail to integrate subsidiaries and other interests into the business of the Company;
- completed acquisitions, strategic transactions, or investments could fail to increase shareholder value;
- certain of the Directors and Officers of the Company are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies;
- the Company, its other interests 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;
- the market price for the common shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control;

Risks Factors (Continued)

Marijuana industry and operational risks (Continued)

- there can be no assurance that an active liquid market for the shares will be maintained and an investor may find it difficult to resell any securities of the Company;
- the Company does not anticipate paying any dividends on the common shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings; and
- the Canadian Depository for Securities Limited (“CDS”) may be considering a policy change with respect to issuers with U.S. cannabis assets. A policy change, if implemented, could affect the Company’s current operations and/or disqualify its ability to settle its securities with CDS.

Price Volatility of Public Stock

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company’s shares will be subject to market trends generally and the value of the Company’s shares on a stock exchange may be affected by such volatility.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company’s financial viability as a result of increased financing costs and limited access to capital markets.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management’s services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Conflicts of Interest

The Company’s directors and officers may serve as directors and officers, or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act, British Columbia (“Corporations Act”) in dealing with conflicts of interest. These provisions state, where a director/officer has such a conflict, that the director/officer must at a meeting of the board, disclose his interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company.

Disclosure Regarding the Company’s Proposed Investments in Entities Carrying on Business in the United States Cannabis Industry

The following disclosure is intended to comply with the Canadian Securities Administrators Staff Notice 51-352 – *Issuers with U.S. Marijuana-Related Activities*.

Nature of Tidal’s Involvement in the U.S. Cannabis Industry

Tidal intends to be indirectly involved (through investments in third-party entities in the United States – “Investees”) in the cannabis industry in those states of the United States where local and state law permits such activities. Currently, the Company is not directly engaged in the cultivation, manufacture, importation, possession, use, sale or distribution of cannabis in the medical or recreational cannabis marketplace in the United States.

Disclosure Regarding the Company's Proposed Investments in Entities Carrying on Business in the United States Cannabis Industry (Continued)

Illegality under U.S. Federal Law

Almost half of the U.S. states have enacted legislation to regulate the sale and use of cannabis on either a medical or recreational level. However, notwithstanding the permissive regulatory environment of cannabis at the state level, cannabis continues to be categorized as a controlled substance under the *Controlled Substances Act* (the "CSA") in the United States and as such, activities within the cannabis industry are illegal under U.S. Federal Law.

As a result of the conflicting views between state legislatures and the federal government regarding cannabis, investments in cannabis related businesses in the United States are subject to a higher degree of uncertainty and risk. Unless and until the US federal government amends the CSA with respect to cannabis, there can be no assurance that it will not seek to prosecute cases involving cannabis businesses that are otherwise compliant with state law. Such potential proceedings could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens; or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. Such proceedings could have a material adverse effect on the Issuer's business, revenues, operating results and financial condition as well as the Issuer's reputation, even if such proceedings were concluded successfully in favour of the Issuer.

There is also the risk that the Issuer's investments may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to invest in the United States or any other jurisdiction.

U.S. Federal Enforcement Priorities

The inconsistent regulation of cannabis at the federal and state levels was addressed in 2013 when then Deputy Attorney General, James Cole, authored a memorandum (the "Cole Memorandum") acknowledging that although cannabis is a controlled substance at the federal level, several US states have enacted laws relating to cannabis for medical purposes. The Cole Memorandum noted that in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. However, the Department of Justice ("DOJ") has never provided specific guidelines for what regulatory and enforcement systems it deems sufficient under the Cole Memorandum standard.

In light of limited investigative and prosecutorial resources, the Cole Memorandum concluded that the DOJ should be focused on addressing only the most significant threats related to cannabis. States where medical cannabis had been legalized were not characterized as a high priority. In March 2017, newly appointed Attorney General Jeff Sessions again noted limited federal resources and acknowledged that much of the Cole Memorandum had merit, however, he disagreed that it had been implemented effectively and has not committed to utilizing the Cole Memorandum framework going forward. After taking office, Attorney General Jeff Sessions established a task force to study cannabis but so far, they have issued no final conclusions. As such, the enforcement of US federal laws with respect to cannabis remains uncertain and subject to change.

Tidal's investments in entities involved in the US cannabis industry will be made (i) only in those states that have enacted laws legalizing cannabis in an appropriate manner; and (ii) only in those entities that have fully complied with such state (and local) laws and regulations and have the licences, permits or authorizations to properly carry on each element of their business.

Ability to Access Private and Public Capital

The Issuer has historically relied entirely on access to both public and private capital in order to support its continuing operations, and the Issuer expects to continue to rely almost exclusively on the capital markets to finance its investments in the US cannabis industry. Although such investments carry a higher degree of risk, and despite the illegal nature of cannabis under U.S. federal laws, Canadian based issuers involved in making U.S. cannabis based investments have been successful in raising substantial amounts of private and public financing. However, there is no assurance the Issuer will be successful, in whole or in part, in raising funds, particularly if the U.S. federal authorities change their position toward enforcing the CSA. Further, access to funding from U.S. residents may be limited due their unwillingness to be associated with activities which violate US federal laws.

Additional Disclosure for Junior Issuers

Proposed Transactions

There are currently no significant proposed transactions except as otherwise disclosed in this MD&A. Confidentiality agreements and non-binding agreements may be entered into from time to time, with independent entities to allow for discussions of the potential acquisition and/or development of the business.

Approval

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Forward-looking-information-advisory

Statements included in this document that do not relate to present or historical conditions are "forward-looking statements". Forward-looking statements are projections in respect of future events or the Company's future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "intend", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", or "continue", or the negative of these terms or other comparable terminology. Forward-looking statements in this Listing Statement include statements with respect to: the ability of the Company to acquire BC wine for export; whether any wine acquired will be embraced by the purchasing public; expected future growth of the export market; the success of the concurrent financing, and statements regarding estimated capital requirements and use of proceeds. These statements are only predictions and involve known and unknown risks and uncertainties, including the risks in the section entitled "Risk Factors", and other factors which may cause the Company's actual results, levels of activity or performance to be materially different from any future results, levels of activity or performance expressed or implied by these forward-looking statements.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity or performance. Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of such factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement

Forward Looking Information

Certain statements in this document constitute "forward-looking statements" and are based on current expectations and involve risks and uncertainties, referred to above and or in Tidal's financial statements for the three months ended October 31, 2017 or year ended July 31, 2017, that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in the forward-looking statements. Future results will not be consistent with the Company's expectations, marijuana prices, demand for marijuana, currency exchange rates, political and operational risks inherent in farming or other business activities, legislative factors relating to prices, taxes, royalties, land use, title and permits, importing and exporting of marijuana, environmental protection, expenditures on property, plant and equipment, increases and decreases in reserves and/or resources and anticipated grades and recovery rates and are or may be based on assumptions and/or estimates related to future economic, market and other conditions. This list is not exhaustive and should be considered carefully by prospective investors, who should not place undue reliance on such forward-looking statements. Factors that could cause actual results, developments or events to differ materially from those anticipated include, among others, the factors described or referred to elsewhere herein including, without limitation, under the heading "Risks and Uncertainties" and/or the financial statements, and include unanticipated and/or unusual events as well as actual results of planned programs

Forward-looking-information-advisory (Continued)

and associated risk. Many of such factors are beyond Tidal's ability to control or predict. Actual results may differ materially from those anticipated. Readers of this MD&A are cautioned not to put undue reliance on forward looking statements due to their inherent uncertainty. Forward-looking statements are made based upon management's beliefs, estimates and opinions on the date the statements are made, which management believes are reasonable, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law. These forward-looking statements should not be relied upon as representing management's views as of any date subsequent to the date of this MD&A.

Additional information, including interim and annual financial statements, the management information circulars and other disclosure documents, may also be examined and/or obtained by accessing the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com.