

ABBA MEDIX GROUP INC.
(Formerly “Saratoga Electronic Solutions Inc.”)

Management’s Discussion and Analysis

For the Nine-month Period Ended April 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Abba Medix Corp. (formerly "Saratoga Electronic Solutions Inc.") ("Abba Group" or the "Company") was prepared in accordance with Regulation 51-102 "Respecting Continuous Disclosure Obligations" and should be read in conjunction with the condensed consolidated interim financial statements and related notes thereto of the Company for the nine-month periods ended April 30, 2015 and 2014. The Company files its condensed consolidated interim financial statements, press releases and other required disclosure documents on the SEDAR database at www.sedar.com.

The Company prepares its condensed consolidated interim financial statements in accordance with International Financial Reporting Standards ("IFRS"). Except where otherwise indicated, all financial information reflected herein is expressed in Canadian dollars.

This MD&A may contain information and declarations on the future performance of the Company that are by nature forward looking. These declarations reflect management's expectations regarding future events based on assumptions and uncertainties that are subject to the risk factors identified in the "Risks and Uncertainties" section of this MD&A. Readers are hereby cautioned.

The condensed consolidated interim financial statements and MD&A of the Company in respect of the nine-month periods ended April 30, 2015 were reviewed and approved by the Board of Directors of the Company on July 2, 2015.

OVERVIEW

The Company is incorporated under the *Canada Business Corporations Act* and is listed on the Canadian Stock Exchange under the symbol "ABA". The Company is headquartered in Pickering, Ontario, Canada.

The address of the registered office is 1773 Bayly Street, Pickering, ON.

Business Overview

On February 24, 2015, the shareholders of Abba Medix Corp. ("Abba Corp.") entered into a definitive share exchange agreement (the "Share Exchange Agreement") with the Company pursuant to which, each shareholder of Abba Corp. will exchange, transfer and assign all of the Class A Common shares of Abba Corp. he, she or it owns to the Company in consideration of the Company's issuance to such shareholder a number of common shares of the Company on the basis of thirty-two (32) common shares of the Company for each one (1) Class A Common share of Abba Corp. (the "Transaction").

Pursuant to the Share Exchange Agreement, the deemed value of the common shares of the Company issued to the shareholders of Abba Corp. shall be \$0.25 per share.

Upon completion of the Transaction, the former shareholders of Abba Corp. became the controlling shareholders of the Company. For accounting purposes, Abba Corp. is the deemed acquirer and the Company the deemed acquired company, and accordingly, Abba's balances are accounted for at cost and the Company's balances are accounted for at fair value. Since the Company's operations do not constitute a business, the Transaction has been accounted for as a reverse takeover that is not a business combination. Therefore, the Company's share capital, deficit and contributed surplus will be eliminated, the consideration transferred by the Company will be allocated to share capital, and the transaction costs will be expensed.

Following completion of the transaction during the period ended April 30, 2015, Abba Corp.'s shareholders held 42,780,064 of the 61,241,364 issued and outstanding common shares of the Company.

The allocation of the consideration transferred is as follows:

Consideration transferred (18,461,300 shares at a price of \$0.25 per share)	\$4,615,325
Net assets (liabilities) of Saratoga acquired	<u>(192,425)</u>
Transaction Costs	\$4,807,750

The acquisition-date fair value of the consideration transferred by the Company for its interest in Abba Corp. is based on the number of equity interests Abba Corp. would have had to issue to give the owners of the Company the same percentage equity interest in the combined entity that results from the Transaction as described above. The fair value of the number of equity interests calculated in that way is used as the fair value of consideration transferred in exchange for Abba Corp. An adjustment has been booked to adjust the fair market value of the Company's equity interest in Abba accordingly.

In connection with the completion of the Transaction, the Company delisted its common shares from the NEX board of the TSX Venture Exchange (the "TSXV"), listed its common shares on the Canadian Securities Exchange (the "CSE").

About Abba Medix Corp.

Abba Corp is an Ontario corporation established in 2013 to capitalize on the changing rules governing medical marijuana production in Canada. On April 1, 2014, Health Canada eliminated the ability of the approximately 37,000 Canadians currently licensed to possess marijuana for medicinal use to grow their own marijuana or have it grown on their behalf. From this point forward, these users must purchase medical marijuana from commercial suppliers licensed by Health Canada.

Abba Corp filed an application with Health Canada in November of 2013 to obtain a license to produce and distribute marijuana under the federal *Marihuana for Medical Purposes Regulations* (the “License”). Abba Corp has secured a 45,000 square foot facility to support its production plan and has invested over \$1,600,000 in the first phase of the plan that includes 15,000 square feet of production space. Abba Corp will continue to build out the facility as production demand increases.

While there can be no guarantee as to the successful outcome of Abba Corp’s application for the License nor as to the timeframe within which such application will be processed by Health Canada, it is Abba Corp’s goal to create one of the most technologically advanced and secure facilities in Canada in compliance with applicable rules and regulations.

Going concern

The condensed consolidated interim financial statements have been prepared on the going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has incurred substantial losses to date and has an accumulated deficit of \$7,522,239 at April 30, 2015, and, as of the date of this MD&A, has yet to receive its License from Health Canada.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern is dependent upon, but not limited to, obtaining a licence to produce medical marijuana under the MMPR, and its ability to raise financing necessary to discharge its liabilities as they become due and generate positive cash flows from operations. The Company has not generated revenue from operations. During the period ended April 30, 2015, the Company incurred a net loss of \$7,267,463 and as of that date, the Company's deficit was \$7,522,239. As at April 30, 2015, the Company has current assets of \$1,036,831 and current liabilities of \$1,803,855. The Company has a working capital deficiency of \$767,024 as at April 30, 2015. There is no assurance that the Company will be able to materialize its plan.

The condensed interim financial statements do not give effect to adjustments that may be necessary, should the Company be unable to continue as a going concern. If the going concern assumption is not used then the adjustments required to report the Company’s assets and liabilities at liquidation values could be material to the condensed interim financial statements.

Quarterly results

Quarter	Revenues	Net income (loss)	Net earnings (loss) per share - basic and diluted
	\$	\$	\$
<i>Year ended July 31, 2015</i>			
Quarter ended April 30, 2015	-	(6,441,133)	(0.19)
Quarter ended January 31, 2015	-	(331,209)	(0.30)
Quarter ended October 31, 2014	-	(495,123)	(0.49)
<i>Year ended July 31, 2014</i>			
Quarter ended July 31, 2014	-	(121,324)	(0.02)
Quarter ended April 30, 2014	-	(122,649)	(0.02)
Quarter ended January 31, 2014	-	(887)	-
Period from August 21, 2013 to October 31, 2013	-	(9,916)	-

Note: For comparative purpose, the total revenue, net income (loss) and EPS in this chart the historical results of Abba Corp.

Results of operations

Revenues

The Company did not have any revenue for the three or nine month periods ended April 30, 2015 and 2014 as it is in the process of obtaining a licence to produce medical marijuana under the MMPR and completing construction of its production facility.

Expenses

Total expenses for the three and nine month period ended April 30, 2015 were \$6,441,133 and \$7,267,463 respectively. Included in both figures are non-cash transaction costs of \$4,807,750 as a result of accounting for the Transaction in accordance with IFRS as well as non-cash transaction costs of \$531,867 related to the fair value of warrants issued to a consultant in connection with the Transaction. Total expenses of Abba Corp for the three and nine month period ended April 30, 2014 were \$122,649 and \$133,452 respectively, as Abba Corp was in the initial stages of constructing its production facility following the submission of its application for a License.

In addition to the non-cash transaction costs discussed previously, the Company incurred additional transaction costs of \$302,761 and \$576,690 during the three and nine months ended April 30, 2015. These costs relate to accounting and legal services rendered in connection with the Transaction.

The Company incurred consulting fees expenses of \$252,026 and \$452,457 during the three and nine month periods ended April 30, 2015. Included in these costs are fees paid to the Company's CEO and CFO as well as other fees paid to external consultants for services in connection with business development, product development and investor relations. Consulting fees of Abba Corp incurred during the three and nine month periods ended April 30, 2014 amounted to \$102,000, and were paid for services rendered regarding the preparation of the License application.

Salaries and benefits expense for the three and nine month periods ended April 30, 2015 were \$119,951 and \$233,325 respectively and relate to the addition of five employees. Abba Corp did not incur any such expenses during the comparative periods ended April 30, 2014.

License and registration fees amounted to \$138,986 during the three and nine month periods ended April 30, 2015 and are related to fees paid in connection with a license granted to the Company related to the exclusive right to intellectual property to be distributed to health care professionals regarding the use of marijuana for medical purposes. Abba Corp did not incur any such expenses during the comparative periods ended April 30, 2014.

The Company incurred advertising and promotional expenses of \$97,469 and \$117,411 during the three and nine month periods ended April 30, 2015 which is related to the preparation of promotional materials and fees paid to a marketing agency, as well as an event held for Company shareholders in February 2015. Abba Corp did not incur any such expenses during the comparative periods ended April 30, 2014.

Professional fees of \$68,706 and \$115,745 were incurred during the three and nine month periods ended April 30, 2014 and 2015 and include general legal and accounting work not specifically related to the Transaction. Abba Corp incurred professional fees of \$Nil and \$1,242 during the comparative periods ended April 30, 2014.

CHANGE IN FINANCIAL POSITION

The following table summarizes certain financial data related to the Company and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three-month and nine-month periods ended April 30, 2015.

	Three-month period ended		Nine-month period ended	
	April 30, 2015 (unaudited)	April 30, 2014 (unaudited)	April 30, 2015 (unaudited)	April 30, 2014 (unaudited)
	\$	\$	\$	\$
Cash flow used in operating activities of continuing operations	(808,999)	(53,604)	(1,457,792)	(88,258)
Cash flow used in investing activities from continuing activities	(443,189)	(7,342)	(1,273,092)	(7,342)
Cash flow generated by (used in) financing activities from continuing operations	971,426	174,001	2,525,476	209,179
Net increase (decrease) in cash	(280,762)	113,055	(205,408)	113,579

Operating activities

Cash flows used in operating activities were \$808,999 for the three-month period ended April 30, 2015, compared to cash flows used of \$53,604 for the three-month period ended April 30, 2014. Cash flows used in operating activities were \$1,457,792 for the nine-month period ended April 30, 2015, compared to cash flows used of \$88,258 for the three-month period ended April 30, 2014. The increase in the amount of cash used in operating activities is primarily attributable to the fact that Abba Corp was in the initial stages of development during the periods ended April 30, 2014 and overall expenses of the Company were low.

Investing activities

Cash flows used in investing activities were \$443,189 for the three-month period ended April 30, 2015, compared to cash flows used of \$7,342 for the three-month period ended April 30, 2014. Cash flows used in investing activities were \$1,273,092 for the nine-month period ended April 30, 2015, compared to cash flows used of \$7,342 for the three-month period ended April 30, 2014. The increase in the amount of cash used in investing activities is primarily attributable to the construction of the Company's production facility that took place throughout the nine months ended April 30, 2015 which has been the primary focus of the Company's efforts while its License application is in process with Health Canada. Abba Corp had yet to start construction as at April 30, 2014.

Financing activities

Cash flows provided by financing activities were \$971,426 for the three-month period ended April 30, 2015, compared to cash flows of \$174,001 for the three-month period ended April, 2014. Cash flows provided by financing activities were \$2,525,476 for the nine-month period ended April 30, 2015, compared to cash flows of \$209,179 for the nine-month period ended April, 2014. Cash flow provided by financing activities during the periods ended April 30, 2014 was related to short-term borrowings from related parties. While there was some borrowing from related parties during the periods ended April 30, 2015, the majority of the cash flow from investing activities was generated by the issuance of common shares of Abba Corp prior to completion of the transaction. The Company also issued promissory notes to generate cash flows of \$450,000 during the three and nine month periods ended April 30, 2015

Consolidated statements of financial position

The total current assets of the Company amounted to \$1,036,831 as at April 30, 2015, compared to \$371,024 as at July 31, 2014. The change between the periods is a result of the Company being further along in the development of its business. As at July 31, 2014, Abba Corp was in the preliminary stages of development. Include in current assets at April 30, 2015 is cash of \$8,554, share subscriptions receivable of \$310,025, prepaid expenses of \$223,426 and recoverable HST of \$390,409.

The Company's current liabilities as at April 30, 2015 amounted to \$1,803,855 compared to \$437,315 as at July 31, 2014. Included in current liabilities as at April 30, 2015 are accounts payable and accrued liabilities of \$1,134,821, promissory notes payable of \$450,000 and other non-interest bearing advances totalling \$219,034.

During the period ended April 30, 2015, the Company entered into a Proposed Financing and Advisory Agreement for the advisor to act as an exclusive agent, on a best efforts basis, for and on behalf of the Company in connection with a proposed equity financing of up to \$10,000,000 and to act as an advisor to the Company for a period of twelve months as a way to generate capital to be used for working capital purposes and further construction of the Company's productions facility. There is no certainty that the Company will be successful in raising financing, and as such there is uncertainty the Company will be able to continue as a going concern.

Issued and outstanding share capital

The Company's shares are traded on the Canadian Stock Exchange under the symbol "ABA". As of the date of this MD&A, there are a total of 61,241,364 common shares issued and outstanding. Furthermore, the Company has issued 5,511,723 warrants in connection with the Transaction with each warrant entitling the holder to purchase one common share of the Company at a price of \$0.25 per share for a period of 12 months from the date of the close of the Transaction.

Related Party Transactions

During the period ended April 30, 2015, the Company incurred the following related party transactions:

a) A total of \$142,671 in occupancy expenses was paid to a company whose shareholders are related to the shareholders of one of the Company's corporate shareholders. As at April 30, 2015, prepaid expenses included \$54,968, deferred lease inducement included \$8,245 and accounts payable and accrued liabilities included \$7,743 payable to this company.

b) A total of \$133,333 in consulting fees was charged by a company controlled the Company's CEO.

c) A total of \$2,500 of advertising and promotional expenses and \$24,231 of salaries were paid to an individual who is a shareholder of one of the Company's corporate shareholders.

d) A total of \$35,550 in consulting fees was charged by a company controlled by the Company's CFO. As at April 30, 2015, accounts payable and accrued liabilities included \$107,975 payable to this company.

All related party transactions were in the normal course of operations and are measured at the exchange amount.

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

Statement of compliance

The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the company and the notes thereto. The unaudited condensed consolidated interim financial statements have not been subject of a review or an audit by the company's auditors and have been approved by the Board of directors on July 2, 2015.

Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis.

These condensed consolidated interim financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS34.

Functional and presentation currency

The condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company’s functional currency.

Accounting Policies

The Company’s condensed interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting". These condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the period from August 21, 2013 to July 31, 2014, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and interpretations issued by the International Financial Reporting Committee ("IFRIC").

The condensed interim consolidated financial statements have been prepared following the same accounting policies used in the preparation of the Company's audited financial statements for the period from August 21, 2013 to July 31, 2014.

The comparative figures shown throughout the condensed interim consolidated financial statements and this MD&A are the historical results of Abba.

Recent accounting pronouncements and amendments not yet effective

IFRS 9 Financial Instruments was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The effective date for mandatory adoption of IFRS 9 has not yet been determined.

Critical accounting estimates, judgements and assumptions

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed interim financial statements and the reported

amounts of income and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The most significant judgments, estimates and assumptions include those related to the ability of the Company to continue as a going concern, the recognition of deferred tax assets, evaluation of contingencies and the estimated useful lives of the Company's property and equipment and intangible assets.

Management has determined that judgments, estimates and assumptions reflected in these condensed interim financial statements are reasonable.

Financial Instruments

Fair Value

The carrying amounts for the Company's cash, share subscriptions receivable short-term advances to/ from a related party, accounts payable and accrued liabilities, amounts due to a director, promissory notes payable and short-term advances receivable/ payable approximate their fair values because of the short-term nature of these items.

Credit risk

The Company is not exposed to any significant credit risk as at April 30, 2015. The Company's cash is on deposit with a highly rated financial institution in Canada. The Company's HST recoverable is due from the government of Canada.

Liquidity risk

Liquidity risk is the risk that an entity will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they become due. All of the Company's current financial liabilities and receivables have contractual maturities of less than 120 days and are subject to normal trade terms unless otherwise noted in note 19. As at April 30, 2015, the Company has current assets of \$1,036,831 and current liabilities of \$1,803,855. The Company has a working capital deficiency as at April 30, 2015 of \$767,024.

Risk factors

Licenses and Permits

Company operations require obtaining various licenses and permits from governmental agencies. There is no certainty as to whether the company will obtain those permits and licenses required to produce and distribute medical marijuana.

The Company's activities are subject to a wide array of laws and provision that govern, among others, aspects such as health and safety of employees, employment standards, and waste disposal. Likewise, the Company should obtain permits from governmental authorities and enforcement authorities to carry out its activities. Changes in some of these regulations or their interpretation could adversely affect the Company's current or future operations.

Information Communication Controls and Procedures

Management, including the President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), is responsible for designing, establishing, and maintaining a system of internal controls over financial reporting ("ICFR") to provide reasonable assurance that all information prepared by the Company for external purposes is reliable and timely. Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with IFRS.

The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately reflect the transactions of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's consolidated Financial Statements. Due to its inherent limitations, internal control over financial reporting and disclosure may not prevent or detect all misstatements.

The CEO and CFO have evaluated whether there were changes to the ICFR during the period ended April 30, 2015 that have materially affected, or are reasonably likely to materially affect, the ICFR. As a result, no such significant changes were identified through their evaluation.

There have been no material changes in the Company's internal control over financial reporting during the period ended April 30, 2015 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Commitments and Contingencies

- a) During the period ended July 31, 2014, the Company entered into an agreement for the provision of corporate and market-related advisory services. As consideration for the services rendered pursuant to the agreement, the Company shall grant to the advisor, pursuant to the terms of the Company's stock option plan, 9% of the total issued and outstanding shares post funding of the first funding of up to \$1,000,000, options (the "Options"), each such option entitling

the holder to purchase one common share of the Company at the same strike price as the initial funding of up to \$1,000,000 as described, for a period of twelve (12) months from the date of a completed going public transaction. As additional consideration for the services rendered pursuant to this agreement, the Company shall pay an advisory fee of \$7,500 per month for the first six (6) months of the agreement; \$5,000 per month for the subsequent six (6) months; and, \$4,000 for the last twelve (12) months of the agreement. The advisory fee is due monthly as long as the agreement remains in effect. All such fees will accrue from the date of the agreement and will become due on closing of the financing as described above.

The agreement will expire on May 6, 2016, and can be cancelled for any reason by either party with ninety (90) days' notice. A written notification must be submitted by the party requesting the cancellation and must be sent to the other party in writing with delivery confirmation. If the purpose for cancellation is "for cause", then this period can be reduced to thirty (30) days.

During the period ended April 30, 2015, the agreement was amended with respect to the options to be issued to the advisor. Pursuant to the amendments, upon successful completion of the transaction as described in note 16(c), the advisor will be entitled to receive warrants, instead of options, entitling it to acquire an amount of common shares equal to 9% of the issued and outstanding common shares at the time of the closing of the proposed transaction, exercisable for a period of twelve months at a price of \$0.25 per share in consideration of financial advisory and other services provided to the Company in connection with the proposed transaction.

During the period ended July 31, 2014 the Company engaged a firm of architects for architectural, mechanical and electrical consulting services related to the construction of its production facility. Pursuant to the request for proposal, the estimated fee payable for the services to be rendered was \$64,000,

- b) During the period ended July 31, 2014, the Company entered into a Joint Venture Agreement for the purpose of forming three (3) identified joint ventures to further the development in Canada on an exclusive basis, the business activities of three individual companies identified in the Joint Venture Agreement. The term of the joint ventures shall be for five (5) years from the date of the execution of the Joint Venture Agreement, and can be renewed for further periods of five (5) years with both parties negotiating in good faith. The Joint Venture Agreement contemplates consummating final definitive joint venture agreements that will govern each of the original three (3) proposed joint venture opportunities. Pursuant to the Joint Venture Agreement, the Company's equity interest in each of the proposed joint venture companies will be forty-five percent (45%), and the Company will act as the Managing Partner of the Joint Ventures. During the period ended April 30, 2015, the Joint Venture Agreement was terminated. See also note 8.

- c) During the period ended April 30, 2015, the Company entered into a Consulting Agreement for the provision of services with respect to (but not limited to) product growing strategy and layout design for growing room, nursery rooms, vegetative rooms, plantation stations, drying and trimming rooms over a term of one year in exchange for a monthly fee of \$13,000. The agreement can be terminated by either party by providing 60 days' notice to the other party.
- d) During the period ended April 30, 2015, the Company was assigned a legally binding Letter of Intent ("LOI"), pursuant to which the Company will enter into an agreement to obtain an exclusive right to purchase and import into Canada any medical cannabis and medical cannabis products produced by the Supplier that is legally allowed by the Canadian Government. In consideration for the Exclusive Supply Agreement, the Company is to pay an Exclusive Supply Agreement fee of \$150,000 and issue 500,000 non-restricted common shares of the Company upon close of the Exclusive Supply Agreement. With respect to the \$150,000 Exclusive Supply Agreement Fee, the Company paid a \$50,000 non-refundable no-shop fee upon execution of the LOI and will make a final cash payment of \$100,000 upon close of the Exclusive Supply Agreement. During the period ended April 30, 2015, the LOI expired before the Exclusive Supply Agreement could be finalized and, although a formal extension has not been agreed to, the parties continue to work towards finalizing an Exclusive Supply Agreement as contemplated in the original LOI. The \$50,000 non-refundable no-shop fee has been included in prepaid expenses as at April 30, 2015.
- e) During the period ended April 30, 2015, the Company entered into a Consulting Agreement for the provision of business advisory services with respect to corporate development services, business strategy and operational matters, developing new business opportunities, identifying and advising on potential business acquisitions and participation in various internal and external business meetings of the Company in exchange for a monthly fee of \$12,500. On each anniversary of the Consulting Agreement, the parties shall review the amount of the consulting fees. The amount of the consulting fees shall not be changed unless mutually agreed upon by the parties in writing.

The Consulting Agreement shall commence on the date on which the Company completes the transaction as described in note 16(c), and shall continue for a period of five years thereafter. This Consulting Agreement is conditional upon and shall not take effect unless the proposed transaction is completed.

Either party can terminate this Consulting Agreement at any time, without cause, subject to providing the other party with 90 days advance written notice of termination.

Subsequent to the period ended April 30, 2015, this Consulting Agreement was terminated by mutual consent of the parties

- f) During the period ended April 30, 2015, the Company entered into an Investor Relations Services Agreement to provide services related to investor and market relations objectives, as well as business and financial strategies for a period of 180 days in exchange for an upfront fee of \$50,000.

Either party can terminate this Investor Relations Services Agreement at any time, with cause, subject to providing the other party with 30 days advance written notice of termination.

- g) During the period ended April 30, 2015, the Company entered into a Licensing Agreement which grants to the Company the limited right to use certain Authored Work in Canada, that the licensor has developed in connection with its Continuing Medical Education Programs that are accredited for CME credits by the American Medical Association. The license grants the Company the exclusive right to distribute the Authored Work to one thousand five hundred physicians and/ or health care professionals for a period of twelve months from the date of the Licensing Agreement. In the event that the Company has not trained one thousand five hundred health care professionals during the twelve month period, the License Agreement will be extended for a period of an additional six months.

Pursuant to the License Agreement, the Company will pay a program fee of 50,000 United States Dollars to be paid upon the execution of the Licensing Agreement, as well as an educational certification fee in the amount of \$415,000. The educational certification fee shall be paid by way of payment of 52,000 United States Dollars upon execution of the License Agreement and eleven monthly payments of 33,000 United States Dollars.

In the event of default by the Company, the licensor shall have the option to cancel the License Agreement by providing thirty days written notice to the Company. The Company shall have the option of preventing the termination of the License Agreement by taking corrective action that cures the default, if such corrective action is taken prior to the end of the time period stated in the previous sentence, and if there are no other defaults during such time period. In the event that the licensor is unable to deliver the Authored Work for a period of three days, a default shall occur. In the event of such default, the licensor will have ten (10) days to cure such default. During such period, the Company may withhold any payment which would otherwise be due and payable. At the time the default is cured, such withheld payment is immediately due and payable.

- h) During the period ended April 30, 2015, the Company entered into a binding Memorandum of Understanding (the "Agreement") with 2457513 Ontario Ltd. ("2457513") and Blow Canada Inc. ("Blow Canada") to acquire all the issued and outstanding shares of 2457513 immediately following the acquisition by 2457513 of all the assets of Blow Canada including the shares of its US subsidiary, Blow Vapor Inc. (2457513, Blow Canada and Blow Vapor Inc., herein collectively referred to as "Blow Vapor").

Under the terms of the Agreement, the Company shall pay to Blow Canada an aggregate consideration of \$5,500,000 in cash and shares of the Company. Upon closing, 2457513 will be a wholly-owned subsidiary of the Company and Blow Vapor Inc. will be an indirect wholly-owned subsidiary of the Company.

The Agreement contemplates that the consideration payable by the Company to Blow Canada will be comprised of the following: (a) \$500,000 cash payable on closing; and (b) the Company shall issue 10,000,000 common shares (at a deemed value of \$0.50 per share) for an aggregate value of \$5,000,000 on closing. Of the 10,000,000 shares, 6,000,000 shares will be placed in escrow to be released in three (3) tranches as follows: 1) 2,000,000 shares to be released from escrow at the time Blow Vapor has reached \$3,000,000 in gross revenue, 2) 2,000,000 shares to be released from escrow at the time Blow Vapor has reached \$6,000,000 in gross revenue, and 3) 2,000,000 shares to be released from escrow once Blow Vapor has reached \$7,500,000 in gross revenue. Should any of the release thresholds not be achieved within four (4) years from closing, any escrow consideration which remains shall be returned to the treasury of the Company for cancellation.

The Agreement is binding and is expected to be superseded by a definitive agreement to be agreed to and signed between the parties, expected no later than July 31, 2015 (a "Definitive Agreement"). The transaction is subject to regulatory approval and standard closing conditions

- i) During the period ended April 30, 2015, the Company entered into a Letter of Intent (the "LOI") with 9037136 Canada Inc., operating and known as Redecan Pharm ("Redecan"), a Health Canada licensed producer and distributor of medical marijuana, to acquire all of the issued and outstanding shares of Redecan in exchange for aggregate consideration of \$11,000,000, payable in cash and shares of the Company, subject to negotiation of the Definitive Agreements.

Subsequent to April 30, 2015, the Company and the shareholder of Redecan entered in to a Definitive Agreement with respect to the acquisition of all of the issued and outstanding shares of Redecan by the Company. Pursuant to the Definitive Agreement, the Company shall pay to an aggregate consideration of approximately \$11,000,000, in cash and shares of the Company. The Company agreed to acquire all of the shares of Redecan for a purchase price consisting of \$8,000,000 of cash plus 6,000,000 shares of the Company with a deemed notional value of \$0.50 per share, for a total deemed value of \$11,000,000. The consideration payable is subject to decrease for any liabilities and indebtedness of Redecan outstanding as of March 12, 2015, and for any decrease in Redecan's working capital as a result of medical marijuana sales after March 12, 2015. The consideration payable is subject to increase for expenses incurred by Redecan for the purpose of leasehold improvements to the production facility after January 31, 2015, and for any GST/HST input tax credits relating to the operation of the

business up to January 31, 2015.

The Transaction is conditional upon regulatory approval, including approval of the transfer of the MMPR license from a shareholder of Redecan to Redecan and any required third party consents.

- j) During the period ended April 30, 2015, the Company entered into a Proposed Financing and Advisory Agreement for the advisor to act as an exclusive agent, on a best efforts basis, for and on behalf of the Company in connection with a proposed equity financing of up to \$10,000,000 and to act as an advisor to the Company for a period of twelve months.

Pursuant to the Proposed Financing and Advisory Agreement, the Company will pay a monthly advisory of fee of \$10,000. In the event that the advisor completes a financing, the Company agrees to pay a 7.5% cash commission on the gross proceeds raised in the financing and to issue broker warrants to acquire 7.5% of the securities sold under the same terms of the financing exercisable for a period of 24 months from the closing of the financing. Subject to regulatory approval, the Company also agrees to issue a one-time strategic advisory fee equal to 2,000,000 common shares of the Company to be issued concurrently with the successful closing of the financing.

- k) The Company has commitments under operating leases for its facilities. The minimum lease payments due are as follows:

Fiscal Year	Amount
2015	\$188,396
2016	\$201,695
2017	\$206,495
2018	\$180,740
2019	\$80,975

Subsequent Events

Subsequent to the period ended April 30, 2015, the Company:

- a) Granted 450,000 stock options under its stock option plan to directors of the Company. Each option entitles the holder to acquire one common share of the Company at an exercise price of \$0.46 per share for a period of five years from the date of grant of June 5, 2015. The options vest after a period of twelve months from June 5, 2015.
- b) Issued three term convertible promissory notes with an aggregate principal amount of \$300,000. The notes bear interest at a rate of 2% per month, with interest due and payable on a monthly basis beginning 30 days from the effective

date until the maturity date of August 4, 2015. The outstanding principal amounts shall be due and payable on August 4, 2015.

The holder of the promissory note has the unrestricted right, at the holder's option, to convert, in whole or in part, the unpaid principal balance, together with all accrued and unpaid interest into fully paid and nonassessable shares of common stock of the Company. The right to convert may be exercised by the holder at any time up to and including the maturity date of the promissory note. The number of common shares in to which the promissory notes may or will be converted shall be determined by dividing the unpaid principal balance, together with all accrued and unpaid interest thereon, by the conversion price of \$0.45 per share.

FORWARD-LOOKING STATEMENTS

This MD&A contains “forward-looking information” and “forward-looking statements” within the meaning of applicable Canadian securities laws (collectively referred to as “forward-looking information”) which relate to future events or the Company’s future performance and may include, but are not limited to, statements about strategic plans, spending commitments, future operations, results of exploration, anticipated financial results, future work programs, capital expenditures and expected working capital requirements. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved.

Readers are cautioned not to place undue reliance on forward looking information and there can be no assurance that forward looking information will prove to be accurate as the Company’s actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking information if known or unknown risks, uncertainties or other factors affect the Company’s business, or if the Company’s estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking information will materialize. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking information, include, but are not limited to: fluctuations in the currency markets (such as the Canadian Dollar and the United States Dollar); changes in national and local government, legislation, taxation, controls, regulations and political or economic developments in Canada or other countries in which the Company may carry on business in the future; operating or technical difficulties in connection with exploration and development activities; risks and hazards associated with the business of the production and distribution of medical marijuana (including environmental hazards or industrial accidents); risks relating to the credit worthiness or financial condition of suppliers and other parties with whom the Company does business; the presence of laws and regulations that may impose

restrictions on the production and distribution of medical marijuana, including those currently enacted in Canada; employee relations; relationships with and claims by local communities; availability and increasing costs associated with operational inputs and labour; business opportunities that may be presented to, or pursued by, the Company; risks relating to the Company's ability to raise funds; and the factors identified under "Risk Factors" in this MD&A and in the Company's Listing Application dated March 6, 2015 available under the Company's profile at www.sedar.com.

The forward looking information contained in this MD&A are based upon assumptions management believes to be reasonable including, without limitation: financing will be available for future exploration, development and operating activities; the actual results of the Company's development and exploration activities will be favourable or at least consistent with management's expectations; operating, development and exploration costs will not exceed management's expectations; all requisite regulatory and governmental approvals for development projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions will be favourable to the Company such as the continuing support for mining by local governments in Argentina; the price of gold and/or other applicable metals and applicable interest and exchange rates will be favourable to the Company or at least consistent with management's expectations; no title disputes will exist with respect to the Company's properties; debt and equity markets and other applicable economic conditions will be favourable to the Company; the availability of equipment and qualified personnel to advance exploration projects and; the execution of the Company's existing plans and further exploration and development programs for its projects, which may change due to changes in the views of the Company or if new information arises which makes it prudent to change such plans or programs.

All forward-looking-information contained in this MD&A is given as of the date hereof and is based upon the opinions and estimates of management and information available to management as at the date hereof. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

This MD&A was prepared on July 2, 2015. Additional information about the Company is available under the Company's profile on the SEDAR website.

(signed) Ahmad Rasouli
Chief Executive Officer

(signed) Richard Vallée C.A., ICD.D
Chief Financial Officer