



LINEAGE GROW
COMPANY LTD.

**(formally “Lakeside Minerals Inc.”)
MANAGEMENT’S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JULY 31, 2017 and 2016**

September 26, 2017

Management’s discussion and analysis (MD&A) is current to September 26, 2017, and is management’s assessment of the operations and the financial results together with future prospects of Lineage Grow Company Ltd. (“Lineage”, “Corporation”, or the “Company”). This MD&A should be read in conjunction with our unaudited interim condensed consolidated financial statements and related notes for the three and six months ending July 31, 2017 and 2016, prepared in accordance with International Financial Reporting Standards (“IFRS”). All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Lineage’s future results as there are inherent difficulties in predicting future results. This MD&A includes, but is not limited to, forward looking statements regarding: the potential of the Company’s properties to contain economic precious and base metal deposits; the Company’s ability to meet its working capital needs for the twelve months period ending July 31, 2018; the plans, costs, timing and capital for future exploration and development of the Company’s property interest in Quebec, including the cost and potential impact in complying with existing and proposed laws and regulations. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A.

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Description of Business

Lineage Grow Company Ltd. ("Lineage" or the "Company") is engaged in the acquisition, exploration and development of mineral resource properties in Canada. The Company is in the process of exploring and has not yet determined whether there are economically viable reserves on its properties. As such, there is uncertainty with respect to the Company's ability to continue as a going concern, dependent upon such events as financing, discovery of reserves, and market demand conditions.

As at September 26, 2017, the members of Company's Management and Board of Directors consisted of:

David Drutz	Chief Executive Officer and Director
Amy Stephenson	Chief Financial Officer
Adam Szweras	Secretary
David Posner	Director
Aurelio Useche	Director
Hamish Sutherland	Director
Robert Schwartz	Director
Peter Bilodeau	Director

Recent Developments

On July 25, 2017, the Company changed its name to Lineage Grow Company Ltd. to reflect its business into the cannabis industry.

On July 21, 2017, the Company formed three new subsidiaries; LGC Holdings USA Inc., LGC Real Estate Holdings LLC, and LGC Agricultural Operations Inc. in the state of Nevada.

On May 12, 2017, the Company completed a brokered private placement of convertible debenture by issuing of 2,500 units for gross proceeds of \$2,500,000.

On April 24, 2017, Peter Bilodeau resigned as CEO of the Company and was replaced by David Drutz.

On April 19, 2017, the Company announced it has submitted an application to the TSX Venture Exchange to voluntarily de-list its shares as it proceeds with its new business strategy of changing its business to the cannabis industry.

On March 27, 2017, the Company's Board of Directors approved the delisting of all of the issued and outstanding Common Shares of the Company from the TSXV. The Company has determined to apply for de-listing from the Exchange as it proceeds with its new business strategy of changing its business to the cannabis industry.

On March 10, 2017, Collins Barrow Toronto LLP resigned as the auditors for the Company, and the appointment of UHY McGovern Hurley LLP as the auditors was approved.

On February 22, 2017, the Company entered into a letter of intent with Nutritional High International Inc., whereby the Company will build medical and adult use cannabis cultivation facilities in Nevada and Colorado in accordance with applicable state law.

On February 17, 2017, Yannis Banks resigned as a director of the Company.

On December 12, 2016, the Company appointed David Posner, Hamish Sutherland and Robert Schwartz to the board of directors. Effective December 12, 2016 Peter Cashin and Rick Cleath resigned as directors of the Company.

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Financing Developments

On May 12, 2017, the Company closed a brokered private placement offering of convertible debentures (the "Offering") of up to 2,500 units (the "Units") for gross proceeds of \$2,500,000. The Offering is in accordance with the proposed transaction with Nutritional High International Inc. ("NHII") regarding the building of cannabis cultivation facilities in Nevada and Colorado. The issue price of each Unit was \$1,000 and consisted of (i) \$1,000 principal amount of 12.0% convertible secured redeemable debentures; and (ii) 4,000 warrants, exercisable into common shares in the capital of the Company at a price of \$0.325 for a period of 24 months. The Debentures rank pari passu and mature twenty-four months from the closing date. The debentures bear interest at a rate of 12.0% per annum, payable semi-annually in advance, with the first interest payment due at the closing of the Offering and paid in common shares of the Company at an issue price of \$0.25 per common share. As at the date of this MD&A, most of the proceeds are held in escrow pending completion of the proposed transaction with NHII.

On December 12, 2016, the Company entered into shares for debt agreements totaling \$79,840 with arm's length and non-arm's length parties. A total of 1,036,818 units, for the gross proceeds of \$51,840 were issued to unrelated parties for settlement of debt, and 560,000 common shares for gross proceeds of \$28,000 were issued to the related parties for outstanding fees. Each unit, priced at \$0.05, consists of one share and one half of one purchase warrant. Each full warrant entitles the holder to acquire one common share of the Company at a price of \$0.10 per share for the period of one year from the closing date.

On December 9, 2016, the Company closed its final tranche of the non-brokered private placement, consisting of 13,800,000 units at a price of \$0.05 per unit to raise gross proceeds of \$690,000 and together with the first tranche raised an aggregate of 22,000,000 units for total gross proceeds of \$1,100,000. Each unit consists of one common share and one-half of one share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at a price of \$0.10 per common share for a period of 12 months after the closing date. The Company has paid no finders on the closing of this tranche of the Offering.

On November 17, 2016, the Company closed its first tranche of a non-brokered private placement, consisting of 8,200,000 units at a price of \$0.05 per unit to raise gross proceeds of \$410,000. Each unit consists of one common share and one-half of one share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at a price of \$0.10 per common share for a period of 12 months after the closing date. The Company has paid no finders on the closing of this tranche of the Offering.

On November 8, 2016, the Company through Articles of Amendment consolidated the issued and outstanding common shares of the Company on the basis of one post-consolidation common shares for every 3 issued and outstanding pre-consolidated common shares.

On September 16, 2016, the Company extended the terms and the maturity date of the convertible debenture issued on September 16, 2014 (see below) to September 17, 2017. These debentures were issued at face value and are convertible, at the option of the holder, at any time prior to the maturity date, into common shares of the Company at a conversion price equal to \$0.30 per share (post consolidation of 3:1) from September 17, 2016 until September 16, 2017. The rate of interest on the debentures is 12% per annum, to be accrued until and payable on Maturity date.

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Exploration Highlights

Lineage Grow Company Ltd., through Lakeside Minerals Corp. ("Lakeside"), a wholly-owned subsidiary of the Company, hold mineral properties in the mining friendly jurisdiction of Quebec.

As of July 31, 2017 and the date of this MD&A, Lineage holds one main property, Launay. The Launay property, for which the Company incurred exploration and evaluation expenditures of \$16,229 in 2017, and \$4,608 in 2016.

Launay Property

The property is located northeast of Rouyn-Noranda, in Launay, Privat, and Manneville Townships, northwestern Quebec. Through staking, option and purchase agreements, the Company consolidated a land package over the prospective Macamic deformation zone, a major deformation zone in the Abitibi subprovince.

As of the date of this MD&A, the Launay property was reduced to 63 non-contiguous claims with the following ownership and subjected royalties:

- 21 claims are under option agreement to the Company to acquire a 100% interest from Jean Robert et. al, subject to property payment, work commitments and subject to a 2% NSR with buyback of 1% NSR for \$1,000,000.
- 15 claims were purchased from Melkior Resources Inc. with Company shares. All 15 of these claims are subject to an underlying 2% NSR payable to Roby with buyback of 1% NSR for \$1,000,000; the other 6 claims that were part of the original agreement with Melkior and were subjected to a 1% NSR payable to Lavoie with total buyback for \$500,000 were allowed to lapse on their expiry date of March 25, 2017.
- 11 claims were purchased from Jack Stoch Geoconsultant Services Ltd. with Company shares and are subjected to a 2% Gross Metal Royalty ("GMR"). The Company has the option of first refusal to buy back a 1% GMR. All are 100% owned by the Company.
- 3 claims were purchased from 9219-8845 Québec Inc. (Canadian Mining House) with Company shares and are subjected to a 2% NSR with a buyback of 1% NSR for \$1,000,000. All are held by Lineage 100%
- The remaining 13 claims were staked by Lakeside and are 100% owned by the Company.

The property claims cover a 17-km long trend of gold occurrences associated with the Macamic Deformation Zone ("MDZ") and associated subsidiary faults. Mineralization style is typical of a shear zone-related Archean lode-gold occurrences. Several of the occurrences display historical high grade gold drill intersections, trench, and grab results.

The Trojan block, located in the northwest portion of the property, is the area where the majority of past exploration has been conducted. Of the initial 29 drill holes drilled in 1945, visible gold was reported in 13 holes with historical drilling cutting several narrow and metre-length high grade gold intersections including 235.20 g/t Au over 0.15 m, 47.66 g/t Au over 0.09 m, and 40.80 g/t Au over 0.18 m.

In the summer and fall of 2012, the Company conducted an exploration program on the Trojan block consisting of line cutting, geological mapping, a humus geochemical survey, and ground magnetic, VLF-EM, and induced polarization/resistivity surveys. A follow-up diamond drill program consisting of thirteen holes totaling 3981 m was completed to test the Trojan zone, a series of northwest-trending,

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steeply southwest-dipping to subvertical auriferous zones associated with the Macamic deformation zone. Gold assay results from the first seven drill holes, LKTR-001 to LKTR-007 were published in the Company press release dated Oct. 17, 2012 (<http://www.lakesideminerals.com/pdfs/20130115-Lakeside-Minerals-Announces-Launay-Property-Drill-Results.pdf>). Results from the last six holes from this drill program are pending.

In 2013 and the first half of 2014, the Company primarily focused on interpreting the results of its 2012 program including the creation of detailed geological sections to understand the potential continuity and position of the various gold zones intersected during the 2012 drill program. This work will contribute to targeting future exploration at the Trojan zone.

The Freegold block, located approximately 7.5 km southeast of the Trojan zone, overlies a quartz vein which has been traced for 122 m, varying from 1.1 to 1.5 m in width. The shear that hosts the quartz vein has been interpreted by past workers to extend for up to 7 km between the Labreteche block to the east and the Privat block to the west. A 1995 humus survey outlined a greater than 5 km long southeast-trending anomaly in an area underlain by sheared massive to pillowed basalts and ultramafic flows with strong carbonatization, fuchsite alteration, and pyrite mineralization.

Between October and December 2014, Lakeside Minerals Corp. completed orientation soil and humus geochemical surveys, and grab sampling in the area south of the Freegold Zone, and an orientation soil survey and grab sampling in the Trojan Zone area. Two trenches were completed near the historical Freegold exploratory shaft to investigate a regional structure interpreted to be associated with gold mineralization, and interpreted to extend from the Trojan Zone through the area of the Freegold Zone to the east into the area of the Labretech Zone.

The orientation line of MMI soil samples in the area in of the Trojan Zone returned two anomalous samples approximately 125 m southwest of the projected eastern strike extension of the Trojan Zone. The reason for this offset is not apparent and, although offset to the south of the known mineralization, the anomalous MMI Au samples indicate that the MMI method detects the mineralization in this area and suggests that a result of 2.1 ppb Au may be indicative of bedrock gold mineralization. An MMI sample collected in the area of a 1.2 g/t Au anomaly from the 2007 B horizon survey, south of the Freegold Zone suggests follow-up work should be conducted in that area to determine the cause of the anomaly.

Three orientation lines of humus samples were taken along the same lines as the 1995 humus survey and the 2007 B horizon soil survey, in the area south of the Freegold Zone. Samples were collected along the old lines as close to the original stations as possible with humus and MMI samples from the same location. The 1995 humus survey line included a 480 ppb Au humus anomaly and the 2007 B horizon survey included a 1.2 ppm Au anomaly and both warranted further investigation. An anomaly was defined by the 2014 survey which included the same station as the 480 ppb Au sample from 1995, but also included two adjacent stations, and the southern-most station in the humus anomaly also returned an anomalous MMI Au value. However, the 2014 samples returned Au values an order of magnitude lower than the 1995 sample. In addition, two samples located toward the south end of the 1995 line and adjacent samples collected toward the north end of the 2007 B horizon lines returned coincident Au in humus and MMI Au anomalies. Further prospecting of the outcrops in the areas of these coincident anomalies should be conducted to determine if there is a bedrock source than could explain the anomalous gold values.

Two trenches, completed in the area adjacent to the Freegold exploration shaft, totaled 1,120 m². Trench 1, located 10m west of the Freegold exploratory shaft, exposed a 50cm quartz vein hosted by sheared and altered intermediate volcanic rock. Trench 2, located 150 m southeast of the shaft, exposed a 20m

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wide sheared and altered zone with centimetre-scale quartz veining hosted by variolitic intermediate volcanic rock. A total of 26 samples were taken from the two trenches, but due to the time of year and thick accumulations of snow, systematic mapping and sampling could not be completed.

Overall Performance

As at July 31, 2017, the Company had assets of \$2,805,242 (January 31, 2017 - \$622,334), liabilities of \$1,991,729 (January 31, 2017 - \$165,506) and shareholders' equity of \$789,513 (January 31, 2017 - \$456,828). During the three and six months ended July 31, 2017, the Company incurred a loss of \$193,718 and \$302,940 (2016 - \$47,606 and \$77,482).

At July 31, 2017, the Company had a working capital of \$2,488,167 (January 31, 2017 - \$456,828) and cash of \$2,969,636 (January 31, 2017 - \$606,695).

Going Concern

The Company, until recently, was a junior mineral exploration company which holds the Launay Property in Quebec. On July 25, 2017, the Company through an Article of Amendment changed its name to Lineage Grow Company Ltd. to reflect the change of its business to focus in the cannabis industry in the United States through three newly formed subsidiaries: LGC Holdings USA Inc., LGC Real Estate Holdings LLC, and LGC Agricultural Operations Inc. in the State of Nevada.

At July 31, 2017, the Company had a working capital of \$2,464,167 (January 31, 2017 - \$456,828) has not yet achieved profitable operations, has accumulated losses of \$5,630,411 (January 31, 2017 - \$5,329,018), convertible debenture due within 12 months and expects to incur further losses in the development of its business including joint-venture commitments to build cannabis cultivation facilities in Nevada and Colorado, all of which cast significant doubt upon the Company's ability to continue as a going concern. The Company will require additional financing in order to conduct its planned work programs on mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due.

The Company continued to hold mining claims under the Launay Property in Quebec and has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and noncompliance with regulatory, social and environmental requirements.

Selected Annual Information

Summarized selected financial information with respect to Lineage is as follows:

		Year ended January 31, 2017		Year ended January 31, 2016		Year ended January 31, 2015
Total expenses	\$	(256,571)	\$	(227,874)	\$	(490,615)
Other income (expense)		(15,889)		(14,755)		16,546

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Loss before income taxes		(272,460)		(242,629)		(474,069)
Deferred income tax recovery		-		-		7,277
Net loss		(272,460)		(242,629)		(466,792)
Loss per share		(0.03)		(0.03)		(0.06)
Total assets		622,334		28,901		80,592
Total liabilities		165,506		485,878		295,110
Shareholders' equity (deficiency)	\$	456,828	\$	(456,977)	\$	(214,518)

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Three months period ended July 31, 2017 compared to 2016

The Company incurred a net loss of \$193,718 or \$0.004 per common share for the three months ended July 31, 2017, compared with a net loss of \$47,606 or \$0.002 per common share for the same period ended July 31, 2016.

For the three months ended July 31, 2017, expenses were higher on all front from the same period last year as management geared up for its new business strategy of changing its business to the cannabis industry, including financing activities.

Management, consulting fees and salaries totaled \$86,900 during the three months ended July 31, 2017 (2016 - \$21,000), primarily consisted of services provided by FMI Capital Advisory Inc., for strategic advisory services, David Drutz for CEO services, Branson Corporate Services Inc. for financial accounting, including CFO services. This increase is also due to increase of monthly service fee from \$2,000 to \$12,000 by FMI capital Advisory Inc. since February 1, 2017 under a new advisory agreement. Professional fees totaled \$68,208 during the three months ended July 31, 2017 (2016 - \$6,680) as a result of the new cannabis business strategy initiative and related financing.

During the three months ended July 31, 2017, the Company incurred \$27,303 (2016 - \$12,752) in office and general expenses, which consisted primarily of transfer agent fees, insurance, travel and entertainment, rent and other miscellaneous costs.

Total exploration and evaluation costs during the three months ended July 31, 2017 were \$2,295 (2016 - \$nil). A breakdown of exploration and evaluation expenditures for the Company for the three months ended July 31, 2017 and 2016 were as follows:

Launay	2017	2016
Acquisition Cost	\$ -	\$ -
Claim Staking	1,832	-
Admin Charges	463	-
	<u>\$2,295</u>	<u>\$ -</u>

Six months period ended July 31, 2017 compared to 2016

The Company incurred a net loss of \$302,940 or \$0.009 per common share for the six months ended July 31, 2017, compared with a net loss of \$77,482 or \$0.003 per common share for the same period ended July 31, 2016.

For the six months ended July 31, 2017, expenses were higher on all front from the same period last year as management geared up for its new business strategy of changing its business to the cannabis industry, including financing activities.

Management, consulting fees and salaries totaled \$139,900 during the six months ended July 31, 2017 (2016 - \$42,000), primarily consisted of services provided by FMI Capital Advisory Inc., for strategic advisory services, David Drutz for CEO services, Branson Corporate Services Inc. for financial accounting, including CFO services. This is increase is also due to the increase of monthly service fee from \$2,000 to \$12,000 by FMI capital Advisory Inc. since February 1, 2017 under a new advisory agreement. Professional fees totaled \$108,106 during the six months ended July 31, 2017 (2016 - \$6,680) as a result of the new cannabis business strategy initiative and related financing.

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During the six months ended July 31, 2017, the Company incurred \$26,008 (2016 - \$15,603) in office and general expenses, which consisted primarily of transfer agent fees, insurance, travel and entertainment, rent and other miscellaneous costs.

Total exploration and evaluation costs during the six months ended July 31, 2017 were \$16,299 (2016 - \$nil). A breakdown of exploration and evaluation expenditures for the Company for the six months ended July 31, 2017 and 2016 were as follows:

Launay	2017	2016
Acquisition Cost	\$ -	\$ -
Claim Staking	6,112	-
Line Cutting	8,800	-
Data compilation	120	-
Reports & Maps	804	-
Admin Charges	463	-
	<u>\$16,299</u>	<u>\$ -</u>

Summary of Quarterly Results

		<u>Net income (loss)</u>	<u>Income (Loss) per share</u>
Q1	2018	(193,718)	(0.004)
Q1	2018	(109,222)	(0.003)
Q4	2017	(163,573)	(0.013)
Q3	2017	(31,405)	(0.004)
Q2	2017	(47,606)	(0.006)
Q1	2017	(29,877)	(0.003)
Q4	2016	(41,083)	(0.006)
Q3	2016	(80,667)	(0.009)

Liquidity and Financial Position

As a junior exploration resource company, the Company has no regular cash flow from operations, and the level of operations is principally a function of availability of capital resources. The principal source of funding has been through the completion of private placements. Going forward, the Company will have to continue to rely on equity or debt financings for its working capital. There is no guarantee that the Company will be able to successfully complete such financings, as market conditions may dictate availability and interest.

At July 31, 2017, total assets increased by \$2,182,908 since the prior fiscal year end to \$2,805,242 (2017 - \$622,334), consisting of \$2,696,636 in cash, \$24,359 of HST receivable and other receivables, and \$84,247 of prepaid expenses. The increase is due to gross receipt of \$2,500,000 for a brokered private placement of convertible debentures which was completed on May 12, 2017.

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Related Party Transactions and Key Management Compensation

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

The Company and FMI Capital Advisory Inc. ("FMI") (formerly Foundation Opportunities Inc.) entered into a financial advisory and consulting agreement on October 15, 2010, amended on May 30, 2017. Mr. Peter Bilodeau, a director of the Company is also the President of FMI. FMI is a subsidiary of Foundation Financial Holdings Corp. ("FFHC"). FFHC is an entity in which Adam Szweras, secretary of the Company, is a director and his minor children hold an indirect interest. For six months ended July 31, 2017, consulting fee from FMI was \$72,000 (2016 - \$12,000). At July 31, 2017, \$40,680 (January 31, 2017 - \$nil) is included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing and due on demand.

The Company and Branson Corporate Services ("Branson") entered into a management services agreement on March 1, 2014, which includes the services of the Company's Chief Financial Officer ("CFO"), as well as other accounting and administrative services. Branson is an entity in which FFHC owns 49% of the shares. For the six months ended July 31, 2017, the Company recorded \$30,000 (2016 - \$30,000) for services provided by Branson. As at July 31, 2017, \$nil (January 31, 2017 - \$nil) is included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing and due on demand.

During the six months ended July 31, 2017, Fogler Rubinoff LLP ("Fogler") a law firm in which Adam Szweras, the secretary of the Company is also a partner, provided \$59,427 (2016 - \$nil) of legal services, which are included in professional fees. As at July 31, 2017, \$35,152 (January 31, 2017 - \$72,094) is included in accounts payable and accrued liabilities to Fogler. This amount is unsecured, non-interest bearing and due on demand.

During the six months ended July 31, 2017, \$nil (2016 - \$nil) was paid to directors or officers of the Company is included in management, consulting fees and salaries in the statement of loss. As at July 31, 2017, \$24,000 (January 31, 2017 - \$nil) is accrued for compensation to the CEO for services provided during the period.

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Disclosure of outstanding share data as of September 26, 2017

	Authorized	Outstanding
Voting or Equity securities issued and outstanding	Unlimited Common Shares	32,449,183 common shares
Securities convertible or exercisable into voting or equity		a) 23,020,553 warrants exercisable to acquire common shares of the Company; b) Convertible debentures in the principal amount of \$2,550,000, convertible into common shares at the Conversion Price; and c) 3,170,000 options exercisable into common shares of the Company.

Off-Balance Sheet Arrangements

As of July 31, 2017 and 2016, the Company has no off balance sheet arrangements.

Critical Accounting Estimates

Significant accounting policies

Mineral properties

Acquisition and exploration costs, net of incidental revenues, are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into property, plant and equipment ("PPE").

Share based payments

Share based payment transactions

Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

Equity settled transactions

The costs of equity-settled transactions with employees are measured by reference to the fair value of the equity instruments at the date on which they are granted.

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The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. When there is a loss, no potential shares are included in the computation as they are anti-dilutive.

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL"). Financial assets classified as FVTPL are measured at fair value with realized gains and losses recognized through net income (loss). The Company's cash is classified as loans and receivable. Financial assets classified as loans and receivables and held to maturity are measured at amortized cost. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for when there is objective evidence of impairment. At July 31, 2017 and 2016, the Company has not classified any financial assets as FVTPL, available for sale or held to maturity. Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's line of credit, accounts payable and accrued liabilities are classified as other financial liabilities.

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Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income. At July 31, 2017 and 2016, the Company has not classified any financial liabilities as FVTPL.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and short term deposits.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Fair value

The carrying amount of cash, accounts payables and accrued liabilities approximate fair value due to the relative short maturity of these financial instruments. As at July 31, 2017 and 2016, all financial instruments measured at fair value are considered level 1, consisting of cash and cash equivalents.

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Cash are held with a reputable Canadian chartered bank. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. See Note 1 for the Company's requirement for additional financing in order to conduct its planned work, to meet ongoing levels of corporate overhead, and to discharge its liabilities as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at July 31, 2017, the Company had a cash and cash equivalents balance of \$2,696,936 (January 31, 2017 - \$606,695) and current liabilities of \$341,075 (January 31, 2017 - \$165,506).

Commodity Price Risk

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. These metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of these metals may be produced in the future, a profitable market will exist for them. As of July 31, 2017, the Company was not a producing entity. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock

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options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

During the six months ended July 31, 2017, there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Corporation's President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at July 31, 2017, covered by this management's discussion and analysis, management of the Corporation, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Corporation's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Corporation's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Corporation, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Cautionary Note Regarding Forward Looking Statements

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of Lineage to fund the capital and operating expenses necessary to achieve

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the business objectives of Lineage, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

Management's Responsibility for Financial Information

Management is responsible for all information contained in this report. The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the interim condensed consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the interim condensed consolidated financial statements with management. The Board of Directors has approved the interim condensed consolidated financial statements on the recommendation of the Audit Committee.

September 26, 2017

David Drutz
Chief Executive Officer