

CARPINCHO CAPITAL CORP.

FORM 51-102F1

INTERIM MANAGEMENT DISCUSSION & ANALYSIS FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2018

Date

This management discussion and analysis (“MD&A”) is dated May 30, 2018 and is in respect of the three and nine months ended March 31, 2018.

Introduction

The following MD&A of the financial condition and results of the operations of Carpincho Capital Corp. (the “Company”) constitutes management’s review of the factors that affected the Company’s financial and operating performance for the three and nine months ended March 31, 2018. This MD&A has been prepared to comply with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the audited annual financial statements of the Company for the year ended June 30, 2017 and the unaudited interim condensed financial statements of the Company for the three and nine months ended March 31, 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company’s unaudited condensed interim financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”). The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS.

As a result of ongoing review and possible amendments by interpretive guidance from the IASB and IFRIC, IFRS in effect at June 30, 2018 may differ from IFRS and interpretation statements applied in preparing the audited annual financial statements for the year ended June 30, 2017, and the unaudited condensed interim financial statements for the three and nine months ended March 31, 2018.

For the purposes of preparing this MD&A, management, in conjunction with the board of directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the board of directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. Further information about the Company is available on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking

statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements 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. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward -looking statements.

Forward-looking statements	Assumptions	Risk factors
The proposed business combination with MM Development Company, Inc. will be completed.	All conditions precedent to the completion of the transaction will be satisfied or waived by specified deadlines.	Closing conditions, not limited to, final approval of the Canadian Securities Exchange for the listing of the merged company common shares and approval of the Nevada Department of Taxation, may not be satisfied by specified deadlines.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company’s ability to predict or control. Please also make reference to those risk factors referenced in the “Risk Factors” section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

On October 18, 2010 Wombat Investment Trust acquired control of the Company through the purchase of all Class A Shares. At that time the board of directors was reconstituted and new officers appointed. The Company now carries on activities as a venture capital company and is seeking assets or businesses with good growth potential to merge with or acquire.

On January 26, 2018 the Company completed a non-brokered private placement of special warrants raising gross proceeds of \$300,000. The Company issued and sold 1,000,000 special warrants at a price of \$0.30 per special warrant, with each special warrant exercisable upon the satisfaction of certain conditions and for no additional consideration for one common share of the Company. The proceeds from the financing were placed into escrow and may be used by the Company to fund *bona fide* merger and acquisition transaction costs. Exercise of the special warrants is conditional upon certain merger and acquisition milestones being met by prescribed deadlines. If the milestones are not achieved by the prescribed deadlines, the special warrants will automatically expire unexercised and any funds remaining in escrow will be returned to the investors on a *pro rata* basis. The special warrants and common shares issuable upon exercise of the special warrants were subject to a 4-month hold period.

On February 13, 2018, the Company entered into a binding letter agreement with privately held MM Development Company, LLC (doing business as Planet 13 and Medizin) (“MM Development”), which contemplated a business combination of the two companies through a merger, amalgamation, arrangement, share exchange or similar transaction. MM Development is a vertically integrated cannabis company operating in the State of Nevada, USA. The proposed transaction, if completed, would constitute a reverse takeover of the Company. Definitive transaction agreements were subsequently entered into by the parties subsequent to the end of the quarter. See “Subsequent Events” below for additional details.

Completion of the proposed transaction is subject to a number of conditions and there can be no assurance that the transaction will proceed as proposed, or at all.

Overall Performance

The Company is currently pursuing the proposed business combination with MM Development described above and in “Subsequent Events” below. There can be no assurance that the proposed transaction will be successfully concluded.

At March 31, 2018, the Company had assets of \$272,586 and shareholders’ deficiency of \$163,224. This compares with assets of \$2,042 and shareholders’ deficiency of \$121,419 at June 30, 2017. At March 31, 2018, the Company had \$435,810 of current liabilities compared to current liabilities of \$123,461 at June 30, 2017.

At March 31, 2018, the Company had a working capital deficiency of \$163,224, compared to a working capital deficiency of \$121,419 at June 30, 2017. The Company had cash and cash equivalents of \$272,586 (of which \$270,611 is restricted and may only be used to fund *bona fide* merger and acquisition expenses), an increase of \$270,544 from the \$2,042 reported at June 30, 2017 as a result of the completion of the non-brokered private placement of special warrants for gross proceeds of \$300,000 on January 26, 2018. Expenses in the quarter related primarily to legal, accounting and regulatory filing fees incurred to pursue the proposed business combination transaction with MM Development. The Company intends to use the remaining proceeds from the financing to fund the costs required to complete the proposed business combination. See “Liquidity and Financial Position”.

Trends

The Company plans to pursue and complete the proposed business combination with MM Development. Management monitors economic conditions and estimates their impact on the Company’s operations and incorporates these estimates in both short-term operating and longer-

term strategic decisions. Apart from these, the risk of non-completion of the proposed MM Development transaction and the risk factors noted under the heading “Risk Factors”, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company’s business, financial condition or results of operations.

Results of Operations

For the three months ended March 31, 2018, the Company reported a net loss of \$61,624 comprised of legal expenses of \$32,226, filing fees of \$4,455 incurred for securities law compliance, bank charges of \$9 and audit fees of \$24,934. This compares to a loss of \$4,909 for the three month period ended March 31, 2017. No revenue was reported in either period. The significant increase in professional and filing fees in 2018 is attributable to the Company pursuit of the proposed business combination with MM Development. Of the expenses incurred, \$29,389 were incurred by MM Development and were required to be paid by the Company from the proceeds of the special warrant financing held in escrow.

For the nine months ended March 31, 2018, the Company reported a net loss of \$71,194 comprised of legal expenses of \$38,395, filing fees of \$7,798 incurred for securities law compliance, bank charges of \$67 and audit fees of \$24,934. This compares to a loss of \$13,156 for the nine month period ended March 31, 2017 consisting of lower legal fees (\$9,850), bank charges (\$67) and filing fees (\$3,239) for regulatory compliance. No revenue was reported in either period. Again, the significant increase in professional and filing fees in 2018 reflects the costs incurred to pursue the proposed business combination with MM Development, which costs were not present in the 2017 period.

Overall Objective

For the remainder of the 2018 fiscal year, the Company plans to focus its efforts on the completion of the proposed acquisition of MM Developments. See “Subsequent Events”.

Summary of Quarterly Results

A summary of selected financial information for the previous eight quarters follows.

	Q3 2018 (unaudited)	Q2 2018 (unaudited)	Q1 2018 (unaudited)	Q4 2017 (unaudited)	Q3 2017 (unaudited)	Q2 2017 (unaudited)	Q1 2017 (unaudited)	Q4 2016 (unaudited)
Total revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss and comp. loss								
- Total	(\$61,624)	(\$8,818)	(\$752)	(\$6,090)	(\$4,909)	(\$8,238)	(\$9)	(\$3,363)
- Per share	(\$0.012)	(\$0.002)	(\$0.0002)	(\$0.0001)	(\$0.001)	(\$0.002)	(\$0.000)	(\$0.0001)
Working capital	(\$163,224)	(\$130,989)	(\$122,171)	(\$121,419)	(\$115,329)	(\$110,420)	(\$102,182)	(\$102,173)
Total assets	\$272,586	\$1,984	\$2,033	\$2,042	\$2,051	\$2,060	\$2,109	\$2,118

Liquidity and Financial Position

As at March 31, 2018, the Company had a working capital deficiency of \$163,224. On January 26, 2018 the Company completed a non-brokered private placement of special warrants raising gross proceeds of \$300,000. The proceeds from the financing were placed into escrow and may be used by the Company to fund *bona fide* merger and acquisition transaction costs, including the costs of the proposed business combination with MM Development. Wombat Investment Trust, the owner of all Common Shares, has advised that it currently intends to advance the Company on commercial terms sufficient funds to enable it to meet its public company reporting obligations and general and administrative expenses until such time as it completes a merger or acquisition transaction.

Transactions with Related Parties

For the nine month period ended March 31, 2018, the Company did not enter into any transactions with related parties other than incurring legal fees in the amount of \$35,374 (2017: \$9,850) from a law firm in which a director and officer of the Company is a director, officer and shareholder.

Off-Balance Sheet Arrangements

The Company does not have any off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations or financial condition, including, without limitation, such considerations as liquidity, capital expenditures and capital resources that would be considered material to investors.

Proposed Transactions

As at the date hereof, the only proposed transaction of a material nature being considered by the Company is the proposed business combination with MM Development described above and in “Subsequent Events” below.

Critical Accounting Estimates

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods. Information regarding significant areas of estimation, uncertainty and critical judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements relate to accrued liabilities and the recognition of deferred income taxes.

Capital Management

The Company includes equity, comprised of issued share capital, special warrants and deficit, in the definition of capital, amounting to a deficiency of \$163,224. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its activities relating to identifying and evaluating assets or businesses to merge with or acquire. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or debt, and it did so on January 26, 2018 completing a non-brokered private placement of special warrants raising gross proceeds of \$300,000.

There has been no change with respect to the overall capital risk management strategy during the three month period ended March 31, 2018.

Financial Instruments

The Company's financial instruments consisting of cash, transaction cost fund and accrued liabilities, approximate fair values due to the relatively short-term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest risk, currency or credit risks arising from these financial instruments.

As at March 31, 2018, the Company had a working capital deficiency of \$163,224 (June 30, 2017 – \$121,419). On January 26, 2018 the Company completed a non-brokered private placement of special warrants raising gross proceeds of \$300,000. See “Liquidity and Financial Position” above.

Changes in Accounting Policies

There are no relevant changes in accounting standards applicable to current and future periods other than as disclosed in the section entitled “Changes in Accounting Policies” in the Company's MD&A for the fiscal year ended June 30, 2017, available on SEDAR at www.sedar.com.

Risk Factors

At the present time, the Company does not hold any interest in an operating asset or business. The Company's viability and potential success lie in its ability to identify and successfully complete the merger with or acquisition of a suitable asset or business and, if completed, to develop, exploit and generate revenue out of such future asset or business. Management believes that the Company's ability to identify and complete a transaction will be greatly influenced by the strength of the capital markets. Markets that are robust and receptive to equity financings and initial public offerings are expected by management to be most favourable for the completion of a transaction. Revenues, profitability and cash flow from any future asset or business acquisition involving the Company is difficult to predict and will be influenced by factors unknown to management at the present time. The Company has limited financial resources and, although the Company has completed a recent financing and a shareholder has indicated a willingness to fund the Company's activities, there is no assurance that additional funding will be available to it. Failure to obtain such additional financing could result in the Company not being able to meet its general and administrative expenses or maintain its public company status, and could delay or indefinitely postpone the identification of suitable assets or business or the completion of a transaction once a suitable asset or business has been identified.

On February 13, 2018, the Company entered into a binding letter agreement with MM Development for a proposed business combination. See “Subsequent Events”. The proposed transaction is subject to a number of conditions precedent, the satisfaction of which is uncertain. If the proposed transaction is not completed, the Company may incur significant costs associated with the failed implementation of the transaction and may have forgone other favourable business opportunities while pursuing this transaction.

Disclosure of Outstanding Share Data

As at the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities previously issued by the Company:

Designation of Securities	Number or Principal Amount Outstanding	If Convertible, Exercisable or Exchangeable for Common Shares, Maximum Number of Common Shares Issuable
Common Shares	5,000,000	N/A
Special Warrants	1,000,000	1,000,000

TOTAL (maximum number of Common Shares - fully-diluted) 6,000,000

Disclosure of Internal Controls

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the unaudited interim condensed financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim condensed financial statements, and (ii) the unaudited interim condensed financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Subsequent Events

In connection with the binding letter of intent entered into with MM Development on February 13, 2018, on April 26, 2018 the Company entered into a definitive share exchange agreement with MM Development and the shareholders of MM Development, which contemplates the acquisition of all shares of MM Development for shares of the Company in a business combination. MM Development is a vertically integrated cannabis company operating in the State of Nevada, USA. The share exchange agreement contemplates that each outstanding share of MM Development would be exchanged for one share of the Company following a consolidation of the shares of the Company on a basis of 0.875 of a new share for every one existing share, or a newly created restricted voting share (the "Acquisition").

On April 26, 2018 the Company also entered into a definitive Master Agreement with 10653918 Canada Inc. (“Finco”) and a wholly-owned subsidiary of the Company, providing for the amalgamation of the subsidiary and Finco to be completed following the completion of the Acquisition.

On April 26, 2018 Finco completed private placements of subscription receipts at a price of C\$0.80 for gross proceeds of C\$22,575,600. On May 18, 2018 Finco completed a further tranche of its private placement of subscription receipts for gross proceeds of approximately C\$2,580,000. Each subscription receipt entitles the holder to receive, upon satisfaction of certain escrow release conditions on or before July 25, 2018, and without payment of additional consideration, one unit in the capital of Finco. Each Finco unit shall consist of one common share and one-half of one common share purchase warrant of Finco, which units shall be exchanged, without further consideration, for one unit in the capital of the Company, following the completion of the Acquisition. Following the exchange for units, each warrant shall entitle the holder thereof to acquire one common share of the Company at a price of C\$1.40 for a period of 24 months following the satisfaction of the escrow release conditions.

The proposed transaction, if completed, would constitute a reverse takeover of the Company. Completion of the proposed transaction is conditional upon, among other things, receipt of all required shareholder, regulatory and third party consents and approvals, including approval for the listing of the post-consolidated common shares of the Company on the Canadian Securities Exchange and approval of the Nevada Department of Taxation. On May 23, 2018, the Canadian Securities Exchange conditionally approved the listing of the shares of the post-transaction company. Listing is subject to the satisfaction of all requirements of the Exchange. There can be no assurance that all conditions will be satisfied and that the transaction will proceed as proposed, or at all.