CAPTOR CAPITAL CORP.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

FOR THE THREE MONTHS ENDED JUNE 30, 2018

Introduction

The following interim Management's Discussion & Analysis ("Interim MD&A") of Captor Capital Corp. (the "Company" or "Captor") for the three months ended June 30, 2018 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended March 31, 2018. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This Interim MD&A has been prepared in accordance with section 2.2.1 of Form 51-102F1 of the National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended March 31, 2018 and 2017, together with the notes thereto, and unaudited condensed consolidated interim financial statements for the three months ended June 30, 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed consolidated interim financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of August 29, 2018 unless otherwise indicated.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors, considered 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 Captor common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) 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 and its operations can be obtained from the offices of the Company or on SEDAR at **www.sedar.com**.

Special Note Regarding Forward-Looking Information

This Interim 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 statements 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 Interim MD&A speak only as at the date of this Interim MD&A or as at the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this

Interim 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 information	Assumptions	Risk factors
The Company's anticipated plans, to acquire a portfolio of investment assets which also include mining assets that could contain significant value for shareholders.	Financing will be available for future acquisitions by the Company; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for development projects and other operations will be received on a timely basis upon terms acceptable to Captor, and applicable political and economic conditions are favourable to Captor; the price of applicable investments and applicable interest and exchange rates will be favourable to the Company.	Equity price volatility; uncertainties involved in interpreting geological data and retaining title to acquired properties and investees; availability of financing for the acquisitions; increases in costs; environmental compliance requirements and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending June 30, 2019. The Company's cash and investment balances at June 30, 2018, are sufficient to fund its consolidated operating expenses at current levels. At the date hereof, the Company's consolidated cash balance has diminished as a result of normal business operations.	The operating and development activities of the Company for the twelve-month period ending June 30, 2019, and the costs associated therewith, will be dependent on raising sufficient capital consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to Captor.	Adverse changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance requirements and changes in environmental and other local legislation and regulations; interest rate and exchange rate fluctuations; changes in economic conditions.
Management's outlook regarding future trends.	Financing will be available for Captor's investing and operating activities; the price of applicable equity investments will be favourable to the Company.	Equity price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions.
Sensitivity analysis of financial instruments.	Equity price will not be subject to change in excess of plus or minus 20%; foreign exchange rates against the United States dollar and UK Pound Sterling will not be subject to change in excess of plus or minus 5%.	Changes in debt and equity markets and exchange rate fluctuations.

Prices and price volatility for investments.	The price of investments will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of investments will be favourable.	Changes in debt and equity markets and the spot prices of investments; interest rate and exchange rate fluctuations; changes in economic and political conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Captor's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section in this Interim MD&A. 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 Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Captor'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

Captor was incorporated under the laws of the Province of Ontario, Canada by articles of inCompany on September 26, 2003 and Captor's outstanding common shares became publicly listed on March 19, 2004 on the TSX Venture Exchange (the "Exchange") under the symbol "NWT". Subsequently, the Company's outstanding common shares were listed on the OTCBB under the symbol "NWURF" and on the Frankfurt Exchange. The Company de-listed its common shares from the Exchange on June 1, 2017 and submitted an application for listing its common shares on the Canadian Securities Exchange ("CSE"). The delisting of the Company's shares from the Exchange was done pursuant to a resolution approved by shareholders that was passed on December 16, 2016. On October 30, 2017, the common shares of Captor commenced trading on the CSE under the symbol "CPTR".

The Company is a cannabis focused investment company. The objective of the Company is to provide its shareholders with long-term capital growth by investing in a portfolio of cannabis focused companies.

Highlights

- On February 26, 2018, Captor acquired 5,181,785 Class A Units of MM Enterprises USA, LLC ("MM Enterprises") for US$23,000,000 ($29,164,000). On May 28, 2018, MM Enterprises completed a business combination with MedMen Enterprises Inc. ("MedMen Enterprises"), a US based medical and adult use cannabis company listed in the CSE.

  Captor Acquisition Corp. (the "Acquiror"), a subsidiary of Captor, in connection with the business combination, acquired 7,991,251 Class B Common Shares ("Class B Shares") of MM Can USA, Inc. ("PC Corp"), a subsidiary of MedMen Enterprises, pursuant to a contribution by the Acquiror of the same number of units of the LLC in exchange for such Class B Shares. Pursuant to the articles of incorporation of PC Corp, Captor may, from time to time, exchange its Class B Common Shares for Class B Subordinate Voting Shares of MedMen Enterprises on a one-for-one basis (the "Subordinate Voting Shares").

  The Company received 7,991,251 Subordinate Voting Shares of MedMen Enterprises in exchange for the 5,181,785 Class A Units of MM Enterprises.

  During the three months ended June 30, 2018, the Company sold 2,945,051 shares for cash of $10,481,162 and $4,527,916 for the extinguishment of a loan owed by I-5 Holdings Ltd. to MedMen Enterprises.

- On February 26, 2018, Captor issued a total of 171,868,364 Captor Shares in escrow to acquire the remaining 79% of the I-5 Holdings securities. The Acquisition was completed on May 30, 2018 pursuant to an amended merger agreement dated February 16, 2018 between Captor and I-5 Holdings whereby the holders of common shares of I-5 ("I-5 Shares") received 2.6 common shares of Captor Capital Corp. ("Captor Share") in exchange for each I-5 Share.

  As a result of the Acquisition, certain common share purchase warrants of I-5 Holdings are exercisable into 22,108,031 Captor Shares at an exercise price of $0.25 per Captor Share and other common share purchase warrants of I-5 Holdings are exercisable into 3,750,890 Captor Shares at an exercise price of $0.31 per Captor Share.

- On August 7, 2018, the Company announced that it has agreed to purchase Chai Cannabis Inc. for US$6.1 million in cash and a further US$200,000 to purchase existing inventory at cost. Chai Cannabis currently operates a fully adult use dispensary in Santa Cruz, California.

- On August 8, 2018, Captor also announced the grant of options 36,500,000 stock options to officers, directors, employees and consultants of the Company. All stock options are fully vested and exercisable at $0.30 per common share of Captor for a period of 2 years.

Corporate Objective

On August 8, 2018, the Company resumed trading on the CSE as cannabis focused investment company. The Company's strategy, leadership, and investments are discussed below.

Retail Opportunities

Continuing the focus on the California retail market, Captor, through its wholly owned U.S. subsidiary, on August 7, 2018 acquired a third California dispensary in Santa Cruz for USD$6.1 in cash, Capitola Healing Association (Chai Cannabis Inc., "Chai").

According to the dispensary's unaudited financial statements, it had average annual revenues of approximately USD$10 million over the last three years. Captor will be seeking to grow Chai's sales through the addition of a delivery license and doubling its sales floor space.

Additionally, Captor is currently in the process of negotiating and documenting the acquisition of two additional retail dispensaries, one in Monterey Bay, CA and one in Silicon Beach, CA. Upon completion of these acquisitions, Captor will hold a total of five retail cannabis dispensaries in California and will have positioned itself to become a dominant player in the California retail cannabis market.

Captor has seen growth in both MedMen locations in Southern California throughout 2018. Revenue in the first quarter of 2018, following recreational legalization were up several hundred percent for both of Captor's MedMen dispensary locations.

Captor's West Hollywood MedMen branded dispensary achieved approximately $6.4 million USD in revenue in Q1 2018, and the store is expected to reach approximately the same level sales in Q2 of 2018. Captor's Santa Ana MedMen branded dispensary achieved approximately $1.1 million USD in revenue in Q1 of 2018 and management expects revenue to increase in the second quarter of 2018.

Manufacturing Opportunities

Captor is in the final stages of negotiation and documentation of terms with Mellow Extracts, LLC. Mellow will own and operate in a state-of-the-art extraction lab facility in Costa Mesa, California. The facility has been completed and awaiting final inspections. Mellow will produce ultra-premium oil and provide service-for-hire extraction, as well as co-packing capacities for white label and private label cannabis brands focusing on cannabis extracts., In addition to this Mellow will provide oils and premium concentrates to Captor's retail outlets. Mellow has carved out a unique position as a supply chain partner between distributors and brands. With a committed book of business averaging $500,000 USD in monthly sales. Mellow has a strong platform from which to grow in this expanding sector. Through selectively working with leading brands, Mellow is positioned to become a major player in the market. In addition Mellow currently has applications for three licenses in San Diego in conjunction with a local partner.

Cultivation Opportunities

Our wholly owned subsidiary (I-5 Holdings) has two cultivation operations in the state of Washington. Both are operating tier 2 licenses under their allowed 10,000 sq ft of cultivation space. The acquisition of and investments in these cultivation assets has resulted in revenue of approximately $100,000 USD per month from its cultivation operations. I-5 will continue to build out both facilities to their full potential of 10,000 sq ft of cultivation canopy.

Overall Outlook

Captor has shifted its focus to investments in the US cannabis market and has been rewarded for the partnerships it has founded and investments it has made. Throughout the rest of 2018 Captor will look to acquire/ invest in additional retail opportunities in California to expand its portfolio of assets with a significant pipeline. As Captor continues to expand it will look to create a brand of quality that will be recognizable across the state that customers will come to trust.

Captor Investment Strategy

Through partnership with top brands, such as MedMen, high value dispensary locations and cultivation operations, Captor seeks to capitalize upon the combination of its intellectual property and extensive network of industry relationships to provide its customers with a wide variety of products and a best in class experience. The primary strategic focus of Captor is to acquire profitable, established cannabis focused companies that require capital to scale. To efficiently engage Captor's well- defined and deep pipeline of cultivation and dispensary targets, the Company will acquire them at favorable prices, and unlock the intrinsic value of these firms through operational enhancements.

Target investments will be top quality operations with experienced management and defined business plans. Acquisitions will be selected based off of synergy, possibly with current existing brands, locations, and operations. Upon acquisition, the investments will be integrated and supported to enhance operations and profitability. With an initial focus on the high value markets of California and Nevada, Captor is building a team of experienced operators designed to support organic growth. Captor will continue to expand its geographic footprint as the industry evolves legally within the USA, and potentially internationally, depending on the regulatory framework.

In addition to developing its robust pipeline and completing key acquisitions, Captor has significantly added to its management team which comprises a mix of leading entrepreneurs, banking and corporate professionals and cannabis operators.

Financial Highlights

For the three months ended June 30, 2018, compared with the three months ended June 30, 2017:

For the three months ended June 30, 2018, the Company's net loss was $4,539,700 ($0.01 per share), compared to net loss of $3,825,460 ($0.03 per share) for the three months ended June 30, 2017. The increase in net loss of $714,240 is a result of the following:

- During the three months ended June 30, 2018, unrealized gain in investment in I-5 Holdings was $2,500,000 due to change in the fair value of the investment in I-5 Holdings.
- During the three months ended June 30, 2018, unrealized loss in investment in MedMen Enterprises was $2,866,344 due to change in the fair value of the investment in MedMen Enterprises.
- During the three months ended June 30, 2018, realized gain in investment in MedMen Enterprises was $4,204,092 from the sale of 2,945,051 MedMen Enterprises shares during the 2018 period.
- Unrealized loss in other investments increased to $1,882,962 for the three months ended June 30, 2018 from a loss of $56,509 for the three months ended June 30, 2017 due to changes in the fair value of the Company's other investments;
- Unrealized loss in investments in URU Metals Limited decreased to $91,736 for the three months ended June 30, 2018 from a loss of $3,616,521 for the three months ended June 30, 2017 due to changes in the fair value of the investment;
- General and administrative expenses increased from $155,236 for the three months ended June 30, 2017 to $4,191,390 for the three months ended June 30, 2018. The primary reasons for the increase of $4,036,154 was the payment of professional fees of $3,300,000 for the closing of the acquisition of I-5 Holding and $499,340 for board advisory fees.

Liquidity and Financial Position

As at June 30, 2018, the Company had a consolidated cash balance of $13,208,812 compared to $21,296,842 at March 31, 2018. The Company had a working capital of $57,456,890 as at June 30, 2018, compared to a working capital deficit of $61,902,906 at March 31, 2018.

The activities of the Company are financed through the completion of equity offerings and the exercise of stock options and warrants.

Accounts payable and accrued liabilities increased from $1,426,375 at June 30, 2017 to $1,234,754 as at June 30, 2018. The increase is primarily a result of incurring of general and administrative expenses during the period.

As of June 30, 2018, and to the date of this Interim MD&A, the cash resources of the Company are held with select financial institutions in Canada. At June 30, 2018, the Company had no indebtedness other than trade payables in the normal course of business. Accounts payable and accrued liabilities are in the ordinary course of business, short term and non-interest bearing.

The Company's use of cash at present occurs, and in the future is expected to occur, principally in two areas: the funding of its general and administrative expenditures and the funding of its investment activities.

In connection with the Company's operating and investment activities, the Company will seek to raise capital primarily through the issuance of equity securities. No funds have been raised as of the date of this Interim MD&A.

Related Party Transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Remuneration of directors and key management of the Company was as follows:

Fees	Year Ended June 30, 2018 $	Year Ended June 30, 2017 $
Kyle Appleby (1)	3,000	3,000
Alexander Dementev (1)	3,000	3,000
Alegana Enterprises Ltd. ("Alegana") (2)	54,999	54,999
2249872 Ontario Ltd. (3)	21,000	21,000
Marrelli Support Services Inc. ("MSSI") (4)	4,500	4,500
Totals	**86,499**	**86,499**

(1) Fees paid to directors of the Company. Included in accounts payable and accrued liabilities at June 30, 2018, is $48,000 (March 31, 2018 - $42,000) due to directors of the Company.

(2) Alegana is a company controlled by Mr. John Zorbas, the President of the Company. Alegana provides consulting services to the Company for $220,000 a three months under the terms of a written contract that runs for an indefinite term. The consulting fees paid to Alegana are for the function of the President which include, but are not limited to, managing the capital structure and current investment portfolio of the Company. Alegana may receive, at the sole discretion of the board of directors, a performance bonus of up to 400% of the annual consulting fee payable by the Company to Alegana. Included in accounts payable and accrued liabilities as at June 30, 2018 owing to Alegana was $736,367 (March 31, 2018 - $669,150).

As at June 30, 2018, Alegana owed the Company $56,517 for a loan to cover travel costs.

Upon termination of Alegana by the Company without cause or a termination following a change of control, the Company is obligated to pay Alegana: (a) 1.5 times Alegana's annual consulting fee; and (b) an amount equal to 1.5 times the amount of all bonuses John Zorbas received for the most recent calendar three months ended prior to the termination date or 2 times the amount of Alegana's annual consulting fee should John Zorbas not have received a bonus for the most recent calendar three months ended prior to the termination date. Upon termination of Alegana under any other circumstances, the Company is not obligated to pay Alegana any penalty.

(3) 2249872 Ontario Ltd. is a company controlled by Henry Kloepper, the Chief Executive Officer ("CEO") of Captor. The management fees paid to 2249872 Ontario Ltd. are for the CEO function performed by Mr. Kloepper which includes the day-to-day operations of the Company as well as an implementation of the Company's long and short term plans. Included in accounts payable and accrued liabilities at June 30, 2018 was $68,190 (March 31, 2018 - $47,190) due to 2249872 Ontario Ltd. The Company has no ongoing contractual obligation or commitment to 2249872 Ontario Ltd.

(4) Mr. Jing Peng, the Chief Financial Officer ("CFO"), is a senior employee of MSSI. The management fees paid to MSSI relate to CFO function performed by Mr. Peng which includes the reporting of financial information and the safeguard of the Company's assets. Included in accounts payable and accrued liabilities at June 30, 2018 is $2,952 (March 31, 2018 – $8,042) owing to MSSI. The Company has no ongoing contractual obligation or commitment to MSSI.

The Company is owed $25,576 (March 31, 2018 - $25,576) from a company related to Captor through common management. These amounts are included in the amounts receivable and prepaid expenses balance on the statement of financial position.

New Accounting Policies

(i) IFRS 9, Financial Instruments

Effective January 1, 2018, the Company adopted IFRS 9. In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes lAS 39, Financial Instruments: recognition and measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. The Company has adopted IFRS 9 on a retrospective basis, however, this guidance had no impact on the Company's financial statements.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

Below is a summary showing the classification and measurement bases of our financial instruments as at January 1, 2018 as a result of adopting IFRS 9 (along with comparison to lAS 39).

Classification	IAS 39	IFRS 9
Cash	Loans and receivables (amortized cost)	Amortized cost
Amounts receivable	Loans and receivables (amortized cost)	Amortized cost
Investments	FVTPL	FVTPL
Accounts payable and accrued liabilities	Other financial liabilities (amortized cost)	Amortized cost

As a result of the adoption of IFRS 9, the accounting policy for financial instruments as disclosed in the Company's March 31, 2018 consolidated financial statements has been updated as follows:

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss. Other investments and investments in I-5 Holdings Ltd., URU Metals Limited and MedMen Enterprises Inc. are designated as FVTPL.

- Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at fair value through profit and loss: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

The Company's cash and receivables are classified as financial assets and measured at amortized cost.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

- Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's accounts payable and accrued liabilities do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

<u>Subsequent measurement</u>

Instruments classified at FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified at amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income. When an instrument at FVTOCI is sold, the accumulated gains or losses are reclassified from accumulated other comprehensive income (loss) directly to deficit.

<u>Derecognition</u>

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

<u>Expected Credit Loss Impairment Model</u>

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's financial statements.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for future accounting periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following recent accounting pronouncement has not yet been adopted.

Leases ("IFRS 16")

This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors.

Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The Company is currently evaluating the impact of IFRS 16 on its consolidated financial statements.

Disclosure Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the unaudited condensed interim consolidated 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 consolidated financial statements; and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date at 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 Company uses the Venture Issuer Basic Certificate, which 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 generally accepted accounting principles (IFRS). The Company'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 this 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.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk and Uncertainties" in the Company's MD&A for the fiscal year ended March 31, 2018, available on SEDAR at **www.sedar.com**.