DEER HORN CAPITAL

MANAGEMENT DISCUSSION AND ANALYSIS
For the nine months ended April 30, 2016

The following discussion and analysis of the operations, results and financial position of Deer Horn Capital Inc. (the "Company" or "Deer Horn") for the nine months ended April 30, 2016 should be read in conjunction with the condensed consolidated interim financial statements for the nine months ended April 30, 2016 and the audited financial statements for the year ended July 31, 2015, which can be found on SEDAR at www.sedar.com.

This Management Discussion and Analysis ("MD&A") is dated June 28, 2016, and discloses specified information up to that date. The Company is classified as a "venture issuer" for the purposes of National Instrument 51-102. The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") in Canada. Unless otherwise stated, references to dollar amounts are in Canadian dollars.

The Company is a reporting issuer in the provinces of British Columbia and Alberta. Its head office is located at Suite 140 – 1440 Garden Place, Delta, BC, Canada, V2M 3Z2. The Company's registered and records office is located at Suite 1100-736 Granville Street, Vancouver, BC, V67 IG3.

Forward-looking Information

Certain statements in this MD&A and the documents incorporated by reference contain forward-looking information, which includes forward-looking statements within the meaning of applicable Canadian securities laws. Forward-looking statements are statements that relate to future events or our future performance, including our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", or "potential" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause the Company's or the industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. No assurance can be given that any of the events anticipated by the forward-looking information and statements will occur or, if they do occur, what benefits the Company will obtain from them. This MD&A contains forward-looking information and statements, which may include but are not limited to: statements with respect to the financial and operating performance of the Company; investments objectives and strategies; the business goals and strategies; forecast operating and financial results; planned capital expenditures; potential future market for products, business prospects and opportunities; costs and timing of developmental new projects; management's assessment of future plans and operations; and requirements for additional capital.

Overview

Deer Horn is a publicly traded, Vancouver-based, diversified issuer. The Company has a 50% interest in the Deer Horn Property, located in British Columbia. The Company recently decided that it would exit the natural and organic retail sector in British Columbia.

The Company operates two divisions:

Organic Retailing Division ("ORD")

Operating under the name Bodhi Natural Market ("Bodhi"), the ORD division is involved in the natural and organic retailing sector.

Mineral Exploration Division, including head office costs ("MNE")

The Company has a 50% interest in the Deer Horn Property, located in northwestern British Columbia. Future work on the property may consist of further in-fill and step-out drilling, engineering and environmental programs to advance the project to a preliminary feasibility stage.

Strategy, Performance and Outlook

Management and the board of directors decided that it is in the best interest of the shareholders to cease operations of the Company's Bodhi Natural Market store in Maple Ridge, BC. Since inception, the store failed to reach anticipated sales levels. As a result, the Company has been required to continue to finance the store to the detriment of its own corporate cash requirements.

With the interest in the junior mining sector increasing recently, the board of directors has decided to concentrate its efforts on advancing the Deer Horn mineral property located near Smithers, BC.

Results of Operations

The Company reports its results in two business segments: organic retailing and head office & corporate which includes mineral exploration. The discussion of segment operating results is set out below:

Revenue and Expense Summary

ORD Division operations – nine months ended April 30, 2016

Revenue: Revenue from retail sales increased to $486,389 in the nine months ended April 30, 2016 compared to $nil in the same period 2015. This revenue remains significantly below initial projections.

Cost of Goods Sold: Total cost of goods sold ("COGS") was $669,054 in the nine months ended April 30, 2016 compared to $nil in the same period 2015. The Gross Margin Percentage (revenue minus product COGS / revenue), excluding staff costs and other COGS items was 26.9% compared to 31.5% for our Q4-2015 fiscal quarter ended July 31, 2015. Direct salaries and wages included in COGS continue to be a significant portion of the overall COGS. The minimum staffing required to operate the store is being utilized; however, as a percentage of sales, this figure remains too high at the moment. During Q2 and Q3-2016, further adjustments were made to staffing levels, resulting in the Q3-2016 direct salaries and wages being $71,266 compared to $98,562 for Q2-2016 and $133,301 for Q1-2016.

Gross Margin (Loss): Gross margin includes purchases and salaries, wages and benefits. The Company realized a gross margin loss of $182,665 for the nine months ended April 30, 2016 compared with $nil in 2015. The gross margin losses for this fiscal year to date were as follows: Q1-2016 = $64,065; Q2-2016 = $52,879; and Q3-2016 = $65,721. For our most-recently completed fiscal Q4-2015 quarter ended July 31, 2015, the Gross margin loss was $53,305. Obviously, a gross margin loss is not sustainable.

General and Administrative Expenses: General and administrative ("G&A") expense was $424,170 for the nine months ended April 30, 2016 compared to $nil in the same period 2015. For our most-recently completed fiscal Q4-2015 quarter ended July 31, 2015, the G&A expense was $301,106, which included start-up costs of $75,372, and advertising costs of $32,270.

MNE Division operations – nine months ended April 30, 2016

Exploration Expenses: Exploration expenses, net of recoveries, were $nil for the nine months ended April 30, 2016 and 2015.

General and Administrative Expenses: General and administrative ("G&A") expenses at the head office were $306,728 for the nine months ended April 30, 2016 compared to $621,997 in the same period 2015. Significant steps are being taken to reduce the overall burn-rate at the head office including reducing the management and consulting fees being charged to the company by related parties. Further reductions are being considered.

Gain on settlement of debt: Docherty Capital Corp. and Dunbar Law Corp. have come to an agreement with the Company to settle certain outstanding debt with the Company. Docherty Capital Corp. has agreed to settle $81,850 in debt for $nil proceeds, and Dunbar Capital Corp. has agreed to settle $84,000 in debt for $nil proceeds. This represents a total of $165,850 of debt that the Company will no longer have to repay.

ORD Division operations – three months ended April 30, 2016

Revenue: Revenue from retail sales decreased to $119,226 in the three months ended April 30, 2016 compared to $nil in the same period 2015. Revenue in Q3-2016 was $51,446 below the Q2-2016 revenue figure; and $77,265 below the Q1-2016 revenue figure. Q2 (November to January) is traditionally a slower sales period for grocery retailers. Our revenue remains significantly below initial projections, and is trending downward – leading to the decision to cease operations of the Bodhi store in Maple Ridge.

Cost of Goods Sold: Total cost of goods sold (“COGS”) was $184,947 in the three months ended April 30, 2016 compared to $nil in the same period 2015. The Gross Margin Percentage, excluding staff costs and other COGS items was 7.9% in Q3-2016; compared to 28.9% in Q2-2016; and compared to 36.7% in Q1-2016. The Q4-2015 Gross Margin Percentage was 31.5% for the first quarter of operations of the Bodhi store. Direct salaries and wages included in COGS continue to be a significant portion of the overall COGS. The minimum staffing required to operate the store is being utilized; however, as a percentage of sales, this figure remains too high at the moment. For Q3-2016, further downward

adjustments were made to staffing levels, resulting in the Q3-2016 direct salaries and wages being $71,266 compared to $98,562 for Q2-2016; and compared to $133,301 for Q1-2016.

Gross Margin (Loss): Gross margin includes purchases and salaries, wages and benefits. The Company realized a gross margin loss of $65,721 for the three months ended April 30, 2016 compared with $nil in 2015. Obviously, a gross margin loss is not sustainable.

General and Administrative Expenses: General and administrative ("G&A") expense was $137,212 for the three months ended April 30, 2016 compared to $141,957 for Q2-2016; and compared to $145,001 for Q1-2016; and compared to $nil in the same 3-month period of 2015.

MNE Division operations – three months ended April 30, 2016

Exploration Expenses: Exploration expenses, net of recoveries, were $nil for the three months ended April 30, 2016 and 2015.

General and Administrative Expenses: General and administrative ("G&A") expenses at the head office were $60,438 for the three months ended April 30, 2016 compared to $347,986 in the same three-month period in 2015. Significant steps are being taken to reduce the overall burn-rate at the head office including reducing the management and consulting fees being charged to the company by related parties. Further reductions are being considered.

Summary of Quarterly Results

Quarter Ended	2016 Apr. 30 Q1 $	2016 Jan. 31 Q1 $	2015 Oct. 31 Q1 $	2015 July 31 Q4 $	2015 Apr. 30 Q3 $	2015 Jan. 31 Q2 $	2014 Oct. 31 Q1 $	2014 July 31 Q4 $
Revenue	119,226	170,672	196,491	207,989	-	-	-	-
Cost of goods sold	184,947	224,152	260,556	261,294	-	-	-	-
G&A Expenses (recoveries)	197,650	267,457	265,190	424,199	579,786	188,876	115,135	(26,961)
Share-based payments	-	(2,321)	23,460	209,349	89,367	-	-	-
Net Loss								
- **per share**	$0.00	$0.00	$0.00	$0.02	$0.03	$0.01	-	-
- **per share (diluted)**	$0.00	$0.00	$0.00	$0.02	$0.03	$0.01	-	-
Total Assets	978,340	1,002,447	1,003,573	1,145,891	584,274	651,895	182,975	303,022
Working Capital								

(Deficiency)	(232,435)	(204,409)	(234,230)	(188,148)	37,735	28,160	(66,278)	48,737
Share Capital:								
Authorized	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Outstanding	37,044,653	37,044,653	32,344,653	32,344,653	30,640,317	26,535,317	15,435,317	15,435,317
Warrants	11,654,668	11,654,668	7,954,668	8,220,668	7,368,000	5,316,000	266,000	266,000
Options	2,475,000	2,680,000	2,680,000	2,680,000	3,050,000	575,000	575,000	655,000

Liquidity and Capital Resources

Deer Horn currently earns revenue from its retail operations. The Company invests its cash and cash equivalents with major Canadian financial institutions with investment grade credit ratings. Deer Horn now has outstanding senior secured debentures outstanding totalling $182,000. The Company has no other outstanding bank debt or other interest bearing indebtedness as at April 30, 2016. At April 30, 2016, Deer Horn had $51,566 in cash and cash equivalents (July 31, 2015 - $47,350) and a working capital deficiency of $232,435 (July 31, 2015 – working capital deficiency of $188,148).

During the nine-month period ended April 30, 2016, the Company borrowed funds from related companies or individuals for a total of $159,700, and repaid $12,000 of these loans. These short-term loans bear no interest, and have no specific terms of repayment.

On June 15, 2016, the Company announced that it intends to raise up to $300,000 by way of a non-brokered private placement (the "Offering") of units ("Units") of the Company at a price of $0.05 per Unit. Subject to certain limitations, the Offering will be open to all existing shareholders of the Company.
Each Unit will consist of one common share and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will be exercisable into one common share for a period of two years at a price of $0.10/share.

On June 15, 2016, the Company announced that it would effect a debt conversion for $100,000 of amounts owing to suppliers, consultants and creditors, including some insiders to units, at a price of $0.05 per unit. Each unit consists of one common share and one-half of one common share purchase warrant. Each Warrant entitles the holder thereof to acquire one common share for a period of two years from the date of issuance at an exercise price of $0.10/share. The Debt Conversion will result in the issuance of 2,000,000 common shares and 1,000,000 warrants. The securities issued in connection with the Debt Conversion will be subject to a hold period expiring four months and one day from the date of issuance of such securities.

On March 3, 2016, the Company closed a debenture private placement and has issued Series “A” 10% senior secured debentures for gross consideration of $182,000. The Company paid $14,560 in finder’s fees in relation to this financing. The debentures were sold at a purchase price of $1,000 per debenture. These debentures carry an interest rate of 10% per annum payable annually in arrears and mature five (5) years after their issue date, but may be repaid in whole or in part without penalty or charge at any time after the first anniversary of their issue date. It is a condition of these debentures that at least 91% of the net proceeds received from this financing (net of the finder’s fees) will be used for the operations of the Company’s wholly-owned subsidiary, Bodhi Tree Natural Market Corp. The balance of funds may be used for Bodhi’s operations or for the Company’s general working capital. The debenture holders have been granted a first priority security interest over substantially all of the assets of Bodhi.

On January 11, 2016, the Company closed a non-brokered private placement and issued 2,700,000 units at a price of $0.06 per unit for total gross proceeds of $162,000. Each unit consists of one common share

and one share purchase warrant. Each whole warrant is exercisable for a period of two years at a price of $0.10 per share. The Company paid an aggregate of $12,960 in fees to eligible finders in respect to the private placement.

On November 17, 2015, the Company closed a non-brokered private placement and issued 2,000,000 units at a price of $0.10 per unit for total gross proceeds of $200,000. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable for a period of two years at a price of $0.15 per share. The Company paid an aggregate of $16,000 in fees to eligible finders in respect to the private placement.

Deer Horn assesses its financing requirements and its ability to access debt or equity markets on an ongoing basis. Given the current conditions of the financial markets, the company will seek to maintain financial flexibility and will monitor and assess its financing requirements as its activities progress. The Company`s ability to access the equity or debt markets in the future may be affected by prolonged market instability. The inability to access the equity or debt markets for sufficient capital, at acceptable terms, and within required timeframes, could have a materially adverse effect on the Company`s financial condition, results of operations and prospects. Further discussion on these risks can be found in the "Risk Factors" section of the MD&A.

For the nine-month period ended April 30, 2016, the Company had a working capital deficiency of $232,435 (as at July 31, 2015 – working capital deficiency of $188,148). For the nine-month period ended April 30, 2016, the Company had a loss and comprehensive loss of $722,704 (nine-month period ended April 30, 2015, a loss and comprehensive loss of $883,797).

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions - Key Management Compensation

The Company's related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers, directors or close family members of those individuals as follows:

Name	Nature of transactions
Docherty Capital Corp.	Management fees charged as CEO
Docherty Capital Corp.	Travel and expense allowances
Saulnier Capital Consulting Corp.	Management fees charged as CFO
Dunbar Law Corp.	Management fees other
The Sutherland Group	Salary and wages, and loans to the Company
Sean Docherty	Office rent
Kieran Docherty	Consulting fees (other)

The Company incurred the following fees with individuals and / or companies owned, or partially owned, by key management which the Company defines as officers and directors.

	Three months ended Apr. 30,		Nine months ended April 30,	
	2016	2015	**2016**	2015

Management fees CEO	**$**	**19,500**	$	52,500	**$**	**58,500**	$	157,500
Travel and expense allowances CEO		**3,000**		3,000		**9,000**		9,000
Management fees CFO		**7,500**		7,500		**22,500**		22,500
Management fees other		**-**		15,000		**-**		45,000
Salaries and wages		**19,891**		-		**79,566**		-
Share-based compensation		**-**		-		**21,139**		-
Total	**$**	**49,891**	$	78,000	**$**	**190,705**	$	234,000

The company incurred the following fees with related parties – other.

	Three months ended Apr. 30,				**Nine months ended April 30,**			
	2016		2015		**2016**		2015	
Rent	**$**	**-**	$	3,000	**$**	**6,000**	$	9,000
Consulting		**4,000**		12,000		**28,000**		36,000
Total	**$**	**4,000**	$	15,000	**$**	**34,000**	$	45,000

In addition, during the nine-month period ended April 30, 2016, the Company borrowed funds from related companies or individuals for a total of $159,700. During the same period, $12,000 of these loans were repaid. These short-term loans bear no interest, and have no specific terms of repayment.

	As at Apr. 30, 2016	As at July 31, 2015
Due to key management or companies controlled by key management personnel – as trade payables	**$ 92,000**	$ 176,324
Due to other related parties	**21,700**	-
Due to key management or companies controlled by key management personnel – as loans	**126,000**	-
Total	**$ 239,700**	$ 176,324

New standards, interpretations and amendments not yet effective:

A number of new standards, amendments to standards and interpretations were not effective as of April 30, 2016, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a material effect on the financial statements of the Company.

Effective for annual periods beginning on or after January 1, 2016

IAS 16 & IAS 38, *Clarification of Acceptable Methods of Depreciation and Amortization*

Amended to (i) clarify that the use of a revenue-based depreciation and amortization method is not appropriated, and (ii) provide a rebuttable presumption for intangible assets.

Effective for annual periods beginning on or after January 1, 2017

IFRS 15, *Revenue from Contracts with Customers:*

IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service.*

In May 2015, the International Accounting Standards Board ("IASB") proposed to defer the effective date to January 1, 2018. Early application of the Standard would still be permitted.

Effective for annual periods beginning on or after January 1, 2018

IFRS 9 is a new standard on financial instruments that will replace IAS 39*, Financial Instruments: Recognition and Measurement.*

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Classification of financial instruments

Financial instruments measured at fair value are classified into one of three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value (``FV``) hierarchy has the following levels:

Level 1- quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.; as prices) or indirectly (i.e.; derived from prices); and

Level 3- inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company`s financial instruments consist of cash, receivables, deposits, accounts payable and accrued liabilities, wages payable, due to related parties, and debentures payable.

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of cash, receivables, deposits, accounts payable and accrued liabilities, wages payable and due to related parties approximate their fair value because of the short-term nature of these instruments.

Financial instrument risk exposure and risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance. The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company’s exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company’s receivables consist primarily of tax receivables due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company’s ability to continue as a going concern is dependent on management’s ability to raise required funding through future equity or debenture issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities.

Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Interest rate risk

The Company has cash balances and debt. The Company's current policy is to invest excess cash, if any, in investment grade short-term demand deposit certificates issued by its banking institutions. The company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company has debt with a fixed interest rate. The Company is exposed to interest rate risk.

Foreign currency risk

The Company is not exposed to foreign currency risk.

Commodity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices in the organic retail sector. Movements in the price of gold may have some impact on the underlying value of the Deer Horn Property, but this impact is not considered material at the moment.

OTHER MD&A REQUIREMENTS

The Company's authorized share capital consists of unlimited common shares without par value.

	Common Shares Issued and Outstanding	Common Share Purchase Warrants	Common Share Purchase Options
Balance April 30, 2016	37,044,653	11,654,668	2,475,000
Options expired	-	-	(50,000)
Balance as at the date of this MD&A	37,044,653	11,654,668	2,425,000

Internal Controls over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting, or causing them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company assessed the design of the internal controls over financial reporting as at April 30, 2016, and concluded the following:

a) Due to the limited number of staff resources, the Company believes there are instances where a lack of segregation of duties exist to provide effective controls; and

b) Due to the limited number of staff resources, the Company may not have the necessary in-house knowledge to address complex accounting and tax issues that may arise.

The weaknesses and their related risks are not uncommon in a company the size of the Company because of limitations in size and number of staff. The Company believes it has taken steps to mitigate

these risks by hiring additional personnel, consulting outside advisors and involving the Audit Committee and Board of Directors in reviews and consultations where necessary.

There have been no changes in the Company's internal controls over financial reporting that occurred during the nine months ended April 30, 2016 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Management Responsibility for the Financial Statements

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a 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 was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings. The Board of Directors approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.