LIBERTY LEAF HOLDINGS LTD.
(formerly Weststar Resources Corp.)
MANAGEMENT DISCUSSION & ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

NOVEMBER 28, 2016

OVERVIEW

The following management discussion and analysis ("MD&A") is a review of the operations, current financial position and outlook for Liberty Leaf Holdings Ltd. (formerly Weststar Resources Corp.) (the "Company") and should be read in conjunction with the Company's unaudited condensed interim financial statements for the nine months ended September 30, 2016, as well as the audited financial statements for the year ended December 31, 2015, which is filed on the SEDAR website: www.sedar.com.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with IFRS. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Actual results may differ materially from the expected results.

DESCRIPTION OF BUSINESS AND ACTIVITY

Liberty Leaf Holdings Ltd. (the "Company") is a Vancouver, British Columbia, based company incorporated under the name Weststar Resources Corp. on October 27, 2004 in the province of British Columbia. During the year ended December 31, 2006, the Company completed its initial public offering on the TSX Venture Exchange ("TSX-V"), and the Company's shares were listed for trading on September 22, 2006. On February 10, 2015, the Company de-listed from the TSX Venture Exchange and began trading on the Canadian Securities Exchange (the "Exchange") under the symbol "WER".

The Company was a mineral exploration company until October 21, 2016, when the Company changed its name, completed a transition to the cannabis business, and began trading under the symbol "LIB".

The principal address of the Company is located at 1656 Scarborough Crescent, Port Coquitlam, British Columbia, Canada, V3C 2R1.

General and Financing

On July 22, 2015, the Company closed a non-brokered private placement and issued 6,460,000 units at a price of $0.05 per unit for gross proceeds of $323,000. Each unit consists of one common share in the capital of the Company and one share purchase warrant. Each warrant is exercisable by the holder to acquire one additional common share of the Company for a period of two years from issuance at an exercise price of $0.075. The Company allocated $161,500 of the proceeds to the common shares and $161,500 of the proceeds to the warrants based on the residual value method. The Company paid finder's fees of $12,100 and other share issue costs of $992.

On October 26, 2015, the Company closed a non-brokered private placement and issued 10,180,000 units at a price of $0.05 per unit for gross proceeds of $509,000. Each unit consists of one common share in the capital of the Company and one share purchase warrant. Each warrant is exercisable by the holder to acquire one additional common share of the Company for a period of two years from issuance at an exercise price of $0.075. The Company allocated $254,500 of the proceeds to the common shares and $254,500 of the proceeds to the warrants based on the residual value method. The Company paid finder's fees of $30,800 and other share issue costs of $773.

On April 4, 2016, the Company issued 3,770,000 units at a price of $0.05 per unit for gross proceeds of $188,500. Each unit consists of one common share in the capital of the Company and one share purchase warrant. Each warrant is exercisable by the holder to acquire one additional common share of the Company for a period of two years from issuance at an exercise price of $0.075. The Company allocated $75,400 of the proceeds to the common shares and $113,100 of the proceeds to the warrants based on the residual value method.

On April 28, 2016 (and as amended July 4, 2016 and September 9, 2016), the Company entered into agreement to acquire a 100% interest in North Road by making payments as follows:

- Issuance of 12,000,000 common shares of the Company upon approval of the transaction by the Exchange (issued);
- Payment of $150,000 cash, or an equivalent dollar value of common shares of the Company, within 90 days of North Road completing the "Security Clearance" phase pursuant to and as defined in the MMPR application;
- Payment of $350,000 cash, or an equivalent dollar value of common shares of the Company, within 90 days of North Road completing the "Pre-License Inspection" phase pursuant to and as defined in the MMPR application; and
- Payment of $1,000,000 cash within 90 days of North Road receiving approval of the MMPR License.

The definitive agreement constituted a change of business to the cannabis sector.

On October 19, 2016, the Company issued 5,290,228 units at a price of $0.07 per unit for gross proceeds of $370,316. Each unit consists of one common share in the capital of the Company and one share purchase warrant. Each warrant is exercisable by the holder to acquire one additional common share of the Company for a period of two years from issuance at an exercise price of $0.10. In the event that the closing price of the Company's common shares is at or above $0.20 per share for ten consecutive days, the Company may provide notice to the warrant holders that the expiry date of the warrants has been accelerated and that warrants not exercised within 30 days will expire. The Company paid finder's fees of $17,413 in relation to the private placement.

On October 27, 2016, the Company issued 357,391 common shares in order to settle accounts payable of $41,100.

Subsequent to September 30, 2016, the Company issued 7,195,000 common shares of the Company for gross proceeds of $539,625 on the exercise of 7,195,000 share purchase warrants. The Company also issued 275,000 common shares of the Company for gross proceeds of $23,750 on the exercise of 275,000 stock options.

Cannabis Industry

During the year ended December 31, 2014, the Company began evaluating business opportunities outside of the mineral exploration sector, primarily within the cannabis sector. To that end, the Company has engaged a consultant, Mr. Doug Macdonell, to assist the Company with evaluating potential targets with a view to identifying a suitable opportunity with the potential to generate value for shareholders.

Mr. Macdonell is a recognized expert in the field of cannabis and its cultivation, having trained RCMP officers and municipal police in Vancouver and Edmonton in this field for the purposes of law enforcement. In addition, Mr. Macdonell has given lectures on the topic to various government agencies including the Department of Justice in Canada and the United States Drug Enforcement Administration. He has also served as an expert witness in cannabis, its production and its distribution at all levels of the Canadian court system.

On April 28, 2016 (and as amended July 4, 2016 and September 9, 2016), the Company entered into agreement to acquire a 100% interest in North Road by making payments as follows:

- Issuance of 12,000,000 common shares of the Company upon approval of the transaction by the Exchange (issued);
- Payment of $150,000 cash, or an equivalent dollar value of common shares of the Company, within 90 days of North Road completing the "Security Clearance" phase pursuant to and as defined in the MMPR application;
- Payment of $350,000 cash, or an equivalent dollar value of common shares of the Company, within 90 days of North Road completing the "Pre-License Inspection" phase pursuant to and as defined in the MMPR application; and
- Payment of $1,000,000 cash within 90 days of North Road receiving approval of the MMPR License.

During the year ended December 31, 2015, the Company advanced $107,500 to North Road in order to further the MMPR license application. The amount advanced was without interest. If North Road submitted a MMPR license application by June 30, 2016, based on the MMPR rules in place when the letter of intent with North Road was signed on July 21, 2015, the amount advanced would be forgiven. If the MMPR license application was not submitted by June 30, 2016, then the amount advanced would be repaid to the Company by July 20, 2016. All expenses directly or indirectly incurred by North Road in relation to preparing the MMPR license application would be forgiven. During the nine months ended September 30, 2016, the MMPR application was submitted and the Company forgave repayment of the advance.

The Company cautions investors that: (i) neither it, nor North Road, are licensed producers under the MMPR; (ii) the licensing requirements mandated by Health Canada are stringent and must be complied with before any license is granted by Health Canada under the MMPR, including a site inspection of facilities by Health Canada and other requirements, as further described on Health Canada's website at http://www.hc-sc.gc.ca/dhp-mps/marihuana/index-eng.php.

On November 1, 2016, the Company announced it had entered into a Memorandum of Understanding (MOU) to purchase an interest in California-based Cannabis Botanical Group ("CBG"), a licensed leader in the production, cultivation and distribution of "high-grade" medicinal and/or recreational cannabis. An interest in CBG shall also include rights to local and state licensed production. The details are yet to be determined and will be set out in a definitive agreement upon the Company's satisfactory due diligence period of up to 90 days to assess product analysis, terms and conditions and any legal issues for distribution of assets in Canada.

Mineral Exploration and Evaluation

From inception until October 20, 2016, the Company was a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties.

Pursuant to an option agreement dated July 19, 2005, the Company acquired a 70% in the Axe Property claims comprised of 119 units situated in the Similkameen Mining District, British Columbia. At December 31, 2014, the Axe Property was written down to $1. The impairment was a result of market conditions and the lack of an option agreement with an operating partner. At the date of this MD&A, there are no active option agreements in place with exploration partners. The Company believes the Axe Property is still a valuable exploration project and is in the process of seeking out an exploration partner or a sale of its interest in the Axe Property.

The Company has not yet determined whether the property contains reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets are dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to find a partner for exploration and development of the property and upon future profitable production or proceeds from the disposition thereof.

INVESTMENTS

Canada Coal Inc. ("CCK")

The Company received 500,000 common shares of CCK pursuant to the disposition of exploration and evaluation assets during the year ended December 31, 2010. The 500,000 common shares are subject to escrow and are released on a staged basis, with 10% released on February 29, 2012, and 15% to be released every six months thereafter for a period of 36 months.

During the year ended December 31, 2015, the Company sold 75,000 common shares of CCK for proceeds of $1,400.

RESULTS OF OPERATIONS

For the nine months ended September 30, 2016

During the nine months ended September 30, 2016, the Company reported a net loss of $477,418 compared to the nine months ended September 30, 2015 of $449,902. The Company's net loss included expenditures as follows:

- Accounting, legal and audit fees of $8,004 (2015 - $7,100) increased slightly due to timing of expenses;
- Consulting fees of $213,502 (2015 - $304,497) decreased as consultants performed less services for the Company during the first quarter of 2016;
- Management fees of $94,500 (2015 - $94,500) were paid or accrued to the CEO and CFO;
- Office and general expenses of $9,475 (2015 - $7,267) increased due primarily to website costs;
- Rent of $10,750 (2015 - $5.250) increased as the head office was open for all of 2016 and the Company acquired additional space in 2016;
- Share-based payments of $5,445 (2015- $1,410) increased due to more options granted in 2016;
- Shareholder communications and investor relations of $12,792 (2015 - $22,186) deceased in 2016 due to timing of expenditures;
- Transfer agent and filing fees of $15,009 (2015 - $22,607) decreased as the 2015 fees included costs related to the transition to the CSE; and
- Forgiveness of Advances to North Road Ventures of $107,500 (2015 - $nil) related to North Road submitting the application for the MMPR.

For the three months ended September 30, 2016

During the three months ended September 30, 2016, the Company reported a net loss of $194,051 compared to the three months ended September 30, 2016 of $170,898. The Company's net loss included expenditures as follows:

- Accounting, legal and audit fees of $1,500 (2015 - $2,288) decreased slightly due to timing of expenses;
- Consulting fees of $111,536 (2015 - $118,497) were relatively consistent year to year as the Company had several consultants engaged in the third quarter of both years;
- Management fees of $68,404 (2015 - $31,500) increased due to a catchup charge by management in the third quarter of 2016. Over the nine months ended September 30, 2016, the fees are the same year to year;

- Office and general recovery of $366 (2015 - $1,737 expense) related to an invoice credit received in 2016'
- Rent of $6,250 (2015 - $2,250) increased due to additional space rented in 2016;
- Shareholder communications and investor relations of $3,500 (2015 - $21,625) decreased due to a significant promotional campaign in the third quarter of 2015;
- Transfer agent and filing fees of $3,080 (2015 - $2,376) were higher due to timing of expenditures and some additional filing fees; and
- Forgiveness of Advances to North Road Ventures of $107,500 (2015 - $nil) related to North Road submitting the application for the MMPR.

SUMMARY OF QUARTERLY FINANCIAL RESULTS ($000's except loss per share)

The following are the results for the eight most recent quarterly periods, starting with the quarter ended September 30, 2016:

For the Quarterly Periods ended:		September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
Total revenues	$	-	-	-	-
Net loss for the period		(194)	(198)	(85)	(239)
Net loss per common share, basic and diluted		(0.00)	(0.00)	(0.00)	(0.01)

For the Quarterly Periods ended:		September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014
Total revenues	$	-	-	-	-
Net loss for the period		(171)	(111)	(168)	(1,736)
Net loss per common share, basic and diluted		(0.01)	(0.00)	(0.01)	(0.08)

SELECTED ANNUAL INFORMATION

	December 31, 2015	December 31, 2014	December 31, 2013
Revenues	$ -	$ -	$ -
Net Loss	689,154	2,060,930	263,293
Basic and Diluted Loss per Share	0.02	0.10	0.01
Total Assets	303,502	274,492	1,596,959
Total Liabilities	104,210	147,741	317,159

LIQUIDITY AND CAPITAL RESOUCES

At September 30, 2016, the Company had cash of $11,025 and a working capital deficiency of $85,283 as compared to December 31, 2015 when the Company had cash of $168,451 and working capital of $90,249.

To address working capital requirements for 2016, the Company has maintained cost control measures to minimize its general and administrative expenses where possible. The Company raised gross proceeds of $188,500 by issuing 3,770,000 units on April 4, 2016. Subsequent to September 30, 2016, the Company was able to improve to a positive working capital situation by issuing common shares as follows:

- On October 19, 2016, the Company issued 5,290,228 units at a price of $0.07 per unit for gross proceeds of $370,316.
- On October 27, 2016, the Company issued 357,391 common shares in order to settle accounts payable of $41,100.
- Subsequent to September 30, 2016, the Company issued 7,195,000 common shares of the Company for gross proceeds of $539,625 on the exercise of 7,195,000 share purchase warrants. The Company also issued 275,000 common shares of the Company for gross proceeds of $23,750 on the exercise of 275,000 stock options.

For fiscal 2016, the Company will need to pursue additional financing to advance the MMPR license process in its North Road subsidiary, pay general and administrative expenses and seek out additional opportunities to create shareholder value.

See General and Financing for a summary of capital transactions.

OUTSTANDING SHARES

The following table sets forth information concerning the outstanding securities of the Company:

	November 28, 2016	September 30, 2016	December 31, 2015
Common shares	77,644,609	51,326,990	47,556,990
Stock Options	3,930,000	905,000	2,112,500
Warrants	29,585,228	31,490,000	27,720,000
Fully Diluted Shares	111,159,837	83,721,990	77,389,490

TRANSACTIONS WITH RELATED PARTIES

These amounts of key management compensation are included in the amounts shown on the statements of comprehensive loss for the nine months ended September 30:

	2016	2015
Short-term compensation	$ 108,500	$ 99,500

The amounts charged to the Company for the services provided have been determined by negotiation among the parties, and in certain cases, by signed agreements. These transactions were in the normal course of operations.

Of the $108,500 recorded as short-term compensation for the nine months ended September 30, 2016 (2015 - $99,500), $94,500 was recorded as management fees (2015 - $94,500,000), $4,500 was recorded as accounting, legal and audit fees (2015 - $5,000) and $9,500 (2015 - $nil) was recorded as shareholder communications and investor relations.

As at September 30, 2016, accounts payable and accrued liabilities included $89,524 (December 31, 2015 - $24,132) due to officers and directors of the Company. The amounts due are non-interest-bearing, unsecured and without stated terms of repayment.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company has not entered into any proposed transactions.

FINANCIAL INSTRUMENTS

The Company's financial assets and liabilities consist of cash, advances, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant credit, liquidity or market risks arising from these financial instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
Level 3 – Input for assets or liabilities that are not based on observable market data.

The Company's financial assets and liabilities are measured at fair value by level with the fair value hierarchy described above. Assets and liabilities are classified entirely based on the lowest level of input that is significant to the fair value measurement.

The fair values of the Company's cash, advances, and accounts payable and accrued liabilities approximates the carrying amounts due to the short term nature of these instruments.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience 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. Significant estimates made in the preparation of these financial statements include the recoverability of the carrying value of exploration and evaluation assets, title of mineral property, accrued liabilities, assumptions for the determination of fair value of share-based payments, and for the recoverability of deferred tax assets. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim financial statements and the audited annual financial statements and respective accompanying MD&A.

In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financing reporting, as defined in MI 52-109.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

For details of the Company's Future Accounting Standards, including accounting standards not yet adopted, new accounting standards adopted, and accounting standards amended but not yet effective, please refer to Note 4 of the Company's audited financial statements for the year ended December 31, 2015.

RISKS AND UNCERTAINTIES

The Company believes that the following risks and uncertainties may materially affect its success.

Exploration, Development and Operating Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity; flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Fluctuating Mineral Prices

The economics of mineral exploration is affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the property.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those development plans that can be funded through cash flows generated from its existing operations, if any.

Regulatory Requirements

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs or require abandonment or delays in the development of new property.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, no operations and no revenues. If an exploration program on the Company's property is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favorable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to mineral properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company, as the case may be, does not have title to the properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

Requirement for Permits and Licenses

The Company may need to acquire further permits or licenses necessary to carry on proposed exploration activities on the property. A substantial number of permits and licenses may be required should the Company proceed beyond exploration; such licenses and permits may be difficult to obtain and may be subject to changes in regulations and in various operational circumstances. It is uncertain whether the Company will be able to obtain all such licenses and permits.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon on the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

No Mineral Reserves or Mineral Resources

The property in which the Company holds an interest is considered to be an early exploration stage property; however, no mineral reserve or mineral resource estimates have been prepared in respect of the property. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades, may cause a mining operation to be unprofitable in any particular accounting period.

Environmental Risks

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Governmental Regulations and Processing Licenses and Permits

The activities of the Company are subject to Canadian and provincial approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in such projects may decline.

Local Resident Concerns

Apart from ordinary environmental issues, work on, or the development and mining of properties, could be subject to resistance from local residents that could either prevent or delay exploration and development of the properties.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The British Columbia Business Corporations Act ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company shares. The Company does not intend to maintain insurance against environmental risks.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company's business plans; the costs and timing of its developments; its future investments and allocation of capital resources; success of exploration activities; requirements for additional capital; government regulation of mining operations. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions, fluctuations in worldwide prices and demand for minerals; our lack of operating history; the actual results of current exploration activities; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; possible variations in grade and or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes or other risks of the mining industry; delays in obtaining government approvals or financing or incompletion of development or construction activities, any of which may cause our or our 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.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of the Company's business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of the Canada, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Detailed listings of general and administrative expenses and exploration expenditures are provided in the financial statements of the Company for the nine months ended September 30, 2016.

OFFICERS AND DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Current directors and officers of the Company are as follows:

William Rascan, President and Director
Joseph Meagher, CFO and Director
Keith Anderson, Director
Steven Feldman, Director

OUTLOOK

The Company's primary focus for the foreseeable future will be pursuing opportunities in the cannabis sector, which includes obtaining an MMPR license in its North Road subsidiary.

OTHER REQUIREMENTS

Additional disclosure of the Company's material documents, information circular, material change reports, new release, and other information can be obtained on SEDAR at www.sedar.com.