MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE PERIOD FROM INCORPORATION TO JULY 31, 2014

October 28, 2014

Management's discussion and analysis (MD&A) is current to October 28, 2014 and is management's assessment of the operations and the financial results together with future prospects of Nutritional High International Inc. ("**Nutritional High**", or the "**Company**"). This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the period ended July 31, 2014, prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All figures are in Canadian dollars unless stated otherwise.

This discussion contains forward-looking statements that are historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Nutritional's future results as there are inherent difficulties in predicting future results. This MD&A includes, but is not limited to, forward looking statements. Management considers the assumptions on which these forward-looking statements are based to be reasonable at the time the statements were prepared. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements.

Description of Business

Nutritional High International Inc., ("**Nutritional High**" or the "**Company**"), formerly Sonoma Capital Inc. ("**Sonoma**"), is the parent company of Nutritional High Ltd. ("**NHL**"), Nutritional High (Colorado) Inc. ("**NHCI**"), NHC Edibles LLC ("**Edibles**"), NH Medical Dispensaries Inc. ("**Dispensaries**"), and Eglinton Medicinal Advisory Ltd ("**EMAL**"). The Company's objective is to take advantage of the changing regulation governing the marijuana industry in the United States and Canada. The Company's business is focused on two main segments: Marijuana-Infused Products Segment and Medical Advisory and Retail Segment. In its Marijuana-Infused Products Segment, the Company is developing brands, trademarks, applications and packaging for Marijuana-Infused Products to enter into royalty relationships with Licensed Operators in jurisdictions where permitted by regulation, as well as parties who are seeking a license from appropriate regulatory authorities. The Company also has established a Medical Advisory and Retail Segment focused on the Medical Marijuana industry in Canada and the US. To date, the Company has not earned any revenues and is considered to be a development stage entity.

As at October 28, 2014, the members of Company's management and Board of Directors consisted of:

David Posner	President and CEO
Al Quong	Chief Financial Officer
Adam Szweras	Director and Secretary
Statis Rizas	Chairman of the Board
Michael Pesner	Director
David Caplan	Director
Brian Presement	Director
Michael Dacks	Director

Reverse Takeover

On June 27, 2014, the Company completed the acquisition of NHL (the "**Acquisition**"), whereby it acquired all the issued and outstanding shares and warrants of NHL and changed its name to "Nutritional High International Inc." In connection with the Acquisition, the Company issued an aggregate of 60,400,011 Common Shares and 13,500,006 Company Warrants, on a one-for-one basis, in exchange for the NHL securities held by the Vendors, which on closing represented 83.99% of the total issued and outstanding shares of the Company. In addition, 150,000 Common Share purchase warrants issued pursuant to the Northumberland Option were exchanged on a one-for-one basis in connection with the Acquisition. The Acquisition therefore constituted a reverse takeover of the Company by NHL.

NHL is considered to be the acquirer for purposes of recording the Acquisition and the financial statements are therefore, a continuation of the financial statements of NHL, adjusted to reflect the legal capital of the Company. NHL's date of incorporation was April 17, 2014, and as a result of the Acquisition, the combined results of operations are included from June 27, 2014. Therefore, there are no comparative figures.

Fair value of assets and liabilities acquired:

Cash	$121,279
Accounts payable and accrued liabilities	$(189,262)
Net liabilities acquired	$(67,983)

The Acquisition has been accounted for at the fair value of the equity instruments granted by the shareholders of NHL to the shareholders of Sonoma. The difference between the fair value of the consideration paid of $287,840 (based upon the fair value of NHL Shares just prior to the Acquisition) and the Sonoma net liabilities acquired of

$67,983 in the amount of $355,823, has been recognized as a listing expense in the statement of comprehensive loss for the period ended July 31, 2014.

Business Overview

The Company operates in the Medical Marijuana and Retail Marijuana sectors in the United States and in the Medical Marijuana sector in Canada. The Company has two distinct objectives as a part of the separate business units:

- Marijuana-Infused Products Segment. In its Marijuana-Infused Products Segment, the Company is focused on developing, acquiring and designing Marijuana-Infused Products and Marijuana Concentrate products and brands for use by Royalty Producers entering into royalty agreements with the Company in jurisdictions where permitted; and

- Medical Advisory and Retail Segment. Focused on serving the end-users of Medical Marijuana by providing medical and educational consulting services and franchising retail Medical Marijuana dispensaries in the jurisdictions in the United States, where permitted by applicable regulations.

Marijuana-Infused Products Segment

Pueblo Location

NHL has entered into the Pueblo PSA to purchase the Pueblo Location. The Pueblo Location is comprised of three main buildings, several smaller storage buildings, an old boiler building and an oversized two-car garage on approximately four acres. The total purchase price is US$885,000 and closing is conditional on the Company securing a tenant that is a Licensed Operator (which has been completed). In Colorado, due to Residency Requirements, the Company's operations in the Marijuana-Infused Products Segment are dependent on its agreements with Royalty Producers. In this regard, the Company has entered into agreements with Palo Verde LLC ("**Palo Verde**") (set out below).

The closing date for the acquisition of the Pueblo Location is scheduled to take place on or about November 14, 2014. The Company expects to obtain a mortgage or mortgages in the aggregate amount of approximately US$550,000 to finance the debt portion of the acquisition costs of the Pueblo Location, assuming 60/40 loan-to-value ratio (commensurate with the current market rates for similar properties in the opinion of the Company's management). The mortgages may be non-traditional mortgages obtained from third parties and/or a combination of third parties and insiders, where the mortgage amount is convertible into Common Shares (or units consisting of a combination of Common Shares and Common Share purchase warrants) at a premium to the Offering Price. The remainder of the purchase price will be funded by the Company through working capital. There is no assurance that the Company will obtain the debt financing at a favourable rate or at all. The financing of the purchase price of the Pueblo Location may change if the Company is unable to obtain debt financing.

On September 14, 2014, NHC entered into the Interim Lease Agreement with the vendor of the Pueblo Location for the purpose of the initial set-up and access. The interim lease carries a monthly rent of US$500 and a term ending on the earlier of: (i) 12 months from the date of signing the Interim Lease Agreement; or (ii) the closing date of the acquisition of the Pueblo Location.

To date, the Company has entered into agreements with Palo Verde for the following:

- Two real property leases over two of the three buildings at the Pueblo Location, conditional on the completion of the acquisition of the Pueblo Location and Palo Verde receiving applicable licenses, subject to a 5% annual increase, and having a term of two years with an option to renew for an additional four years. Both leases carry an annual rate of US$15 per square feet. The lease for the growing operation covers an area of 15,000 square feet. The lease for the Marijuana-Infused Product manufacturing covers an area of 11,000 square feet. Under the terms of the lease agreements, Palo Verde shall not sublet the leased property or any part thereof, nor assign the leases or any interest therein, without the prior written consent of the Company.

- A revolving loan agreement providing a US$150,000 unsecured debt facility to Palo Verde to draw funds for general day-to-day operating purposes, obtaining raw materials, hiring of staff and other ancillary costs related to starting and maintaining production. The loan commenced on July 23, 2014 and is effective for a period of 12 month at a rate of 12% per annum. Palo Verde may extend the maturity date for up to five successive one-year terms for a total of five years, but no later than July 22, 2020. Each extension is subject to 2% origination fee.

The Company is also finalizing a recipe and branding royalty agreement to provide its intellectual property including recipes, branding, packaging and other know-how to Palo Verde. The Company anticipates entering into such agreement with the Palo Verde by 2014 year end. Such agreement is conditional on approval of the MED, which may require change to the anticipated terms.

Medical Advisory and Retail Segment

The Company's Medical Advisory and Retail Segment is focused on serving the end-users of Medical Marijuana. The Medical Advisory and Retail Segment of the Company's business is comprised of the Clinic Business, which is provides medical and educational consulting services and the Retail Business which is focused on franchising retail Medical Marijuana dispensaries in the jurisdictions in the United States without Residency Requirements, where permitted by regulation. The Company views the Medical Advisory and Retail Segment as an opportunity to establish a retail client base that has a potential to become synergistic in the future with the Company's Marijuana-Infused Products Segment.

Lawrenceville Property Acquisition and Dispensary License Application

NHCI has entered into an agreement to purchase the Lawrenceville Property. The total purchase price for the Lawrenceville Property is US$350,000 and closing is conditional on the receipt of environmental documentation if available by the seller, NHCI applying for a Dispensary License by September 15, 2014 (completed) and successfully obtaining a Dispensary License. The Company has paid US$5,000 in refundable funds as a deposit on the property. The purchase and sale agreement in regards to Lawrenceville Property provides that the closing of the acquisition of the Lawrenceville Property shall occur within 30 days of NHCI receiving the Dispensary License.

NHCI submitted an application for the Dispensary License in September 2014. There is no assurance that the Company will complete the acquisition of the Lawrenceville Property or obtain a Dispensary License, or that the Company will be able to finance such acquisition or investment. Additional funds may be required to enable the Company to complete such acquisition and pursue such an initiative and the Company may be unable to obtain such funding on acceptable terms or at all.

Clinic Business

In August 2014, the Company incorporated EMAL, a 51% owned subsidiary with a view of carrying out a medical advisory business jointly with EMAL Partner. EMAL Partner's principals currently own two retail establishments called "The Dragon", an established marijuana paraphernalia retailer with a strong traffic flow of people seeking Medical Marijuana.

EMAL has entered into a lease agreement with a company controlled by the shareholders of EMAL Partner to open the EMAL Clinic. Pursuant to the terms of the lease, EMAL shall pay EMAL Partner $1,000 per month and cover the cost of utilities for the initial term of one year from the date of signing. The lease can be terminated by EMAL by giving two month notice to EMAL Partner. EMAL has also entered into consulting agreement with a medical doctor who will assess EMAL's potential patients and provide additional advisory services as to how Medical Marijuana can help their condition. EMAL may hire additional staff, including a nurse practitioner to assist with the advisory services to potential patients. EMAL will charge the patients advisory fees for providing the educational services. Assessment fees received by EMAL from OHIP will be paid to EMAL's medical staff, and any additional educational and advisory fees will be retained by EMAL. The Company is evaluating a potential revenue model around the Subscription Site.

The Company's objective is to establish its first Clinic by November 2014. The Company expects revenue from its Medical Advisory and Retail Segment in the last quarter of 2014, and anticipates moving forward with opening its second clinic in the vicinity of EMAL Partner's second store before the end of 2014. EMAL Clinics will operate under the name of "Canna Health Clinic".

MMPR Options

NHL has entered into two option agreements to purchase interests in companies that have applied for a license to produce Medical Marijuana under MMPR. The terms of the options are as follows:

(i) **Haldimand Option**. The Company may exercise the option, at its sole discretion, by (i) paying a fee of $62,500 within 10 days of the optionor receiving the "ready to build" letter from Health Canada in Common Shares at a deemed price of $0.025, and (ii) within 10 days from the date optionor satisfies all requirements with Health Canada to become a licensed producer pay a fee of $187,500, payable in Common Shares at a deemed price of $0.025 per share. The Company will then be responsible for 50% of the development costs required to bring the facility up to commercial production. The site includes 48 acres of vacant land zoned for agricultural use is available for the construction of further facilities to expand future production capacity, should such be required.

(ii) **Northumberland Option**. The Company issued 150,000 Company Warrants pursuant to this option agreement. The Company may exercise the option, at its sole discretion by (i) issuing 625,000 Common Shares to the optionor at an effective issue price of $0.10 per share within 14 days from the date the optionor notifies the Company of the receipt of a "ready to build" letter from Health Canada and paying in cash the positive difference between the current value of the shares and $62,500, and (ii) issuing 1,875,000 Common Shares to the optionor at a deemed issue price of $0.10 per share within 14 days from the date the optionor notifies the Company of the receipt of a Licence from Health Canada in respect of the facility and paying in cash the positive difference between the current value of the shares and $187,500. The Company will then be responsible for 50% of the development costs required to bring the facility up to commercial production.

As the Company's decision to exercise either option and the timing of such exercise is dependent on Health Canada's decision with respect to each application, timing for the exercise of each option cannot be predicted at the current time.

Financing Developments

On April 17, 2014, the Company issued 33,000,000 common shares (each, a "**NHL Share**"), valued at $0.005 per share for gross proceeds of $165,000. On May 12, 2014, the Company issued 400,000 NHL Shares, valued at $0.005 per share for gross proceeds of $2,000.

On May 16, 2014, NHL completed the first tranche of its non-brokered private placement of 22,106,853 units ("**NHL Units**") at a price of $0.025 per NHL Unit for gross proceeds of $552,671. Each NHL Unit consisted of one NHL Share and one half of one share purchase warrant of NHL (each whole warrant, a "**NHL Warrant**"), with each NHL warrant exercisable into one NHL Share at a price of $0.05 per NHL Share until the earlier of 36 months from the date of issuance or 18 months following the date of a business combination between NHL and a public company pursuant to a reverse take-over, merger, amalgamation, take-over bid, insider bid, reorganization, joint venture, sale or exchange of assets or similar transaction ("reverse takeover") or IPO.

On May 30, 2014, NHL completed the second tranche of its non-brokered private placement of 2,180,798 NHL Units for gross proceeds of $54,520.

On June 20, 2014, NHL completed the third tranche of its non-brokered private placement of 2,712,360 NHL Units for gross proceeds of $67,809.

For the period ended July 31, 2014 the Company issued 11,440,798 Common Shares valued at $76,020 as compensation for services where the fair value of shares was determined based on the value of services received.

On October 8, 2014, the Company completed the Private Placement of 4,000,000 units at $0.025 per unit for gross proceeds of $100,000. Each unit consisted of one Common Share and one-half of one Company Warrant, with each whole Company Warrant exercisable into one Common Share at a price of $0.05 per share for a period of 18 months from closing.

Overall Performance

As at July 31, 2014, the Company had assets of $695,477, liabilities of $220,150 and shareholders' equity of $475,327. During the period ended July 31, 2014, the Company incurred a loss of $681,155.

At July 31, 2014, the Company had working capital of $453,375 and cash of $617,066.

Selected Annual Information

Summarized selected financial information with respect to Nutritional High is as follows:

		Period ended July 31, 2014
Total expenses	$	(681,155)
Other income		-
Net loss		(681,155)
Loss per share		(0.12)
Total assets		695,477
Total liabilities		220,150
Shareholders' equity	$	475,327

Period ended July 31, 2014

The Company incurred a net loss of $681,155 or $0.12 per common share for the period ended July 31, 2014.

Management and consulting fees totaled $176,244 during the period ended July 31, 2014, and primarily consisted of services provided by Foundation Opportunities Inc., for strategic leadership, Branson for financial accounting, including CFO services and the President and CEO of the Company.

Professional fees, consisting of legal and audit fees, totaled $88,231 during the period ended July 31, 2014.

The Company incurred $32,857 in office and general expenses during the period ended July 31, 2014, which consisted primarily of travel and entertainment, printing and other miscellaneous costs.

The Company incurred share based payments for the period ended July 31, 2014, of $28,000. Share based payments are recorded based on the valuation of options using the Black-Scholes model.

The Company incurred listing expense of $355,823 in connection with the reverse takeover transaction, with fair value of share consideration paid of $287,840 in excess of net liabilities acquired of $67,983.

Liquidity and Financial Position

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2014, the Company had current assets of $673,525, current liabilities of $220,150 and working capital of $453,375.

The following are the contractual maturities of financial liabilities at July 31, 2014:

	Total	Less Than 1 Year	1 to 2 Years	Greater than 2 Years
Accounts payable, accrued liabilities and unissued share capital	$220,150	$220,150	-	-
Operating leases	$12,000	$12,000	-	-

Related Party Transactions and Key Management Compensation

NHL and Foundation Opportunities Inc. ("**FOI**") entered into an advisory and consulting agreement on May 1, 2014. FOI is a subsidiary of Foundation Financial Holdings Corp. ("**FFHC**"). FFHC is an entity in which Adam Szweras, an officer of the Company, is a director. In consideration for services, NHL agreed to pay an initial advisory fee of $35,000 and a monthly fee of $8,000 commencing on May 1, 2014. An amendment to the agreement was entered into on October 27, 2014, to include a success fee of $70,000, payable upon successful completion of the Offering, half of which is payable in Units. For the period ended July 31, 2014, NHL was charged $59,000 by FOI. At July 31, 2014, $4,550 is included in accounts payable and accrued liabilities in relation to FOI.

NHL and Branson Corporate Solutions Ltd ("**Branson**") entered into a management services agreement on May 1, 2014. The management services agreement includes the provision of services of the Company's Chief Financial Officer. Branson is an entity in which FFHC is a 49.0% shareholder. In consideration for services the Company agreed to pay $3,000 per month. An amendment to the agreement was entered into on October 27, 2014, to include a success fee of $30,000, payable upon successful completion of the Offering. For the period ended July 31, 2014, the Company recorded $9,000 for management services provided by Branson. At July 31, 2014, $Nil is included in accounts payable and accrued liabilities in relation to Branson.

During the period ended July 31, 2014, Fogler, Rubinoff LLP ("Fogler") a law firm in which Adam Szweras an officer of the Company is also a partner, provided $59,781 of legal services, which are included in professional fees. As at July 31, 2014, $76,902 due to Fogler is included in accounts payable and accrued liabilities.

On May 1, 2014, NHL entered into a general consultancy agreement with Statis Rizas, a significant, but not controlling, shareholder. Mr. Rizas provided $15,000 of consulting services during the period ended July 31, 2014. As at July 31, 2014, $15,000 is included in accounts payable and accrued liabilities.

During the period ended July 31, 2014, $59,000 was paid to the Company's Chief Executive Officer. As at July 31, 2014, $9,550 is included in accounts payable and accrued liabilities.

On April 17, 2014, NHL issued 10,000,000 NHL Shares to insiders and related parties for settlements of outstanding fees as follows: $30,000 to the Company's Chief Executive Officer, and $20,000 to FOI. No Warrants were issued pursuant to settlements by insiders and related parties. On May 30, 2014, an additional 600,000 NHL Shares were issued to FOI to settle advisory fees of $15,000 then owing, all of which were exchanged for Common Shares of the Company pursuant to the Acquisition on a one for one basis.

Disclosure of outstanding share data as of October 28, 2014

	Authorized	**Outstanding**
Voting or Equity securities issued and outstanding	Unlimited Common Shares	75,913,631 Common Shares
Securities convertible or exercisable into voting or equity		a) Options to acquire up to 3,200,000 Common Shares b) 15,650,006 warrants exercisable to acquire Common Shares of the Company

Off-Balance Sheet Arrangements

As of July 31, 2014, the Company has no off balance sheet arrangements.

Critical Accounting Estimates

Significant accounting policies

Share based payments

Share based payment transactions

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

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

Equity settled transactions

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

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

No expense is recognized for awards that do not ultimately vest.

Loss per share

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

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with realized gains and losses recognized through earnings. The Company's cash and cash equivalents are classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost. The Company classified note receivable as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. At July 31, 2014, the Company has not classified any financial assets as available for sale or held to maturity.

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

Financial liabilities

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

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

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income. At July 31, 2014, the Company had not classified any financial liabilities as FVTPL.

Cash

Cash in the statement of financial position is comprised of cash at banks and held in lawyers trust.

Related party transactions

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

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and loan receivable. The Company has no significant concentration of credit risk arising from operations. The majority of the Company's Cash is held in a trust account with the Company's lawyer. Remaining cash is held with a reputable Canadian chartered bank which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash and loan receivable is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at July 31, 2014, the Company had a cash balance of $673,525 and current liabilities of $220,150.

Internal Control over Financial Reporting

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

During the period ended July 31, 2014 there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at July 31, 2014 covered by this management's discussion and analysis, management of the Company, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Cautionary Note Regarding Forward Looking Statements

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include, without limitation: the intention to complete the listing; the description of the Company that assumes completion of the listing of its Common Shares; the intention to grow the business and operations of the Company; anticipated timing for the ability of the Company to agree to terms of royalty agreements with Royalty Producers; expected growth in the number of users of Medical Marijuana in Canada; the risk of foreign exchange rate fluctuations, the ability of the Company to fund the capital and operating expenses necessary to achieve its business objectives, the uncertainty associated with commercial negotiations and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements.

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

Management's Responsibility for Financial Information

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

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

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

October 28, 2014

David Posner
Chief Executive Officer