Chemistree Technology Inc.

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THE ATTACHED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND ARE HEREBY INCLUDED BY REFERENCE

Management Discussion and Analysis as of May 14, 2018

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to permitting time lines, currency fluctuations, requirements for additional capital, government regulation, environmental risks, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". 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. Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks related to joint venture operations; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; as well as those factors discussed in the sections entitled "Risks and Uncertainties" in this MD&A. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

Forward-looking statements and other information contained herein concerning general expectations are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the condensed interim consolidated financial statements for the period ended March 31, 2018, and with the audited financial statements for the year ended June 30, 2017; together with the corresponding notes of Chemistree Technology Inc. (formerly, Whattozee Networks Inc.) (the "Company"). This MD&A covers the period ended March 31, 2018 and the subsequent period up to the date of filing.

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed interim consolidated financial statements follow the same accounting policies and methods of application as our most recent annual financial statements and do not include all the information required for full annual financial statements. Accordingly, they should be read in conjunction with our IFRS financial statements for the fiscal year ended June 30, 2017. The accounting policies applied in the unaudited condensed interim consolidated financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as of February 28, 2018, the date the Board of Directors approved these unaudited condensed interim consolidated financial statements and they are consistent with those disclosed in the annual financial statements.

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All amounts are expressed in Canadian dollars unless otherwise noted. Readers are encouraged to read the Company's public information filings on SEDAR at www.sedar.com

Outlook

Chemistree is focusing its efforts on social media, branding, licensing and marketing technology. In addition to marketing events, brands and any other activities in the cannabis industry, the company will continue to identify other avenues for growth for social media marketing services, as well as brand marketing, product marketing, and more general services like financing and corporate consulting. The Company believes the cannabis industry offers a tremendous opportunity for growth. The reason for this is simply that marketing of cannabis companies, their products as well as information about the industry itself is in its infancy. Initially, the Pacific Northwest is the Company's main target geography, but this is expected to expand from British Columbia and Washington into Oregon, and eventually California.

During the year ended June 30, 2017, the Company continued to develop its diversification strategy. Following the February 2016 unveiling of the beta version of Whattozee.com, the Company fine-tuned the technology in preparation for a commercial launch. The recommendations contained in a technology audit completed in early October 2016 have allowed the Company to refocus its business plan more as a service provider and less as a product developer. The Company is continuing its search for complimentary technologies to those developed in-house to drive the Whattozee engine.

Strategic growth opportunities exist where the Company can add value to clients' existing initiatives in social media engagement, branding, and marketing. These opportunities may require long lead-times and extensive due diligence to understand the clients' needs and capacities. The Company is developing a revenue strategy as to how it can derive income from this consulting and business development effort. The Company is also applying a global outlook to its investigation of potential opportunities in the cannabis space in general. During the current fiscal year, the Company entered into a strategic relationship with LG Digital Inc., a Vancouver-based digital marketing and production company. LG has provided expert digital marketing, website, video production and graphic design work to its international client base since 2013. LG is also the owner and producer of the highly successful and influential Growing Exposed series of documentary, educational and biographical videos focused exclusively on the cannabis industry. Additionally, the Company has been engaged by Sugarleaf Farm LLC (Sugarleaf Cannabis), Hydroselect Holdings and Elite Extracts, to assist with social media marketing and brand development.

As a result of working within the cannabis industry, specifically within Washington State, the Company became familiar with a number of producers and brands which were in need of the Company's suite of services. When the Company focused its branding and marketing efforts on the cannabis industry in summer of 2017, we found several under-serviced sectors. With the geographic disconnects caused by a lack of federal legislation in the US, our networking in Washington state lead us to several producer/processors that were ill-equipped to handle the fast-moving trends in the space. In turn, this burgeoning sector of the economy was suffering from tremendous over-supply, and in many corners – a lack of marketing and operations sophistication to keep-up. In May of 2018, the Company entered into a letter of intent with arm's-length parties to acquire a suite of Washington-based assets used in cannabis cultivation, production, distribution and branding. The assets collectively represent the Sugarleaf brand (the "SL Assets")

The SL Assets include all of the assets used in the business of operating the "Sugarleaf" brand; free and clear of any encumbrance. Including, but not limited to, all brands, trademarks, websites, URLs, packaging, goods in process, social media accounts, inventory, vehicles, leases, software, furniture, systems, equipment, lighting, assignments, client lists and marketing materials. The acquisition does not include any receivables, payables, warranties, employee or tax liabilities. The Sugarleaf brand is in established cannabis brand within Washington state, and is currently sold in approximately 125 retail locations.

In a parallel process and subject to the asset acquisition, a Washington-based strategic partner of Chemistree (the "Partner") will acquire the Washington State I-502 Tier 3 Producer/Processor License No. 423406 (the "License") from Sugarleaf Farm, LLC ("Sugarleaf"). The license acquisition is subject to Washington State Liquor and Cannabis Board ("WSLCB") approval. Chemistree also anticipates securing rights to the property used in connection with License. Chemistree believes that the licensed premises can be secured on commercially acceptable terms

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Consideration payable for the SL Assets is US$1,000,000 payable in cash.

The acquisition of the SL Assets represents a "change of business" for the Company, and will be treated as a Fundamental Change under Policy 8 of the CSE. The Company will be filing the appropriate documentation with the CSE to seek approval of the acquisition and the change in classification of the Company from a technology issuer to an investment issuer. In addition, pursuant to Policy 8 of the CSE the Company will be required to obtain shareholder approval.

The Company wishes to inform shareholders that there are significant legal restrictions and regulations that govern the cannabis industry in both Canada and the United States.

Cannabis-related Practices or Activities are Illegal Under U.S. Federal Laws

The concepts of "medical cannabis" and "recreational cannabis" do not exist under U.S. federal law. The Federal Controlled Substances Act classifies "marihuana" as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. As such, cannabis related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under U.S. federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. Enforcement of U.S. federal laws will be a significant risk to the business of the Company following the completion of the acquisitions, and any such proceedings brought against the Company may adversely affect the Company's operations and financial performance.

Further information regarding the legal status of cannabis related activities and associated risk factors, including, but not limited to, risk of enforcement actions, risks that third party service providers, such as banking or financial institutions cease providing services to the Company, and the risk that Company may not be able to distribute profits, if any, from U.S. operations up to the Company, will be included in the Form 2A listing statement to be filed with the CSE.

Restrictions under I-502 prohibit the Company and/or its subsidiaries from having any direct interest in proceeds of production, processing or retail marijuana activities in Washington. The Company and/or its subsidiaries can, however, lease property and license its brands, production and consulting services to approved Washington State marijuana license holders. This will allow Chemistree to ensure that all products produced under the Chemistree program and/or associated under the brand meet or exceed the Chemistree brand quality standards. Chemistree and Partner anticipate entering into certain of the foregoing leasing and operating arrangements on mutually agreeable terms.

Following completion of the asset acquisition and related agreements, Chemistree expects to generate revenue through leasing turn-key premises, licensing its brands, and providing production and consulting services to Partner as well as other approved State of Washington license holders, but will not be directly involved in production, processing or retail cannabis activities. The Company, through Chemistree Washington Ltd., also expects that it will invest in and develop real estate in the State of Washington for the purpose of serving licensed I-502 production and processing businesses.

In addition to providing specialized facilities to I-502 producers and processors, the Company intends to develop its growing techniques, standard operating procedures and innovative manufacturing practices to further assist license holders with their production and processing operations. The Company believes these services will create synergies and advantages that will provide for significant and long-term revenue for the license holder and, in turn, to the Company.

As a building block, and in addition to the Company's branding, marketing, media and social media business, the SL Assets acquisition will provide the Company a platform to enter into cannabis cultivation, production, processing, distribution and retail sales, while also allowing the Company to establish an investment portfolio of cannabis-related, and potentially non-cannabis related real estate assets.

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Business objectives 12 months forward

The Company has determined that its business objectives in the forthcoming 12-month period are to: (i) continue to develop its client base in the western part of North America; (ii) takeover conduct and optimization of the SL Assets; (iii) expand the asset base of the Company through direct investment, and or mergers and acquisitions; and (iv) continue the pursuit of vertically integrating assets within the cannabis industry throughout western North America.

Corporate Overview

Chemistree Technology Inc. (formerly, Whattozee Networks Inc.) (the "Company) was incorporated in the Province of British Columbia on March 14, 2008 under the Business Corporations Act of British Columbia. The name change to Chemistree Technology Inc became effective August 3, 2017. The Company's registered office is located at Suite 810 – 609 Granville Street, Vancouver, British Columbia. Effective October 17, 2017 the Company incorporated a wholly-owned subsidiary, Chemistree Washington Ltd., in the State of Washington, USA.

Effective January 25, 2017, the Issuer's common shares were consolidated on a one-new for three-old basis, resulting in 5,148,405 common shares being issued and outstanding. In conjunction with the share consolidation, the CSE recognized the Issuer's name change and the Fundamental Change of the Issuer's business from being a mining issuer to be being a technology issuer.

During the period ended March 31, 2018, in two tranches - the Company closed the non-brokered private placement announced August 3, 2017. It issued 6,190,800 common shares at $0.25 per share, for gross proceeds of $1,547,700. The proceeds were added to the Company's working capital.

In the 2017 period, in two tranches – the Company closed the non-brokered private placement announced November 18, 2016. It issued 10,000,000 common shares at $0.05 cents per share, for proceeds of $500,000. The proceeds from both private placements were added to the Company's working capital.

The Company's anticipated operating losses and increasing working capital requirements will require that it obtain additional capital to continue operations.

The Company will depend almost exclusively on outside capital. Such outside capital will include the sale of additional shares. There can be no assurance that capital will be available as necessary to meet these continuing exploration and development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in significant dilution to the equity interests of its current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company's liabilities and future cash commitments. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected. The financial statements do not reflect adjustments to the carrying values of assets, liabilities or reported results should the Company be unable to continue as a going concern.

Overall Performance

The ability of the Company to continue to operate as a going concern is dependent on its ability to ultimately operate its business at a profit. To date, the Company has generated limited revenues from operations and will require additional funds to meet its obligations and the costs of its operations. As a result, further losses are anticipated prior to the generation of any profits. As at March 31, 2018, the Company had working capital of $1,505,890 (2017 year-end: $26,149). and had accumulated a deficit of $11,312,634 (June 30, 2017 year end: $10,842,618) since inception.

Trend Analysis

The business of the Company entails significant risks. Any analysis of the trend of the company's activities would reveal this. And there is nothing to suggest that these trends will change.

Selected Financial Data [Annual]

The following tables show selected summary financial information which have been derived from the annual financial statements of the Company.

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		Year ended		
		June 30, 2017	June 30, 2016	June 30, 2015
Operating Revenue	$	0	0	0
Net income (loss)	$	(524,418)	(626,545)	(81,097)
Income (Loss) per share	$	(0.06)	(0.05)	(0.01)
Share capital	$	10,107,349	9,613,138	9,265,168
Common shares issued		15,148,405	5,148,405	3,981,740
Weighted average shares outstanding		9,038,816	4,447,952	2,631,969
Total Assets	$	142,714	63,191	226,974
Net Assets (liabilities)	$	24,149	(11,697)	203,067
Cash Dividends Declared per Common Shares	$	0	0	0

Operations Overview

Prior to July 1, 2017 the Company was not generating revenue. With Chemistree's entry into service arrangements in the cannabis industry, limited revenues began in fiscal Q2.

During the year ended June 30, 2017, the Company continued to develop its diversification strategy. Following the February 2016 unveiling of the beta version of Whattozee.com, the Company fine-tuned the technology in preparation for a commercial launch. The recommendations contained in a technology audit completed in early October have allowed the Company to refocus its business plan more as a service provider and less as a product developer. The Company is continuing its search for complimentary technologies to those developed in-house to drive the Whattozee engine.

Results of Operations

9-months ended March 31, 2018

During the period, the Company reported its first-ever operating revenues of $53,571 [2016: $nil] reflecting commencement of operations in social media marketing, branding and related services to the cannabis industry. In the period the Company incurred operating losses of $481,537 [2017: $391,092]. All of the Company's expenditures related to delivery of its services, ongoing business development and to general corporate operations. With the refocusing of the Company as a service provider, business development expense was reduced to $125,365 from $138,626 in 2017; and consulting services expense of $nil in the 2018 period, was a significant reduction to the $48,000 incurred in the comparative period. General and administrative expense of $70,296 was increased 54% from the $45560 incurred in the 2017 period; professional fees increased significantly due to the pursuit of an upgrade of the Company's share trading platform in the United States and by certain expansion pursuits in Washington State and California to $67,054 in the 2018 period compared with $16,038 in 2017. Management fees were increased to $180,000 from the 2017 level of $110000 reflecting the availability of increased working capital and the ability to pay fees more in keeping with existing management services agreement. The Company recorded interest expense of $10,545 in the 2018 period [2017: $nil] due to the creation of the long-term notes payable in the period. Travel expense was $10,966 in the 2018 period, compared with $nil in 2017, reflecting the costs associated with expansion initiatives in the United States.

Fiscal year ended June 30, 2017

During the year, the Company incurred operating expenses of $525,639 [2016: $599,959]. All of the Company's expenditures related to developing its technology offerings and to general corporate operations. With the refocusing of the Company as a service provider, business development expense was reduced to $140,885 from 191,362 in 2016; and consulting expense of $48,000 in 2017, was a significant reduction to the $111,150 incurred in the prior year. General and administrative expense of $37,562 was reduced 22% from the $48,028 incurred in 2016; professional fees were reduced by a similar percentage to $22,878 in 2017 compared to $30,154 in 2016 – the reductions are indicative of a normalization of the administrative burden in 2017 after the transition from the TSX Venture Exchange to the Canadian Securities Exchange in 2016. Management fees were

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increased to $166,667 from the 2016 level of $120,000 reflecting the availability of increased working capital and the ability to pay fees more in keeping with existing management services agreement. The Company recorded non-cash expenses related to the write-down of the Turner Lake Property of $nil [2016: $26,667]; and $68,053 [2016: $63,811] for share-based compensation related to the grant of stock options during the year.

Selected Financial Data [Quarterly - unaudited]

(Expressed in Canadian Dollars)

		Quarter Ended							
		3/31/2018	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016	6/30/2016
Revenues	$	5,509	48,262	-	-	-	-	-	-
Compre-hensive (loss) gain	$	(146,671)	(150,496)	(172,655)	(133,815)	(87,826)	(143,996)	(158,781)	(275,227)
Earnings (loss) per share	$	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.03)	(0.03)	(0.05)
Share capital	$	11,648,292	11,648,292	10,107,349	10,107,349	10,107,349	9,613,138	9,613,138	9,613,138
Common shares issued		21,339,205	21,339,205	15,148,405	15,148,405	15,148,405	5,148,405	5,148,405	5,148,405
Weighted average shares outstanding		21,339,205	19,895,744	15,148,405	15,148,405	10,815,072	5,148,405	5,148,405	5,105,916
Total Assets	$	1,583,854	1,700,134	435,042	142,714	141,735	38,896	36,087	63,191
Net Assets (liabilities)	$	1,097,076	1,243,747	(21,701)	24,149	91,911	(314,474)	(170,478)	(11,697)
Dividends Declared per Share	$	0	0	0	0	0	0	0	0

Fluctuations in Results

As stated above, operating results fluctuated due to the launching of the Company's service offerings and the pursuit of expansion opportunities in the cannabis industry.

Liquidity and Capital Resources

As at March 31, 2018, the Company had working capital of $1,505,890 (June 30, 2017 year end: $26,149) and had accumulated a deficit of $11,312,634 (June 30, 2017 year end: $10,842,618) since inception.

As at March 31, 2018, the Company had cash and equivalents on hand of $1,552,018.

During the period, the Company issued Promissory Notes to evidence borrowings. The notes mature on July 17, 2027, and bear interest at the Canadian prime bank rate plus 0.5 percent. As at March 31, 2018, the principal amount of the notes issued was $411,959 (2017: $nil).

The Company expects its current capital resources are sufficient to carry on its planned operations.

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Additional Disclosure for Issuers Without Significant Revenue

The business of the Company entails significant risks, and an investment in the securities of the Company should be considered highly speculative. An investment in the securities of the Company should only be undertaken by persons who have sufficient financial resources to enable them to assume such risks. The following is a general description of all material risks, which can adversely affect the business and in turn the financial results, ultimately affecting the value of an investment the Company.

The Company has only recently commenced generating revenues. *There is no assurance that the Company can sustain the existing revenues or increase them to a level of profitability.*

The Company has limited funds. *There is no assurance that the Company can access additional capital. The future requirements for additional capital will require issuance of common shares resulting in a dilution of the share capital issued previously.*

Recent changes to disclosure requirements for "Issuers with U.S. Marijuana Related Activities". *The marijuana industry has accelerated in recent years as a number of jurisdictions, including Canada and certain U.S. states. Certain jurisdictions continue to explore liberalization measures around marijuana law. While most jurisdictions have a uniform national framework for marijuana regulation, in the U.S., there is a conflict between state and federal law related to marijuana with certain U.S. states permitting its use and sale within a regulatory framework notwithstanding that marijuana continues to be listed as a controlled substance under U.S. federal law. As such, marijuana related practices or activities, including the cultivation, possession or distribution of marijuana, are illegal under U.S. federal law. . We remind investors that the political and regulatory circumstances surrounding the treatment of U.S. marijuana-related activities are uncertain. In the event that U.S. federal law against marijuana is enforced, there could be material consequences for any issuer with U.S. marijuana related activities, including prosecution and asset seizure.*

As announced, the Company sees the cannabis industry as a source of focus. *The reason for this is simply that marketing of cannabis companies, their products as well as information about the industry itself is in its infancy. Initially, the Pacific Northwest will be the Company's main target geography, but this is expected to expand from British Columbia and Washington state into Oregon and eventually California.*

The Company wishes to clearly state that it is not in the cannabis production business in the United States or Canada. *It also wishes to inform shareholders that there are significant legal restrictions and regulations that govern the cannabis industry in both Canada and the United States. Chemistree will at all times abide by and respect these laws and regulations in all its future potential business engagements.*

At this date the Company is not aware of any non-compliance with U.S. federal laws.

Cannabis-related Practices or Activities are Illegal Under U.S. federal laws. *At current, the Company may be viewed as having a material ancillary involvement in the cannabis business. As such, the Company has adopted a strategy to evaluate, monitor and reassess its status on a regular basis; and it will supplement, amend and communicate its public filings in the event of government policy changes or the introduction of new federal enforcement priorities, laws or regulations regarding marijuana regulation.*

The concepts of "medical cannabis" and "retail cannabis" do not exist under U.S. federal law. *The Federal Controlled Substances Act classifies "marijuana" as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. As such, cannabis related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under U.S. federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. Any such proceedings brought against the Company may adversely affect the Company's operations and financial performance.*

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The Company's existing investments in the United States, and any future investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. *As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to invest in the United States or any other jurisdiction.*

There is no assurance that the diversification strategy will yield a marketable product, with a potential to elevate the Company to a cash-flow positive state.

Certain of the Company's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. *This may result in certain conflicts of interest.*

The Company has a history of operating losses and may have operating losses and a negative cash flow in the future.

The Company was recently incorporated, has no history of earnings, and shall not generate earnings or pay dividends in the foreseeable future.

Related Party Transactions

Related party transactions were in the normal course of business and have been recorded at the exchange amount; which is the fair value agreed to between the parties. Amounts due to related parties are unsecured, non-interest bearing and without specific terms of repayment.

During the periods ended March 31, 2018 and 2017, the Company entered into transactions with related parties comprised of directors, officers and companies with common directors as follows:

Related party	Nature of transaction
Pacific Equity Management Corp. ("PEMC")	Management fees for services provided by CEO, CFO, VP Corporate Development, VP Finance, Accountant, Secretary, Administrator and all support staff; includes rent and shared office expenses. Under a separate agreement rent and shared office expenses commencing July 1, 2017.
Contact Financial Corp. ("CFC")	Rent and shared office expenses as per original rental agreement terminated June 30, 2017.
Karl Kottmeier ("Kottmeier")	Expenditures incurred by a Director to be reimbursed
1044825 BC Ltd. ("1BL")	Consulting fees for services provided by former CTO
Justin Chorbajian ("Chorbajian")	Note payable issued for funds advanced by a Director

Due to related parties include the following amounts:

	March 31, 2018	**June 30, 2017**
	$	$
PEMC	695	695
CFC	1,750	1,750
Kottmeier	332	-
	2,777	2,445

For the period ended March 31, 2018, the Company paid a total of $180,000 (2017: $110,000) to PEMC, a company controlled by two officers of the Company for management services. Pursuant to an amended Management Services Agreement, the Company is required to pay $20,000 per month, and the agreement can be terminated by either party with six months' notice.

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For the period ended March 31, 2018, the Company paid $22,500 (2017: $nil) to PEMC, a company controlled by two officers of the Company for rent and office services. Pursuant to an amended rental agreement, the Company is required to pay $2,500 per month to PEMC. The amended agreement with PEMC can be terminated by either party with six months' notice.

For the period ended March 31, 2018, the Company paid or accrued $nil (2017: $45,000) for rent and office services to CFC, a company controlled by an officer of the Company and in which a second officer of the Company is a significant shareholder. Pursuant to an amended rental agreement, the Company was required to pay $2,500 per month to PEMC, thus terminating the agreement with CFC.

For the period ended March 31, 2018, the Company paid a total of $nil (2017: $48,000) to 1BL, a company controlled by the former CTO for consulting services.

Included in the Note Payable financing, is $78,431 (2017: $nil) the amount as subscribed by Chorbajian.

The aggregate values of transactions relating to key management personnel were as follows:

	March 31, 2018	December 31, 2016
CEO fees	$ 45,000	$ 27,500
CFO fees	45,000	27,500
Other management fees	90,000	-
Rent	22,500	45,000
Consulting	-	48,000

Table of Contractual Obligations

Contractual Obligations:	*Payments Due by Period*
Management Contract with	**Pacific Equity Management Corp.**
Pursuant to a Management Services Agreement dated as of August 1, 2008, as amended June 29, 2015, and February 1, 2017, the Company has engaged Pacific Equity Management Corporation ("PEMC") for management services. PEMC is a management services company controlled by Karl Kottmeier and Douglas E. Ford, each of whom is a director and/or officer of the Company. The monthly management fee payable under the Agreement is $20,000, plus taxes. The services provided by PEMC include the provision of the services of the following officers and employees: President, Chief Financial Officer; Vice President-Finance, Administrator; Corporate Development Manager; and Receptionist. The Agreement may be terminated by either party on six months' notice. In the event the there is a change of effective control of the Company, PEMC has the right to terminate the Agreement and in such event the Company shall pay PEMC a severance payment equal to twelve (12) months management fees. For purposes of the Agreement, "change of effective control" of the Company shall be deemed to have occurred when voting shares of the Company are acquired by any one person or group of persons acting in concert, through one transaction or a series of transactions, which when added to the number of voting shares previously owned by such person or group of persons acting in concert, would equal at least twenty percent (20%) of the total issued voting shares of the Company from time to time.	$20,000 per month

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Rent & Office Services Contract with	**Pacific Equity Management Corp.**
Pursuant to a Services Agreement dated as of July 1, 2017, the Company has agreed to pay to PEMC $2,500 per month, plus taxes for the provision of office space, office equipment and associated administrative services. The Agreement may be terminated by either party on six months' notice.	$2,500 per month

Off-Balance Sheet Arrangements
There are no off-balance sheet arrangements.

Critical Accounting Estimates
The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of the grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, not necessarily provide a reliable single measure of the fair value of the Company's share purchase options.

Proposed Transactions
See "Events after March 31, 2018", below.

Accounting Changes

Future Accounting Pronouncements
The Company has not early adopted the following revised standards and is currently assessing the impact that these standards will have on its future financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

New Accounting Standards

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.

- IFRS 15: In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard must be applied retrospectively with certain disclosure exemptions, with earlier application permitted. The effective date for IFRS 15 is for annual periods beginning on or after January 1, 2018.

- IFRS 16 "Leases": replaces current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease (on the balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low value assets, however this exemption can only be applied by lessees. The standard applies to annual periods beginning on or after January 1, 2019, with earlier application permitted if IFRS 15, Revenue from Contracts with Customers, is also applied.

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- Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. This standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of this standard. The Company is currently evaluating the impact of this standard.

Financial Instruments and Other Instruments

Capital Disclosure
The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties or businesses with a view to acquisition or participation in a qualifying transaction, to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital is comprised of the Company's shareholders' equity.

As at March 31, 2018, the Company had capital resources consisting of cash and cash equivalents. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

The Company expects its current capital resources are insufficient to carry on its planned operations.

Financial Instruments, Fair Value Measurement and Risk

a) Financial Instruments

As at March 31, 2018, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, taxes receivable, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values because of their short-term nature.

b) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

Level 1
Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2
Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3
Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The fair value of cash and cash equivalents are determined based on "Level 1" inputs which consist of quoted prices in active markets for identical assets. As at March 31, 2018, the Company believes that the carrying values of accounts receivable, taxes receivable and accounts payable and accrued liabilities, due to related parties, and Promissory Note approximate their fair values

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because of their nature and relatively short maturity dates or durations

c) Financial Risks

(i) Credit Risk
Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's maximum credit risk is $1,645,743 (2016 - $31,493) consisting of cash and cash equivalents and taxes receivable. The Company limits its exposure to credit loss for cash and cash equivalents by placing such instruments with high credit quality financial institutions. The values of these instruments may exceed amounts insured by an agency of the government of Canada. Accounts receivable include harmonized sales tax receivable from an agency of the government of Canada. In management's opinion, the Company's credit risk related to cash and cash equivalents, accounts receivable and exploration advances is minimal.

(ii) Liquidity Risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at March 31, 2018, the Company had working capital of $1,637,561 (2017 year-end: $26,149). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at March 31, 2018, the Company has sufficient working capital to discharge its existing financial obligations.

(iii) Interest Rate Risk
The Company is subject to interest rate risk as its cash equivalents bear interest at fixed rates. In management's opinion, the Company's interest rate risk is minimal as its cash equivalents may be redeemed upon demand without significant penalty.

(iv) Foreign Currency Risk
Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Historically, the Company operated internationally. Such operations give rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risk are primarily those cash and cash equivalents and receivables and prepaids that are held in foreign currencies, offset by those accounts payable denominated in foreign currencies. The Company raises funds in Canadian dollars and primarily spends funds in Canadian dollars. The Company is exposed to currency risk primarily on settlements of purchases that were denominated in currencies other than the Canadian dollar. In order to reduce the Company's exposure to currency risk, the Company may periodically increase or decrease the amount of funds held in foreign currencies.

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

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

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

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The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of the Company to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Share Capital Data
The following table sets forth the Company's share capital data as at May 14, 2018:

Common Shares -issued & outstanding	21,339,205		
Options	900,000	Exercise price: $0.10	Expiry: 6/7/2022
Options	50,000	Exercise price: $0.36	Expiry: 4/8/2021

Events after March 31, 2018
a) The Company has entered into a letter of intent with arm's-length parties to acquire a suite of Washington-based assets used in cannabis cultivation, production, distribution and branding. The acquisition is subject to the execution of definitive agreements, completion of the required financing and all shareholder and regulatory approvals, including approval of the Canadian Securities Exchange (the "CSE").SL asset acquisition and PP financing. Consideration for the asset acquisition will be US$1,000,000 payable in cash.

b) On May 11, 2018, the Company announced a private placement financing to raise up to $2.1-million. The offering will be non-brokered and consist of up to six million units at a price of $0.35 per unit. Each unit will be comprised of one common share and one common share purchase warrant (a "Warrant"); each Warrant will entitle the holder to acquire one additional common share for $0.50 for a period of 24-months after closing of the private placement. The Warrants are subject to an acceleration provision whereby if the closing market price of the Common Shares of the Company on the CSE is greater than $0.60 per Common Share for a period of ten (10) consecutive trading days (a "Trigger Event"), then the Company may deliver a notice (the "Acceleration Notice") to the holders of Warrants notifying the holders that the Warrants must be exercised within thirty (30) calendar days from the date of the Acceleration Notice, otherwise the Warrants will expire at 4:00 p.m. (Vancouver time) on the thirtieth (30th) calendar day after the date of the Acceleration Notice. The net proceeds of the private placement will be added to general working capital, some of which are expected to be deployed to close the Washington asset acquisition.

Further Information
Additional information about the Company is available at the Canadian disclosure website www.sedar.ca